

*Please reply to:*

Contact: Gillian Scott  
 Service: Committee Services  
 Direct line: 01784 444243  
 E-mail: [g.scott@spelthorne.gov.uk](mailto:g.scott@spelthorne.gov.uk)  
 Date: 15 September 2020

## Notice of meeting

### Cabinet

**Date:** Wednesday, 23 September 2020

**Time:** 6.00 pm

**Place:** Skype Video Conference call

<b>The members of the Cabinet</b>	<b>Cabinet member areas of responsibility</b>
J.R. Boughtflower	Leader
J. McIlroy	Deputy Leader
M.M. Attewell	Portfolio Holder for Community Wellbeing and Housing
R.O. Barratt	Portfolio Holder for Compliance, Waste and Risk
S. Buttar	Portfolio Holder for Finance
R. Chandler	Portfolio Holder for Leisure Services and New Leisure Centre Development
A.J. Mitchell	Portfolio Holder for Planning and Economic Development
R.J. Noble	Portfolio Holder for Communications, Corporate Management and Environment

*Councillors are reminded to notify Committee Services of any Gifts and Hospitality offered to you since the last Council meeting so that these may be entered in the Gifts and Hospitality Declaration book.*

**Spelthorne Borough Council, Council Offices, Knowle Green**

**Staines-upon-Thames TW18 1XB**

[www.spelthorne.gov.uk](http://www.spelthorne.gov.uk) [customer.services@spelthorne.gov.uk](mailto:customer.services@spelthorne.gov.uk) Telephone 01784 451499

## AGENDA

**Page nos.**

- 1. Apologies for absence**  
To receive any apologies for non-attendance.
- 2. Minutes** **7 - 16**  
To confirm the minutes of the meeting held on 15 July 2020 and the extraordinary meeting held on 22 July as a correct record.
- 3. Disclosures of Interest**  
To receive any disclosures of interest from councillors in accordance with the Council's Code of Conduct for members.
- 4. Leader's announcements**  
To receive any announcements from the Leader.
- 5. Recommendation of the Audit Committee on Corporate Risk Management** **17 - 24**  
**Councillor S. Buttar**  
  
To consider the recommendation of the Audit Committee following its review of the Corporate Risk Register.
- 6. Recommendation of the Audit Committee - Anti-Fraud, Bribery and Corruption Strategy** **25 - 32**  
**Councillor S. Buttar**  
  
To consider the recommendation of the Audit Committee on amendments to the Anti-Fraud, Bribery and Corruption Strategy and make a recommendation to Council.
- 7. Recommendations from the Local Plan Task Group** **33 - 180**  
**Councillor J.R. Boughtflower**  
  
To consider the recommendations from the Local Plan Task Group on the draft Preferred Options Consultation response document.
- 8. Recommendations from the Property and Investment Committee** **To Follow**  
**Councillor J.R. Boughtflower**  
  
To consider any recommendations from the Property and Investment Committee arising from its meeting held on 16 September 2020.

- |            |  |                  |
|------------|--|------------------|
| <b>9.</b>  | <b>Affordable housing at the former Brooklands College site, Ashford - Key Decision</b><br><b>Councillor M. Attewell</b>   | <b>181 - 186</b> |
|            | To consider the payment of a grant to A2 Dominion to support the delivery of 26 homes for affordable rent subject to the completion of a legal agreement.  |                  |
| <b>10.</b> | <b>Capital Monitoring Q1 (April to June)</b><br><b>Councillor S. Buttar</b>  | <b>187 - 194</b> |
|            | To note the Capital spend for the period April to June 2020.   |                  |
| <b>11.</b> | <b>Revenue Monitoring Q1 (April to June)</b><br><b>Councillor S. Buttar</b>  | <b>195 - 218</b> |
|            | To note the Revenue spend for the period April to June 2020.   |                  |
| <b>12.</b> | <b>Annual Asset Investment Report</b><br><b>Councillor J. Boughtflower</b>   | <b>219 - 260</b> |
|            | To consider approval of the Annual Asset Investment Report.  |                  |
| <b>13.</b> | <b>Asset Management Plan</b><br><b>Councillor J. Boughtflower</b>  | <b>261 - 332</b> |
|            | To consider approval of the Asset Management Plan for 2020 – 2025.   |                  |
| <b>14.</b> | <b>Community Asset Policy</b><br><b>Councillor J. McIlroy</b>  | <b>333 - 362</b> |
|            | To consider the Community Asset Policy and any recommendations arising from the Extraordinary Overview and Scrutiny Committee which is considering this matter at its meeting on 22nd September 2020.  |                  |
| <b>15.</b> | <b>Urgent Actions report</b>   | <b>363 - 364</b> |
|            | To note the urgent actions taken by the Chief Executive in consultation with the Leader, since the last meeting of the Cabinet on 15 July 2020.  |                  |
| <b>16.</b> | <b>Replacement of Spelthorne Leisure Centre</b><br><b>Councillor R. Chandler</b>   | <b>365 - 398</b> |
|            | To note the results of the consultation exercise on proposals for a new Spelthorne Leisure Centre, consider design proposals and make a recommendation to Council on a supplementary capital estimate, |                  |

outlined in the confidential Appendix 5, to cover the projected costs of developing the new centre.

**Reason for partial exemption**

**Appendix 5** to the report contains exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in the tendering process for a developer to build the new leisure centre, allowing tenderers to know the Council's estimated costs and budget for this development. This in turn prejudices the Council by (i) distorting the tendering process and (ii) prejudicing the opportunity for the Council to get the most financially advantageous deal for building the new centre.

**17. Urgent items**

To consider any items which the Chairman considers as urgent.

**18. Exempt Business**

To move the exclusion of the Press/Public for the following items, in view of the likely disclosure of exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006.

**19. Exempt Report - Victory Place Construction Costs**

**399 - 408**

**Councillor J. McIlroy**

To consider an exempt report and make a recommendation to Council on an increase in spend to deliver an additional 19 units for this development.

**Reason for exemption**

This report contains exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in agreeing final financial and contract terms with the preferred bidder. If the bids were to be made public then it may make the Council vulnerable to a renegotiation with the preferred bidder.

**20. Exempt Report - Ceaser Court Phase 2 - Construction Costs**

**409 - 416**

**Councillor J. McIlroy**

To consider an exempt report and make a recommendation to Council on an increase in the spend for construction works to provide an additional 34 residential units and community space on the ground floor.

**Reason for exemption**

This report contains exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in obtaining best value and agreeing final contract terms with the preferred bidder. If the underbidders bids were to become public knowledge then this may put the Council in a position where they are vulnerable to a renegotiation with the preferred bidder.

**21. Exempt Report - White House and Harper House Managed Services**

**417 - 438**

**Councillor M. Attewell**

To consider an exempt report proposing the award of the tender for the Managed Service Provider at White House and Harper House.

**Reason for exemption**

This report contains exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in a competitive procurement process by allowing other bidders to know the financial position of the Council and other bidders. This in turn prejudices the Council by (i) distorting the procurement process and (ii) prejudicing the opportunity for the Council to achieve a competitive price and good value for money and (iii) might dissuade organisations bidding for the Council's tenders if their commercial information was put into the public domain.

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**Minutes of Cabinet**

**15 July 2020**

**Present:**

Councillor J.R. Boughtflower, Leader  
Councillor J. McIlroy, Deputy Leader  
Councillor M.M. Attewell, Portfolio Holder for Community Wellbeing and Housing  
Councillor R.O. Barratt, Portfolio Holder for Compliance, Waste and Risk  
Councillor S. Buttar, Portfolio Holder for Finance  
Councillor R. Chandler, Portfolio Holder for Leisure Services and New Leisure Centre Development  
Councillor A.J. Mitchell, Portfolio Holder for Planning and Economic Development  
Councillor R.J. Noble, Portfolio Holder for Communications and Corporate Management

**Councillors in attendance:**

Councillor S.A. Dunn  
Councillor N.J. Gething  
Councillor C. Bateson  
Councillor I.T.E. Harvey  
Councillor D. Saliagopoulos  
Councillor R.A. Smith-Ainsley

**2714 Minutes**

The minutes of the Cabinet meeting held on 26 February 2020 and the two extraordinary meetings held on 8 April 2020 were agreed as correct records.

**2715 Disclosures of Interest**

There were none.

**2716 Homelessness and Rough Sleeping Strategy 2020-2025 - Key Decision**

Cabinet considered a report on the Homelessness and Rough Sleeping Strategy 2020-2025.

The Homelessness and Rough Sleeping Strategy 2020-2025 sets out how the Council will tackle and prevent homelessness in the borough. The strategy sets out six key priorities, and is based upon the findings of an extensive Homelessness Review, feedback from two stakeholder events held in 2019, extensive feedback from local partners from the statutory and voluntary sectors, and responses from a six week public consultation which ran from December 2019 to January 2020.

Alternative options considered and rejected by the Cabinet: Do nothing

**Resolved** to approve the Homelessness and Rough Sleeping Strategy 2020-2025 as appended to the report.

**Reason for Decision**

The Council is required under the Homelessness Act 2002 to have a Homelessness and Rough Sleeping Strategy, which is now out of date. Following an extensive review the Homelessness and Rough Sleeping Strategy 2020-2025 sets out how the Council will tackle and prevent homelessness in the borough.

**2717 Asset Management Plan**

This item was withdrawn prior to the meeting.

**2718 Annual Asset Investment Report**

This item was withdrawn prior to the meeting.

**2719 Community Asset Policy**

This item was withdrawn at the meeting.

**2720 Provisional Revenue Outturn Report 2019/20**

Cabinet considered a report on the provisional revenue outturn for 2019/20.

The report noted a surplus for the year of £4.939m, of which £0.204m related to proposed carry forward items with £0.249m set aside in the General Fund Reserve, resulting in a net balanced budget.

**Resolved to:**

1. Note the provisional revenue outturn for 2019/20;
2. Approve the revenue carry forwards of £204,200; and
3. Approve the transfer to reserves for 2019/20.

**2721 Provisional Capital Outturn Report 2019/20**

Cabinet considered a report on the provisional capital outturn spend for 2019/20.

The majority of the £153.7m underspend related to property development schemes and the remainder to Corporate ICT projects. The proposed capital carry forward of £76.5m included £76.4m for the development of Oast House and various other capital schemes.

**Resolved to:**

1. Note the provisional capital outturn spend for 2019/20; and
2. Approve the capital carry forward of £76,525,900.



**2722 Treasury Management Outturn Report 2019/20**

Cabinet considered a report on the performance of the treasury management function.

**Resolved** to note the Treasury Outturn position for 2019-20 and the financial environment in global markets, as detailed in the report.

**2723 Replacement heating/cooling systems at 3 Roundwood Avenue, Stockley Park**

Cabinet considered a report on the urgent need to undertake works at 3 Roundwood Avenue, Stockley Park following the unexpected mechanical failure of the main chiller and boilers.

It was proposed that the Council forward funds the works, given their scale, and recovers the costs from the tenants via the service charge over the next 18 months.

Alternative options considered and rejected by the Cabinet:  
Formally agree not to forward fund the works

**Resolved to:**

1. Approve the expenditure of £271,600 for the forward funding of works to replace the central plant (chiller and boiler system) at 3 Roundwood Avenue;
2. Approve the appointment of contractor B for the chiller works, and contractor D for the boiler replacement, following a competitive tender process; and
3. Authorise the Group Head of Corporate Governance to enter into any legal documentation necessary to formalise the appointments.

**Reason for Decision**

The works are of an urgent nature following the unexpected mechanical failure of the main chiller and boilers.

The building is fully let with repair and maintenance costs recoverable through a service charge. The works will greatly enhance the future potential for securing new lettings in the building.

The works have been competitively tendered and represent good value to the Council.

**2724 Licensing Fees**

Cabinet considered a report on the amendment to fees which had been missed from the February Cabinet Fees and Charges report and the introduction of a pavement licensing fee.

As part of the coronavirus business recovery plan, the Business and Planning Bill will make temporary provision for the application for a pavement licence to permit the placement of furniture on part of the highway adjacent to a

premises. This will allow the licence-holder to sell or serve food or drink. The Council is able to recover the costs it incurs to process the licence to a maximum £100 per licence.

Alternative options considered and rejected by the Cabinet:

- To propose alternative fees to those presented in the report.

**Resolved to:**

1. Approve the annual licensing fee for street traders;
2. Approve the annual licensing fee for private hire driver re-testing;
3. Approve a correction to the breakdown of HMO licensing fee;
4. Approve a new fee for the provision of pavement licences; and
5. Note that the HMO licensing fees are to be reviewed to ensure that charges reflect costs incurred and value for money.

**Reason for decision**

Councils are strongly encouraged to recover the full costs of their statutory licensing activities from the businesses who benefit (i.e. the licence holder), rather than placing the financial burden on the local tax payer.

**2725 Appointments to Outside Bodies**

Cabinet considered nominations for representatives to be appointed to outside bodies as set out in Appendix 1 to the report.

**Resolved to** appoint those representatives to the Outside Bodies as shown at Appendix 1 until June 2021.

**Reason for Decision**

The annual appointment of representatives to Outside Bodies helps the Council fulfil its community engagement role.

**2726 Leader's announcements**

The Leader made the following announcements and service updates from various Council departments:

“The work of the nationally acclaimed Swan Sanctuary in Shepperton has received a welcome boost thanks to the donation of a veterinary ambulance by Heathrow. The Swan Sanctuary was founded by Dorothy Beeson in the early 1980s and has been based in Shepperton since 2005. The team are on 24-hour alert, 365 days a year. When a ‘swan in distress’ call comes in, a local rescue squad is on its way within minutes to provide treatment. If the birds are seriously injured, they are transported to the sanctuary via veterinary ambulance and then assessed. Once a swan has been treated and regains its strength, it is transferred to a rehabilitation pen before being released back into its natural habitat.

Spelthorne has been working closely with Shepperton resident Diana Moran, also known as the Green Goddess, to share her ‘Keep Fit and Carry On’ exercise sessions on Council’s website and social media. During the early

days of the Covid-19 pandemic, Diana was brought back to the BBC after 40 years with her easy-to-follow exercise sessions for the over 65s and people who find exercising difficult.

As the fishing season has restarted on the River Thames, the Council has been reminding residents and visitors about the bye-laws relating to fishing which prohibit camping, fires and BBQs. Anglers must also remove their litter or risk receiving a fixed penalty notice or community protection warning letter. The Community Safety team have been patrolling areas of concern, notably the Old Bathing Station and Rivermead Island, and have issued nine community protection warnings.

The Council has been working with the Rotary Club and Painting Our World In Silver to create activity packs for elderly residents who may be feeling bored or lonely as a result of the changes brought about by Coronavirus. Many elderly residents have been forced to self-isolate during the pandemic and members of the Council's Community Centres have been greatly missing the companionship offered by the Centres. To help tackle the problem, Cllr Robert Noble set about raising funds and worked alongside the Shepperton and District Rotary Club which together donated £2,000. The packs have been distributed via a number of local groups including the Greeno and Fordbridge Centres, Purple Angels, Shepperton Community Support, community foodbanks and Spelthorne's Meals on Wheels clients.

The summer edition of the Bulletin magazine is being delivered to all homes in the Borough from 20 July. It includes articles about how the council has responded to Coronavirus, the work the Council is doing to support the armed forces community and an interview with one of our refuse collection teams.

We have been paying grants to businesses been affected by Coronavirus and to date have paid 980 grants under the retail and hospitality relief, totalling £12,695,000 and 109 discretionary business grants worth a total of £507,500."

**2727 Property and Investment Committee minutes**

Cabinet noted the minutes of the Property and Investment Committee meeting held on 22 June 2020.

**2728 Urgent actions update**

Cabinet noted urgent actions taken by the Chief Executive in consultation with the Leader since the last Cabinet meeting in February 2020.

**2729 Urgent items**

There were none.

**NOTES:-**

- (1) ***Members of the Overview and Scrutiny Committee are reminded that under Overview and Scrutiny Procedure Rule 16, the "call-in" procedure shall not apply to recommendations the Cabinet makes***

**to the Council. The matters on which recommendations have been made to the Council, if any, are identified with an asterisk [\*] in the above Minutes.**

- (2) Members of the Overview and Scrutiny Committee are entitled to call in decisions taken by the Cabinet for scrutiny before they are implemented, other than any recommendations covered under (1) above.**
- (3) Within five working days of the date on which a decision of the Cabinet or a Cabinet Member is published, not less than three members [one of whom must be the Chairman] of the Overview and Scrutiny Committee are able to "call in" a decision;**
- (4) To avoid delay in considering an item "called in", an extraordinary meeting of the Overview and Scrutiny Committee will be convened within seven days of a "call in" being received if an ordinary meeting is not scheduled in that period;**
- (5) When calling in a Cabinet decision for review the members doing so should in their notice of "call in":-**
  - Outline their reasons for requiring a review;**
  - Indicate any further information they consider the Overview and Scrutiny Committee needs to have before it in order to conduct a review in addition to the written report made by officers to the Cabinet;**
  - Indicate whether, where the decision was taken collectively by the Cabinet, they wish the Leader or his nominee (who should normally be the Cabinet Member) or where the decision was taken by a Cabinet Member, the member of the Cabinet making the decision, to attend the committee meeting; and**
  - Indicate whether the officer making the report to the Cabinet or the Cabinet Member taking the decision or his/her representative should attend the meeting.**
- (6) The deadline of five working days for "call in" by Members of the Overview and Scrutiny Committee in relation to the above decisions by the Cabinet is the close of business on 23 July 2020.**

## **Minutes of Extraordinary Cabinet**

**22 July 2020**

### **Present:**

Councillor J.R. Boughtflower, Leader  
Councillor J. McIlroy, Deputy Leader  
Councillor M.M. Attewell, Portfolio Holder for Community Wellbeing and  
Housing  
Councillor R.O. Barratt, Portfolio Holder for Compliance, Waste and Risk  
Councillor S. Buttar, Portfolio Holder for Finance  
Councillor R. Chandler, Portfolio Holder for Leisure Services and New Leisure  
Centre Development  
Councillor A.J. Mitchell, Portfolio Holder for Planning and Economic  
Development  
Councillor R.J. Noble, Portfolio Holder for Communications and Corporate  
Management

### **Councillors in attendance:**

Councillor C. Bateson, A. Brar, R.D. Dunn, S.A. Dunn, K.M. Grant, H. Harvey,  
I.T.E. Harvey, D. Saliagopoulos, R.A. Smith-Ainsley, B.B. Spoor and  
R.W. Sider BEM.

### **2730 Disclosures of Interest**

There were none.

### **2731 Recommendation from Licensing Committee**

An amendment to the Business and Planning Bill which was given Royal Assent, on this date, provided for Pavement Licensing to be a non-executive function. Therefore the Licensing Committee had the authority to agree the Policy and no longer needed to recommend the Policy to Cabinet for approval.

This item was therefore withdrawn from the agenda.

### **2732 Exempt Business**

**Resolved** to move the exclusion of the Press and Public for the following item in view of the likely disclosure of exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006.

**2733 Exempt report - Re-opening of Spelthorne Leisure Centres - request for funding - Key Decision**

*Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).*

The Cabinet considered an exempt report on a request for funding to enable the re-opening of Spelthorne Leisure Centres.

The Cabinet noted that the Council's two leisure centres in Sunbury-on-Thames and Staines-upon-Thames play a very important role in supporting the health and wellbeing of many of the borough's residents. Both centres were popular with users and catered for a wide range of needs.

Sports and Leisure Management Limited (SLM), one of the biggest leisure centre operators in the UK, had a contract with the Council to operate these two sites. The exempt report outlined some of the background leading up to a request from SLM for financial assistance from Spelthorne.

Following extensive discussions with SLM on the level of support needed to reopen the Council's Leisure Centres from 25 July, and analysis of their forecast figures, Council officers had formulated all the options available in the report before Cabinet.

Alternative options considered and rejected by the Cabinet:

- Provide no financial support to SLM and enforce the requirements of the contract
- Agree to forgo the monthly Management Fee payable to the Council under the current contract for a specified period of time (for example 3, 4, 6 or 9 months)
- Agree to provide additional funding to open just one leisure centre
- Agree to provide additional funding to keep both leisure centres open
- Agree to provide SLM with a loan to cover the costs of opening both LCs
- Not to accept any of the above options and undertake further negotiations with SLM to seek an alternative agreement

**Resolved to:**

1. note the contents of the report;
2. approve the proposed financial support package with Sports and Leisure Management Ltd. as outlined in section 2.10 of the report, to enable the reopening of the Council's Leisure Centres from 1 August 2020; and
3. authorise the Joint Group Head for Community Wellbeing, and the Group Head of Corporate Governance to finalise any necessary documentation.

**Reason for Decision**

Sports and Leisure Management have indicated that without financial support from the Council they will not be able to reopen the leisure centres and that they may have to remain closed indefinitely due to the limitations placed on them by the Government's guidance to prevent the spread of COVID-19.



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## **RECOMMENDATION FROM THE AUDIT COMMITTEE CORPORATE RISK MANAGEMENT**

**Cabinet: 23 September 2020**

- 1.1 The Council's Risk Management Policy/Strategy was approved by the Executive in 2002. The policy is currently under review.
- 1.2 The Audit Committee is responsible for considering the effectiveness of the authority's risk management arrangements and receives regular reports on risk issues.
- 1.3 The Audit Committee reviewed the revised Corporate Risk Register (attached as Appendix 1) at its meeting on 23 July 2020 and noted and accepted the contents. The revised register is considered to be an accurate reflection of the high level risks affecting the Authority, as well as the progress made on actions previously proposed, based on our assessment of risk and controls in operation.
- 1.4 The Audit Committee supported proposals to change the Corporate Risk Register to provide a greater focus on corporate objectives, with fewer risk categories. It was agreed that the Chairman and Vice Chairman would work with officers to create a clear, easily maintained, functional register.

### **Audit Committee Recommendation**

The Audit Committee recommends to the Cabinet:

That the Corporate Risk Register, as submitted, be approved.

**Contact: Punita Talwar, Internal Audit Manager**  
**Cabinet member: Councillor Sati Buttar**

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APPENDIX 1

**CORPORATE RISK REGISTER**

This register summarises the Council's most significant risks which align to one or more Corporate Priority. It sets out controls in place and identifies any further action needed to mitigate risks. Actions are assigned to appropriate officers with target dates for implementation. The relevant Portfolio Holder for each risk category is also highlighted.

Actions are assigned to appropriate officers with target dates for implementation.

Level of risk: Likelihood vs. Impact on a scale of 1 (lowest) to 4 (highest)

Content reviewed March 2020

PREVIOUS RAG	CURRENT RAG	RISK / IMPACT (WITH REFERENCE TO CORPORATE PRIORITY)	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK	CURRENT CONTROLS (RISK MITIGATION)	ACTIONS	RISK OWNERSHIP (ACCOUNTABILITY)	LEAD OFFICER	TARGET DATE	PROGRESS /REASONS WHERE RISK ACTIONS NOT IMPLEMENTED
		<p><b>1. Housing</b></p> <p>Lack of affordable housing (to rent) increases homelessness</p> <ul style="list-style-type: none"> <li>Housing provision does not meet local resident needs (A full list of causes and consequences of this risk have been carefully considered and separately reported as part of current development work aimed at enhancing Corporate Risk Management)</li> </ul> <p><b>(Corporate Priority- Housing - Delivering Housing that meets local needs )</b></p>	2	3	3	Local Plan; Local Development scheme; Annual monitoring reports outline number of affordable dwellings granted; Housing Delivery test resulted in production of Housing Delivery Action Plan; Housing Delivery Programme; Knowle Green Estates - business plan approved by Cabinet; Housing Strategy 2020 – 2025; Homelessness Strategy 2020 – 2025 (Subject to approval) ; Action plans arising from the Housing and Homelessness strategy encompass defined priorities for Housing ; Quarterly monitoring of strategic action plans by designated Officers, reporting red and amber actions to the Strategic Housing Group ;Strategic Housing Group meets monthly with clearly defined Terms of Reference (monitoring mechanism);Close working with Partners to support achievement of Housing aims ;Progress of property development projects reported weekly to Development and Improvement Group (DIG); Financial monitoring and management; Embedding of legislative requirements of the Homelessness Reduction Act 2017; Collaborative arrangements in place to support proactive and reactive counter fraud work, with quarterly reporting of fraud returns generated (cost savings/future losses prevented).	<p>1i. Member approval of the Housing Strategy (incorporates action plan) covering the period 2020 – 2025</p> <p>1ii. Approval of the Homelessness Strategy (incorporates action plan) covering the period 2020 – 2025</p> <p>1iii. Set up a homelessness strategy working group to support achievement of aims</p> <p>1iv. Establish and approve clearly defined Terms of Reference for the Homelessness Strategy working group to support achievement of aims</p> <p>1v. Service Level Agreement to be put in place with registered providers to take forward cases of alleged tenancy fraud. 1vi. Preparation and adoption of New Local Plan to meet future need and strengthen affordable housing policy</p>	<p>MAT Member &amp; Joint Group Heads CW</p> <p>* Cllr Attewell</p>	<p>HSPM/ SPM *</p>	<p>1i. April 2020</p> <p>1ii. May 2020</p> <p>1iii. August 2020</p> <p>1iv. December 2020</p> <p>1v. June 2020</p> <p>1vi. March 2022</p>	Date New Actions Added: Progress monitoring will take place at the next review of the Corporate Risk Register . RAG Rating recorded as blue as complete set of new actions identified and added
		<p><b>2. Economy/ Funding</b></p> <p>Technological and other factors may create uncertainty over economic growth and supplier failure, which could impact on:</p> <ul style="list-style-type: none"> <li>Delivery of contracts and service provision</li> <li>Business Rate income collected/retained , thereby affecting the Council's overall finances.</li> </ul> <p><b>(Corporate Priority areas- Economic Development &amp; Financial Sustainability)</b></p>	2	3	3	Financial Services monitor the financial media in relation to larger companies and critical commercial partners. Enhanced Monitoring arrangements implemented as key suppliers now added to the S&P Watch list . Aim to maximise Business Rate collection/minimise losses for the Council. Additional quarterly monitoring of collection and projected outturn retention implemented. Additional counter fraud resource is available to identify and investigate potential tax avoidance and evasion cases, which can be translated into cashable savings for the authority.	<p>2. Impact of Business Rate arrangements on Council finances is under ongoing review.</p>	<p>DCX (TC)</p> <p>* Cllr Buttar</p>	<p>Deputy Group Head CR *</p>	<p>Completed/ Ongoing Monitoring</p>	<p><b>2. Implemented and ongoing.</b></p> <p>Officers have confirmed there are no further updates to report.</p>
		<p><b>3. Economic Development</b></p> <p>Absence of a robust Economic Development Strategy or ineffective plans to deliver, thereby impacting on levels of growth and development of the borough (including local employment , inward investments) with consequential effects on prosperity and economic wellbeing .</p> <p><b>(Corporate Priority area- Economic Development)</b></p>	2	3	3	Regular reporting to Members. A 5 year economic assessment & development strategy for 2017 - 2022. Periodical review and refreshing of the Economic Development strategy, enabling targets that have been achieved to be commented upon and removed; new targets that have emerged over the previous period are then included. Support to local businesses through key account management. Supporting the development of the Staines-upon-Thames Business Improvement District. Review of Local Plan. Regeneration Masterplan for Staines- Upon-Thames.Prioritisation of projects to benefit from the business rates retention has been completed.	<p>3i. Economic development is a Council priority and growth will impact on business rate income - this is under ongoing review.</p> <p>3ii. Regarding governance, through the EDEG 5 areas have been identified as the most important areas of delivery within the strategy and will be reported on every 6 months to the group to strengthen performance monitoring. The refreshed strategy needs to be approved by the EDEG.</p>	<p>EDM*Cllr Mitchell</p>	<p>EDM*</p>	<p>Completed/ Ongoing Monitoring</p>	<p>3i. Opportunities for economic development are sought to promote rejuvenation and wider benefits across the borough (various examples such as new Leisure centre and Knowle Green Estates developments).</p> <p>3ii. The latest refresh of the economic strategy was reported to the Economic Development Engagement Group on 20 February. This is the final refresh before a replacement strategy and economic assessment is prepared for 2022 onwards.</p>
		<p><b>4. Financial Resilience - Income Generation(Property)</b></p> <p>In light of ongoing reduction in Central Government funding, if opportunities for significant income generation and investments are missed, then this will impact on the Council's ability to close the budget gap and deliver vital services. If weak governance arrangements prevail, this may contribute to poor investment outcomes and increase exposure to financial</p>	3	4	4	Long term strategic/financial plan. Member engagement. The Council is applying innovative ways to fund services and create new revenue streams through significant commecial asset acquisitions and investments.Ongoing annual net incomehas enabled a balanced budget for 2019-20 and to make revenueue contributionstowards capital to put capital programmeon a more sustainable basis. Prudential Indicators approved by Council in December 2017. Advice is sought from Arlingclose as necessary. Due diligence in respect of acquisitions and leases addresses strength of covenant of tenants, using S&P to evaluate financial strength. A robust governance framework supports property acquisitions including Property Investment Strategy; Development and Investment group to monitor performance; use of KPI's to assess total risk exposure; Treasury Management strategy approved by Council;weekly monitoring by MAT.	<p>4i. A robust governance framework continues to be developed to support property acquisitions and investment processes.</p>	<p>GH R &amp; G* Cllr McIlroy</p>	<p>GH R&amp;G DCX(TC)</p>	<p>4i. Completed /Ongoing Monitoring</p>	<p><b>4i. Implemented/ Ongoing .</b> Performance is monitored regularly at weekly Development and Investment Group (DIG) and a quarterly performance report is produced for the Investment Portfolio. Meetings are scheduled for the newly established Property and Investment Committee (PIC). In addition, it will set out a suite of Key Performance Indicators against which the Portfolio will be evaluated. Council has approved Capital Strategy for 2020-21 which includes a set of Key Performance Indicators- these will be reported on as part of outturn reports. Sinking Funds combined balance on track to be approximately £18m as at end of March 2020, equivalent to covering 22 months of the net revenue surplus from the Council's commercial portfolio. Refreshed Asset Management Plan going to March Cabinet. Internal Audit completed audit on Commercial Assets acquisitions and investments. Officers had a very positive workshop session with Chartered Institute of Public Finance and Accountancy on the CIPFA new Financial Management Code (which</p>

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PREVIOUS RAG	CURRENT RAG	RISK / IMPACT (WITH REFERENCE TO CORPORATE PRIORITY)	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK	CURRENT CONTROLS (RISK MITIGATION)	ACTIONS	RISK OWNERSHIP (ACCOUNTABILITY)	LEAD OFFICER	TARGET DATE	PROGRESS /REASONS WHERE RISK ACTIONS NOT IMPLEMENTED
		risk including loss of anticipated rental income and poor investment returns, with associated reputational damage. <b>(Corporate Priority area - Financial Sustainability)</b>									will be subject of a report at a future Audit Committee) on the Council's approach to financial resilience and long term scenario planning. The Council has a balanced budget for the next three financial years.
		Risk Category 4 Continued (See above)				<b>Further control measures relating to risk category 4 (Property Acquisitions)</b> Governance Framework (Continued) : Formalised reporting of KPI's once the new Property Management System is operational; Council approved at its February 2020 meeting the Capital Strategy. Commercial asset acquisitions and investments will be subject to periodical audit review. Monitoring arrangements relating to property development work arising from asset acquisitions. Due Diligence measures for tenant management: the Council has subscribed to Standard & Poor's credit rating database and set up watch lists for its tenants to alert it to any deterioration in the health of its tenants. Where there is any deterioration the potential impact of this is reviewed by the internal team. Sensitivity analysis is undertaken with respect to variables such as rental growth.	<i>4ii. Robust and effective systems need to be in place to record and recover significant rental income due to SBC from it's increased property portfolio. 4iii. Effective implementation of Property Management Software 4iv. Application of CIPFA'S new Financial Management Code aimed at improving financial resilience across Councils (responsibility of whole organisation) *N</i>	4ii & iii GH R & G* <b>Clr McIlroy</b> 4iv. DCX/MAT/ ALL GROUP HEADS * <b>All Portfolio Holders</b>	GH R&G DCX(TC)	4.ii & 4iii. 30 April 2020 *R Requires monitoring 4iv. NEW ACTION ADDED FEB 2020 (Target - 31 March 2021) * O	4ii & iii. <b>Progress underway</b> - Work is underway to deliver a new Property Management System to effectively manage Spelthorne's £1 billion property portfolio (investment, community, commercial and residential properties).The property and tenancy data for the investment and residential portfolio has been uploaded on the new system. Subject to finalising the accounting procedures and robust testing it is anticipated that the System will 'go live' for rent collection and the payment of invoices for the residential portfolio on 1st April. The data load for the municipal portfolio is completed in part. The timeframe to 'go live' for both rent collection and invoicing is dependent on agreeing financial procedures and the system set-up. It is anticipated that the software will be used for billing tenants on the municipal and investment properties by end of June 2020. The Council uses expert external advisors (where required) for its investment portfolio to manage matters such as service charges. DIG receives timely updates on rental income collected on the Council's commercial investment assets. Cushman & Wakefield reported that 97.5% of the rent was collected within 7 days of the December quarter day, with only £4,500 outstanding at current date.
		<b>5. Treasury Management</b> If the Council receives a poor return on long term investments and/or investments become insecure in the current/future climate, then this will have an adverse impact on the Council's financial position. <b>(Corporate Priority Area - Financial Sustainability)</b>	2	3	3	Treasury Management Strategy approved annually by Members. Approved Capital Strategy (see risk category 4). Reporting of Treasury Management performance to Members. Aim to select counter parties of the highest credit quality; credit ratings monitored closely and apply criteria recommended by Arlingclose. Council's investments managed internally in consultation with Arlingclose. The team continues to explore options for diversifying the portfolio. Fixed interest rate on most debt and for investments an interest equalisation reserve is in place. Roles and responsibilities assigned within Accountancy. A review of the Accountancy structure took place in August 2019 and additional growth/resource approved which should also assist in further enhancing the control environment. Periodical Internal Audit Review.Deputy Chief Executive and Portfolio Holder are involved in key decisions. Regular monitoring ,reporting of investment portfolio and returns achieved.CIPFA Code of Practice and Prudential Code being applied with new recommended indicators for measuring investment performance.Training delivered for new Financial Management Code. Council commissioned an options paper from Arlingclose on financing being considered in the context of the recent uplift by 100 basis points in Public Works Loan Board (PWLB).	<i>There are no actions to report (February 2020).</i>	DCX (TC) * <b>Clr Buttar</b>	CA/DCA *	N/A	Overview and Scrutiny have received half yearly treasury monitoring reports which confirm medium term investments are performing well at an average rate for 12 months to end of September 2019 of 4.75%. Treasury Management Strategy and Capital Strategy approved by Council in February 2020.Officers continue to work closely with the Council's Treasury Management advisers who are advancing proposals to bring forward alternatives to PWLB loan finance (note in recent weeks PWLB rates have fallen back roughly 50 basis points).
		<b>6. Economic Uncertainty/Political Landscape</b> Brexit and transitional arrangements represent many potential uncertainties of a financial,economic, recruitment, regulatory and supply chain management nature arising from currency devaluation/volatility, trade barriers and tariffs, investments, relocation of Partners/Suppliers, changing access to EU funds, level of compliance with EU regulations , workers rights. <b>ALL PRIORITIES</b>	3	3	3	The Group Head for Commissioning and Transformation is the Corporate lead for Brexit. Previously participated in regular County wide Brexit Planning meetings and briefed MAT, Group Heads and Members and will participate once more when such meetings are resurrected. Briefing note presented to Audit Committee in March 2019 and Cabinet in Autumn 2019. A weekly report on preparedness for Brexit was undertaken by the Local resilience Forum for much of 2019 and fed through to Central Government. Weekly tactical and fortnightly strategic teleconferences with the Local Resilience Forum to ensure contingencies were undertaken occurred in 2019. Such meetings may be put in place again once know the likely outcome of trade negotiations. Services were addressing potential implications including staffing, environmental health and data protection. Guidance for Councils on Brexit secondary legislation has been circulated to Managers and relevant transitional information as well.	<i>6i. Management Team to regularly consider potential Brexit uncertainties for Spelthorne and have a plan in place to address when the implications of a trade deal or no deal become evident. Spelthorne will continue to work with the Local Resilience Forum on the implications when known. (REVISED ACTION FEBRUARY 2020) 6ii. Monitoring of transitional arrangements and implications for the Council in line with the Local Resilience Forum. (NEW ACTION - MARCH 2020) *N</i>	GH C & T (Lead) <b>All Portfolio Holders</b>	GH C & T (Lead)	6i December 2020 O * 6ii. December 2020 O* Requires monitoring	6i. Previously participated in regular County wide Brexit Planning meetings and briefed MAT, Group Heads and Members. This will continue when such meetings are resurrected. (The action at 6i has been revised given the UK has now entered into a transition period with the EU which lasts until 31 December 2020. A new trading relationship between the UK and EU is due to be agreed by the end of the transition period, but if no agreement is achieved a 'no deal' scenario will apply). 6ii. NEW ACTION ADDED General - Recommendations arising from an internal audit review of Brexit Readiness have been/are being addressed .

PREVIOUS RAG	CURRENT RAG	RISK / IMPACT REFERENCE TO CORPORATE PRIORITY (WITH)	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK	CURRENT CONTROLS (RISK MITIGATION)	ACTIONS	RISK OWNERSHIP (ACCOUNTABILITY)	LEAD OFFICER	TARGET DATE	PROGRESS /REASONS WHERE RISK ACTIONS NOT IMPLEMENTED
		<b>7. Heathrow expansion</b> Whilst this offers economic benefits and opportunities, it also has the potential to significantly impact the borough/its residents on a wide number of fronts (e.g. increased noise, poorer air quality, roads being brought closer to properties, loss of green belt and open space - loss of 4.5% of borough, ongoing construction sites, increased traffic leading to greater congestion and pollution levels, indiscriminate parking etc.) <b>(Ec Dev; Clean, safe and sustainable environment)</b>	4	4	4	The Group Head for Regeneration and Growth is the Corporate lead for the Heathrow Expansion. The Council responded in detail to Heathrow's AEC on 13 September 2019. (Airport Expansion Consultation of summer 2019) The Council set out its issues in a 177 page document with 76 actions for Heathrow. 16 key strategic requirements were also set out which Heathrow are expected to meet.	<i>Actions added October 2019.</i> <i>(i) Bi-lateral meetings with Heathrow (where beneficial to do so) to ensure the requirements are met</i> <i>(ii) To continue to work as part of Heathrow Strategic Planning Group to ensure that Spelthorne's views are represented at a wider strategic level</i> <i>(iii) Work in preparation for the Development Consent Order (statement of common ground and areas/issues for challenge)</i>	GH R & G* Cllr McIlroy	GH R & G*	On-going * R Requires Monitoring	7i , 7ii & 7 iii. The outcome of the Court of Appeal is now known but this may be subject to further appeal to the Supreme Court. The Council will continue with ongoing work related to the airport.
		<b>8. Climate Change</b> Environmental breakdown represents a significant global threat driving social and economic disruption with far ranging consequences for socioeconomic stability ; climate change and extreme weather events impact on food systems, supply chains & procurement, economic productivity and losses. If the Council is not seen to be taking action it could result in criticism/bad press/public demonstration <b>(CLEAN, SAFE AND SUSTAINABLE ENVIRONMENT)</b>	3	4	4	Consideration of Government targets for reducing carbon emissions/greenhouse gases to tackle climate change. A Leader's Climate change Working Group has been set up and will explore ways to meet a carbon neutral target by 2050 or earlier if possible. Officers are working in the spirit of ethical and social responsibility to address climate change concerns, reducing the Council's carbon footprint and meeting Government targets. Sustainability Strategy Energy & Water Efficiency policy (2015 - 2020) Active members of Surrey Energy & Sustainability Partnership (SESP) and Association of Lead Energy Officers (ALEO). Consideration as part of project implementation as follows : New developments - minimum renewable energy requirement Fuel Poverty - through administering energy grants and promoting energy efficiency measures. Increased renewables capacity with solar PV installations on 2 Day Centres and further plans to do so on other sites. Implementing energy efficiency measures in Council owned buildings. Increasing renewables capacity, including with solar PV installations EV charging provision.	<i>Actions 8i to 8iii added October 2019 :</i> <i>8i. The Sustainability Strategy and the Energy &amp; Water Efficiency Policy are being reviewed.</i> <i>8ii. A new Sustainability Strategy is to be developed in 2020.</i> <i>8iii. A new Biodiversity Action Plan is being developed for 2020.</i> <i>8iv. A Climate Change strategy is to be developed for 2020 . (NEW ACTION ADDED FEBRUARY 2020) *N</i>	GH C&T GH NS Cllr Noble	SO - MR	August 2020 * R Requires Monitoring	8i & 8ii - There are no progress updates to report on these actions. 8iii. The Biodiversity Action plan is progressing and due for implementation in 2020. <b>General Progress Underway</b> - A cross party working group has been set up on Climate Change. A Climate Action Plan is being developed as part of the Climate Change Working Group. 8iv. NEW ACTION ADDED. Surrey County Council are developing a Climate Change Strategy and Strategic Framework (which will set out the joint ambition across the 12 authorities to address carbon emissions for eight major sectors).
Actions Overdue & Outstanding			Partially Actioned			Completed/Ongoing Monitoring					

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Note that previous RAG ratings are included to illustrate the Direction of Travel for recommended actions. The future format for the Corporate Risk Register is currently under review.

**\*KEY TO TARGET DATES**      \* N = New Action      \*R = Revised target date for assigned action      \*O = Original target date for assigned action

**\*KEY TO OFFICERS**

- MAT - Management Team
- CX, - Chief Executive, Daniel Mouawad
- HGC - Head of Corporate Governance -Victoria Statham
- DHIT - Deputy Head of ICT – Alistair Corkish
- Deputy Chief Executive (Chief Finance Officer)- DCX (TC) – Terry Collier
- HSIRM - Health and Safety, Insurance and Risk Manager – Stuart Mann
- GH C & T - Group Head - Commissioning and Transformation, Sandy Muirhead
- GH - NS - Group Head - Neighbourhood Services- Jackie Taylor
- Deputy Chief Executive - DCX (LO) – Lee O'Neil
- SEHM - Senior Environmental Health Manager, Tracey Wilmott-French
- IPS - Interim Principal Solicitor - Karen Limmer
- DGH CR - Deputy Group Head for Customer Relations, Roy Tilbury
- CS & RM - Customer Services and Revenue Manager, Martyn Forward
- PORTFOLIO HOLDERS - recorded under risk ownership column**

- GH R & G - Group Head - Regeneration and Growth, Heather Morgan
- DPO - Data Protection Officer, Clare Williams
- HRM – Human Resources Manager, Debbie O'Sullivan
- CM- Contract Managers
- JGCW – Joint Group Heads for Community Wellbeing, Deborah Ashman and Karen Sinclair
- LSM - Leisure Services Manager, Lisa Stonehouse
- RRO – Risk and Resilience Officer, Nick Moon
- EDM – Economic Development Manager, Keith McGroary
- IAM - Internal Audit Manager, Punita Talwar
- SO- Sustainability Officer, Mark Rachwal
- HSPM - Housing Strategy and Policy Manager , David Birley
- SPM - Stratgic Planning Manager, Ann Biggs









**RECOMMENDATION FROM THE AUDIT COMMITTEE  
ANTI- FRAUD, BRIBERY AND CORRUPTION STRATEGY**

**Cabinet: 23 September 2020**

**Report of the Audit Committee**

- 1.1 The Audit Committee is required to review the Council's Anti-Fraud, Bribery and Corruption Strategy annually and to make any recommendations for change to the Cabinet. The Strategy forms part of the Council's Constitution and is in line with best practice. The Strategy continues to underpin the Council's commitment to prevent all forms of fraud, bribery and corruption, demonstrating the important role it plays in the overall corporate governance framework.
- 1.2 The Audit Committee reviewed the Anti-Fraud, Bribery and Corruption Strategy (attached as Appendix 1) at its meeting on 23 July 2020 and noted and accepted the contents. The proposed minor changes to the Strategy have been highlighted in blue in Appendix 1.

**Audit Committee Recommendation**

The Audit Committee recommends to the Cabinet:

That the Anti-Fraud, Bribery and Corruption Strategy, as submitted, is recommended to Council for approval.

**Contact: Punita Talwar, Internal Audit Manager**  
**Cabinet member: Councillor Sati Buttar**

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## APPENDIX 1 - ANTI FRAUD, BRIBERY AND CORRUPTION STRATEGY

### Introduction

1. This Strategy is applicable to Members and staff. The Borough of Spelthorne is committed to providing a high standard of service and accountability. An important aspect of this is a strategy which protects against fraud, bribery and corruption within the Council itself and from external sources.

In this context

Fraud means - the illicit gaining of cash or other benefit by deception;

Corruption means - the dishonest influencing of actions and decisions.

Bribery means – the offering, giving or soliciting of an inducement or reward which may influence a person to perform a function or activity improperly.

2. The Council recognises that it is already subject to a high degree of external scrutiny of its affairs by a variety of parties. This includes the general public, Council Tax / Business Rates payers, service users, the Local Government Ombudsman, Central Government, in particular, HM Revenue and Customs, the Ministry of Housing, Communities and Local Government and the Department for Work and Pensions.
3. It also has external auditors who advise whether the Council has in place adequate arrangements for the prevention and detection of fraud, bribery and corruption.
4. While this external scrutiny assists in protecting against fraud, bribery and corruption the Council believes a clear statement of its own strategy is needed.
5. The key elements of the Council's strategy to combat fraud, bribery and corruption are:
  - An open and honest culture
  - Adequate preventative measures
  - Systems for detection and investigation
  - Understanding and awareness within the Council and the adoption of a "whistleblowing" policy

### Culture

6. The Council expects Members and staff at all levels to behave with integrity and propriety and to act within the law and the regulations, procedures and practices laid down in relation to the conduct of the Council's business. The

Council believes this is achieved best through the promotion of an atmosphere of honesty and openness.

7. The Council encourages Members and staff to raise any concerns they have about fraud, bribery and corruption immediately as they occur. It will treat all concerns raised, seriously and in confidence. This is covered with all staff as part of their induction process.
8. The Council has three senior officers who have particular responsibility for regulating the conduct of the Council and its activities. These are:

Chief Finance Officer	Responsible for the financial management, audit and financial probity of the Council and also for its proper personnel policies and practices.
Monitoring Officer	Responsible for the legal probity and avoidance of maladministration or injustice by the Council.
Chief Executive	Responsible as Head of Paid Service for the overall management and direction of the Council and for ensuring adequate staff resources for services.

9. In addition each Group Head and senior manager have responsibility for the proper organisation and conduct of their service area. It is important that Managers and officers at all levels do not become complacent about the risk of fraud as this may have an impact in terms of the robustness of controls applied in practice. Please refer to the section on systems below.
10. Concerns should be raised with any of the above officers under section 8 or with the Council's Internal Audit Manager (Punita Talwar).
11. More detailed guidance and advice on how to raise any concerns is contained in the Council's Confidential Reporting Code (whistleblowing policy).
12. If anyone feels they are unable to raise their concerns through any of the above routes they may contact 'Protect' ((0203 1172520 – advice line), a registered charity whose services are free and strictly confidential.

## **Prevention**

13. The adoption of proper and adequate measures to prevent fraud, bribery and corruption is the responsibility of Members, Chief Executive, Deputy Chief Executives, Group Heads and other managers. Preventative measures can be classified under two broad headings - Codes/Procedures and Systems.

## 1. Codes/Procedures

All Members and staff need to be aware of, and have ready access to, the Council's agreed policies and procedures eg. Financial Regulations, Standing Orders, Codes of Conduct, Code of Corporate Governance and any relevant practice and procedure documents. A future review of the Council's Constitution will be led by the Group Head of Corporate Governance. The Governance Framework has been developed and enhanced to reflect the increasing commercial asset acquisitions and investments.

In particular staff must observe the Council's Code of Conduct for Staff (a copy of which is made available to all staff) and any relevant professional codes.

References will be taken up for all permanent and temporary staff to verify their suitability, honesty and integrity.

Members will in particular observe the Spelthorne code of conduct adopted on the 27 June 2012 and subsequently revised on 25 June 2013 any other local Spelthorne code. The Members Code of conduct is kept under review by the Members Code of Conduct Committee. Members will be supplied with a copy of any relevant code, policy and procedure and advised of their responsibilities.

A review of the Confidential Reporting Code (Whistleblowing Policy), using a benchmarking tool to assess the effectiveness of whistleblowing arrangements has highlighted some areas for improvement (reported to Audit Committee November 2019) and the policy will be further developed.

## 2. Systems

The Council has and will maintain in place systems and procedures which incorporate internal controls, including adequate separation of duties to ensure that, as far as possible, errors, fraud, bribery and corruption are prevented.

The Chief Finance Officer has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper administration of the Council's financial affairs. Financial procedures detail key financial systems and provide guidance which underpins the Council's Financial Regulations.

Chief Executive, Deputy Chief Executives, Group Heads and managers are responsible for ensuring that appropriate internal controls are properly maintained to minimise the risk of errors, fraud, bribery and corruption.

A detailed analysis of the risks associated with any service should be carried out by managers and this is being promoted as part of developing risk management to ensure that fraud, bribery and corruption is minimised.

## **Detection and investigation**

Concerns should be reported to one of the individuals referred to in paragraphs 8 and 10 above or in accordance with the Council's whistleblowing policy.

A detailed investigation of any concerns raised will be undertaken with the assistance of the Council's Internal Audit Service. The Group Head of Corporate Governance holds responsibility for responding to allegations of bribery and corruption. The Council will deal with any instances of fraud, bribery or corruption swiftly. Disciplinary action will be taken if appropriate after the police have been informed/involved, and the relevant Cabinet Member informed where necessary. Where the Council has adopted a prosecution policy for any business area (eg Housing Benefit Fraud or Housing register) this will be followed. Any lessons learnt from Investigations undertaken relating to systematic weaknesses will be highlighted and should feed back into improving fraud prevention/detection measures.

In the event that fraud is suspected on the part of contractors' employees or internally, by staff involved in agency or contract work on behalf of other bodies, procedures and responsibilities for reporting and initial investigation are the same as for staff. The Council will inform and involve employing contractors or agencies when appropriate.

Counter Fraud measures - Given the significance of corporate fraud in national and local statistics and the cost to the taxpayer, the Council recognises the continued importance of collaborative working arrangements with other Councils/Partners to help deter, detect and investigate fraud, providing access to specialist skills and greater capacity to investigate fraud. The strategy to target areas which are likely to generate greater financial payback (Business Rates and Housing) will continue. Such initiatives have demonstrated positive financial fraud returns for Spelthorne (notional and cashable savings) in the areas of Housing, Business Rates and Council Tax and continue to do so. These savings could be enhanced further through the use of Financial Investigator Resource to recover losses/assets (where appropriate). Counter fraud measures also contribute to the delivery of wider social benefits, enabling more social housing to be available to those people who are genuinely in need of a home, leading to a reduction in housing applicant waiting times, reduced temporary accommodation costs and ultimately the need for fewer houses to be built. Positive results are publicised periodically to serve as a deterrent.

External groups are attended with Surrey Partners including the Surrey Counter Fraud Board (SCFB). This enables the sharing of best practice and approaches in tackling public fraud, and provides opportunities to pursue joint counter fraud initiatives such as data matching. The importance of engaging with members of the public to join the fight against fraud is recognised. Spelthorne's fraud returns are collated quarterly and reported to the Surrey Counter Fraud Board, which enables some benchmarking and comparison across Surrey Partners.

## **Awareness**

The Council recognises the continuing effectiveness of the Anti Fraud, Bribery and Corruption Strategy depends largely on the awareness and responsiveness of Members and staff. It is essential that both Members and staff are made aware of the strategy when they join the Council and receive a copy for inclusion in their personal records and, in addition, have ready access to all other relevant documents, policies and procedures which regulate the Council's activities. Action will be taken on a regular basis to remind both Members and staff of the importance the Council places on preventing fraud and corruption and investigating irregularities. Effective methods for mandatory training and raising awareness including face to face and online shall be periodically explored and delivered.

In accordance with the Government's Serious and Organised Crime Strategy, local Police representatives have provided two awareness raising sessions for staff and Members during 2018 to identify areas where Spelthorne is at most risk of being targeted by serious and organised crime and highlight known vulnerabilities. During these sessions the importance of sharing intelligence with Law Enforcement Partners has been encouraged. Organised crime includes drug trafficking, human trafficking, child sexual exploitation, high value fraud and cyber-crime. Further consultation with the local police is ongoing and red flags /known risks will continue to be highlighted. Group Heads and Managers are responsible for assessing governance arrangements in place to combat risks in this area for their respective functions.

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## Local Plan Task Group

### Minutes

Thursday 13 August 2020

#### Present:

- Cllr J McIlroy (Chair)
- Cllr J Boughtflower (Leader of Council)
- Cllr T Lagden (Planning Committee Chair)
- Cllr V Leighton (Chairman of O and S)
- Cllr R Barratt
- Cllr R Chandler
- Cllr N Gething
- Cllr S Buttar
- Cllr T Fidler
- Cllr M Attewell
- Cllr T Harman
- Cllr R Sider
- Cllr C Bateson
- Cllr Doerfel
- Cllr R Dunn
- Cllr K Grant
- Cllr S Doran
- Cllr Beardsmore
- Heather Morgan,
- Lee O'Neil,
- Ann Biggs,
- Jane Robinson,
- Hannah Bridges,
- Craig Hatton,
- Essie Apenteng
- Christine Curtis,

25 participants

#### Apologies

- Cllr J Vinson

#### 1 Report of the Strategic Planning Manager

##### a) Purpose and format of the Group (including updated ToR and introductions from individual Members)

- 1.1 Members of the LPTG introduced themselves and were each given the opportunity express their views on the progress of the Local Plan so far and what they hoped to achieve through their participation with the Task Group. The Terms of Reference were discussed and suggestions

made but no amendments were agreed and the ToR remain as drafted.  
No recommendations to Cabinet.

**b) Draft Consultation Response Document**

- 1.2 It was agreed to recommend that Cabinet approve the Consultation Response Document for publication following further opportunity for the LPTG to make comments, with any resulting amendments being made to the document prior to Cabinet.

**2 Next Meeting**

- 2.1 TBC.

## Councillors' Feedback on Preferred Options Consultation Response Document

The Strategic Planning Team appreciate the time taken by Members to provide feedback on the Preferred Options Consultation Response Document. We have received two types of comments; those on the officer responses and also some on the content of the actual Local Plan itself. In order to publish the Response document as soon as possible, we need to consider the feedback we have received on officer comments.

We will hold on to comments made on the content of the actual Local Plan document and take this into account when we are making changes to the plan itself.

### Feedback on the Response Document

Page	Reference	Feedback	Action
	Introduction	Introduction should reflect our appreciation to those residents who have actively sought to engage in the process	Added a para at 1.3
		Document needs to address the timelines for when we can expect documents such as the Infrastructure Delivery Plan. Needs more information about the process and next steps.	Inserted new text at para 1.4
	Green Belt		
16	6.2	"Special Circumstance' <i>can</i> be a reason to release Green Belt <i>Must</i> it be a reason?	Very special circumstances is the terminology for planning applications.  The officer response is quoting the NPPF section on Plan making which refers to exceptional circumstances.
	Housing		
21	1.3	'High Bar' Would the exceptional amount of water in the Borough and thus the much lesser amount of Green Belt <i>land</i> achieve that High Bar on the grounds our land is much rarer and so more valuable?	Our assessment of the Green Belt shows whilst it is fragmented, there are some parcels which are not performing well against the five purposes of the GB, as set out in national policy. The Preferred Options Local Plan which was consulted on considered the release of 1.6% of the borough's GB would be lost and deliver our housing need. The LPTG will consider if they wish to take these sites or any other in the Green Belt forward.

21	1.6	'2020 base line' (I thought we were locked to the 2014 baseline?)	<p>The "2014 figure" refers to the 2014 based ONS Household Growth Projects which the Government insists we use. This means that 2014 is the starting point.</p> <p>The projections are 2014-based and project forward 25 years from 2014 (base year) to 2039. We must use this table of data but refer to the year 2020 so that our figures are up to date.</p>
22	2.3	'Area we need' Please let's not play the government line. When talking about our housing need it should always be expressed in terms of ' <i>...The government demands...</i> ' ' <i>...the government says we must build...</i> ' or whatever. But <u>never</u> in terms that it is our decision.	Paragraph amended to include " <u>The Government says...</u> "
26	4.5	Do people really understand that if we want to tackle the shortage of affordable housing then currently Green Belt is the best option?	The officer response explains this however we will reinforce this point if the Local Plan Task Group decide that GB is released for housing.
26	5.1	Suggest that wording needs to be stronger regarding being unable to meet neighbours' needs.	Paragraph amended to state: Spelthorne faces the challenge of meetings its own development needs within this environment <u>and does not have surplus land to unmet need of neighbouring authorities</u> but is...
Gypsies and travellers			
28		Request for clarity over need figures	At the time we produced the Local Plan Preferred Options document we were working on the need identified in the Gypsy and Traveller Accommodation Assessment. Following the Inspector's visit we may be able to adjust these numbers but this will be a matter for

			discussion with the Local Plan Task Group during the next stage of plan preparation
	Health		
35	1.1	Infrastructure: How can we make this stick given that much of the infrastructure is supplied by 3rd parties. If they fail is this a show stopper?	Whilst the infrastructure is supplied by 3 <sup>rd</sup> parties in most circumstances, the LA acts as the coordinator. The IDP will identify deficiencies in provision and if an allocation were dependent on specific element of infrastructure provision, we would refuse a planning application on those grounds.
36	2.2	As Shepperton youth club has been identified for re-development, surely this is the logical site for extra health provision?	The IDP will consider this further. The land ownership is between Surrey CC and the GP. The IDP can work with both parties to identify suitable locations for infrastructure provision
	Biodiversity		
40	1.1 – 1.6	Wildlife needs proper protection not this caveated interpretation which ends up with habitats destroyed.	Planning Officers are limited by the NPPF and other national guidance. Unless areas are designated for protection it is difficult to refuse a planning application on this basis. We strive to achieve wildlife protection and mitigation but we are limited by the protection of individual species and habitats.
	Leisure & Open Spaces		
45	1.1 - 1.8	More protected Fields in Trust	The NPPF affords the ability to protect open spaces but Fields in Trust is outside the scope of the NPPF. Fields in Trust works in partnership with landowners including local authorities, voluntary organisations and private landowners to protect land through a Deed of Dedication – a binding legal commitment with the

			landowner – which allows green spaces to be protected in perpetuity for current and future generations to enjoy. The spaces principal use should be outdoor sport, play or recreation and they must be accessible to the public.
	Water		
52	6.1	I don't understand the claim that there is sufficient water supply. When touring QM reservoir informed that a few years ago the supply for London fell to within three days. So it's clear there is a big problem as the weather gets more erratic and hot and dry in the summer	The Spelthorne Water Cycle Study evidence document will confirm the water availability or shortage in the borough. This will be available on the website when published.
	Character of the area		
73	1.1	Final submission Yes and Yes and YES Government should cut our house building targets because our current ones are so dodgy.	Comments noted.
	Flooding General	Do we know as yet what policy regime will be in force to monitor and enforce these policies? What happens if updated data re-classes an area from one flood zone level to another during the life of the plan?	Compliance will take place via the usual enforcement channels. Flood information is regularly updated by the Environment Agency. Planning Officers use the most up-to-date information available when taking decisions. The flood maps are held online to ensure they are updated regularly. Site allocations will still require a planning application, which will be assessed in light of any flood risk that exists at the time of determination.
	Highways General	Surrey claim the new build proposals will not have a 'severe' impact on Spelthorne. What is the definition of severe?	National policy does not provide a definition of 'severe'. The severity test is however limited to impacts on the road network. It will be for authorities and inspectors to decide what constitutes

			an unacceptable or severe impact. Surrey CC are the responsible highway authority and have specialist transport planners who advise boroughs on such matters.
	Policies that will be implemented as part of planning applications	Obviously these are all potentially 'in the air' at the moment	Comment noted.
	Settlements		
P93 onwards	General	It needs to state that the Working Group is actively re-examining site allocations made in the initial Local Plan with intended changes	This text has been added to para 1.4

**Additional comments on Draft Local Plan document that will be considered by officers and taken forward by the Task Group as we progress the Local Plan**

- Feedback on sites they would like removed.
- Feedback on sites they would like added.
- Feedback on sites where different use is proposed.
- Confirm that brownfield land has been prioritised.
- Plan needs to take advantage of every opportunity to reuse and upgrade the existing urban areas. Town centre capacity and density. Retail/commercial to residential conversion.
- Town centre developments need to provide adequate multi-storey car parking.
- Update on negotiations with the Government over housing targets.
- The infrastructure needed to support all these developments.
- Urban design
- Preserve the character of the different areas of the borough.
- SUDS - impervious surfacing around buildings should be forbidden and enforced.
- Cross local planning authority cooperation and a consistent approach to the River Thames Scheme is vital.
- Proposal that further consultation is held with residents to explain and discuss policy developments such as mini-seminars and roundtable discussions that reflect on some of the points in the various policy areas. Those that have engaged with the policies of the Local Plan deserve to know that we as Councillors have fully considered the impact of policies which will determine future development in the Borough.

**Wider planning issues raised that are outside the scope of the Local Plan**

- TPO rules need strengthening including automatic transfer to the replacement tree.

- Listed buildings nationally not properly protected. Laws should be that owners of a listed building must keep it in good condition and not let it go to rack and ruin so then the only solution is to pull it down.
- Empty homes
- Cycle lanes - these are inconsistent and in some cases dangerous as the lane disappears where a road gets narrower. Provision of proper areas for cycling would be much better than spending money on ineffective paint.
- Electric Vehicles deal support air quality.



# Spelthorne Local Plan – Preferred Options Consultation Response Document



## Spelthorne Takes Shape

August 2020  
Final Report



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**Status of this document**

The purpose of this document is to set out the responses to the Preferred Options consultation undertaken by Spelthorne Borough Council as part of its preparation of a new Local Plan. The 11-week consultation took place between 5 November 2019 and 21 January 2020. The document provides a summary of the responses received and some brief comments from Planning Officers, setting out reasons for how the Plan was drafted prior to consultations. It does not make any decisions nor indicate which sites may be taken forward or removed. These issues will be considered and decided upon by Member of the Council, following advice from officers, as the next stage of the Plan is prepared.

## 1. Introduction

- 1.1 The purpose of this document is to set out the responses to the Preferred Options consultation undertaken by Spelthorne Borough Council as part of its preparation of a new Local Plan.
- 1.2 The 11-week consultation took place between 5 November 2019 and 21 January 2020 and was in the form of Policies and Allocations documents setting out the preferred approaches to be considered.
- 1.2.1.3 We are grateful to all of those who took the time to attend one of the presentations or respond to the consultation. Some of the responses we received have been very detailed and we appreciate the time invested in them.
- 1.4 The responses to this consultation will be used by the Council to assist in preparing its Publication Local Plan (Regulation 19), the next stage of producing the new Plan. The timetable for the production of the Local Plan is set out in the Local Development Scheme (LDS) which is available online. It will be updated as necessary. The Local Plan Task Group are re-examining both site allocations and policy wording and will make recommendations to the Council's Cabinet before public consultation on the next stage of the Local Plan takes place. Following this final consultation the Local Plan will be submitted to the Planning Inspectorate for an Examination in public when those who have requested to can attend and discuss their concerns with the inspector.
- 1.5 Producing the summary of responses has been delayed by officer involvement in the Council's COVID-19 response effort.

## 2. Preferred Spatial Strategy

- 2.1 The Preferred Spatial Strategy consulted on aimed to meet Spelthorne's housing needs by releasing some weakly performing Green Belt, intensifying development in urban areas and by producing a masterplan for Spelthorne's largest town, Staines upon Thames, to seek further opportunities for growth beyond the sites identified in our Strategic Land Availability Assessment.
- 2.2 Production of the Staines Masterplan has begun and is expected to be complete by the end of 2020, in time for the Regulation 19 consultation of the submission version of our Local Plan early next year. This will enable both to be considered together as the masterplan will be key to supporting our assumption on growth in the town.

## 3. How we engaged with people

- 3.1 We engaged with people prior to and during the consultation period in the following ways:
- Special edition of the Council's Borough Bulletin magazine with an eight-page Local Plan Consultation pull-out in the centre and full front page, which was delivered to all 45,000 households in the borough.
  - Link from front page of the Council's website throughout the consultation.
  - Web-based consultation information and purpose-built online portal for responses.
  - Presentation to Local and County Councillors.

- Presentation to local Residents Associations.
- 1,276 emails and 244 letters sent out to Stakeholders on our consultation database.
- 9 x public presentations at the Council Offices.
- Offered to attend residents association meetings (not taken up as members attending our own briefings).
- Posters on all of the borough noticeboards.
- Articles in various newsletters, e.g. Spelthorne e-news, local schools, Spelthorne Business Forum and Residents Associations. Leaflets were distributed by some Residents Associations.
- Local newspaper articles in the Surrey Advertiser and the Chronicle and Informer.
- Information available at the Council Offices reception and in the borough's five libraries.
- Footer on external Council emails promoting the consultation.

3.2 In total we received 2,096 representations from approximately 437 respondents. A representation can vary from a single line to reports from a planning professional which run to hundreds of pages.

3.3 In addition, seven petitions were received by the Council against the proposed development on a number of proposed allocation sites. Six of these, which related to five areas of the borough, were presented to the Council's Cabinet on 29 January:

- Charlton Village – 609 signatories
- Land between Old Charlton Road and the M3, Shepperton – 280 signatories
- Stratton Road, Sunbury – 534 signatories
- Land to the west of Town Lane, Stanwell – 227 signatories on 2 petitions
- Land adjacent to Windmill Gate Estate, Sunbury – 232 signatories

3.4 The seventh petition with 5,270 signatories was received by the Council at the 27 February meeting requesting that none of the 19 Green Belt areas currently identified in the Local Plan for development are released and to protect the entire existing Green Belt in Spelthorne for generations to come.

3.43.5 We are grateful to all of those who took the time to respond to the consultation. Some of the responses we received have been very detailed and we appreciate the time invested in them.

#### 4. Summary of Key Issues

- 4.1 Many individual comments were made in response to the policies and allocations proposed and these are all set out in detail in Section 5. However, the key issues which have been raised a number of times are summarised in Table 1.

**Table 1: Key Issues and Number of Times Raised**

<b>Issue</b>	<b>Number of times raised</b>
Roads/Congestion/Highway Safety	1,189
Green Belt	957
Infrastructure	942
Housing	636
Biodiversity and Wildlife	615
Pollution – Air/Noise/Water	473
Flooding	455
Site specific issues	449
Too much development in a specific location	340
Character of Area	285
Outlook/Visual amenity/Landscape	224
Heathrow	181
Climate Change	163
Privacy/Safety of residents	163
Employment/Business issues	159
Gypsies and Travellers	133
Health and Wellbeing	132
Eco Park	132
Heritage	122
Officer site assessments and process	121
Support	103
Crime/Fear of crime	99
Property value	95
Shepperton Studios	87
Consultation process	65
Surrey County Council asset review	58
Staines Masterplan	42
Minerals and Waste	40
Kempton Park	36
Planning history of site	33
Conflict with other policies/site allocations	28
Alternative site suggested	28
Viability	20
Esso Pipeline/Pipelines	19
Plan Period	2
BP	1

- 4.2 Common issues raised in relation to the topics set out in Table 1 can be summarised as follows:

- Many comments disagreed with the notion of considering further high rise development but many also felt that we should be increasing densities to save Green Belt land.
- Concern over negative impacts on biodiversity and wildlife.
- Need for more affordable housing and a greater mix of homes across Spelthorne.
- Concern over loss of Green Belt and other open space.
- Adequate attention must be given to Climate Change.
- Concern over the impact on infrastructure, especially health services, school places and local roads.
- Spelthorne should prioritise brownfield land and Green Belt should only be considered as a last resort.
- Too much housing proposed and a disagreement with the use of older 2014-based household projections to inform housing need figures.
- Need more sports, leisure and recreation facilities as well as community and cultural uses.
- Lack of parking for existing residents and concern that additional residents will exacerbate the situation, especially in town centres.
- Staines-upon-Thames must be supported as a vibrant, thriving, mixed use town centre. However concerns over the level of development proposed through the Masterplan.
- Concern over increased air and noise pollution with additional development.
- Potential changes to distinct local character.
- Concern over crime and increased fly-tipping.
- Concern regarding the potential increase in flood risk.

## 5. Key Themes

5.1 The following section sets out the key themes that arose through the Preferred Options consultation. A summary of the points raised and corresponding officer response is set out in the tables below.

- Green Belt
- Housing
- Health
- Education
- Biodiversity
- Leisure & Open Spaces
- Flooding
- Transport
- Environmental Pollution
- Heathrow
- Heritage
- Character of Area
- Consultation Process
- Other Issues

**Green Belt**

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
<p>1. Green Belt is permanent and should not be built on</p>	<p>1.1 Against the development of Green Belt land.</p> <p>1.2 Green Belt should not be built on in any circumstances.</p> <p>1.3 The release of sites will set a precedent for more release.</p> <p>1.4 Development could result in urban sprawl and the merging of settlements.</p> <p>1.5 Development will break up the Green Belt.</p> <p>1.6 Once Green Belt is built on it is lost forever.</p>	<p>1.1 – 1.2 Paragraph 136 of the National Planning Policy Framework 2019 (NPPF) sets out that “once established, Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified, through the preparation or updating of plans”. As such, the Local Plan provides a mechanism to consider if exceptional circumstances exist to justify Green Belt release. Paragraph 137 of the NPPF sets out that all other reasonable options should be examined before concluding if exceptional circumstances exist. Spelthorne BC has adhered to national policy in its decision to consider Green Belt land for release.</p> <p>1.3 It is only through the Local Plan that Green Belt boundaries can be amended, with Local Plans subject to review every five years. The identification of parcels for potential release followed the recommendations set out in the independent Green Belt Assessment. This assessed the Green Belt against the five purposes as set out in the NPPF, as well as giving consideration to the role of each site in the wider strategic Green Belt. As such, each parcel identified for release was deemed to be weakly performing against the criteria set out in national policy and based on technical evidence.</p> <p>The Green Belt Assessment stage 2 (GBA2) considered how the release of each parcel could potentially impact the performance of neighbouring parcels. Where a negative impact was identified, parcels were not recommended for further consideration. This means that those parcels identified for further consideration could be released without jeopardising wider Green Belt land and having a negative knock on impact on the surrounding land to weaken its role.</p> <p>In addition, the Green Belt Assessment provides advice on strengthening boundaries to maintain the role of Green Belt parcels beyond those identified for release.</p> <p>1.4 Paragraph 134 of the NPPF 2019 sets out the five purposes that the Green Belt serves. Points a) and b) are as follows:</p>



KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
		<p>a) To check the unrestricted sprawl of large built up areas  b) To prevent neighbouring towns merging into one another</p> <p>Local areas and smaller sub areas were assessed through the Green Belt Assessment stage 1 and 2 against the NPPF Green Belt purposes. One or more criteria was developed for each purpose using both qualitative and quantitative measures and a score out of five was attributed to each criterion. Any sub area scoring relatively weakly, weakly or very weakly (score of 1 or 2) across all NPPF purposes was judged to be weak. Any sub area scoring strongly or moderately (score of 3-5) against any of the purposes was deemed to play a role and was judged to be moderate or strong Green Belt. The identified potential allocation sites followed the GBA2 recommendations, therefore the release of the identified parcels is not considered to result in risk to the potential merging of settlements or sprawl.</p> <p>1.5 The Green Belt Assessment stage 2 identified parcels within a 250m buffer around the urban area. The assessment focussed on land bordering the urban area to promote sustainable patterns of development, in line with national guidance. The assessment considered the implications of releasing each individual parcel on the surrounding area in order to avoid 'breaking up the Green Belt' and maintaining its strategic role. The identified potential allocation sites are all at the edge of the urban area to maintain the wider strategic role of the Green Belt and its integrity.</p> <p>1.6 Development of the Green Belt will result in permanent changes therefore we need to ensure that we follow a logical and informed approach. National government have informed us that we need to provide over 600 new homes a year however we are unable to deliver this within the urban area alone.</p> <p>Our preferred spatial strategy focusses on weakly performing Green Belt so that we only consider that that is not meeting the NPPF purposes. This will ensure that our most important Green Belt is protected whilst we are</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
		able to address our housing needs on land that does not fulfil the purposes of Green Belt as set out in national policy.
2. Brownfield land should be built on	<p>2.1 Prioritise brownfield land/previously developed land.</p> <p>2.2 Alternatives should be pursued first i.e. empty homes, offices, commercial land etc.</p> <p>2.3 The Council has rejected urban sites from the Local Plan.</p> <p>2.4 An alternative study by the North Surrey Green Party shows the urban area can accommodate all development.</p>	<p>2.1 – 2.2 The preferred spatial strategy for the Local Plan focusses on increased densities in town centres and where character can accommodate it; releasing some weakly performing Green Belt; and making use of a masterplan for Staines upon Thames. This option seeks to maximise the number of dwellings in the urban area and on brownfield land, subject to character considerations.</p> <p>Paragraph 137 of the NPPF states that before concluding that exceptional circumstances exist to justify changes to Green Belt boundaries, local planning authorities should a) make as much use as possible of suitable brownfield sites and underutilised land; b) optimise the density of development. The preferred spatial strategy adheres to this and seeks to boost housing delivery in the urban area and increase densities. The Strategic Land Availability Assessment (SLAA) sets out the sites identified in the urban area to meet development needs and an approximate density (<a href="https://www.spelthorne.gov.uk/SLAA">https://www.spelthorne.gov.uk/SLAA</a>). Unfortunately there is not enough capacity within the urban area to deliver over 600 new homes each year, as required by the Government.</p> <p>2.3 The Spelthorne Local Plan: Preferred Site Allocations 2019 document sets out the sites identified for potential allocation and those discounted from consideration.</p> <p>We have not rejected these brownfield sites – these are still included within our Strategic Land Availability Assessment (SLAA) and contribute to our land supply. As the table on page 80 of the Spelthorne Local Plan: Preferred Site Allocations 2019 document sets out, where sites have been discounted from allocation they have been retained within the Strategic Land Availability Assessment.</p> <p>We have decided not to allocate these sites through the Local Plan due to their non-strategic nature and as they could come forward using policies in the Plan.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
		<p>We have identified these sites as suitable for development but they are just not allocated – they will come forward as windfall development. This supply is included on page 3 of our site allocations document.</p> <p>2.4 The alternative study is not considered to be realistic in its density assumptions. The densities proposed by the Council take account of the character of each area and the types of dwellings i.e. flats or houses, that could be suitably accommodated. This approach is based on densities in the wider area to allow the height/volume of local buildings and characteristics to be taken into account and reflected on potential development sites.</p>
3. Green Belt Assessment	<p>3.1 The Green Belt should not be assessed by a paper exercise.</p> <p>3.2 Green Belt has a role in protecting the environment and as a pollutant receptor.</p> <p>3.3 Why are sites deemed to be weakly performing Green Belt?</p> <p>3.4 Issues with the Green Belt Assessment.</p> <p>3.5 Methodology of GBA applied inconsistently.</p> <p>3.6 Why is the Bugle Nurseries site considered to be strongly</p>	<p>3.1 The purpose of the assessment is to provide evidence of how different areas perform against Green Belt purposes set out in national policy. Although the NPPF does not provide explicit guidance on how to carry out a Green Belt Assessment, Planning Advisory Service (PAS) guidance, experience by consultants ARUP and by other local authorities have been used to produce a methodology most suited to the local context of Spelthorne. As such, it is considered that using the five purposes set out in the NPPF and the associated criteria is the most robust way to assess the fulfilment of the Green Belt purposes. The scoring system employed, along with the various criteria used, is considered the most robust and suitable way of assessing Green Belt performance against the NPPF purposes in the context of Spelthorne.</p> <p>The purpose of the Green Belt Assessment is to provide up to date evidence about the extent to which each part of it in Spelthorne still meets the purposes defined in national policy. Such evidence will be essential to demonstrate the continual protection of the Green Belt through the new Local Plan and will help to identify areas that do not fulfil the purposes of Green Belt.</p> <p>National guidance sets out that the Local Plan should be underpinned by relevant and up to date evidence. As such, the Council must utilise robust</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>performing when part of the site is previously developed?</p> <p>3.7 Risks that owners of unkempt land could cash in through development.</p> <p>3.8 Release will encourage landowners to alter sites so they become weakly performing.</p> <p>3.9 Why have Local Areas been assessed as strongly performing at stage 1 and then weakly performing at stage 2?</p>	<p>and technical evidence to inform its decisions. Most local authorities in Surrey and the wider area have undertaken a Green Belt Assessment to consider the performance of Green Belt land through the Local Plan in order to help meet development needs, given the constrained nature of the South East and the inability to meet needs in the urban area alone.</p> <p>3.2 National policy indicates that Green Belt serves five purposes:  a) to check the unrestricted sprawl of large built-up areas;  b) to prevent neighbouring towns merging into one another;  c) to assist in safeguarding the countryside from encroachment;  d) to preserve the setting and special character of historic towns; and  e) to assist in urban regeneration, by encouraging the recycling of derelict and other urban land.</p> <p>The Green Belt Assessment focuses on the NPPF purposes and the strategic function of Green Belt. Whilst Green Belt does hold some environmental value by its nature, these factors are not primary to the fundamental aims of Green Belt which is to prevent urban sprawl by keeping land permanently open. Environmental impacts have been considered through the Sustainability Appraisal (SA) and will be further considered through the next SA stages as the Local Plan progresses.</p> <p>3.3 The Green Belt Assessment provides a technical measure of the performance of each Green Belt parcel within Spelthorne. Green Belt serves five purposes and if land does not perform any of these functions it can be deemed weak. One or more criteria was developed for each purpose using both qualitative and quantitative measures and a score out of five was attributed to each criterion. Any sub area scoring relatively weakly, weakly or very weakly (score of 1 or 2) across all NPPF proposes was judged to be weak Green Belt. Any sub area scoring strongly or moderately (score of 3-5) against any of the purposes was deemed to play a role and was judged to be moderate or strong Green Belt. The identified potential allocation sites followed the Green Belt Assessment Stage 2</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
		<p>recommendations, with the most valuable and important Green Belt identified to be retained. The Green Belt Assessment is considered to follow a logical, robust and consistent approach that gives due consideration to each parcel using the criteria set out.</p> <p>3.4 – 3.5 The Green Belt Assessment methodology was developed by consultants Arup with regard to national policy, guidance and the approach taken by other planning authorities. The methodology is considered to provide a robust and logical process for assessing the performance of Green Belt within the context of Spelthorne.</p> <p>3.6 Consultants Arup undertook a technical assessment of Green Belt performance in the Borough, as they have done for many other neighbouring boroughs and districts. The Bugle Nurseries site was assessed against the five Green Belt purposes as set out in the NPPF. The site was deemed to play an important role in separating the wider Sunbury built up area from Upper Halliford. Whilst the assessment did acknowledge the level of built form on the site which creates a semi-urban character, the important role it plays in preventing the merging of settlements was deemed to result in a strongly performing parcel.</p> <p>We have not included sites that are strongly or moderately performing Green Belt in order to protect that designated land that contributes to the Green Belt function. The council decided to focus its spatial strategy on weakly performing Green Belt and on maximising densities in suitable urban locations.</p> <p>To ensure that no stone has been left unturned we will give further consideration to previously developed land and those newly promoted to us as we develop the next iteration of the Local Plan.</p> <p>3.7 – 3.8 Green Belt parcels have been assessed through the Green Belt Assessment using a technical approach that focuses on the five NPPF</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
		<p>purposes and its strategic role. If any sites are built upon unlawfully then enforcement action would be pursued. Exceptional circumstances are needed to justify Green Belt release therefore the Council would need to carefully consider if these exist as well as the function of any existing Green Belt before coming to conclusions. This can only take place through the Local Plan.</p> <p>3.9 The Green Belt Assessment Stage 1 assessed larger Local Areas whilst the Stage 2 Assessment then looked at smaller sub areas. This is a more refined and focussed assessment to complement the conclusions formed in the Stage 1 assessment, and to ensure that the Council has made every effort to identify appropriate land to meet identified needs. The Stage 1 assessment identified several areas for further consideration at stage 2. This includes a number of areas that were later identified as weakly performing through GBA2. The Stage 2 assessment identifies defensible boundaries and assesses the performance of each sub area against Green Belt purposes. It also considers how release could potentially impact upon the integrity of the wider Green Belt and surrounding parcels. The parcels identified as weakly performing at stage 2 are considered to be less important to the wider Green Belt.</p>
4. Environment	<p>4.1 Negative impacts on wildlife and biodiversity.</p> <p>4.2 Weakly performing land sits within the SPA buffer for the reservoirs.</p> <p>4.3 Green Belt plays an important role in Climate Change.</p>	<p>4.1 – 4.2 The Sustainability Appraisal for the Local Plan Preferred Options sets out where negative impacts are expected on biodiversity. This will need to be considered in more detail at the planning application stage to show how adverse impacts can be mitigated to an acceptable level.</p> <p>Our new draft policy 'E4: Green and Blue Infrastructure' seeks to make a positive contribution to biodiversity and seeks a net gain in biodiversity. Biodiversity net-gain is an approach which aims to leave the natural environment in a measurably better state than beforehand. This approach has been included as part of the Government's Draft Environmental (Principles and Governance) Bill 2018. Biodiversity net gain will be sought on sites where existing green assets can be improved or enhanced or</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>4.4 Pollution and air quality impacts.</p> <p>4.5 Loss of flood land.</p>	<p>where these are lost, such as on greenfield sites, proposed development will provide significant replacements.</p> <p>We will be updating the Spelthorne Biodiversity Action Plan this year which will set out Spelthorne's commitment to conserve and enhance biodiversity. It will contain actions to improve habitats and species in the Borough. This will also help us to improve the proportion of local sites with positive conservation management.</p> <p>Any developments that are close to (or within) the boundary of a Special Protection Area may require a Habitat Regulations Assessment (HRA) if they are likely to have an adverse effect on the site. An initial screening stage would be required, followed by an Appropriate Assessment through the Local Plan process. Where it is considered that an adverse effect on the integrity of the site is likely, and no alternatives are available, the project can only go ahead if there are imperative reasons of over-riding public interest and if the appropriate compensatory measures can be secured. The HRA will be undertaken at the next stage of the Local Plan as the allocations are firmed up.</p> <p>4.3 Climate change must be a consideration that runs through the Local Plan so whilst we don't have a Climate Change policy specifically, our Plan when read as a whole seeks to positively address Climate Change, for example through addressing flood risk, improved biodiversity, sustainable construction and the creation of sustainable places. Draft 'Policy DS2: Sustainable Design and Renewable/Low Carbon Energy Generation' can be considered one of the more practical policies in terms of addressing Climate Change, however all policies were assessed against the Climate Change objective as set out in the Sustainability Appraisal framework in order to ensure that the most sustainable option was chosen and adverse impacts can be mitigated. All potential allocation sites were also assessed against the SA framework to consider any adverse impacts on Climate</p>

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		<p>Change. It is the role of the SA to highlight these and identify where improvements can be made to reduce these impacts.</p> <p>4.4 The whole of Spelthorne is an Air Quality Management Area and this is an important issue for the Local Plan to address. Individual site assessments for the proposed allocations have considered the effects of air pollution, especially in those locations where levels are already high. We have carried out a Sustainability Appraisal for all sites to assess the social, economic and environmental impacts of development, including on pollution and air quality. Part of this process is to identify where development could have a negative impact on any of the SA objectives and to subsequently identify mitigation measures. The detailed officer assessment sets out the reasons behind the identification of the site. We will also continue to work proactively with Surrey County Council who are responsible for transport through the development of the Local Plan to ensure that these matters are suitably considered and addressed on each site. We will also continue to work with our Environmental health team who monitor pollution via diffusion tubes on a monthly basis around the Borough. At the planning application stage applicants will need to adhere to all of the Local Plan policies, including draft policy E3: Environmental Protection. This sets out the steps that applicants will need to follow in order to improve air quality. Applicants will also need to submit an Air Quality Assessment which will assess air quality associated with transport volumes, waste disposal, construction etc. This will then give us a greater level of understanding with regards to the impacts of the proposed scheme.</p> <p>4.5 Officers have assessed every site put forward to us as available for development, covering issues and constraints such as the performance against Green Belt purposes and flood risk amongst others.</p>



KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
		<p>Spelthorne is a very constrained Borough therefore we have to look at land in flood zone 2 and 3a. We will be working with Surrey County Council as the lead local flood authority and we will be producing a strategic flood risk assessment stage 2 to help overcome flood risk on specific allocation sites.</p> <p>Our consultants, AECOM, have produced a draft interim Strategic Flood Risk Assessment stage 1 to assess flood risk in the Borough and we will also require each individual site to produce a detailed flood risk assessment and any mitigation measures to overcome adverse impacts in relation to flooding. Environment Agency mapping will also help to inform decision-making in relation to sites which are considered to be vulnerable to flooding.</p> <p>Suitable mitigation will be required before planning permission can be granted on each site. The applicant will need to provide a flood risk assessment as part of the process.</p>
5. Visual Impacts	<p>5.1 Impacts on character.</p> <p>5.2 Loss of outlook.</p> <p>5.3 Loss of view of open green land from nearby school.</p> <p>5.4 Negative impacts on landscape.</p>	<p>5.1 We would expect any new development to be of high quality design and this will be informed by the new Local Plan policies. The planning application stage of the process which comes after the adoption of the Local Plan will consider character in more detail.</p> <p>We are required to build over 600 homes per annum by Government therefore we are likely to see an increase in built form across the Borough. We aim to maximise densities where character allows, for example in high density areas like town centres and near to transport hubs, but we will seek to ensure that new developments across the wider area adhere to local character. Applicants will need to demonstrate that this has been taken into account through their planning application.</p> <p>5.2 – 5.3 The officer site assessments considered visual amenity impacts from public viewpoints to consider how outlook could potentially be impacted by development. It should however be noted that there is no 'right to a view' and a loss of a view is not a material planning consideration. The assessment of visual amenity is not an absolute</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
		<p>constraint and while due regard has been given to visual impact it has been weighed against other assessment criteria in order to identify potential development sites. We have also sought to take this into account to help mitigate adverse impacts as much as possible.</p> <p>Whilst the planning system cannot protect the view from a property, outlook is considered to be an important consideration. This occurs where development would have an adverse overbearing effect. This matter would be considered at the planning application stage.</p> <p>5.4 The Green Belt Assessment focussed on the five Green Belt purposes as set out in the NPPF as well as the strategic contribution of sites. The criteria utilised by Arup for purpose 3, which is 'to assist in safeguarding the countryside from encroachment', included a qualitative consideration of character, covering landscape. Where sites are considered to have a more urban character and have a higher percentage of built form they were considered to make less of a contribution to this purpose. Openness, which is a key characteristic of Green Belt, does not however necessarily relate to landscape character, with openness being concerned about the absence of built development and other dominant urban influences. Impacts on local character will need to be considered in detail at the planning application stage.</p>
6. Exceptional Circumstances	<p>6.1 There are no exceptional circumstances in Spelthorne.</p> <p>6.2 There are exceptional circumstances in Spelthorne (for housing and employment).</p> <p>6.3 A buffer is needed for the delivery of sites in the Green</p>	<p>6.1 – 6.2 Paragraph 136 of the NPPF states that Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified. Paragraph 137 also requires a local planning authority to demonstrate that it has examined all other options for meeting its need for development. Before finalising the Local Plan allocations, Spelthorne will continue to engage with neighbouring authorities and will reconsider urban sites and the maximisation of densities to ensure that it has fully exhausted all options to meet its need. This will be a key consideration by the Planning Inspectorate at the examination stage. National policy does not define 'exceptional circumstances' therefore it is up to the local planning authority to define this. The inability of local</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>Belt and this counts as exceptional circumstances.</p> <p>6.4 The Local Plan should explicitly set out the exceptional circumstances that apply to Spelthorne.</p>	<p>planning authorities to accommodate their housing requirements without introducing development in the green belt has been the key factor behind a large number of Green Belt changes justified to date.</p> <p>The Preferred Options consultation set out the potential sites that could help meet our housing need based on the information available at the time of production, however we will review our spatial strategy in light of the representations received to the consultation in due course to fully consider our approach moving forward to ensure that it is appropriate for us. Further Sustainability Appraisal work will be undertaken as necessary as the preparation of the Local Plan progresses to ensure that all reasonable options have been assessed.</p> <p>6.3 The Council will review its land supply position as the Local Plan develops.</p> <p>6.4 The Council will review its spatial strategy following the Preferred Options consultation to ensure that the representations received have been fully considered. The Council will produce the required supporting evidence alongside its next consultation to justify why the chosen spatial strategy has been pursued.</p>
7. Green Belt designation	<p>7.1 Reservoirs shouldn't be included in Green Belt as they can't be built on.</p> <p>7.2 Reservoirs aren't publicly accessible so shouldn't be included.</p> <p>7.3 Much of the land designated as Green Belt is already developed or has planning permission e.g. Shepperton Studios expansion. This</p>	<p>7.1 - 7.2 The Reservoirs and River Thames are part of the Green Belt as they contribute to the fundamental aim of Green Belt to prevent urban sprawl and keep land permanently open.</p> <p>They contribute to the maintenance of the open landscape and the wider strategic role of Green Belt. There is not necessarily a right of access on Green Belt. The NPPF does however indicate that "Where it has been concluded that it is necessary to release Green Belt land for development, plans should...set out ways in which the impact of removing land from the Green Belt can be offset through compensatory improvements to the environmental quality and accessibility of remaining Green Belt land" (para. 138). If Green Belt land is taken forward through the Local Plan the Council would seek improvements and accessibility gains to remaining Green Belt.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	should be discounted from Green Belt calculations.	7.3 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further. The Council is aware of this and aims to develop mapping to indicate what land is 'available' for development as we refine our spatial strategy moving forward. This will take account of existing development, planning consents, waterbodies etc.
8. Social impacts	<p>8.1 Impacts on health and wellbeing.</p> <p>8.2 Loss of community spirit if Green Belt is lost.</p> <p>8.3 Loss of access to green spaces.</p>	<p>8.1 – 8.3 NPPF paragraph 138 indicates that “Where it has been concluded that it is necessary to release Green Belt land for development, plans should...set out ways in which the impact of removing land from the Green Belt can be offset through compensatory improvements to the environmental quality and accessibility of remaining Green Belt land”. If Green Belt land is taken forward through the Local Plan the Council would seek improvements and accessibility gains to remaining Green Belt.</p> <p>The Sustainability Appraisal has assessed all sites against the SA framework, which includes health and wellbeing impacts. The SA allows the Council to consider the expected social, economic and environmental impacts of development and as a result adverse impacts can be mitigated. Larger schemes will be expected to produce a health impact assessment when a planning application is submitted. This is a useful tool to assess and address the impacts of development proposals. This will ensure that health and wellbeing are properly considered in proposals.</p>
9. Strategy	<p>9.1 Compensatory improvements are required if Green Belt is released.</p> <p>9.2 Weakly performing Green Belt should be improved not released.</p>	<p>9.1 NPPF paragraph 138 indicates that “Where it has been concluded that it is necessary to release Green Belt land for development, plans should...set out ways in which the impact of removing land from the Green Belt can be offset through compensatory improvements to the environmental quality and accessibility of remaining Green Belt land”. If Green Belt land is taken forward through the Local Plan the Council would seek improvements and accessibility gains to remaining Green Belt.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>9.3 Choosing Green Belt sites is profit driven.</p> <p>9.4 Green Belt should be released last in the plan period to take account of any possible reductions in housing need. It should be a last resort.</p> <p>9.5 More Green Belt should be identified for release, rather than add to existing sites.</p>	<p>9.2 – 9.3 Through the examination of the Local Plan the Council will be expected to demonstrate that it has left no stone unturned in meeting its housing needs. At present Spelthorne is unable to meet all its housing needs within the urban area alone therefore a strategy including weakly performing Green Belt has been considered as the preferred option. Moving forward we will take account of the representations received to our consultation to further develop our strategy. We will continue to review the proposed allocations as well as supporting evidence before concluding on our allocation sites.</p> <p>9.4 The Local Plan would include each allocation and a set of requirements expected to be delivered alongside these. This will also include a prospective timeframe for delivery. We are currently reviewing our spatial strategy following the consultation to consider how needs can best be met within the urban area whilst also ensuring we exhaust all other options before giving further attention to Green Belt land.</p> <p>9.5 The preferred spatial strategy has focussed on weakly performing Green Belt, maximising densities in the urban area and the development of Staines town centre. Green Belt sites have been chosen based on their sustainability and weak Green Belt performance, with sites situated at the edge of the urban area owing to these factors. These are therefore considered to be most suitable based on the preferred spatial strategy but we will review all allocations and consider any newly promoted sites as we further develop our Local Plan strategy.</p>

## Housing

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
1. Housing requirement	<p>1.1 2016-based household growth projections should be used, not 2014 based projections.</p> <p>1.2 The Government-imposed housing figures should be challenged.</p> <p>1.3 The housing figures are not a compulsory target/ Local Housing Need is a starting point.</p> <p>1.4 The Council should employ its own housing need methodology.</p> <p>1.5 The 603 figure is not a target until the Local Plan is adopted.</p> <p>1.6 The baseline for housing provision should be based on housing growth between 2020 – 2030.</p> <p>1.7 How is birth rate/death rate likely to change with the increase in housing need?</p>	<p>1.1 At present national guidance sets out that we should use 2014-based household projections to calculate our housing need, therefore we have to work to this figure. Whilst we have laid out our concerns to central Government and we await a response, we have to move forward with the Local Plan process and identify sites for potential allocation. If we used the lower figure based on the 2016-based projections we are likely to face opposition from Government and neighbouring authorities for not trying to meet our housing need in line with current guidance.</p> <p>1.2 We initially objected to the proposed approach to use 2014-based household growth projections when the Government consulted on the proposals.</p> <p>Local politicians and officers met with the Ministry of Homes, Communities and Local Government on 5 November 2019 to raise our concerns about the high housing figure for Spelthorne. We are undertaking further work on this topic in-house and will maintain a dialogue with MHCLG. We have chased MHCLG for a formal response to our letter. The methodology used for the 2014 projections and for 2016 were different, with the Government indicating that this played a role in the difference in expected household growth. Ultimately it is for MHCLG as to which projections they base their standard method on and whether they allow local authorities to use any figures other than the 2014-based method. The Government has an aim of delivering 300,000 new homes each year and any methodological changes are likely to reflect this aspiration.</p> <p>1.3 National Planning Practice Guidance sets out that the standard method to calculate housing need identifies the minimum annual housing figure, meaning we need to provide at least this number. This is an unconstrained assessment of need and guidance sets out that constraints should be considered when identifying land supply. In line with national guidance we would need to set out a strong reason for restricting the level of</p>

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	1.8 Will homes be for those outside the Borough?	<p>development (NPPF para 11bi). This is considered to be a high bar and we would need to demonstrate the unique circumstances for Spelthorne whilst setting out that we have done all we can to meet as much need as possible.</p> <p>1.4 National guidance sets out that if it is felt that circumstances warrant an alternative approach a different methodology can be used but authorities can expect this to be scrutinised more closely at examination. There is an expectation that the standard method will be used and that any other method will be used only in exceptional circumstances. Our Strategic Housing Market Assessment 2015 identified a need of between 552-757 dwellings per annum so we could expect a need in this region if an alternative approach was pursued.</p> <p>1.5 The PPG sets out that where a Local Plan is more than five years old the standard method should be used to calculate local housing need. This should be calculated at the start of the plan-making process and should be kept under review and revised where appropriate. This means that we need to work towards the LHN figure throughout the plan making process and we can rely on our local plan figure for two years once adopted.</p> <p>1.6 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further. The LHN has now been updated with 2020 as the baseline following the consultation. The need is now 606 homes per annum.</p> <p>1.7 – 1.8 The Local Housing Need figures derived from the standard method use household growth projections as their basis. The household growth projections are based on demographic trends in population and household formation. They in turn use the subnational population projections as their base which indicate the future size and age structure of the population, applying local fertility and mortality rates to calculate the number of projected births and deaths. This is then adjusted for migration</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
		<p>into and out of each local authority. This is the same across the country so that all authorities account for these elements of population change.</p>
<p>2. Level of development</p>	<p>2.1 Spelthorne is full/overcrowding.</p> <p>2.2 Too much housing is being proposed.</p> <p>2.3 A decision on the Local Plan should not be made until the Government reduces Spelthorne's housing number.</p> <p>2.4 We don't need the proposed number of dwellings based on population growth and average household sizes.</p> <p>2.5 The South East is already heavily populated and constrained – has this been taken into account?</p> <p>2.6 Development levels should be capped in line with brownfield land availability.</p>	<p>2.1 – 2.2 The level of housing required is based on population projections to enable enough housing to be built to meet the needs of the Borough. This takes account of future growth as well as constrained households that have not been able to form due to affordability issues in the past. Transport modelling, an Infrastructure Delivery Plan and a Strategic Land Availability Assessment amongst other supporting evidence will inform which sites we allocate and how much housing can be accommodated in Spelthorne to meet needs.</p> <p>2.3 <u>The Government says</u> We will need to produce a plan that meets our needs and if we don't we will be at risk of our local plan being found unsound by the <u>Government appointed</u> Planning Inspectorate. If we fail to make progress on the plan we could also be subject to the Government stepping in and writing a Local Plan for us with little say in the process ourselves. We therefore want to be able to make decisions locally and for local people to be involved in the process to provide a plan which delivers homes and employment areas that we need in the most suitable places.</p> <p>2.4 The standard method for calculating housing need uses household growth projections as its first step, which in turn use subnational population projections. The subnational population projections indicate the future size and age structure of the population, applying local fertility and mortality rates to calculate the number of projected births and deaths, and then adjust for migration into and out of each local authority. Given that population projections form the basis of the stand method calculation it intends to meet population need. National guidance requires us to use 2014-based household projections rather than the more recent 2016-based projections. Spelthorne Borough Council has challenged the Government on this and are awaiting a response.</p>



KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
		<p>2.5 The standard method provides an unconstrained assessment of homes needed in an area. Planning Practice Guidance sets out that this is the first step in the process of deciding how many homes need to be planned for. Plan makers should consider constraints when identifying sites to meet needs. The PPG sets out that if there is clear evidence that strategic policies cannot meet the needs of the area, factoring in the constraints, it will be important to establish how needs might be met in adjoining areas, particularly through the Duty to Cooperate.</p> <p>2.6 The Strategic Land Availability Assessment (SLAA) assesses the suitability, availability and achievability of sites to meet development needs. The SLAA takes account of local constraints, such as Green Belt, in assessing the suitability of land. This sets out all developable land in the Borough and focusses on brownfield land. Spelthorne cannot currently meet its objectively assessed housing need in the urban area alone. The NPPF at paragraph 136 sets out that Green Belt boundaries should only be altered where exceptional circumstances exist. Before this is concluded, plan makers should demonstrate that they have examined fully all other reasonable options for meeting the identified need for development. As such, Spelthorne will need to set how it has fully explored all other options for meeting its needs before determining if Green Belt should be released.</p>
3. Deliverability & Housing supply	<p>3.1 The housing supply position has deliverability issues.</p> <p>3.2 Delivering 603 homes each year is unrealistic.</p> <p>3.3 Why do we need more housing when existing schemes have paused/stopped?</p>	<p>3.1 As the Local Plan progresses we will engage further with landowners to confirm the availability and deliverability of sites. We are aware that the position may change throughout the course of plan preparation and we will update our land supply position accordingly. Given the constraints present in Spelthorne we realise the importance of leaving no stone unturned and maximising supply from a variety of sources, in line with our preferred spatial strategy.</p> <p>3.2 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further. The Council is aware that current net completions fall below this target. It</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>3.4 Due to historic under delivery SBC should factor in an appropriate buffer/ contingency plan so it meets its need.</p> <p>3.5 Empty homes and offices should be used.</p> <p>3.6 Why doesn't privately developed housing count?</p> <p>3.7 The Core Strategy runs to 2026 and net completions already go beyond the 166 target.</p>	<p>is for the Local Plan to identify a sufficient supply of sites to meet needs and to boost deliverability. The Council has challenged Central Government on the use of outdated population projections to inform housing need and is awaiting a response.</p> <p>3.3 The Local Plan will cover a 15 year period and we need to identify enough sites to meet local housing needs throughout this time. In addition, we are not currently meeting our housing needs, with net completions falling below the annual requirement. The Local Plan provides the opportunity to identify a sufficient supply of sites to meet needs. A Housing Delivery Test Action Plan has been produced by the Council to identify measures to boost housing delivery, including the completion of those schemes under construction. Developers have been contacted as part of this process to ascertain the reasons for any slowdown in progress.</p> <p>3.4 The standard method for calculating housing need includes an affordability adjustment to account for past under-delivery. As such there is not a requirement to specifically address past under-delivery separately. In terms of the delivery of identified sites throughout the plan period, the Council will apply an appropriate buffer to its five year land supply position. The SLAA also contains a buffer to account for non-implementation which will be carried through to the Local Plan supply of sites.</p> <p>3.5 There are currently no dedicated resources to supporting empty property owners bringing their properties back into use. Whilst the numbers are relatively small in comparison to total dwelling stock, bringing this number of properties back to use would provide significant opportunities for the Council to support homeless households. The Council's housing department have produced a Homelessness Strategy which considers how best to deal with empty homes in the Borough. This is an important issue which the Council are seeking to address and looking to develop a means by which these homes can be brought back into use</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
		<p>as a means of meeting either a specific need for housing requirements more generally.</p> <p>In terms of the Local Plan, the Council's preferred spatial strategy focuses on the use of available brownfield land. The Strategic Land Availability Assessment (SLAA) supports the Local Plan and identifies potential development sites in the urban area. This assesses the suitability, availability and achievability of sites. Offices and vacant buildings able to accommodate 5+ units have been considered in the assessment. Smaller sites have been picked up as 'windfall', whereby an allowance is made for smaller sites based on past trends.</p> <p>3.6 Privately developed housing as well as that developed by the Council and other public bodies does count in housing supply figures.</p> <p>3.7 National guidance sets out that where a development plan is more than five years old, the standard method should be used to calculate Local Housing Need (NPPF, para 73). As such, the Core Strategy 2009 housing figure is out of date and should not be relied on.</p>
4. Affordable housing	<p>4.1 More affordable housing should be provided.</p> <p>4.2 Viability work is important for affordable housing provision.</p> <p>4.3 There are too many loopholes for developers to avoid affordable housing provision.</p> <p>4.4 H2 policy should be amended to recognise those</p>	<p>4.1 – 4.3 The Local Plan will be viability tested so that policies are viable and an appropriate level of affordable housing can be provided. National guidance sets out that the role for viability assessment is primarily at the plan making stage and policies should not undermine the deliverability of the plan. By considering viability at the plan making stage, there is less to be negotiated at the planning application stage, with affordable housing levels already set at a viable level. The viability assessment will test different levels of affordable housing provision across a number of site typologies so that the policy sets affordable housing requirements at an appropriate level.</p> <p>Spelthorne Borough Council owns a number of sites identified for allocation in the Local Plan. These provide an opportunity to increase</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>schemes that are exempt from affordable housing requirements.</p> <p>4.5 Need to distinguish between Green Belt and urban land in affordable housing provision</p>	<p>affordable housing provision beyond the levels required in the Local Plan policy.</p> <p>4.4 The issue is noted for officers and the <a href="#">LPWPLPTG</a> to consider further. The Local Plan should avoid repeating national policy, with this information available in the NPPF.</p> <p>4.5 The issue is noted for officers and the <a href="#">LPWPLPTG</a> to consider further. The viability assessment will test a variety of site typologies, including Green Belt and urban sites. This will help the Council to ascertain if viability differs across these sites and whether a higher level of affordable housing provision can be requested. Typically greenfield sites have fewer deliverability constraints therefore it is likely to be more viable to include a higher proportion of affordable units. This will be a key consideration in producing allocation policies.</p>
5. Duty to Cooperate	<p>5.1 Spelthorne will need to consider unmet need of neighbouring authorities.</p> <p>5.2 Support for Spelthorne planning to meet its own needs.</p>	<p>5.1 – 5.2 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further.</p> <p>Spelthorne is a very constrained borough like many of its neighbouring authorities. Spelthorne faces the challenge of meeting its own development needs within this environment <a href="#">and does not have surplus land to unmet need of neighbouring authorities</a> but is committed to ongoing and constructive cooperation with partners regarding strategic matters. <a href="#">Our evidence base so far</a> The aim of this is to tackle the issues faced across the wider region.</p>
6. Housing Mix	<p>6.1 The market will change over the plan period so flexibility is required.</p> <p>6.2 Individual site circumstances need to be considered in housing mix.</p>	<p>6.1 - 6.2 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further.</p> <p>Draft policy H1: Homes for All sets out that housing mix should be informed by the Strategic Housing Market Assessment or any similar evidence. This will allow the most recent evidence to be taken into account and for needs to be met through new developments.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>6.3 Need for more specialist accommodation/accessible homes.</p> <p>6.4 Houseboat need should be fully assessed.</p>	<p>6.3 Draft Policy H1 sets out that specialist accommodation will be required on suitable sites. The Strategic Housing Market Assessment provides an assessment of specialist accommodation and elderly people's accommodation. This evidence has fed into the development of the Local Plan policy.</p> <p>6.4 The assessment of needs is considered to address housing needs across Spelthorne.</p>
7. Site Specific Issues	<p>7.1 Why is the Elmsleigh Shopping Centre being demolished and redeveloped for housing?</p> <p>7.2 Too much development is proposed on HS1/010 (Stratton Road site).</p> <p>7.3 Why is housing proposed on RL1/007 (Worple Road site) when mineral workings have previously been identified?</p> <p>7.4 The Northumberland Close site (SN1/005) should be considered for housing rather than employment use.</p> <p>7.5 AS1/003 (Staines Fire Station) is used by Ambulance services.</p>	<p>7.1 The Council is considering redeveloping the Elmsleigh Centre so that it would retain its retail presence within the town centre, however residential development could be provided on the upper floors, above the shopping centre. The Staines Masterplan will set out how this could best be accommodated.</p> <p>7.2 Officers previously produced a Site Selection Methodology setting out a robust set of criteria to assess potential development sites. We consulted on this publicly last year and amended it to reflect feedback. The assessment process used evidence base studies and also considered constraints for example flood risk, land contamination, designated nature sites, to assess sites. The spatial strategy also guided the assessment of sites and we undertook a Sustainability Appraisal to assess the social, economic and environmental impacts of developing the sites. Bringing all of these factors together we weighed up the benefits and harm of each site to produce a list of potential allocations. Through each site assessment officers have provided an approximate yield considered to be appropriate on each site. This is based on the character of the wider area and density considerations.</p> <p>7.3 Gravel extraction at the Manor Farm site has not yet commenced although Bretts have continued preparatory work to comply with a number of planning conditions. They have indicated that they would complete extraction and restoration within the next 2-3 years. The proposed</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
		<p>allocation site at Worple Road (Ref RL1/007) is land which adjoins and overlaps to a limited extent with the gravel extraction site to the south. The Worple Road site was put forward by Bretts for residential development as it is mainly unaffected by the mineral working operation.</p> <p>The boundary shown in the site allocations document is that submitted by Bretts in proposing the site for housing. There is some overlap between the two sites and it will be for Bretts to decide whether they wish to amend their planning permission to exclude the land they propose for housing development or to adjust the boundary of the area they have put forward for housing development so that it coincides with that shown in the minerals permission.</p> <p>7.4 The site was also promoted for economic development by the landowner and the site was identified for commercial use to support growth at Heathrow Airport through the officer site assessment process. The area around Northumberland Close is characterised by a number of large storage and distribution units which play an important economic role for Spelthorne in supporting the operation of Heathrow Airport. For this reason the site is considered to be more appropriate for commercial use.</p> <p>7.5 The landowner has indicated that the site is available following the relocation of the fire station. The Council will continue to work with service providers to ensure that operations can continue from a suitable location. Allocation of the site is dependent upon availability.</p>

## Gypsies and Travellers

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
1. Assessment process	<p>1.1 Little consideration gone into the location of new pitches. Existing sites should be expanded but this has not been considered.</p> <p>1.2 Policy criteria do not seem to have been taken into consideration when allocating the site west of Town Lane, Stanwell and there seems to be little evidence supporting the sites' allocation for this use.</p> <p>1.3 I fail to see why this population should be treated any differently to anyone else regarding housing need.</p>	<p>1.1 Officers undertook detailed assessments of a large number of sites whilst preparing the Draft Local Plan. These are available on our evidence base please refer to the Preferred Site Allocations - Officer Site Assessments and Rejected Site Allocations - Officer Site Assessments Both of which can be found on <a href="http://www.spelthorne.gov.uk/New-Local-Plan-Evidence">www.spelthorne.gov.uk/New-Local-Plan-Evidence</a> For more information on which sites were assessed. Every site which was assessed was considered for its suitability for a Gypsy and Traveller or Travelling Showpeople site.</p> <p>1.2 The expansion of existing sites is an option however the <a href="#">good practice guidance</a> on site design states that there should be no more than 15 pitches per site (please refer to the guide under Documents titled good practice guidance). In addition, some of the existing sites lie within flood zones and it would be contrary to national planning policy to allow them to expand. Officers will produce a note and publish on the website with analysis of each site.</p> <p>1.3 The Council is following the guidance provided by national government to provide homes for both the settled population and Gypsies, Travellers and Travelling Showpeople. We have identified sites suitable to meet the specific needs of this community group in line with guidance.</p>
2. Offsite provision	<p>2.1 Policy H3 on offsite provision - this is referring to sites that have been allocated as GTTS pitches by the Council in the Local Plan, but that have proven to be undeliverable and therefore</p>	<p>Some of the larger site allocations may be required to provide some on-site gypsy and traveller pitches as part of the wider allocation. If this is set out in the allocation and later the developer is not able to deliver these, this part of the policy would apply. If sites are allocated entirely for gypsy and traveller pitches they would be expected to deliver these. There are a limited number of sites where it is possible to deliver pitches and it is important that identified needs are met.</p>

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	are being developed for other uses. If this is the case, it seems unfair that the Council are placing the onus on the developer to locate a new GTTS, when this should be the responsibility of the Council.	
3. Green Belt	3.1 Why will land allocated for GTTS use be removed from the Green Belt?	2.1 In order for the land to be allocated for development it must be removed from the Green Belt. Please see the 'Green Belt' key theme and policy for further details.
4. Impacts of use	<p>4.1 Negative impacts on sewerage.</p> <p>4.2 Parking issues.</p> <p>4.3 Creation and maintenance of GTTS sites will be an additional financial burden on already stretched budgets. It could prove to be a very costly mistake if gypsies refuse to move to these sites.</p> <p>4.4 Concerns over site management and security.</p>	<p>4.1 As the organisation responsible for sewerage in the borough, Thames Water are a specific consultation body and are consulted at each stage of Plan preparation to ensure they have no objections to sites or the overall number of homes allocated in the Local Plan.</p> <p>4.2 Please see the 'Transport' key theme for a detailed response.</p> <p>4.3 The purpose of the consultation was to engage all sectors of the community and find out their views on the Draft Local Plan policies and sites.</p> <p>4.4 Sites may be managed privately or by Surrey County Council. Site Management is not something that has been considered in detail at this stage of Local Plan production.</p>
5. GTTS needs	5.1 The identified need for Gypsy and Traveller pitches in Spelthorne is stated in this	5.1 The Council's GTAA has been produced by ORS (Opinion research Services). They have undertaken studies for most other Surrey authorities and a large number of other authorities. They have a robust methodology



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	<p>documents for only 3 pitches. What is more, this need is not required all at once and is recommended to be spread over the next 25-year period, i.e. 1 site every 7 or 8 years.</p> <p>5.2 The requirement for G&amp;T accommodation should be continuously monitored, to determine if the number of sites allocated in the Local Plan is reflective of the need. Factors such as plots vacated by households moving away from the study area; households on unauthorised developments; and concealed households/doubling-up/over-crowding, could impact the accuracy of need.</p> <p>5.3 The needs and wants of the community have not been considered. A significant amount of research is required by the Council to make this work.</p> <p>5.4 G&amp;T communities have not been consulted/interviewed</p>	<p>that has been accepted at many planning examinations and have addressed the issues highlighted. Their report identifies the needs for Gypsy and Traveller pitches for those who both do and no not meet the planning definition.</p> <p>5.2 The GTAA (<a href="#">Gypsy and Traveller Accommodation Assessment 2018</a>) was produced by Opinion Research Services (ORS). They are very experienced and have produced similar evidence for many other local authorities across Surrey and nationwide. They have taken into account factors such as concealed households/doubling up and household formation rates. All parts of the evidence base will be updated as required to ensure it remains up to date and reflects need.</p> <p>5.3 and 5.4 The Local Plan evidence base and information provided by central government identifies the development needs of Spelthorne Borough. For example the overall housing need figure is calculated for us, the GTAA identifies the needs for Gypsy, Traveller and Travelling Showpeople pitches and the Employment Land Needs Assessment identifies needs for employment land.</p> <p>The purpose of the consultation was to engage all sectors of the community and find out their views on the Draft Local Plan policies and sites. No sector of the community was consulted prior to the start of the consultation on 5 November.</p> <p>5.5 The GTAA has been produced by consultants ORS. The GTAA covers 2017 to 2041 in 5 year time-periods whilst the Local Plan will cover to 2035 (however this may be extended). There is an identified need of zero for Gypsy and Traveller households who meet the definition 2037-2041 so the differing time periods are not relevant. There is an identified need of 1 plot for Travelling Showpeople households who meet the definition 2037-2041 so the need is 14 rather than 15. However over the Plan preparation timetable this may change.</p>

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	<p>to determine their preferred site or whether they will actually move to proposed sites. More research is needed about where these communities want to live.</p> <p>5.5 Query over the time period for need as shown in the evidence compared with the Local Plan period. The number of Travelling Showpeople plots required could therefore reflect that assessed in the GTAA when assessed on a consistent timeframe. The overall need for travelling showpeople plots within the plan period would then be reduced by 1 to 2 potential plots.</p>	<p>Of those not meeting the definition and the unknown there are 2 of the 17 "households in 2037-41.</p>
<p>6. Occupation of sites</p>	<p>6.1 Is there a restriction on how long families can stay on a pitch for?</p> <p>6.2 Why do transient populations require permanent sites?</p> <p>6.3 Will the sites be big enough to accommodate the average</p>	<p>6.1 The pitches being provided in the plan will be permanent. Each pitch will accommodate one household. A pitch is an area normally occupied by one household, which typically contains enough space for one or two caravans but can vary in size. A site is a collection of pitches which form a development exclusively for Gypsies and Travellers. For Travelling Showpeople, the most common descriptions used are a plot for the space occupied by one household and a yard for a collection of plots which are typically exclusively occupied by Travelling Showpeople.</p>

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	<p>showman's vehicles and equipment?</p>	<p>There is a need for a Surrey-wide transit pitch. We do not feel that Spelthorne is the best location in Surrey for this need to be met. We are on the edge of London, rather than centrally located. Surrey Leaders and Chief Executives are working together with Surrey Police to find a solution.</p> <p>6.2 Both the Gypsy and Traveller and Travelling Showpeople populations travel for work however they also need a home base for the winter period. This is when Travelling Showpeople maintain their machinery, for example. The Planning Policy definition of Gypsies and travellers includes: "Persons of nomadic habit of life whatever their race or origin, including such persons who on grounds only of their own or their family's or dependants' educational or health needs or old age have ceased to travel temporarily...".</p> <p>6.3 We will undertake further engagement with the Showman's Guild to ensure sites for Travelling Showpeople are a suitable size.</p>
7. Location issues	<p>7.1 Only 3 other sites have been considered for this use: LS1/001 Linton Place (already a site); LS1/016 Shepperton Road; and RL1/009 Waterside Nursery. In no way does this constitute a significant search of the borough for potential new sites.</p> <p>7.2 SN1/015 (Land west of Town Lane, Stanwell) is considered suitable for '5- 8 gypsy and traveller pitches',</p>	<p>7.1 Please refer to the Site Selection Methodology - February 2019 Preferred Site Allocations - Officer Site Assessments Rejected Site Allocations - Officer Site Assessments All of which can be found on <a href="http://www.spelthorne.gov.uk/New-Local-Plan-Evidence">www.spelthorne.gov.uk/New-Local-Plan-Evidence</a> For more information on which sites were assessed.</p> <p>7.2 A Gypsy and Traveller or Travelling Showpeople site would have to show its design at planning application stage, including road layout and where the caravans and utility blocks would be sited. There is <a href="#">good practice guidance which provides suggested layouts</a>. There will be hardstanding for the mobile homes to be placed on. In legislation mobile homes and caravans are synonymous and have a specific definition, so their maximum height and size will be known. Permanent Gypsy and</p>

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	<p>however the assessment also states that 'A change to built form would be significant and mitigation would be required in terms of size, scale and design of any units.' Given the nature of many GTTS dwellings, there is usually limited control over their design and how they can assimilate into their surroundings.</p> <p>7.3 Why is there no provision for Travellers in Staines, Shepperton, Laleham &amp; Charlton Village? Why are other areas of Surrey not being considered? What is the rationale with adding to already-overcrowded areas?</p>	<p>Traveller or Travelling Showpeople sites are very different from sites where incursions occur.</p> <p>7.3 It is very unlikely to be viable to develop sites for Gypsy, Traveller and Travelling Showpeople use in urban areas. These sites will have high land values as they can be used for homes, offices and other uses. In order to ensure the pitches and plots needed, which by their nature are low density, it is likely the sites will have to be allocated on green field sites. No green field sites have been identified in Staines. It is difficult to identify sites in Laleham due to flood risk issues.</p>

**Health**

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<p>1. Pressure on existing health infrastructure</p>	<p>1.1 The Borough has not got the capacity in the doctor's surgeries needed to deal with any increase in population</p> <p>1.2 Unless the GP practice expands how are they going to deal with additional people as they are already overburdened</p> <p>1.3 No health facilities planned to accommodate the increased number of residents</p> <p>1.4 Difficult to get an appointment with the doctor or there is long wait for one</p> <p>1.5 The doctor's surgery is barely able to provide an adequate service to existing residents</p>	<p>1.1 The Council acknowledges that increased growth in the Borough will inevitably lead to increased pressures on services such as healthcare. By having a Local Plan in place, this will identify areas which are lacking in services and other social facilities which can be addressed over the Plan period.</p> <p>1.2 We are working with infrastructure providers, including healthcare, so they can plan for our future growth. Healthcare will be dealt with through the Infrastructure Delivery Plan (IDP) which will support the Local Plan. The IDP identifies the Borough's infrastructure requirements, sets out what is needed, where it is needed and when it is needed. It then provides an update on the delivery of the required infrastructure to date. The IDP is currently being progressed following the Preferred Options consultation.</p> <p>1.3 The Clinical Commissioning Groups (CCG) are the bodies responsible for the provision of NHS hospitals and community healthcare facilities. The Council is working with the CCG to establish the demands on each of the current GP surgeries in the Borough and how the forecast increase will impact on this service. This will form part of the Infrastructure Delivery Plan (IDP) which will provide greater detail on the infrastructure required for the period of the Local Plan. There is funding available to help support this from contributions developers will pay when they build their sites.</p> <p>1.4 It is acknowledged that many residents struggle to get an appointment at their doctor's surgery. As part of the on-going work related to the IDP, the Council are engaging with GP surgeries across the Borough to ascertain where there is existing capacity that can be utilised and where there is a requirement to expand to provide further capacity for patients.</p> <p>1.5 As noted above, the Council are working with key healthcare stakeholders to ascertain current and future demand and work with those surgeries to help to meet the forecasted demand. However each doctor's</p>

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		surgery is run independently and concerns about the adequacy of care provided should be raised with either the practice itself or the CCG as the responsible body.
2. New facilities are required	<p>2.1 Provision of a new doctor's surgery in Charlton Village.</p> <p>2.2 There is only one GP surgery in Shepperton.</p> <p>2.3 New GP or upgrade existing GP at Studholme to prepare for inevitable increase in population.</p> <p>2.4 GP waitlists are already too long for Stanwell.</p>	<p>2.1 The Preferred Options consultation included draft site allocations in Charlton village which would see a substantial increase in the local population of the village and its surrounds. The Council are aware of the lack of healthcare provision available currently in the village and, should these draft site allocations be taken forward, then this is an issue that will need to be addressed. As part of the work for the IDP, those areas where additional pressures will be placed on infrastructure are to be identified. Developer's contributions from developments can be used to help fund additional infrastructure to deal with the growth generated by these developments.</p> <p>2.2 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further. The Council are engaged in discussions with Shepperton Health Centre to establish their current capacity and future needs. As part of this we will also consider the scope for the expansion of facilities if this is required.</p> <p>2.3 The same as stated in 2.2 above applies to Studholme Medical Centre in Ashford as it does to all health centres and doctor's surgeries in the Borough.</p> <p>2.4. The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further. Please refer to 2.2 and 2.3 in the context of the health centres/doctor's surgeries in Stanwell.</p>
3. Lack of health infrastructure in the Plan	3.1 Plan does not mention issues such as GP surgeries and local hospital provision	3.1 The Preferred Options version of the Local Plan does not include specific reference to GP surgeries or other healthcare provision as this is a matter for the individual surgeries and for the CCG and NHS England. The Council are working constructively with all the parties involved in order

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	<p>3.2 Are the developers going to be made to build GP surgeries?</p> <p>3.3 Will this mean you will need to use more Green Belt land to provide new doctor's surgeries</p>	<p>to identify where additional capacity or facilities may be required in order to meet forecasted future demand for growth. Details of this will be included in the IDP which is being progressed currently.</p> <p>3.2 It is always possible that developers could propose to include facilities such as GP surgeries however this tends to be for substantial developments which are likely to increase the local population substantially. However where the cumulative impacts of a number of developments may see such an increase in a town or village, then new facilities may be deemed necessary. The draft site allocations in the Preferred Options are not yet finalised and further work is required. New developments contribute monies through the Community Infrastructure Levy (CIL) and section 106 agreements. This can be used to either secure funding for new facilities from the developers to mitigate the impacts of the development(s).</p> <p>3.3 The draft site allocations have identified a number of sites in the Green Belt which could be used for development either housing or for employment use. These sites however are on the edge of existing urban areas were the Council's Green Belt Assessment has identified that these sites are lower performing against the five purposes of Green Belt. GP surgeries would tend to be located within the urban areas to serve the wider catchment rather than included in the Green Belt, which can be more isolated from these urban areas. The expansion of existing health facilities would therefore not necessarily impact on the Green Belt.</p>

**Education**

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
1. Impacts on schools	<p>1.1 Local schools are oversubscribed</p> <p>1.2 Need for additional school places</p> <p>1.3 Concern over the lack of schools in general</p> <p>1.4 No schools in Charlton Village to support development</p> <p>1.5 Some children have to travel out of the Borough for their education</p> <p>1.6 Concerns for the safety of school children in the context of road safety</p>	<p>1.1 It is acknowledged that there are existing pressures on local schools in the Borough. The Council are working with Surrey County Council as the education authority and local schools in the Borough to ascertain the areas of greatest demand over the Local Plan period.</p> <p>1.2 As noted in 1.1 above, the council are working with the relevant education bodies to establish where capacity exists and where demand is likely to be greatest to ensure that sufficient school places are made available.</p> <p>1.3 Spelthorne has 33 schools (25 primary schools and 8 secondary schools). Whilst many of these are concentrated in the east and south of the Borough, most are accessible.</p> <p>1.4 Areas where development may substantially increase demand for school places will be considered for the likely impacts on existing facilities. By having a Local Plan in place, this allows the identification of areas where development will take place and demand will increase as a result. This then facilitates discussions with SCC to ensure that sufficient school places are available to accommodate this increase.</p> <p>1.5 Whilst reducing travel to school is an important strand of developing a sustainable Local Plan, there may be occasions where parents have specifically chosen for their child to go to a school outside the Borough or where the primary school has a link to a secondary school outside the Borough. It is acknowledged that there are limited secondary school options in the Staines-upon-Thames area which is why many pupils there may attend Magna Carta in Egham. We will continue to work with SCC and local schools on this issue as part of the Infrastructure Delivery Plan supporting the Local Plan.</p>



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		<p>1.6 Safety for schoolchildren is of paramount importance and has been more extensively covered in the Highway safety section of the officer transport response. There is a national focus on reducing school traffic and minimising vehicles parking close to schools during peak hours. The Council will continue to work with key stakeholders to identify particular areas where such restrictions can be put in place to increase the safety of schoolchildren.</p>
<p>2. Requirement for school expansions</p>	<p>2.1 School expansion will lead to more Green Belt being developed.</p> <p>2.2 New schools are not proposed in the Plan to account for the increasing population.</p> <p>2.3 Local school can only take a limited number of pupils with no potential to expand.</p>	<p>2.1 The draft site allocations have identified a number of sites in the Green Belt which could be used for development either housing or for employment use. These sites however are on the edge of existing urban areas where the Council's Green Belt Assessment has identified that these sites are lower performing against the five purposes of Green Belt. Most of the Borough's schools are located within urban areas to serve the wider catchment rather than in the Green Belt, which can be more isolated from these urban areas. This minimises the need for additional development in the GB to support school expansions. Some school playing fields are in the GB however these are protected under the National Planning Policy Framework (NPPF) which would limit their loss to development.</p> <p>2.2 There are no proposals to expand schools in the Local Plan currently. As part of the on-going work with the IDP, the Council are engaging with SCC and the Borough's schools to discuss opportunities for expansion and to identify where the most pressing need for school places is anticipated to be.</p> <p>2.3 refer to 2.2 above, on-going engagement with local schools and SCC</p>

## Biodiversity

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1. Impacts on wildlife	<p>1.1 Loss of important wildlife habitat</p> <p>1.2 Frequently see wildlife in the location</p> <p>1.3 There is a need to do all we can to protect existing wildlife habitats</p> <p>1.4 Concerns over wildlife and the long term impacts</p> <p>1.5 The local community will lose the opportunity to see wildlife</p> <p>1.6 Contradicts the Councils commitment to conserving and enhancing the biodiversity of the borough.</p>	<p>1.1 The Council acknowledges the importance of wildlife habitats. Spelthorne has a number of sites designated nationally and internationally for their role in supporting wildlife both in terms of birds on the reservoirs and grassed areas which are habitats for a huge variety of wildlife. The Council undertake regular surveys by specialist ecologists to ascertain the ecological value of areas of the Borough. Those areas of high value are protected as far as is possible and where some loss may take place, mitigation is provided to minimise loss of biodiversity.</p> <p>1.2 Spelthorne benefits from the large areas of open space which also provide opportunities for cow and horse grazing. Much of this land is privately owned and it is the decision of the landowner or the tenant to have such animals on the land. If required, these animals can be relocated to alternative sites. In the case of other wildlife, this will be protected as much as possible.</p> <p>1.3 The Council agrees that there is a need to protect existing habitats and supports the designated biodiversity sites. The regular surveying of these helps to keep an up-to-date record of the value of these areas in terms of ecology and the role they play in wider biodiversity functions. Designated sites are therefore not included for consideration as areas of development and where there may be an impact on habitats in other areas which don't have the designation, this can be reviewed or suitable mitigation employed to protect the wildlife and habitats as best can be.</p> <p>1.4 The Council acknowledges the concerns over wildlife. The government is mandating that all planning applications require a biodiversity net gain to be provided, especially in areas where development has an impact on biodiversity. This will ensure that developments provide additional or improved areas of biodiversity for the benefit of the local community. In respect of wildlife habitats, ecological assessments will need to be carried out to determine if the impacts can be</p>

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		<p>minimised or ideally avoided completely. Where this is not possible, suitable mitigation will be required to ensure there is no harm to these habitats and these may be re-provided in a more appropriate location.</p> <p>1.5 Spelthorne has two substantial areas which make up its Biodiversity Opportunity Areas (BOAs). This includes many designated biodiversity sites as well as opportunities for enhancement and public access. As part of the work on the Local Plan, a new Biodiversity Action Plan (BAP) is to be provided to identify key areas for enhancement and to allow opportunities for greater connections between local communities and these areas of biodiversity.</p> <p>1.6 The Council is committed to conserving and enhancing biodiversity in the Borough. Regular surveys are undertaken of the designated sites in the Borough to keep records updated regarding species habitats and the role sites play within the wider ecological network. The draft biodiversity policy in the new Local Plan clearly sets out this intention. The new Biodiversity Action Plan will set out how the Borough intends to enhance and protect areas of biodiversity.</p>
<p>2. Impacts on trees</p>	<p>2.1 Development of some of the sites will lead to the removal of trees</p> <p>2.2 A number of mature trees on some of the sites will be threatened</p> <p>2.3 The Council should be preserving and planting trees</p> <p>2.4 Many of the tress provide</p>	<p>2.1 Any trees impacted upon by a proposed development will be considered as part of the details of a planning application. If there are trees which may be removed and are of value/amenity, then the Council can place a Tree Preservation Order (TPO) on them to ensure these remain in place. Where tress may be lost, these can be replaced on site and developers will be encouraged to provide enhanced landscaping and biodiversity provision as part of the biodiversity net gain requirement as set out by Government.</p> <p>2.2 As stated above any trees that could be subject to removal or be impacted on by a proposed development will be assessed and there is a mechanism to protect them.</p>

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	habitats for wildlife	<p>2.3 The Council intends to preserve existing trees where possible and will encourage the planting of new trees as part of on-going maintenance of the Borough's green spaces and other sites as well as on sites for new development.</p> <p>2.4 The Council does not propose removing trees and where this may need to be done to facilitate development, a detail tree assessment is required to be carried out. Where a tree is deemed to have public amenity and value, it can be protected as a TPO as referred to in 2.1 above.</p>
3. Impacts on waterbodies	<p>3.1 Reservoirs are a source of drinking water supply, any plans to overpopulate area will pose serious threat in maintaining water safety</p> <p>3.2 A 8-10 metre natural wildlife corridor should be sought along the rivers</p> <p>3.3 Should be more specific about the relevant Water Framework Directive (WFD) rivers and lakes so the objectives for improvement can be more detailed and tailored to each waterbody</p> <p>3.4 Consideration of impacts of high rise developments on</p>	<p>3.1 The Council are working with water providers as part of the Local Plan process and the Infrastructure Delivery Plan to ensure that forecasted demand is taken into account and that sufficient water supply remains.</p> <p>3.2 The issue is noted by officers and the <a href="#">LPWPLPTG</a> for further consideration.</p> <p>3.3 The issue is noted by officers and the <a href="#">LPWPLPTG</a> for further consideration.</p> <p>3.4 The issue is noted by officers and the <a href="#">LPWPLPTG</a> for further consideration – impacts to be fully appraised as part of the Habitats Regulations Assessment to support the Local Plan.</p> <p>3.5 The issue is noted by officers and the <a href="#">LPWPLPTG</a> for further consideration – The Council is engaging with water providers to ensure current and future supply.</p>

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	<p>the South West London Waterbodies (SWLWB)</p> <p>3.5 Consideration of on an up to date evidence base on the water environment and as such the relevant River Basin Management Plan.</p> <p>3.6 Water bodies provide a habitat for wildlife.</p> <p>3.7 Security issues for developments close to Thames water sites</p> <p>3.8 Development proposed alongside designated sites will impact on these.</p> <p>3.9 Explanation on the role that the setting of a watercourse plays, why it is valuable or justification as to why this should be protected</p> <p>3.10 Spelthorne has so many waterbodies within it, yet none have been taken into consideration in the Plan.</p>	<p>3.6 The Council carries out regular ecological surveys on sites of biodiversity. The reservoirs are designated as Special Protection Areas and form the South West London waterbodies network. In addition, there are a number of other waterbodies in the Borough which are relevant to the functioning of this network in particular for over-wintering wildfowl. These habitats will be preserved and enhance where possible.</p> <p>3.7 The Council is engaging with Thames Water with regards to developments on or close to their sites to ensure that the safety of these facilities remains</p> <p>3.8 As noted in 3.6 above, the Council will ensure the integrity of designated sites and minimise the impacts of development</p> <p>3.9 The issue is noted by officers and the <a href="#">LPWPLPTG</a> for further consideration – relevant draft policy within the Local Plan will be updated to provide greater clarification on this matter</p> <p>3.10 Waterbodies in the Borough which fall under the national and international designations for biodiversity have been discounted from consideration for development as this is an 'absolute constraint'. In addition, many of the Borough's waterbodies are within the Green belt and have not been identified to be rereleased. The site selection methodology makes clear the 'sieving' process for selecting the sites for potential allocation. The draft biodiversity policy intends to protect and enhance designated sites, amongst others, and the developing Biodiversity Action Plan will set out how this is to be done in greater detail.</p>

## Leisure & Open Spaces

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<p>1. Provision of open space</p>	<p>1.1 Parks and open spaces are required to encourage walking.</p> <p>1.2 Will have to travel outside the Borough to enjoy open spaces.</p> <p>1.3 Staines town centre will become desperately in need of open space as its population grows.</p> <p>1.4 Cannot afford to lose recreational land.</p> <p>1.5 Would welcome clarification as to what open space is expected in each development.</p> <p>1.6 Local Green Space sites should be included.</p> <p>1.7 Open spaces are lacking in our area.</p> <p>1.8 The Borough is unlikely to have any surplus land that is currently in use for sports, recreational and open space</p>	<p>1.1 There are a number of parks and open spaces across the Borough for use across a wide demography. As such it is recognised that this should go beyond formal and informal recreation and consider spaces for their tranquillity and wellbeing value as well. The Council continues to protect and enhance these spaces and to encourage the use of them as part of wider health and wellbeing strategies.</p> <p>1.2 Access to open space is a key facet of the Council's Open Space Assessment and is reiterated in draft policy E5: Open Space. The NPPF protects parks, open spaces and playing fields from development. The Council's access to open space seeks to ensure that residents have some form of space to use within 400 metres of where they live and to improve access for those where this is limited. Spelthorne benefits from a number of large parks, small recreation grounds and more natural spaces such as Staines Moor. Access to these and continued protection and enhancement of them are key strands of the Local Plan.</p> <p>1.3 The Council acknowledges the pressures of development on Staines and the need to retain and provide additional open space as part of this. Policy E5 will seek to secure such benefits and this as part of the Staines Masterplan process will facilitate improvement in access to open space and the river.</p> <p>1.4 The Council agrees that the loss of recreation grounds and parks would be detrimental and these are protected under the NPPF. Where open spaces have been identified for development, policy E5 requires that compensatory measures be made to mitigate the loss through either re-providing the one space on site or providing a financial contribution to improve significantly an open space close by the development site.</p> <p>1.5 The issue is noted by officers and the <a href="#">LPWPLPTG</a> for further consideration. Draft policy E5 will be updated with further detail on what is</p>

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	to meet future development needs.	<p>required following the Open Space Assessment stage 2 work and the supporting viability evidence.</p> <p>1.6 The issue is noted by officers and the <a href="#">LPWPLPTG</a> for further consideration. The Council consulted on a methodology for Local Green Space (LGS) which follows Government guidance on how this should be applied. A further assessment document will be produced and a 'call for sites' exercise for LGS will be held later in the year for communities to put forward land that is not already in use as an allotment, park, recreation ground, playing fields or similar. The final LGS sites will be published following the completion of this process.</p> <p>1.7 The Council have published the Open Space Assessment which identifies areas which are deficient in open space provision. Where this is found, the Council will seek to address this through the Local Plan process.</p> <p>1.8 There are development pressures on the Borough for various types of development. The Open Space Assessment assesses current deficiencies and where these should be rectified whilst the Playing Pitch Strategy assesses the current and future demand for pitches across the Borough. These documents will help to inform the Local Plan with regards to where such provision is most required.</p>
2. Impacts on leisure activities	<p>2.1 Loss of land which is used for horse riding</p> <p>2.2 Loss of Staines and Laleham Sports Club</p> <p>2.3 Policy EC3 needs to be clearer when considering the loss of a facility or a change</p>	<p>2.1 The Council acknowledges that some proposed sites for development may currently have informal recreation taking place such as horse riding or other leisure activities. However the landowner(s) have promoted their land for development and on occasion, coupled with the GBA, this land may have been determined as being suitable for development. If the landowner were to cease the leisure activity taking place on their land then this would remove the recreational element of the land unless it was a designated recreation ground or park as this would be considered to be an absolute constraint as per the site selection methodology.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>of use for leisure and cultural facilities</p> <p>2.4 Greenfield recreation ground should not be considered for development</p> <p>2.5 What will happen with the leisure centre in Staines</p>	<p>2.2 The sports club have promoted the land for development as they see this as being the main way of being able to fund improvements to the current facilities. It is not proposed that the sports club will no longer use the site however this would some of the site being lost to for housing. The sports club would however remain with improved facilities.</p> <p>2.3 The issue is noted by officers and the <a href="#">LPWPLPTG</a> for further consideration. The policy will be reviewed to ensure clarity and for the policy to be applied effectively.</p> <p>2.4 Greenfield recreation ground and the play facilities are in a poor condition. The draft site allocation proposes the loss of a small area of the grounds where the play facilities are to residential development. It would be a requirement of the potential development that the recreation ground is improved in quality and additional play facilities of a much improved quality and a better offer for local residents will be provided. The Council does not propose to lose the recreation ground.</p> <p>2.5 The Council have consulted on a new location for the leisure centre on the land between the current leisure centre site and the Council offices at Knowle Green. A planning application will then need to be submitted for consideration and this will be open for comments.</p>



**Flooding**

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
1. Site specific issues	<p>1.1 Wheatsheaf Lane and surrounding roads have flooded twice in 11 years, with many families and elderly people leaving their homes for over a year at the time.</p> <p>1.2 Developers will need to manage Affinity Water concerns about needing to protect or divert our existing apparatus. The following sites could be affected:</p> <ul style="list-style-type: none"> <li>- Hitchcock &amp; King, Stanwell Road, Ashford</li> <li>- De Havilland Way, Stanwell</li> <li>- Hanover House, Bridge Street, Staines</li> <li>- 96-104 Church Street, Staines</li> <li>- The Elmsleigh Centre, South Street, Staines</li> </ul> <p>1.3 Concern that areas of the borough will be deliberately flooded to save the London underground for example. This has happened in the past (Wheatsheaf Lane, Staines) so could happen again. Yet no restriction has</p>	<p>1.1 Parts of Wheatsheaf Lane are in the 1 in 20 flood zone. This zone is effectively the functional floodplain and there are very strict controls to the type of development allowed. The Environment Agency will be consulted at all stages of producing the Local Plan and sites will not be brought forward that they object to.</p> <p>1.2 The Strategic Planning Team will discuss site constraints with Affinity Water as necessary when considering which sites should be taken forward.</p> <p>1.3 Planning restrictions in London are beyond the scope of the Local Plan</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	been made for London to restrict planning permission for basement building.	
2. Strategy & timetable	2.1 More time should be given to meet targets so local councils that have other challenges especially where there is a history of flooding.	2.1 The Strategic Planning team will consider all of the constraints and determine whether it is possible to meet the objectively assess housing need and the timescales within which development will be phased.
3. Flood protection and mitigation	<p>3.1 There is no restriction in type of building when building on or near flood plains. Only to protect the building not the local flooding issue. e.g. building green, on stilts etc. anything other than filling the ground with more concrete.</p> <p>3.2 Flood protections works to protect existing homes has not been started e.g. Staines.</p> <p>3.3 Welcome cross local planning authority cooperation and a consistent approach to the River Thames Scheme.</p>	<p>3.1 There is detailed government guidance regarding what types of building can be built in each flood zone. Please see Planning Practice Guidance<sup>1</sup>.</p> <p>3.2 Specific scheme not named. The Council is very supportive of the forthcoming River Thames Scheme.</p> <p>3.3 Spelthorne BC is committed to work with Duty to Cooperate partners on strategic matters.</p> <p>3.4 The sequential approach will be applied, as advised by national policy.</p>

<sup>1</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/575184/Table\\_3\\_-\\_Flood\\_risk\\_vulnerability\\_and\\_flood\\_zone\\_compatibility\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/575184/Table_3_-_Flood_risk_vulnerability_and_flood_zone_compatibility_.pdf)

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>3.4 Where sites contain different flood zones, the sequential approach should be applied, as advised by national policy, to ensure the layout of the site avoids development within flood zones 2 or 3.</p>	
<p>4. Policy E2: Flooding</p>	<p>4.1 Paragraph 2 - this paragraph should be re-worded given the sequential test is not required in all instances. As currently written, there is potential for confusion. The requirement to minimise flood risk where individual sites contain different flood zones is also unclear and should be clarified. Paragraph 5 - to avoid confusion, it is considered this should be amended to reflect national policy which sets out when a Flood Risk Assessment is required.</p> <p>4.2 Policy E2 relates to flooding but focuses on fluvial flooding. The policy should ensure that development does not increase the risk of flooding from all sources of</p>	<p>4.1 Officers will review the draft policy in light of the representations received and will amend where appropriate.</p> <p>4.2 Officers will consult with Aecom and the Environment Agency regarding the incorporation of text on sewer flooding.</p> <p>4.3 Policy wording will be checked and amended where necessary to ensure that it does not conflict.</p> <p>4.4 Careful consideration will be given to the proposed wording and will be discussed with key stakeholder such as the Environment Agency.</p> <p>4.5 Support noted.</p> <p>4.6 The definition of the Spelthorne Flood Zone 3b will be included after discussions with the EA and other key stakeholders.</p> <p>4.7 Supporting text will be added as requested.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>flooding. Additional text should be incorporated to address sewer flooding.</p> <p>4.3 Policy EN2 forbids rebuilding in the Green Belt to a size significantly larger than the original house. Policy E1 keeps this condition in clause 3, for extensions, and in the discussion, but omits it in clause 2, for rebuilding. Objection to this omission.</p> <p>4.4 To improve consistency in how surface water flood risk is reviewed across the county new policy wording is proposed in relation to surface water flood risk under part 3.</p> <p>4.5 Support for the principal of ensuring the flood risk sequential and exception test is applied in accordance with national policy.</p> <p>4.6 This policy defines the functional floodplain (3b) as the 1 in 20 year extent which we are in agreement with,</p>	

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>and we support your approach of safeguarding areas of undeveloped Flood Zone 3b. However we advise that you also include a definition for functional floodplain where detailed modelling does not exist. Many authorities take a conservative approach in these circumstances and use flood zone 3 as shown on the flood map for planning.</p> <p>4.7 The supporting text should include reference to promote pre-application discussions with the Environment Agency and links to detailed Flood Risk Assessment guidance within the planning practice guide: flood risk and coastal change, along with the EA's own publication on when and how to prepare an assessment.</p>	
5. Sustainability Appraisal	5.1 The implementation of this policy will not enhance the indicators health, flooding, economy and climate change. The policy simply	5.1 The direct impact of a flooding policy on health outcomes is limited. It is difficult to undertake Sustainability Appraisal on a flooding policy against a "do nothing" scenario because this does not exist; there is strong national flooding policy. The Local Plan flood policy has to be in

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>seeks to maintain the status quo and will not making a positive contribution.</p>	<p>conformity with national planning policy so it is difficult for it to score well in Sustainability Appraisal.</p>
<p>6. Water</p>	<p>6.1 According to Affinity Water simulation results, the demand increase due to the Spelthorne Domestic sites and Retail sites will be 1.37 MI/d and 0.75 MI/d respectively.</p> <p>With pressures at critical points in the network due to the new developments, major reinforcements in the network in the Spelthorne area will be required. This normally means new pipelines or new pumping stations will be required.</p> <p>There is sufficient water supply in the region.</p>	<p>6.1 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further.</p>

## Transport

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
1. Local and Strategic Road Network	<p>1.1 More development will place additional pressure on the existing road network and transport infrastructure.</p> <p>1.2 Oppose to more development without improvement to local transport infrastructure.</p> <p>1.3 The plan does not consider transport infrastructure improvements in parallel with new development.</p> <p>1.4 More development welcomed if there is corresponding transport infrastructure provision.</p> <p>1.5 Concerns over sustainable and active transport for new development sites.</p> <p>1.6 Concerns over more development resulting in more traffic and less parking.</p> <p>1.7 Construction of extra roads and road widening</p>	<p>1.1 The Council acknowledges that future growth will inevitably lead to increased pressures on infrastructure. By having a Local Plan in place, this will identify areas which are lacking in infrastructure which can be addressed over the Plan period.</p> <p>The impacts of road traffic and congestion that are projected to occur in Spelthorne over the plan period have been modelled using different scenarios of development. Surrey County Council has undertaken the traffic modelling for our emerging Local Plan as part of its draft Strategic Highways Assessment (SHA) report. This report can be viewed under the Local Plan evidence-base documents on the Council's website. A more detailed commentary on the analysis of the results will be contained in the final SHA report. The modelling evaluates the potential traffic impact of the development options for meeting the demands of the borough's future growth as consulted upon in this consultation. The impacts of our preferred option were not identified as 'severe', which is the NPPF's threshold for rejecting development on highway grounds, subject to mitigation to improve affected routes and junctions. This, however means that all the impacts identified are not expected to have a detrimental effect on the local transport network. More technical work will be undertaken to provide the level of detail required to support individual sites on matters related to or such as sustainable transport proposals or measures that improve access to or from the proposed development around the Borough.</p> <p>1.2 -1.4 and 1.9 -1.11 The Council is actively engaging with transport infrastructure providers and operators such as Highways England and other stakeholders such as site promoters/owners on an ongoing basis to ensure that infrastructure requirements are addressed by the plan. By working with infrastructure providers, we can plan for our future growth Cross border transport matters will be addressed through Memorandum of Understanding (MOUs) with neighbouring authorities and statutory bodies</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>schemes should be undertaken.</p> <p>1.8 Cross border transport infrastructure matters to be considered.</p> <p>1.9 Concerns over the Council's commitment to joint working with Surrey County Council as a Highway Authority.</p> <p>1.10 Lack of evidence over requirements associated with strategic sites.</p> <p>1.11 Concerns over the suitability of access routes.</p> <p>1.12 Investment in public transport infrastructure required.</p>	<p>where strategies and investments for promoting sustainable modes of transport will be aligned.</p> <p>Transport infrastructure will be dealt with through the Infrastructure Delivery Plan (IDP) which will support the Local Plan. Presently, the Council is developing an Infrastructure Delivery Plan (IDP) which will set out the infrastructure requirements associated with the proposed developments, how they will be delivered and funded. The IDP will review where additional demand can be accommodated. It will also seek to establish the detail of infrastructure requirements for individual sites. Specific arrangements will be put in place to manage construction traffic at individual sites via planning conditions and highway agreements with the County Council. Where damage to roads and footpaths has occurred due to construction vehicles this will remain the responsibility of the County Council in its role as a highway authority.</p> <p>By having an up-to-date Local Plan in place, this will state and indicate areas where we are lacking in transport infrastructure which can be addressed over the Plan period.</p> <p>1.6 The Council recognises the importance of providing adequate transport infrastructure for both existing and proposed development. As such, it is exploring options for infrastructure improvements subject to safety and capacity assessments. The Council also supports sustainable and active transport modes to minimise the reliance on cars. Therefore, the emerging local plan will ensure that all developments incorporate opportunities for active travel modes, including walking, cycling and public transport use.</p> <p>1.7 Noted. As part of the Council's on-going work on the IDP, we are engaging with Surrey County Council as the Highways Authority to discuss opportunities for expansion and to identify where the most pressing need for transport infrastructure is anticipated to be.</p>



KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
		<p>1.11 The Council followed a robust site selection methodology to determine which sites should be taken forward as potential allocations. The Council pursued its Strategic Option 4 which includes “increasing densities in town centres and near transport facilities and other areas where character can accommodate it and allowing high rise development in areas where there are existing tall buildings and they are of a high quality design; releasing some weakly performing Green Belt; and commissioning a Staines upon Thames masterplan”. The proposed allocations are considered to justify this strategy and will enable the borough to meet the government’s housing target. Officer assessments were informed by the Council’s robust Sustainability Appraisal which considered issues around accessibility of developments, availability of and opportunities for public transport, car ownership levels, quality of parking and highway safety concerns of the development options</p> <p>1.12 The Council is engaging with Surrey County Council as the highway authority on an ongoing basis as well as other service providers to help address shortfalls in the provision of public transport. Therefore, the emerging plan provides the opportunity to boost active and sustainable travel and this will be a key consideration as the plan progresses. Planning obligations at the planning application stage may be used to help fund transport infrastructure, whilst developments may be required to make appropriate contributions to local transport. The IDP will set out the transport needs for the Borough and this will help us to address deficits through the Local Plan.</p>
2. Road and Construction Traffic/Congestion	<p>2.1 Road traffic likely to cause gridlock.</p> <p>2.2 Road maintenance and congestion should be prioritised.</p>	<p>2.1- 2.8 The Council acknowledges that the scale, location and density of proposals can potentially impact the transport network.</p> <p>The impacts of road traffic and congestion that are projected to occur in Spelthorne over the plan period have been modelled using different scenarios of development. Surrey County Council has undertaken the</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>2.3 Little consideration given to airport-related traffic.</p> <p>2.4 An appraisal of traffic implications required to facilitate reasonable traffic flow.</p> <p>2.5 Traffic calming measures are welcomed.</p> <p>2.6 Volume of road traffic already high during peak times and will worsen.</p> <p>2.7 Proposals will attract HGVs on residential roads.</p> <p>2.8 How would the Council address traffic and parking concerns especially when the Highways Agency does not acknowledge that there is an issue?</p> <p>2.9 Areas in the Borough cannot withstand housing at this density and the corresponding increase in traffic.</p>	<p>traffic modelling for our emerging Local Plan as part of its draft Strategic Highways Assessment (SHA) report. This report can be viewed under the Local Plan evidence-base documents on the Council's website. A more detailed commentary on the analysis of the results will be contained in the final SHA report. The modelling evaluates the potential traffic impact of the development options for meeting the demands of the borough's future growth as consulted upon in this consultation. The impacts of our preferred option were not identified as 'severe', which is the NPPF's threshold for rejecting development on highway grounds, subject to mitigation to improve affected routes and junctions. This however, means that all the impacts identified are not expected to have a detrimental effect on the local transport network. More technical work will be undertaken to provide the level of detail required to support individual sites on matters related to or such as sustainable transport proposals or measures that improve access to or from the proposed development around the Borough.</p> <p>2.9 The level of housing need is based on population projections to enable enough housing to be built to meet the needs of the Borough. Transport modelling, an Infrastructure Delivery Plan and a Strategic Land Availability Assessment amongst other supporting evidence will inform which sites we allocate and how much housing can be accommodated in Spelthorne to meet needs.</p> <p>2.10 The Sustainability Appraisal has assessed all sites against the SA framework, which includes health and wellbeing impacts. The SA allows the Council to consider the expected social, economic and environmental impacts of development and as a result adverse impacts can be mitigated. Larger schemes will be expected to produce a health impact assessment when a planning application is submitted. This is a useful tool to assess and address the impacts of development proposals. This will ensure that health and wellbeing are properly considered in proposals.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>2.10 Negative impacts on quality of life.</p> <p>2.11 Flooding and drainage issues.</p> <p>2.12 Traffic modelling or assessment appears to be a preliminary forecast based on the best information that is currently available.</p>	<p>2.11 Each allocated in the emerging Plan will be subject to a site specific flood risk assessment (FRA) where required. These will be undertaken by AECOM who have undertaken the Strategic Flood Risk Assessment.</p> <p>2.12 Please see 2.1- 2.8. A full (detailed) transport assessment will be produced in due course and consulted upon prior to the Local Plan submission.</p>
3. Car Parking	<p>3.1 Lack of parking provision.</p> <p>3.2 Opposition to loss of parking spaces.</p> <p>3.3 New development would exacerbate car parking issues along side streets.</p> <p>3.4 Scale of development proposed justifies the need to keep the existing car parks.</p> <p>3.5 The Council should provide alternative/replacement car parking (e.g. Ashford Multi-storey).</p>	<p>3.1 – 3.11 Noted. Whilst the Council desires to reduce reliance on cars as it is essential to developing a sustainable Local Plan, we also acknowledge that there are existing pressures on car parking in the Borough. The Council is working with Surrey County Council as a Highways Authority and other stakeholders and other infrastructure providers to establish where capacity genuinely exists and areas of greatest demand to ensure car parking spaces are available where appropriate over the Local Plan period.</p> <p>As part of the Council's on-going work on the IDP, we are engaging with Surrey County Council to ascertain opportunities for expanding and improving car parking where appropriate.</p> <p>The Staines Masterplan which is also underway will address car parking in the town centre. It is intended to offer bespoke parking solutions in Staines and to the rest of the borough.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>3.6 An assessment of anticipated car parking needs is required.</p> <p>3.7 Each proposed unit should have sufficient parking as local roads cannot accommodate more parking.</p> <p>3.8 Developers should be required to provide public parking as part of their plans.</p> <p>3.9 Alternative modes of travel from sites should be explored.</p> <p>3.10 Redevelopment of parking sites supported to safeguard businesses and, shopping and entertainment/leisure activities.</p> <p>3.11 Shopping areas need parking to support economic activity.</p>	
4. Road / Highway Safety	4.1 Road safety concerns due to access issues	4.1 – 4.6 Road safety is also a key issue for the emerging plan. The Council followed a robust site selection methodology, underpinned by the Sustainability Appraisal which determined which sites should be taken

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>4.2 Limited safe crossing points.</p> <p>4.3 Concerns over the safe movement of HGVs.</p> <p>4.4 Concern over development proposed next to schools where increased traffic and pollution could be a danger to children's health and safety.</p> <p>4.5 Busy nature of roads, size/layout/width restrictions of roads.</p> <p>4.6 Lack of traffic calming measures.</p>	<p>forward as potential allocations. Road and highway concerns were considered and influenced our decision-making.</p> <p>The Council will give greater consideration to sites identified for potential allocation following the consultation and we will continue to work with key stakeholders to identify particular areas where traffic calming measures can be reinforced to minimise road safety concerns. Discussions with the landowners will be explored alongside this to assess potential impacts on the wider area and any mitigation measures that may be required.</p> <p>At the planning application stage developers will be required to submit a transport assessment and a travel plan which will consider the road impacts and identify where a positive contribution can be made to improving road safety.</p> <p>Where applicable, planning obligations paid by developers will be used to secure improvements to the local area such as road and safety enhancements.</p> <p>.</p>
5. Support for sites due to good transport connections	<p>5.1 ST4/011 (Thames Lodge, Staines) – support due to good access to roads, parking provision.</p> <p>5.2 The Hamiltons, Sheep Walk, Shepperton (alternative site proposed) – easy access warrants further consideration.</p>	<p>5.1 Support noted.</p> <p>5.2 The Council will give due consideration to all proposed alternative sites as it develops the next iteration of the Local Plan. These will be assessed using the site selection methodology.</p>
6. Site specific transport matters	6.1 Due to the proposals which will result in the loss of the	6.1 Noted. The Council is working with Surrey County Council as the highway authority and service providers on an ongoing basis to help

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>car parks in Staines, the Council should ensure that Surrey County Council increase public transport or provides alternative parking.</p>	<p>address shortfalls in public transport. The Local Plan provides the opportunity to boost active and sustainable travel and this will be a key consideration as the emerging plan progresses. Planning obligations at the planning application stage could be used to help fund transport infrastructure, whilst new developments could be required to make appropriate contributions to local transport. The IDP will set out the transport needs for the Borough and this will help us to address deficits through the Local Plan.</p>

**Environmental Pollution**

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
1. Pollution – General comments	<p>1.1 Worsening air/noise pollution due to additional vehicle movements.</p> <p>1.2 More housing, more traffic and Spelthorne being on the flight path will result in a huge increase in pollution.</p> <p>1.3 Limited detail on how increased vehicle movements will affect key noise and air quality hot spots.</p> <p>1.4 Loss of Green Belt means loss of pollution receptors.</p> <p>1.5 Air/noise pollution set to worsen particularly with Heathrow expansion.</p>	<p>1.1-1.5 Spelthorne's emerging Local Plan is committed to contributing to and enhancing the natural and local environment by minimising and mitigating pollution. Opportunities to improve or mitigate the impacts of environmental pollution reflected in officer assessments. The Sustainability Appraisal framework particularly considered minimising and mitigating pollution through effectively managing traffic and travel and enhancing green infrastructure provision.</p> <p>This Preferred Options stage of the Local Plan is largely about determining if the principle of development on each site would be suitable or if there are any adverse impact that could not be overcome. More details on the impacts of pollution will come after the current consultation and we will be engaging with the relevant landowners to go over any of the impacts.</p> <p>Supplemented by the Transport modelling, the Infrastructure Delivery Plan and our Sustainability Assessment amongst other supporting evidence, the Council will continue to work proactively with Surrey County Council through the development of the Local Plan to ensure that these matters are appropriately considered and addressed for individual sites.</p>
2. Air pollution	<p>2.1 Large scale developments will generate more cars and this will worsen air quality.</p> <p>2.2 More private car use with lack of public transport.</p> <p>2.3 Constant monitoring of air quality is needed due to Spelthorne's proximity to</p>	<p>2.1-2.9 The whole of Spelthorne is an Air Quality Management Area (AQMA) and this is an important issue for the Local Plan to address. The individual officer assessments for each proposed allocation considered the effects of air pollution in areas in borough with poor air quality below EU standards.</p> <p>All the allocated sites were assessed against the Sustainability Appraisal framework including air pollution and identified its adverse impacts on the environment and subsequently recommended mitigation measures. Check</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>the M3, Heathrow the railway and the Eco Park.</p> <p>2.4 Green Belt land is needed to offset pollution.</p> <p>2.5 The Green Belt will be threatened with increased pollution caused by extra traffic.</p> <p>2.6 The Local Plan should address the urgent challenges around climate change including carbon storage and being a buffer for noise and air pollution.</p> <p>2.7 Transport modelling doesn't fully consider a review of the air quality outputs.</p> <p>2.8 Spelthorne is the worst area in the county for air quality.</p> <p>2.9 Increased tree planting required to offset pollution.</p>	<p>the Council's website for the detailed officer assessments which set out the reasons for specific allocations.</p> <p>The Council's Environmental teams are also actively involved in capturing air quality data via additional monitoring stations to assist in managing air quality improvements.</p> <p>Draft Policy E3: Environmental Protection has been included in the emerging Local Plan to address air pollution and will be applied where necessary to all new developments at the planning application stage. The Council will also ensure that proposals in the AQMA are consistent with the requirements set out in local air quality action plan</p> <p>All development proposals will need to be accompanied by Air Quality Assessments which will assess the potential impacts of air quality associated with additional vehicular movements on both our local and strategic road network as well as other issues such as waste disposal and construction. This will then give us a greater level of understanding with regards to the impacts of the proposed scheme.</p>
3. Noise pollution	3.1 Increased noise levels from new properties.	3.1-3.2 As noted in the reasoned justification of draft Policy E3, some parts of the borough suffer from high levels of noise particularly from Heathrow Airport and due to their closeness to the motorways, truck roads and other major roads such as A308. As such, the Council will require sound



KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>3.2 No amount of good design, etc. will reduce the adverse impact of flightpaths over the borough to acceptable levels.</p> <p>3.3 Disturbance from construction noise.</p>	<p>attenuation measures to be implemented in new schemes to minimise noise to an acceptable level where noise sensitive developments are being proposed in close proximity to noise generating development and vice versa. The Council will also continue to support controls on night flying at Heathrow to achieve progressive improvement in the night noise climate particularly for those who live in and/or around the north of the Borough, including Stanwell and Stanwell Moor.</p> <p>3.3 It is acknowledged that the construction process may generate noise pollution. As such, construction is a key consideration in the determination of planning applications.</p> <p>To ensure that the construction process is sustainable with regard given to pollution and the transportation of materials, planning conditions will need to be met by applicants. Planning conditions are a mechanism used by local planning authorities to ensure that once planning permission has been granted, developers fulfil certain requirements. Through planning conditions, a Construction Transport Management Plans will be required to set out how materials will be moved and managed during construction. This will need to be signed off by the local planning authority to ensure that it is satisfactory and keeps disruption to a minimum.</p>
4. Land Contamination	4.1 Concerns about chemical contamination of the site at Windmill Close (LS1/006) from previous use.	4.1 Ground conditions and the risk of land contamination for individual sites were considered under Part IIA of the Environmental Protection Act 1990 as part of the officer assessments. This was undertaken to ensure that the ground conditions of the allocated sites, their proposed uses and development would be protected from potential hazards.
5. Site Specific Issues	5.1 Land to South and West of Stratton Road (HS1/010) – Increased pollution.	The site specific issues raised are noted by officers and the <a href="#">LPWPLPTG</a> for further consideration.

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>5.2 Builder's Yard, Gresham Road (ST2/006) – Support change of use and reduction in noise.</p> <p>5.3 Staines Fire Station, Town Lane (AS1/003) - Landscaping could help to reduce the impact of pollution.</p> <p>5.4 Windmill close, Sunbury (LS1/006) – Water pollution concerns.</p> <p>5.5 Land west of Edward Way (AS2/005) – concerns over equipment along garden boundaries with associated noise and fumes.</p> <p>5.6 Land to South and West of Stratton Road (HS1/010) – close proximity to school could increase exposure to pollution.</p>	

**Heathrow**

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
1. Draft Policy SP7 (Heathrow Airport)	<p>1.1 Support for the Policy in principle.</p> <p>1.2 Traffic congestion should be mentioned.</p> <p>1.3 Airport parking should be considered.</p> <p>1.4 Heathrow's emerging surface access strategy should be referenced.</p> <p>1.5 The requirement for development to 'achieve the highest standard of design' should be removed.</p> <p>1.6 The Council should not restrict employment development to only Airport Supporting Development (ASD) as this will limit flexibility.</p> <p>1.7 Environmental impact/criteria should be strengthened.</p> <p>1.8 The environmental impacts of Southern Rail Access should be included.</p>	<p>1.1 – 1.13 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further.</p> <p>After this Policy was consulted on, the Aviation National Policy Statement (ANPS) was ruled unlawful because it failed to take into account the UK Government's commitment to reduce carbon emissions. The Court of Appeal on 27 February 2020 ruled that government's decision to allow the proposed expansion at Heathrow is unlawful. The ruling inferred that the expansion is illegal over climate change but dismissed all other appeals related to air and noise pollution, traffic, and the multibillion pound cost of the runway. This means that by allowing the expansion to go-head, the UK's commitment to reduce greenhouse gas emissions to net zero by 2050 under the Paris Agreement will not be met. The Court of Appeal has told the government to either draw up a whole new policy document (Airports National Policy Statement – ANPS) or amend the current ANPS to make it compatible with the Paris Agreement. To approve the third runway and its associated developments, the new National Policy Statement will have to be compatible with the UK's commitments to Net Zero emissions by 2050, in line with the Paris Accord. Heathrow Airport Limited has indicated it will be appealing to the Supreme Court on the one issue.</p> <p>In light of this, the Council is liaising with Heathrow Airport Limited on its intentions for the airport expansion Development Consent Order (DCO), next steps and case for its third runway and will revise or amend this Policy to reflect Heathrow's emerging actions, the Council's stand in due course and potential impacts on the borough, particularly Stanwell and Stanwell Moor.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>1.9 Support for the Council's vision to work strategically with other local authorities.</p> <p>1.10 Support for the Council's aim to deliver the best scheme for southern rail access.</p> <p>1.11 Objection to the Council's proposal to only provide a southern rail link to Staines Station.</p> <p>1.12 Remove the text on green belt.</p> <p>1.13 Greater reference to housing provision associated with airport required.</p>	
2. Other Heathrow Expansion matters	<p>2.1 The Council's in-principle support for the sustainable expansion of Heathrow Airport is welcomed.</p> <p>2.2 The Council should harness the growth associated with its strategically advantageous location</p>	The issues are noted by officers and the <a href="#">LPWPLPTG</a> to consider further. Please refer to officer response 1.1 – 1.13 under the draft Policy SP7 (Heathrow Airport) sub-theme.

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>adjacent to Heathrow Airport.</p> <p>2.3 Environmental concern over the expansion of Heathrow.</p> <p>2.4 More of the borough's Green Belt land will be under threat.</p> <p>2.5 The wider logistics sector should be considered.</p> <p>2.6 Unclear on infrastructure provision associated with Heathrow.</p> <p>2.7 Additional housing needs associated with expansion.</p> <p>2.8 Why has the Local Plan not and the Heathrow expansion response not been more joined-up?</p> <p>2.9 Suggestion to build the homes the Borough needs on the proposed Heathrow Parkway site in Stanwell to protect that land from developers.</p>	

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>2.10 Objection to the expansion of Heathrow Airport due to pollution, congestion and strains on infrastructure.</p> <p>2.11 Mitigation important.</p>	
3. Site specific issues	<p>3.1 Land to the west of Town Lane (SN1/015) – Air pollution and congestion likely to worsen due to its proximity to the airport.</p> <p>3.2 Land west of Edward Way, Ashford (AS2/005) - Open spaces under threat as the airport expands.</p> <p>3.3 Objection to the expansion of Heathrow due to the potential impacts residents in Stanwell Moor.</p> <p>3.4 Land at Green Acre Farm, Bedfont Road and Crane Road (SN1/003 and SN1/007) –Should be reconsidered.</p> <p>3.5 Land South of Southern Perimeter Road (SN1/008) – Should be reconsidered.</p>	<p>The issues are noted by officers and the <a href="#">LPWPLPTG</a> to consider further. Please refer to officer response 1.1 – 1.13 under the draft Policy SP7 (Heathrow Airport) sub-theme.</p>

**Heritage**

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
<p>1. Draft Policy DS3: Heritage Conservation and Landscape</p>	<p>1.1 Support for this policy as it protects local heritage.</p> <p>1.2 Support for Policy SP5 and SP6 and specific heritage references.</p> <p>1.3 Should further reflect existing policies EN5 and EN6 – more specific.</p> <p>1.4 What is a 'heritage asset'?</p> <p>1.5 This proposed new policy does not satisfactorily demonstrate the fulfilment of the NPPF (paragraph 185).</p> <p>1.6 The policy needs to include stronger wording.</p> <p>1.7 The Local List should be reviewed.</p>	<p>1.1 – 1.3 The issues are noted by officers and the <a href="#">LPWPLPTG</a> to consider further.</p> <p>1.4 Historic England defines a Heritage Asset as a “building, monument, site, place, area or landscape identified as having a degree of significance meriting consideration in planning decisions, because of its heritage interest. Heritage asset includes designated heritage assets and assets identified by the local planning authority (including local listing).</p> <p>1.5 – 1.7 The issues are noted by officers and the <a href="#">LPWPLPTG</a> to consider further. This draft policy was written in line with the NPPF, however, officers will give consideration to rewording it to reflect the issues raised.</p>
<p>2. Other heritage concerns</p>	<p>2.1 The scale of the developments proposed could result in the loss of historic buildings and artefacts. Conversely, it could also provide opportunities to investigate archaeology.</p>	<p>2.1 – 2.7 Surrey County Council has a dedicated Heritage Conservation Team and one of their main roles is to advise on proposals which affect heritage assets either directly or indirectly. The County Council has been consulted on all the proposed allocation sites. However, we will continue to engage with the County Council as the Local Plan progresses and we are satisfied with a list of site allocations to take forward.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>2.2 The emerging Plan should commit to preserving historic buildings and conservation areas.</p> <p>2.3 No specific mention is made in the emerging plan's proposals about enlarging, improving or relocating the Museum.</p> <p>2.4 The plan should commit to replacing existing leisure facilities and cultural attractions.</p> <p>2.5 Spelthorne's Listed buildings and conservation sites should be protected from development impacts.</p> <p>2.6 The loss of the nearby car parks could adversely affect the Museum's activities.</p> <p>2.7 Importance of consultation with the Historic Environment Record</p>	<p>New development which have the potential to affect a heritage asset will have to be accompanied by a statement describing the significance of the heritage asset affected and the contribution of their setting to that significance. The level of detail should be proportionate to the significance of the heritage asset. The details should also be sufficient to understand the potential impact of the proposal on the significance of the heritage asset.</p> <p>Draft Policy DS3: Heritage Conservation and Landscape will inform decision-making at the planning application stage. Where a development is designated as heritage asset on or near a non-designated site which may have their setting directly impacted by the proposals, an appropriate Heritage Impact Assessments (HIA) or desk-based assessment and, where desk-based research is insufficient to properly assess the interest, a field evaluation will be required. The HIA will identify heritage assets and their significances and, how they will be protected, enhanced or mitigated as part of a new development. This is to ensure that there is no harm or loss to the borough's heritage assets and their setting.</p> <p>Alternatively, if an allocation is likely to cause substantial harm or total loss of significance to a designated heritage asset, the benefit of bringing that site back into use would have to outweigh the harm or loss. This will have to be demonstrated before the development will be enabled.</p> <p>As the plan progresses, the Council will ensure that the requirements of the NPPF in relation to the historic environment are reflected in specific policies for each allocation where a heritage asset appears to be at risk of neglect, decay or other threats. This requirement will be applied to further assessments to ensure that greater weight is given to asset conservation.</p>
3. Site specific issues	3.1 96-104 Church Street (ST4/004) – Support for the site being used for	3.1 – 3.11 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further. The Council has regard for sites that have been identified as having special architectural or historic interest. Therefore, the Council will



KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>redevelopment but new development should be kept in line with local character.</p> <p>3.2 Oast House (ST3/004) - Grade II Listed on site are worth preserving.</p> <p>3.3 Land South and West of Stratton Road (HS1/010) - Greater consideration should be given to preserving this field as a historic Middlesex greenfield landscape.</p> <p>3.4 147 Staines Road West, Sunbury (SC1/003) – Historic investigation required.</p> <p>3.5 Many sites which are over 0.4ha in size raise archaeological concerns or are within an Area of High Archaeological Potential.</p> <p>3.6 Stanwell Bedsits (SN1/012) - This site is adjacent the Stanwell Conservation Area.</p>	<p>work collaboratively with Historic England, Surrey County Council and other interested parties to review the significance of the identified heritage assets and their setting.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>3.7 Thameside, South Street, Staines (ST1/037) - There is a listed Obelisk adjacent to the south west corner.</p> <p>3.8 Thameside Arts Centre, Staines (ST1/031) - Potential loss of an architectural gem, which we should embrace.</p> <p>3.9 Land at Chattern Hill (AE3/009) – Heritage links.</p> <p>3.10 Land of Worple Road, Staines (RL1/007) - Impacts on the character of Laleham.</p> <p>3.11 High density development may have impacts on the setting of nearby riverside heritage assets.</p>	

**Character of Area**

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
1. Visual Impact	<p>1.1 The scale of the developments proposed will significantly change the existing landscape character.</p> <p>1.2 Green belt land should be preserved to keep the special character of historic towns and villages.</p> <p>1.3 The design of new developments should adhere to character areas.</p> <p>1.4 Concern over the loss of rural and suburban settings to highly urbanised areas.</p> <p>1.5 The character of areas are important as they support wildlife, provide a barrier to pollution.</p> <p>1.6 Links between character and heritage assets.</p> <p>1.7 Permanent locations occupied by gypsies, travellers and showmen peoples and the number of vehicles present on these</p>	<p>1.1 – 1.8 The Council understands that new developments can bring significant changes to the landscape and the townscape. The Site Selection Methodology included an assessment of 'Landscape Character and Townscape' at stage 2b. Officers assessed the impact of development on the wider environment. In addition, the Sustainability Appraisal framework also includes objectives 7 and 8 which address townscape and landscape character. All sites have been assessed against these criteria and were deemed to have acceptable impacts, subject to appropriate mitigation.</p> <p>At the planning application stage where more details are sort on proposals, applicants will be required to demonstrate how their proposals will make a positive contribution to the street scene and character of an area as well as across the borough. The level of detail required will have to be proportionate to the scale and nature of the development.</p> <p>Draft Policy DS3: Heritage Conservation and Landscape, in conjunction with draft Policy DS1 (Place shaping) will inform decision-making at the planning application stage. Draft Policy DS3 sets out that proposals will be supported if they protect and enhance the local character of the area and have regard for the wider environment whilst draft Policy DS1 focuses on how through high quality design and layout new developments can contribute positively to local character. Applicants on the other hand will have to demonstrate that the character of their proposal have complied with these policies.</p> <p>Where applicable, the Council's SPD on design and Surrey's Landscape Character Assessment will form the basis for decision- making at the planning application stage.</p> <p>.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>sites could potentially threaten local character.</p> <p>1.8 Loss of views.</p>	<p>Though the Council intends to maximise densities in locations near to transport hubs and in high density areas like town centres and, the Council will seek to ensure that new developments across the wider area adhere to local character.</p> <p>The officer site assessments considered visual amenity impacts from public viewpoints to consider how outlook could potentially be impacted by development. Loss of a view is not a material planning application and outlook is not a consideration in Green Belt policy. The assessment of visual amenity and landscape was weighed against other assessment criteria in order to identify potential development sites. We also took this into account to help mitigate adverse impacts as much as possible.</p>
2. Site specific issues	<p>2.1 Land to the west of Town Lane (SN1/015) - situated on the edge of the reservoir which has SSSI status and is a designated green belt land. Development would change its character.</p> <p>2.2 Land to the South and West of Stratton Road (HS1/010) – This site should not be perceived as being 'semi-urban' in character.</p> <p>2.3 Waterworks sites (LS1/006) &amp; (LS1/007) - Allocating these sites for development will decimate Charlton Village and its rural setting.</p>	2.1– 2.5 The site-specific issues are noted by officers and the <a href="#">LPWPLPTG</a> to consider further. Please refer to officer response 1.1 – 1.13 under the Visual Impact sub-theme.

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>2.4 Bridge Street car park (ST4/002) - The proposals for this site are and unsuitable for a sensitive riverside location at the entrance to the town.</p> <p>2.5 Land off Worple Road (RL1/010) – This site should be preserved as it provides space for nature and views.</p>	

### Consultation Process

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
1. Consultation strategy – general	<p>1.1 The Council should hold a 'Citizens Assembly' to give all residents the opportunity to define their local community priorities and how to achieve these.</p> <p>1.2 The consultation was a tick box and PR exercise.</p> <p>1.3 The consultation was too technical and didn't target enough people.</p> <p>1.4 Communication to local residents was very poor and needed more than a Bulletin article.</p> <p>1.5 It is a missed opportunity as many did not find out about the consultation process, meetings and the extent of the plans until the entire process was either due to end or after it had ended.</p> <p>1.6 The Council urged not to ignore local residents'</p>	<p>1.1-1.9 The Council is keen for the public to get involved in the planning process as everyone can make a real difference to the future of the area in which they live and work.</p> <p>NPPF paragraph 16(c) indicates that a plan should: be shaped by early, proportionate and effective engagement between plan-makers and communities, local organisations, businesses, infrastructure providers and operators and statutory consultees. In line with this policy, the Council engaged early and throughout during the plan preparation process in a meaningful way. So far, we have captured the views of local communities, businesses and other stakeholders on the potential issues the borough faces and the options for resolving them.</p> <p>Besides offering different avenues to capture the views of the public including dialogue during the 2018 Issues and Options and 2019 Preferred Options Consultations, we have made it clear that the public can always contact us or submit their views on planning related matters at any time.</p> <p>The Council recognises that no technique is more effective or valuable than the other and so we employed an array of techniques that are underpinned by sound ethical principles, and suitable and sensitive to the needs, interests, backgrounds and experiences of the community. The Council involved people from all sections of the society via written notifications, online-based technology, publications, face to face briefings and displaying the documents at the Council Offices and in public libraries across the borough.</p> <p>Due to COVID-19, the Council will be exploring new and better ways to consult on all aspects of its planning service to reach the widest possible number of people and organisations.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>responses to the 2018 consultation.</p> <p>1.7 The Council urged to go all out to defend local residents and protect their environment.</p> <p>1.8 Some respondents impressed with the clarity of the online information and documents.</p> <p>1.9 The development of the proposals was not transparent - Why were decisions made before asking the people it affects?</p> <p>1.10 General support for the current Local Plan but would prefer it if the Council can get central Government to reduce housing targets.</p> <p>1.11 The Council's Sustainability Appraisal should have been consulted on separately beforehand and not as part of this consultation process.</p>	<p>For the local communities and businesses who participated in the consultation process mainly by providing, we hope that by acknowledging and reviewing these responses it gives you some assurance that we value your input, we are listening to the concerns you raised and we will address them where possible but in line with national guidance and government policy. In the meantime, we hope that our engagement on the emerging plan has been "listening exercise" rather than merely a "tick box exercise" or a "receipt of responses".</p> <p>1.10-1.13 The issues are is noted by officers and the <a href="#">LPWPLPTG</a> to consider further.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>1.12 A proper Policies Map should have been published.</p> <p>1.13 The Council should consult the Gypsy and Traveller communities to ascertain whether they have a preferred site.</p>	
2. Consultation period	<p>2.1 Pleased the consultation period was extended.</p> <p>2.2 The consultation period was short.</p>	<p>2.1 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further.</p> <p>2.2 The consultation period which run from 5 November 2019 to 7 January 2020 exceeded the minimum statutory consultation period of six weeks. The Council went significantly over and above the statutory consultation period in order to give the public more time to review the documents and submit any comments.</p>
3. Consultation material	<p>3.1 Concerns raised over the sheer scale of the online documents.</p> <p>3.2 Online documents were complex. There should be a summary document overview.</p> <p>3.3 Concerns over transparency – Due the complex nature of the documents local residents struggled to understand the proposals.</p>	<p>3.1 – 3.6 The issues are noted by officers and the <a href="#">LPWPLPTG</a> to consider further.</p> <p>In engaging with the public during the Preferred Options consultation, the Council ensured that all the details of the proposals; plans and supporting documentation; were clear, non-technical and accessible through several channels, enabling the consultation material to be understood by and reach a wide range of audiences in the local community.</p> <p>To open more avenues for local communities and other stakeholders to participate in the consultation, the Council employed techniques that were suitable and sensitive to the needs, interests, background and experiences of the people that it engaged.</p>



KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>3.4 Some of the information presented was misleading – For example, the percentages that were used by the Council in the consultation.</p> <p>3.5 No mention was made to the Council's Draft Sustainability Appraisal in the Spelthorne Winter Bulletin 2019.</p> <p>3.6 Local Plan documents were far easier to use than is often the case.</p>	
4. Engagement techniques	<p>4.1 Timing and distribution of the Bulletin was not great.</p> <p>4.2 There was no direct mailing from the Council to the residents bordering the sites up for consideration.</p> <p>4.3 Consultation briefings were not engaging. Question time was limited.</p> <p>4.4 Difficult to respond without internet access.</p>	<p>4.1-4.5 Local Planning Regulations (England) 2012 paragraph 35 (a and b) requires Councils to make Local Plan documents available for inspection at their principal office and at such other places within their area as the local planning authority consider appropriate, during normal office hours, and published on the local planning authority's website.</p> <p>The Council acknowledges that people are not homogenous and so people will get involved in planning decision-making in different ways. For this reason, the Council varied its consultation techniques.</p> <p>Apart from the consultation documents being made available on the Council's website and on the consultation portal, there was an 8-page insert in the Spelthorne Winter Bulletin (2019) which was delivered to every household in the borough. Also, all the consultation documents were displayed at the Council Offices and in local libraries to allow local</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>4.5 Apart from the local Bulletin, local residents would welcome the use of other channels of communicating information.</p>	<p>residents and businesses to view, gain full understanding of and comment on the proposals. Other forms of social media such as Facebook and Twitter, public notices and press releases were also utilised to publicise information on the emerging plan and other supporting documents.</p>
<p>5.Site specific consultation issues</p>	<p>5.1 Land to South and West of Stratton Road (HS1/010) - Further public consultation regarding the Stratton road site is required.</p> <p>5.2 Land to the west of Town Lane (Site ref SN1/015) – New owner of the land west of Town Lane not consulted before the site was considered for allocation.</p> <p>5.3 Builder's merchant (SE1/003) - The Council have not fully considered the nature of the business.</p>	<p>The site specific issues raised are noted by officers and the <a href="#">LPWPLPTG</a> to consider further.</p>

**Other Issues**

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
1. Surrey County Council Asset Review	<p>1.1 Why is Shepperton Youth Centre closing when Surrey County Council (SCC) are investing in them?</p> <p>1.2 Assets and services should not be lost.</p> <p>1.3 Services should be replaced.</p> <p>1.4 Loss of parking spaces at Staines health centre would be negative.</p> <p>1.5 Concerns over loss of Staines scout hut.</p> <p>1.6 Loss of Sunbury Adult Education Centre is unacceptable.</p> <p>1.7 Temporary accommodation for Shepperton Library could adversely impact its use.</p> <p>1.8 Concerns over moving and condensing facilities. These are already stretched.</p>	<p>1.1 Surrey County Council put forward this site as available for consideration in our new Local Plan. The proposed allocation of any County Council land which provides community services would be dependent on the County's own internal service review and subject to re-provision either on-site, possibly in a new building with community use on the ground floor and flats above, or nearby in order to serve that community. This requirement is made clear in the proposed allocations document. These are sites that could come forward anyway as a planning application for redevelopment so the allocation simply gives an extra layer of control for us as the local authority in terms of what is built in its place. Our draft policy prevents the loss of community facilities so an allocation would only be made if we were satisfied the service would be retained. This would be the case for a planning application too, which would still be required even with an allocation in place.</p> <p>1.2 – 1.3, 1.8 – 1.10, 1.15 Spelthorne Borough Council previously met Surrey County Council to discuss their assets. Surrey CC are currently undergoing a service review to consider if service provision can be made more efficient and ensure that assets meet needs. Following discussions with SCC a number of sites have been identified for potential allocation, however these are all subject to service re-provision to ensure that community needs are all suitably met. This will be either on site as part of a mixed use scheme or in an alternative suitable location within close proximity. As these sites are all within the urban area they could come forward for development on an ad hoc basis with a planning application, however by allocating them in the Local Plan this provides greater certainty and allows for the Council to plan holistically.</p> <p>1.4 &amp; 1.12 – 1.13 Spelthorne Borough Council will engage with Surrey County Council further once allocations are firmed up. This will involve discussing proposals and supporting infrastructure so that services can be maintained. The Council will seek to boost active and sustainable travel</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>1.9 Loss of facilities with more residents and houses.</p> <p>1.10 Where will re-provided services be located?</p> <p>1.11 SCC assets should not be considered as this is profit-driven.</p> <p>1.12 Relocated services could be less accessible.</p> <p>1.13 More cars are likely if Burges Road is redeveloped.</p> <p>1.14 There could be noise issues if community facilities such as youth centres are combined with residential in mixed use schemes.</p> <p>1.15 Outdoor recreation facilities should be retained.</p>	<p>whilst maintaining some element of parking where appropriate. At the planning application stage, a travel plan will need to be submitted.</p> <p>1.5 Spelthorne Borough Council will continue to engage with Surrey CC to consider potential allocations further. It will be for Surrey CC to re-provide any services lost as part of its proposals. It is hoped that allocating several sites in the Knowle Green area will allow for a more comprehensive and holistic redevelopment. More detail will come via the allocation and at the planning application stage.</p> <p>1.6 All allocations are subject to the re-provision of existing services. This means that it will be for Surrey CC to either re-provide the existing use on site or in a suitable alternative location within close proximity.</p> <p>1.7 It will be for Surrey CC to set out how services will be maintained. They will also need to provide a construction management plan where applicable, which will set out how the site will be managed throughout the construction phase.</p> <p>1.11 Publicly owned sites, such as those owned by Surrey CC and Spelthorne BC provide more certainty and control of the delivery of development. The Government requires us to provide over 600 homes each year and without publicly owned assets, this would make the challenge of meeting needs greater. If the urban area is not prioritised, whereby many potential allocations are publicly owned, this could risk the need to consider Green Belt release further in the long term.</p> <p>1.14 Noise will be carefully considered in detail at the planning application stage. Spelthorne BC will work with Surrey CC to come to an appropriate solution. The developer will need to demonstrate that the structure of the development will be sufficient to adequately contain the noise generated within the development. Suitable noise attenuation measures will be put in</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
		place to minimise any impacts and design will need to be carefully considered to reduce noise transfer.
2. Staines Masterplan	<p>2.1 To avoid piecemeal development arising, it is advisable that the development description for a site should include the text - 'An integrated, coordinated and comprehensive planning approach will be taken to the site. The site will require a single Masterplan to ensure this is delivered and a high-quality design outcome achieved'</p> <p>2.2 The Masterplan should provide site specific guidance on the design of larger and tall buildings</p> <p>2.3 The masterplan should ensure that high density development is delivered in Staines-upon-Thames but the conservation area would be preserved and enhanced</p>	<p>2.1 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further.</p> <p>2.2 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further – the character of the area will be a key component of the masterplan as well as impacts on the views of the river</p> <p>2.3 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further.</p> <p>2.4 The Staines Masterplan is a key aspect of the Local Plan to deliver a better integrated and functioning town centre.</p> <p>2.5 The Government's standardised methodology requires Spelthorne to provide at least 603 dwellings per year over the Plan period. To achieve this, one of the main elements of the spatial strategy for the Local Plan is to maximise densities and development opportunities on brownfield land and in urban areas. As the largest urban area in the Borough, Staines – upon-Thames will be required to play a key role in achieving this. The masterplan will allow us to take a new look at Staines-upon-Thames and how we can maximise development opportunities along with ensuring the viability and vitality of the town. This will require a more efficient use of land for development and in some cases this will result in higher densities however this should also be married to ensuring that sufficient retail and leisure opportunities exist along with access to the river, provision of open space and encouraging new vibrancy to the town centre.</p> <p>2.6 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>2.4 Promote the completion of the Staines Masterplan</p> <p>2.5 Take a balanced view and reduce the highest densities in Staines and drop the extra 1600 houses from the Staines Masterplan</p> <p>2.6 The text would benefit from clarity so that it's clear that its preparation be a bilateral and inclusive process with input from key stakeholders</p> <p>2.7 New developments should be in line with one another, and not a mismatch of design, architecture and building materials.</p> <p>2.8 Significant number of homes are attributed to the Staines opportunity area and are dependent on the delivery of a Master Plan. The timescales for the delivery of, or commitment to, the Master Plan are not clear.</p>	<p>2.7 The design of the buildings and materials used as part of the re-development within the Staines Masterplan will be carefully considered and will be expected to respect the character of the part of the town in which they are to be located.</p> <p>2.8 The Council have appointed consultants David Lock Associates to prepare the masterplan. The masterplan is to be an integral part of the Local Plan and its spatial strategy and therefore the intention is for the masterplan to be developed in line with the development of the Plan</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
3. Plan period	<p>3.1 The Local Plan is unlikely to be produced, submitted, examined, and adopted over the next 12 months.</p> <p>3.2 The plan period should be amended to a later and more realistic date.</p>	3.1-3.2 Our work on the emerging Masterplan for Staines and the Coronavirus (COVID-19) outbreak has meant that we revise our timetable accordingly. We anticipate that the next stage of consultation (Regulation 19) will take place in early 2021. We will share the most up-to-date information on this issue and any further updates on the website in due course.
4. Crime & privacy	<p>4.1 Crime and fear of crime.</p> <p>4.2 Privacy/Safety of residents.</p> <p>4.3 Assumption that the gypsy and traveller sites will lead to an increase in crime.</p> <p>4.4 Concerns over increased anti-social behaviour.</p> <p>4.5 Concerns about walking around safely.</p> <p>4.6 Extra security will cost residents money.</p> <p>4.7 Concerns that urban areas will deteriorate and lead to more crime.</p>	<p>4.1 The Council acknowledges concerns that development may bring a fear of crime with additional residents. The new developments will be designed to provide open areas with natural surveillance from houses and to be well-lit. This will assist in ensuring that people can use these areas safely. It is not anticipated that additional development would correlate to increased crime.</p> <p>4.2 The Council acknowledges concerns over issues of privacy and safety for residents. All new development should be designed in a way to minimise impact on privacy of existing dwellings and others areas such as schools and open spaces. Issues involving privacy such as overlooking are dealt with as material considerations in each planning application that is submitted.</p> <p>4.3 This is a generalisation of a community who the Council are required to plan for. The G&amp;T sites proposed will be formal sites with appropriate facilities, including waste management. The sites will be run by a site manager and will be supported either by Surrey County Council or Spelthorne Council. By formally laying out these sites, this will help the Borough meet its requirement to provide suitable sites for gypsy and travellers. Further information on this can be found in the Gypsy and Traveller key theme tab.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
		<p>4.4 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further. The Council operates its parks and open spaces to ensure minimised incidents of anti-social behaviour. The Council will work with Surrey Police to identify areas that may be vulnerable to ASB and direct resources to this where appropriate.</p> <p>4.5 Please refer to 1.1 above. The Council will work with Surrey Police to ensure all areas are as safe as possible for people to walk around.</p> <p>4.6 If a resident wishes to invest in additional security measures for their property then this is at their own discretion. The Council will seek to ensure that crime and anti-social behaviour does not occur in conjunction with Surrey Police. If there are issues of this on Council-owned land then this should be reported to neighbourhood services.</p> <p>4.7 New developments will be required to be well-designed and function within the existing character where possible. Developments can be designed to be open and allow natural surveillance of areas. In terms of existing buildings, the Council will ensure that public buildings and spaces are clean and well-maintained and would ask residents and business to do likewise. Deterioration of a neighbourhood often happens following the 'broken windows' theory whereby if parts of the neighbourhood are in poor condition then others can fall into similar disrepair. The Council, residents' groups and other voluntary societies play a key role in ensuring the local areas remain in good condition.</p>
5. Minerals and Waste	<p>5.1 Gravel and extraction of land at rear of Worple Road.</p> <p>5.2 Issues over vehicular access to the mineral extraction on Manor Farm</p>	<p>5.1 This site was put forward by the landowner for housing development. Planning permission is in place for the land to be worked and restored to a lake and open area of land. The Council are engaging with SCC and the landowner to determine the timescales for the extraction operations and the submitted proposal for housing development to seek clarification of the intentions for this land.</p>



KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>5.3 Impact on Minerals Safeguarding Area (MSA)</p> <p>5.4 Oak Leaf farm should be taken out of the Green Belt</p>	<p>5.2 The Council acknowledges concerns relating to this. We continue to work with SCC and Brett's over various aspects of the extraction of the site and will work progressively to minimise and mitigate any issues that may arise from this.</p> <p>5.3 Some of the proposed allocations are within or close to MSA. This must be considered if a planning application were to come forward and Surrey County Council would need to be informed and provided opportunity to comment on this matter as the Minerals and Waste Authority.</p> <p>5.4 The site is in strongly performing Green Belt and has not been identified for further consideration in the GBA stage 2. This would not align to the GB approach within our spatial strategy (see Green Belt key theme for further detail) The site has planning permission for a recycling waste use and has been allocated for waste uses in the SCC 2008 Waste Plan and as a draft allocation in the 2019 Waste Plan.</p>
6. Officer site assessment process	<p>6.1 Support for the exclusion of land in flood zone 3b.</p> <p>6.2 Stage 2b of the site assessment process should consider the sequential and exception flood tests.</p> <p>6.3 River corridors and their natural biodiversity should be assessed.</p> <p>6.4 Principal aquifers should be assessed.</p>	<p>6.1 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further.</p> <p>6.2 Spelthorne is a very constrained borough meaning that we have to consider land in flood zone 2 and 3a if we are to meet our housing need set out by central government. This will be given further consideration through a strategic flood risk assessment stage 2. This will consider the potential flood risk at each potential allocation site as well as how flood risk could be managed on site. Further detail will also come at the planning application stage.</p> <p>6.3 Biodiversity has been considered through stage 2b of the assessment process, as well as through the Sustainability Appraisal.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>6.5 Availability should be confirmed early in the process.</p> <p>6.6 Residents have not been consulted regarding the views from inside properties.</p> <p>6.7 Residents have not been consulted about their use of the Green Belt.</p> <p>6.8 High pressure pipeline constraints should be considered at stage 2b.</p> <p>6.9 It is unclear whether you intend to compile site specific policies for each allocation, or whether you are intending that each site be in general conformity with all, or only relevant policies.</p> <p>6.10 Why are sites that have 75% ground water flooding being considered?</p> <p>6.11 Flood mapping is out of date.</p>	<p>6.4 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further. Utilities providers will be consulted further as the Local Plan develops to discuss any impacts on water provision and how they could be overcome, if necessary.</p> <p>6.5 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further. It is acknowledged that land ownership may change throughout the course of the development of the Local Plan. As we look to firm up our allocations we will be engaging further with landowners to discuss the details of each site and to confirm the position on availability.</p> <p>6.6 In developing the Site Selection Methodology officers felt it was appropriate to consider views from public vantage points given the scale of the project. This was felt to be the most pragmatic approach to considering visual amenity, with site visits supplemented by aerial mapping and additional research where appropriate.</p> <p>6.7 The purpose of Green Belt is to prevent urban sprawl by keeping land permanently open, with five purposes set out in the National Planning Policy Framework 2019. Public use is not a purpose served by the Green Belt. In considering the performance of sites, the Green Belt Assessment used a robust methodology to consider each site's local and strategic importance.</p> <p>6.8 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further. Utilities providers will be consulted further as the Local Plan develops to discuss any impacts on infrastructure and how they could be overcome where necessary.</p> <p>6.9 It is intended that a specific policy for each allocation will be included in the Local Plan. This will set out any specific requirements. We would expect any planning application to adhere to the wider set of policies within the Local Plan.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>6.12 The Sustainability Appraisal doesn't set out how many units each strategic option will provide.</p> <p>6.13 The Sustainability Appraisal is vague.</p> <p>6.14 Sustainability Appraisal indicators are unrealistic.</p> <p>6.15 The Council should hold a 'Citizens' assembly' allowing all residents in Spelthorne the opportunity to define their local community priorities including how these are best achieved.</p> <p>6.16 Lack of engagement with local residents.</p> <p>6.17 How have assumptions about yield been determined? What counts as a dwelling?</p>	<p>6.10 The Environment Agency data on groundwater flooding shows areas susceptible to ground water flooding and this is provided as a strategic scale of areas of 1km squared. As such this covers quite a wide area and was used on a high-level basis in the site assessment process. EA guidance sets out that "The data should not be interpreted as identifying areas where groundwater is actually likely to flow or pond, thus causing flooding, but may be of use to Lead Local Flood Authorities in identifying where, for example, further studies may be useful". As such, we will utilise this information to inform our Strategic Flood Risk Assessment stage 2 which will consider the flood risk on each potential allocation site in more detail. More detail will also be required at the planning application stage whereby a flood risk assessment will be required where development reaches the appropriate threshold.</p> <p>6.11 We are aware that the Environment Agency has issued more recent mapping since the site assessments were completed, during the public consultation. The officer site assessments were completed based on the information available at the time of writing and these will be updated in due course to reflect any changes in information.</p> <p>6.12 – 6.14 The SA assesses the approximate yield likely from each strategic option. The SA is considered to fulfil its purpose and is considered to be proportionate to the information available and the stage of the Local Plan. The SA is an iterative process and will be updated with the required level of detail as the plan moves forward. The Sustainability Framework which sets out the SA objectives was consulted on at the scoping stage and amended as appropriate. It is therefore considered to be suitable.</p> <p>6.15 – 6.16 The Local Plan consultation provided the opportunity for stakeholders, including local residents, to participate in the development of the Local Plan and have an input on its direction. The Council has an</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
		<p>obligation to consider the representations received as well as the available evidence to consider how the Plan should be developed. It should follow an appropriate strategy in order to best meet the needs of the current and future population.</p> <p>6.17 A dwelling is a single unit of residential accommodation. A one bed flat counts as a dwelling, as does a large four bed family home, for example. The potential yield of each site was determine based on the characteristics of the local area and the use of nearby densities.</p>
7. Property value	7.1 Developing areas nearby is likely to reduce property values	7.1 We understand that residents will be concerned over the potential for homes to devalue and this concern is shared by communities in other areas too. This is not a material planning consideration we can take into account for the Local Plan, just as it's not for planning applications either. If residents want to make comments on a proposed allocation in future, focus should be on things like the effect on amenity, the existing use of the land, access arrangements and nature conservation, which are all material planning considerations.
8. Viability	<p>8.1 Costly to get rid of the telephone exchanges and would impact on the public purse.</p> <p>8.2 Any policy requirement must be evidenced and justified and shown not to impact on viability.</p> <p>8.3 The Staines -upon-Thames Town Centre expansion and proposed master plan</p>	<p>8.1 These sites have been put forward by the landowners for consideration for development opportunities. The cost to relocate these facilities, if necessary, would be borne by the landowner in order to facilitate the re-development of the site. The Council do not own the telephone exchanges.</p> <p>8.2 – 8.4 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further. Further viability work is being undertaken to inform policy development and draft site allocations through later iterations of the Plan</p> <p>8.5 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further. The Council will undertake further detailed viability work to inform later stages of the Local Plan process and determining the quantity of</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>would need to consider viability.</p> <p>8.4 Considers that a viability assessment is crucial in understanding viability and therefore the deliverability of the identified sites.</p> <p>8.5 Policy H02 suggests that the Council will expect at least 40% affordable housing in schemes of 10 units or more. Clearly that requirement will need to be justified with appropriate evidence.</p>	<p>affordable housing is a key element of this. This will ensure that the policies and site allocations are based on robust evidence.</p>
<p>9. Employment and Business Issues</p>	<p>9.1 Loss of car parking within Staines will impact on local business</p> <p>9.2 The sites proposed to be allocated for commercial uses near to Heathrow Airport should be intensified.</p> <p>9.3 Consideration of residential and retail/commercial uses on the same site</p> <p>9.4 Support opportunities for new employment and</p>	<p>9.1 The Council acknowledges concerns of businesses that the loss of car parking in the town centre may cause. The redevelopment of Staines will see an increased number of people living within the town centre ensuring a regular footfall of people to use businesses in the area. The Council are seeking to encourage alternative forms of transport to reduce emissions and this could reduce congestion on local roads to allow more visitors to access the town centre. Ensuring the vitality and viability of the town centre is a key element of the Local Plan.</p> <p>9.2 The proposed allocations have been identified and the quantum of development selected following a robust site assessment. The Council will consider the most efficient use of land as per the NPPF where appropriate but must also take into account other factors such as impacts on receptors nearby such as housing. The Council are engaged in regular dialogue with Heathrow Airport as part of the proposed expansion plans.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	<p>industrial opportunities in Stanwell and Stanwell Moor</p>	<p>9.3 The Council will consider mixed use developments where these locations are appropriate and taking into account factors such as access, noise generation and proximity to existing commercial areas.</p> <p>9.4 By virtue of their location, Stanwell and Stanwell Moor are impacted upon by Airport-related activity and HGV movements to access the M25. The Council, through Policy SP3 Stanwell and Stanwell Moor, intend to protect the amenity of the residents of these areas from further worsening of these issues.</p>

## 6. Settlements

6.1 The following section sets out the key issues raised in relation to each area of Spelthorne. These have been considered as follows:

- Staines (Urban)
- Staines and Laleham Green Belt
- Shepperton (Urban)
- Shepperton Green Belt
- Ashford (Urban)
- Ashford and Surrounds Green Belt
- Stanwell (Urban)
- Stanwell Green Belt
- Charlton Village and Waterworks
- Sunbury (Urban)
- Sunbury Green Belt

## Staines (Urban)

<p>Staines – Urban area</p>	<p>1.1 Design will be important in high rise and high density development.</p> <p>1.2 Overwhelming level of development proposed in town centre.</p> <p>1.3 Concerns over the concentration and density of development proposed.</p> <p>1.4 Level of development seems disproportionate – people move to Staines to get out of busy London.</p> <p>1.5 How will infrastructure support this level of development?</p> <p>1.6 Staines Bridge is a bottleneck.</p> <p>1.7 Issues at Crooked Billet Roundabout.</p> <p>1.8 Improvements to Two Rivers needed.</p> <p>1.9 Flooding issues.</p>	<p>1.1 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further. The Staines Masterplan will set out a cohesive vision for Staines town centre. Developments will need to follow new design policies requiring high quality design and tall buildings will need to be designed to reflect the redefined character of Staines.</p> <p>1.2 - 1.4 The Masterplan for Staines will allow the Council to consider the level of development that can be appropriately accommodated in the town centre and how this can be achieved. We have a challenging housing target derived from Central Government’s standard method for calculating housing need. The character of Staines provides the opportunity to consider how high density development could be utilised to help meet our needs. The masterplan will allow us to plan cohesively for Staines town centre, whilst addressing infrastructure issues and illustrating how development could come together.</p> <p>1.5 The Council is currently producing an Infrastructure Delivery Plan (IDP), which will identify the Borough’s infrastructure requirements including social, physical and green infrastructure. The IDP will set out what is needed, where it is needed and when it is needed. The Local Plan will then utilise this evidence to ensure that the required infrastructure is in place to support development.</p> <p>1.6 – 1.7 Surrey County Council have undertaken transport modelling of the highway network and of junctions in Spelthorne. No ‘severe’ impacts were identified which is the NPPF’s threshold for resisting development on transport grounds. We will work with the County Council as the highways authority to address adverse impacts and mitigate transport issues that arise through the Local Plan. Planning obligations received at the planning application stage will be used to address local issues.</p> <p>1.8 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further. The Staines Masterplan will consider Staines Town Centre, including the</p>
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	<p>1.10 Parking concerns in town centre. May put visitors off.</p> <p>1.11 Knock on effects for side roads if parking is not provided in the town centre.</p> <p>1.12 Limited parking already at Staines Health Centre.</p> <p>1.13 Lots of office to flat conversions with vacant units still.</p> <p>1.14 Change to the town's character.</p> <p>1.15 Pollution issues.</p> <p>1.16 No alternative sites proposed for Surrey CC assets.</p> <p>1.17 Local Plan shouldn't be finalised until the Masterplan is ready.</p> <p>1.18 Not enough open space in Staines.</p> <p>1.19 Too many people in Staines already.</p> <p>1.20 Flats won't provide the correct mix of housing.</p>	<p>Two River Shopping Centre. Officers will engage with landowners as appropriate to consider any proposed changes.</p> <p>1.9 Officers have considered flood risk through the assessment process. Sites within the functional floodplain (flood zone 3b) have been discounted. Due to the constrained nature of Spelthorne, flood zone 3a and 2 need to be considered. A Strategic Flood Risk Assessment stage 2 will be produced in due course to assess the risk on individual sites and options for mitigation. See key theme 'flood risk' for more detail.</p> <p>1.10 – 1.11 Parking will be considered through the Staines Masterplan with a bespoke parking solution anticipated. Whilst we recognise the importance of town centre parking, the Local Plan will seek to encourage sustainable and active modes of travel.</p> <p>1.12 Spelthorne Borough Council will engage with Surrey County Council as the landowner further once allocations are firmed up. This will involve discussing proposals and supporting infrastructure so that services can be maintained. The Council will seek to boost active and sustainable travel whilst maintaining some element on parking where appropriate. It will be for Surrey CC as the landowner and service provider to demonstrate how travel will be addressed through their proposals at the planning application stage with a travel plan to be submitted.</p> <p>1.13 The Government made permanent permitted development rights to allow the conversion of office space to residential use in 2016. Whilst this provides a source of housing supply, the local planning authority has less control over the detail of each scheme and can only consider limited criteria in the decision-making process. Whilst the Council has limited control over these schemes, the Local Plan will allow the Council to plan for Spelthorne in a holistic manner, with housing and employment needs considered amongst other matters.</p> <p>The Council is currently working with consultants to produce evidence to support the Local Plan to consider the housing market position in</p>
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	<p>1.21 Loss of heritage assets.</p> <p>1.22 What will happen to retail units and employees when the shopping area is developed?</p> <p>1.23 Lots of disruption due to current developments – this will get worse.</p> <p>1.24 Reduced views of the River Thames.</p>	<p>Spelthorne and to consider if current units are meeting the needs of the community. This will then inform the Local Plan strategy as we move forward to the next stage of Local Plan preparation.</p> <p>1.14 Through the Government’s standard method for calculating housing need we are required to provide over 600 homes each year. Whilst we acknowledge that this will be challenging and will result in some changes to Spelthorne, the Local Plan provides a platform to consider how this development can be delivered. Our preferred spatial strategy aims to only release weakly performing Green Belt, to increase densities where character allows, while the masterplan for Staines will allow us to set out a cohesive vision for the town centre. Development in the town centre will need to follow the masterplan whilst we expect high quality design to be realised so that positive impacts on the environment can be achieved through the Local Plan.</p> <p>1.15 We have given consideration to this through the Sustainability Appraisal, which assesses social, economic and environmental impacts including pollution. We will be holding discussions with landowners where appropriate following the current consultation to determine how adverse impacts can be mitigated.</p> <p>More widely the Local Plan allows us to plan holistically and to consider the impacts on wider issues such as pollution and climate change. Individual site assessments for the proposed allocations have considered the effects of air pollution especially in those locations where levels are already high. A draft policy has been included in the new Local Plan to address this and will be applied where necessary for new developments. We will also continue to work proactively with our Environmental health team on pollution and with Surrey County Council who are responsible for transport through the development of the Local Plan to ensure that these matters are suitably considered and addressed on each site.</p> <p>1.16 Spelthorne Borough Council will continue to work with Surrey County Council as the Local Plan enters the next stages of development. Surrey’s</p>
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		<p>out that a suitable mix of homes will be required in housing schemes. This will allow us to deliver an appropriate mix of types and sizes of units across Spelthorne throughout the plan period to meet the needs of the Borough. Whilst flats may be more suitable in certain locations such as town centres that can accommodate high density development, lower density areas are likely to provide different types of homes more suited to that location. We are currently producing evidence to consider how needs are being met across the Borough which will inform the next stage of the Local Plan.</p> <p>1.21 Surrey County Council have been consulted on all proposed allocation sites and we will engage with them further as the Local Plan progresses and the list of site allocations are firmed up. Surrey have a dedicated Heritage Conservation Team and one of their main roles is to advise on planning proposals for new developments.</p> <p>If a site is taken forward through the Local Plan the landowner will need to submit a planning application for the proposed development. All applications which have the possibility to affect a heritage asset should be accompanied by a statement describing the significance of the heritage asset affected and the contribution of their setting to that significance. The level of detail should be proportionate to the importance of the heritage asset and should be sufficient to understand the potential impact of the proposal on the significance of the heritage asset.</p> <p>Where an application includes, or is considered to have the potential to include, heritage assets with archaeological interest applicants should submit an appropriate desk-based assessment and, where desk-based research is insufficient to properly assess the interest, a field evaluation.</p> <p>1.22 The Council is considering redeveloping the Elmsleigh Centre so that it would retain its retail presence within the town centre, however residential development could be accommodate on the upper floors, above the shopping centre.</p>
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**Staines and Laleham Green Belt**

<p>Staines and Laleham Green Belt</p>	<p>1.1 Development should be focused on Brownfield land.</p> <p>1.2 Little consideration given to densities proposed on Green Belt land, particularly on Worple Road and, Berryscroft and Bingham Drive.</p> <p>1.3 Generally infrastructure can simply not cope with increased population and traffic.</p> <p>1.4 No infrastructure plan in place.</p> <p>1.5 Greener infrastructure required.</p> <p>1.6 Loss of community/leisure facilities, for example, Staines and Laleham Sports Club.</p> <p>1.7 Increased flood risk.</p> <p>1.8 Air and noise pollution issues, mainly around Worple Road.</p> <p>1.9 Adverse impact on nature; wildlife and biodiversity</p>	<p>1.1 See key theme ‘Green Belt’ for more detail. The Council has produced a Strategic Land Availability Assessment (SLAA) to consider brownfield land for development. The SLAA sets out the sites identified in the urban area to meet development needs and an approximate density. Unfortunately, there is not enough capacity in the urban area to deliver over 600 new homes each year, as required by the Government therefore Green Belt is being considered. The Council’s preferred spatial strategy for the Local Plan focuses on maximising the number of dwellings in the urban area and on brownfield land, subject to character considerations.</p> <p>Paragraph 137 of the NPPF states that before concluding that exceptional circumstances exist to justify changes to Green Belt boundaries, local planning authorities should a) make as much use as possible of suitable brownfield sites and underutilised land; b) optimise the density of development. The preferred spatial strategy adheres to this and seeks to boost housing delivery in the urban area and increase densities.</p> <p>1.2 The Council has a challenging housing target derived from Central Government’s standard method for calculating housing need. The character of these sites provides the opportunity to consider how high density development could be utilised to help meet our needs.</p> <p>1.3 – 1.5 See the key themes Transport, Health and Education for further detail. The Council acknowledges that increased growth in the Borough will inevitably lead to increased pressures on facilities and services such as transport, education and healthcare. By having a Local Plan in place, this will identify areas which are lacking in facilities and services which can be addressed over the Plan period.</p> <p>The Council is working with Surrey County Council, Schools, GP surgeries and the CCG/NHS England and other infrastructure providers to assess current capacity shortfalls and identify opportunities to meet future demand in these areas.</p>
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	<p>1.10 Negative impacts on health and wellbeing.</p> <p>1.11 Loss of character.</p> <p>1.12 Loss of heritage assets.</p>	<p>Planning obligations received at the planning application stage will be used to address local infrastructure needs. The Local Plan will also utilise evidence from the impending IDP to ensure that the required infrastructure is in place to support development.</p> <p>1.6 All schemes that involve a loss of social facility will be subject to re-provision. This will either be on the existing site as part of a mixed use scheme or in an alternative suitable location within close proximity.</p> <p>With regards to Staines and Laleham Sports Club, the club itself has promoted the land for development as they view this as the most appropriate way of being able to fund improvements to the current facilities. It is not proposed that the sports club will no longer use the site however this would see some of the site being lost to for housing. The sports club would however remain with improved facilities.</p> <p>1.7 The Council has considered flood risk throughout the assessment process. Sites within the functional floodplain (flood zone 3b) have been discounted. Due to the constrained nature of the borough, flood zone 3a and 2 need to be considered. A Strategic Flood Risk Assessment stage 2 will be produced in due course to assess the risk on individual sites and options for mitigation. See key theme 'flood risk' for more detail.</p> <p>1.8 See the key Pollution theme for more detail. The Council has given consideration to especially air and noise through the Sustainability Appraisal, which assesses social, economic and environmental impacts. We will be holding discussions with landowners where appropriate following the current consultation to determine how adverse impacts can be mitigated. The Local Plan will largely allow the Council to plan holistically and to consider the impacts on wider issues such as pollution and climate change.</p> <p>1.9 -1.10 See key 'biodiversity' and, Leisure and Open Spaces themes for more information. The Council's draft Policy E4 (Green and Blue Infrastructure) will seek a net gain in biodiversity at the planning</p>
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		<p>application stage and will also seek to enhance on site green infrastructure where possible.</p> <p>The Council will continue to protect and enhance open spaces and to encourage the use of them as part of wider health and wellbeing strategies. Where open spaces have been identified for a development, draft Policy E5 (Open Spaces) will require that compensatory measures are made to mitigate their loss either through on-site re-provision or providing a financial contribution to improve their quality significantly close by the development site.</p> <p>1.11 The Council's preferred spatial strategy aims to only release weakly performing Green Belt, to increase densities where character allows, while the masterplan for Staines will allow us to set out a cohesive vision for the town centre. Development of Green Belt sites in Staines will need to fulfil this strategy whilst we expect high quality design to be realised so that positive impacts on the environment can be achieved through the Local Plan.</p> <p>1.12 Surrey County Council has been consulted on all proposed allocation sites and the Council will engage with them further as the Local Plan progresses and the list of site allocations are firmed up. SCC has a dedicated Heritage Conservation Team and one of their main roles is to advise on planning proposals for new developments. All applications which have the possibility to affect a heritage asset will have to be accompanied by a statement describing the significance of the heritage asset affected and the contribution of their setting to that significance. The level of detail will have to be proportionate to the importance of the heritage asset and will have to be sufficient to understand the potential impact of the proposal on the significance of the heritage asset.</p>
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**Shepperton (Urban)**

Shepperton - Urban	<p>1.1 Impacts of development on traffic and the local road network.</p> <p>1.2 Lack of health facilities.</p> <p>1.3 Lack of school places.</p> <p>1.4 Local bus service is poor and trains into London are too infrequent.</p> <p>1.5 Developers will not pay to fund infrastructure.</p> <p>1.6 Loss of youth centre.</p>	<p>1.1 Surrey County Council have undertaken transport modelling for the new Local Plan. This assesses the impacts of new development on the road network and junctions. By allocating sites through the Local Plan we can consider the bigger picture and plan so that adverse impacts that arise as a result of multiple developments can be overcome. This allows us to address any highways impacts in a holistic manner in collaboration with Surrey CC as the highways authority and developers, with planning obligations also providing a means to address issues. The transport modelling has not identified that the Council's preferred options for development will cause impacts which are 'severe', which is the NPPF's threshold for rejecting development on highway grounds. Suitable infrastructure will be required as allocations materialise and planning applications are submitted to show that cumulative impacts have been considered in terms of both pollution and transport.</p> <p>1.2 See the Health theme for further detail. The Council are working with GP surgeries and the CCG/NHS England to identify current capacity and expected future demands for healthcare.</p> <p>1.3 See the education key theme for further details. The Council are in discussions with schools and Surrey County Council to identify opportunities for expansions to increase school places and to determine where there is available capacity.</p> <p>1.4 We will be working on an ongoing basis with Surrey County Council as the highway authority and service providers to help address shortfalls in public transport. The Local Plan provides the opportunity to boost active and sustainable travel and this will be a key consideration as we move forward with Local Plan preparation. Planning obligations at the planning application stage may be used to help fund transport infrastructure, whilst developments may be required to make appropriate contributions to local transport. The IDP will set out the transport needs for the Borough and this will help us to address deficits through the Local Plan. We are also engaged with South Western railways to establish if improvements can be</p>
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		<p>made either to the number of services provided or the capacity for increasing the number of carriages on each service.</p> <p>1.5 The Council is currently producing an Infrastructure Delivery Plan (IDP), which will identify the Borough's infrastructure requirements including social, physical and green infrastructure. The IDP will set out what is needed, where it is needed and when it is needed. The Local Plan will then utilise this evidence to ensure that the required infrastructure is in place to support development. Developers are required to enter into s106 agreements and pay money through the Community Infrastructure Levy (CIL) to help to fund infrastructure improvements to mitigate the potential impacts of the development when a planning application is approved. Development cannot start until these agreements are in place.</p> <p>1.6 Spelthorne Borough Council will continue to work with Surrey County Council as the Local Plan enters the next stages of development. The youth centre in Shepperton is owned by SCC and further discussions are required to establish whether re-provision should be on site or relocated elsewhere as part of a larger social and community hub. All schemes that involve a loss of social facility will be subject to re-provision. This will either be on the existing site as part of a mixed use scheme or in an alternative suitable location within close proximity.</p>
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**Shepperton Green Belt**

<p>Shepperton Green Belt</p>	<p>1.1 Close proximity to M3 will cause noise and air pollution.</p> <p>1.2 Flooding issues.</p> <p>1.3 Potential access issues and increase in traffic.</p> <p>1.4 Destruction of the character of Shepperton.</p> <p>1.5 Negative impacts on Ash Link Nature Reserve and wildlife.</p> <p>1.6 Shepperton has already had to accommodate the Eco Park and the Shepperton Studios expansion.</p> <p>1.7 Local health and education infrastructure won't be able to cope.</p> <p>1.8 Sustainability of allocation site locations.</p> <p>1.9 Shepperton is full.</p> <p>1.10 Proposed densities are too high.</p> <p>1.11 Impacts of local settings, outlook and amenity/ privacy</p>	<p>1.1 See 'Environmental Pollution' section for more detail. We have carried out a Sustainability Appraisal for all sites to assess the social, economic and environmental impacts of development, including on pollution and air quality. Part of this process is to identify where development could have a negative impact on any of the SA objectives and to subsequently identify mitigation measures. If the site is allocated within the Local Plan, developers will need to demonstrate that any issues can be overcome.</p> <p>At the planning application stage applicants will need to adhere to all of the Local Plan policies, including draft policy E3: Environmental Protection. This sets out the steps that applicants will need to follow in order to address noise and air pollution. Applicants will also need to submit an Air Quality Assessment which will assess air quality associated with transport volumes, waste disposal, construction etc. A noise impact assessment will also consider noise impacts and potential mitigation. This could include mitigation such as sound insulation, a suitable buffer or screening of gardens, for example. This will then give the case officer a greater level of understanding with regards to the impacts of the proposed scheme. We will also continue to work with our Environmental health team who monitor pollution via diffusion tubes on a monthly basis around the Borough.</p> <p>1.2 See 'Flooding' section for more detail. Spelthorne is a very constrained Borough therefore we have to look at land in flood zone 2 and 3a. We will be working with Surrey County Council as the lead local flood authority and we will be producing a strategic flood risk assessment stage 2 in due course to assess the risk on individual sites and to consider the options for mitigation.</p> <p>Applicants will also need to submit a flood risk assessment when submitting a planning application to consider the flood risk to a site. This will need to demonstrate that applicants have sufficiently considered and taken steps to manage flood risk as part of the development proposal.</p>
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	<p>of surrounding properties and businesses.</p>	<p>1.3 The Council followed a robust site selection methodology, underpinned by the Sustainability Appraisal to determine which sites should be taken forward as potential allocations. Road and highway concerns were considered and influenced decision-making. As more detail is considered through the next stage of the Local Plan, the Council will engage with landowners and Surrey County Council to identify potential access issues and suitable measures to overcome these. At the planning application stage developers will be required to submit a transport assessment and a travel plan which will consider the road impacts and identify where a positive contribution can be made to improving road safety. Where applicable, planning obligations paid by developers will be used to secure improvements to the local area such as road and safety enhancements.</p> <p>1.4 We would expect any new development to be of high quality design and this will be informed by the new Local Plan policies. The planning application stage of the process which comes after the adoption of the Local Plan will consider character in more detail. We are required to build over 600 homes per annum by Government therefore we are likely to see an increase in built form across the Borough. We aim to maximise densities where character allows, for example in high density areas like town centres and near to transport hubs, but we will seek to ensure that new developments across the wider area adhere to local character. Applicants will need to demonstrate that this has been taken into account through their planning application.</p> <p>1.5 See key theme 'biodiversity' for more detail. The Sustainability Appraisal for the Local Plan Preferred Options sets out where negative impacts are expected on biodiversity. Biodiversity impacts on the site and on the surrounding area will need to be considered in more detail at the planning application stage to show how adverse impacts can be mitigated to an acceptable level.</p>
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		<p>provision and to ensure that a suitable amount of development can be accommodated in each area.</p> <p>1.7 See key themes on 'Health' and Education'. The Council acknowledges that increased growth in the Borough will inevitably lead to increased pressures on services such as healthcare and education. By having a Local Plan in place, this will identify areas which are lacking in services and other social facilities which can be addressed over the Plan period. We are working with infrastructure providers so they can plan for our future growth. Healthcare and education will be dealt with through the Infrastructure Delivery Plan (IDP) which will support the Local Plan. The IDP identifies the Borough's infrastructure requirements, sets out what is needed, where it is needed and when it is needed. It then provides an update on the delivery of the required infrastructure to date. The IDP is currently being progressed following the Preferred Options consultation.</p> <p>1.9 Central Government requires us to build over 600 homes each year which we feel is a challenging target. Despite this, we still need to consider how we can best meet the future needs of the community. The Local Plan provides a platform on which we can plan for future growth in a holistic manner, bringing together site allocations for different types of development and supporting infrastructure across Spelthorne. Without a Local Plan in place we face more ad hoc development, without the necessary infrastructure to support this. Through the Local Plan we can plan for growth across Spelthorne in a sustainable way, with the needs of the existing and expanding community addressed. Our preferred spatial strategy aims to disperse development across the Borough with a mix of urban and weakly performing Green Belt sites, with higher density development where character allows. We will work with infrastructure providers and developers to plan for growth in Shepperton in a sustainable manner.</p> <p>1.10 The local plan will provide detail of each site allocation, including requirements and the level of development expected. This will be determined by the surrounding character and the nature of each site.</p>
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**Ashford (Urban)**

	<p>1.1 Local traffic issues</p> <p>1.2 Increased pressure on health services in Ashford</p> <p>1.3 Increasing development for the centre of Ashford</p> <p>1.4 Too much development concentrated here</p> <p>1.5 Too many flats in the area</p> <p>1.6 Loss of multi-storey car park on Church Road</p> <p>1.7 Lack of parking options close to the town centre</p> <p>1.8 Development should be more evenly spread across the Borough</p> <p>1.9 Impacts of loss of social and community facilities</p> <p>1.10 Impacts of increased air pollution</p> <p>1.11 Public transport is not an alternative to the car</p>	<p>1.1 Surrey County Council have undertaken transport modelling for the new Local Plan. This assesses the impacts of new development on the road network and junctions. By allocating sites through the Local Plan we can consider the bigger picture and plan so that adverse impacts that arise as a result of multiple developments can be overcome. This allows us to address any highways impacts in a holistic manner in collaboration with Surrey CC as the highways authority and developers, with planning obligations also providing a means to address issues. The transport modelling has not identified that the Council's preferred options for development will cause impacts which are 'severe', which is the NPPF's threshold for rejecting development on highway grounds. Suitable infrastructure will be required as allocations materialise and planning applications are submitted to show that cumulative impacts have been considered in terms of both pollution and transport.</p> <p>1.2 See key theme 'Health' for more detail. The Council are in discussions with infrastructure providers to meet the demands of our future growth. By having a Local Plan in place, this will identify areas which are lacking in services and other social facilities which can be addressed over the Plan period. We recognise the importance of adequate infrastructure for both existing and proposed development. The Council is currently producing an Infrastructure Delivery Plan which will look at all aspects of infrastructure, such as health care, and will also factor in our growth projections. This study will identify what infrastructure will be needed in Sunbury and we will be able to provide further details of these improvements after the IDP has been completed.</p> <p>1.3 The spatial strategy for the Local Plan includes higher densities for brownfield sites within urban areas. The centre of Ashford provides a suitable location for this approach as there are opportunities to re-use brownfield land for development to ensure efficient use of land as required by the National Planning Policy Framework (NPPF). The Site Selection Methodology included an assessment of 'Landscape Character and Townscape' at stage 2b. Here officers assessed the impact of</p>
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		<p>development on the wider environment. In addition, the Sustainability Appraisal framework also includes objectives 7 and 8 which address townscape and landscape character. All sites have been assessed against these criteria and were deemed to have acceptable impacts, subject to appropriate mitigation. Character will need to be considered further at the planning application stage whereby applicants will need to demonstrate that policies have been complied with. Draft policy SP2: Ashford, Shepperton and Sunbury Cross sets out that proposals will be supported that protect and enhance the local character of the area, whilst draft Policy DS1: Place Shaping focusses on positive contributions to local character.</p> <p>1.4 - 1.5 Spelthorne's Core Strategy from 2009 required us to build 166 homes per annum, whilst our Strategic Housing Market Assessment 2015 indicated that Spelthorne has a need for 552-757 homes per annum. More recently the standard method for calculating housing need sets out that we need to provide 603 homes each year. We therefore face the challenge of meeting these needs across Spelthorne and must consider the capacity of each settlement to help meet these needs.</p> <p>As Spelthorne does not have an up to date Local Plan, planning applications have been submitted on an ad hoc basis in recent years, with no up to date allocations and supporting infrastructure plan to guide development in a holistic manner. The Local Plan will provide the opportunity to plan for Spelthorne in a holistic manner and will enable us to consider what infrastructure is needed in each area to support development. This will allow for a more joined up plan-led approach to development in Spelthorne. We will be expected to show that we have left no stone unturned in planning to meet our development needs in Spelthorne. As such the capacity of each settlement needs to be considered. The Council is currently producing an Infrastructure Delivery Plan (IDP) to set out what infrastructure is required in each part of Spelthorne to support Local Plan development.</p> <p>1.6 A number of parking surveys have been carried out and these have found the multi-storey car park to be under-utilised. The site itself is on</p>
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		<p>brownfield land and within a town centre therefore is a sustainable location for housing. Some parking will be retained on the site as a result of the development proposals.</p> <p>1.7 Ashford is a local centre which seeks to meet the day to day needs of people living within the local area. This should encourage people to walk to use the facilities provided given the relatively close proximity its main users live to the centre. The Council are in discussions with Surrey County Council to consider options for improving existing parking or to remodel it to allow a greater use of space for parking.</p> <p>1.8 As noted above, the Council must plan for at least 603 homes per year for the next 15 years. In order to do this, we must consider all sites within all locations so as to 'leave no stone unturned'. Therefore, we have assessed all available land opportunities in Staines and Ashford, Shepperton and Sunbury. Some of these areas are more heavily constrained than others or have fewer development opportunities.</p> <p>1.9 All schemes that involve a loss of social facility will be subject to re-provision. This will either be on the existing site as part of a mixed use scheme or in an alternative suitable location within close proximity. The Council will continue to work with Surrey County Council to address any shortfall in social and community facilities. The IDP will consider Spelthorne's current provision and needs with the level of development proposed through the Local Plan. We will then be able to consider how this can be addressed through the Local Plan.</p> <p>1.10 The Sustainability Appraisal which considers air quality impact through the site assessment process makes a high level judgement regarding the potential for adverse impact from new development and any mitigation measures that could be used to overcome this. This Preferred Options stage of the Local Plan is largely about determining if the principle of development on each site would be suitable or if there are any adverse impact that could not be overcome. The detail will come</p>
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		<p>after the current consultation and we will be holding discussions with landowners to go over any local impacts.</p> <p>At the planning application stage the applicant will need to adhere to all of the Local Plan policies, including draft policy E3: Environmental Protection, and will need to submit an Air Quality Assessment which will assess air quality associated with transport volumes, waste disposal, construction etc. This will then give us a greater level of understanding with regards to the impacts of the proposed scheme.</p> <p>1.11 We will be working on an ongoing basis with Surrey County Council as the highway authority and service providers to help address shortfalls in public transport. The Local Plan provides the opportunity to boost active and sustainable travel and this will be a key consideration as we move forward with Local Plan preparation. Planning obligations at the planning application stage may be used to help fund transport infrastructure, whilst developments may be required to make appropriate contributions to local transport. The IDP will set out the transport needs for the Borough and this will help us to address deficits through the Local Plan.</p>
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**Ashford and Surrounds Green Belt**

	<p>1.1 Too much development is proposed in the area</p> <p>1.2 Loss of Green Belt land to development.</p> <p>1.3 Green Belt should be protected and brownfield land should be prioritised.</p> <p>1.4 Loss of character</p> <p>1.5 Negative impacts on the environment.</p> <p>1.6 Roads won't be able to cope with new development.</p> <p>1.7 Concerns over safety with more activity</p>	<p>1.1 Officers have followed a robust site selection methodology to determine which sites should be taken forward as potential allocations. The Council has decided to pursue a combination approach to focus on brownfield sites, increased densities where appropriate, releasing some weakly performing Green Belt and a masterplan for Staines upon Thames. The proposed allocations are considered to fulfil this strategy and provides a spread of development across the Borough to meet the Government's challenging housing requirement. Central government have set out that we must follow a standard method to calculate housing need, with a target of over 600 homes per annum for Spelthorne. We therefore need to consider how this level of need can be met across the Borough. We will continue to work with service providers and Surrey County Council to meet the infrastructure needs of the population as it grows. The Local Plan allows us to plan holistically and consider a range of impacts into the future. The Local Plan provides the opportunity to identify areas which are lacking in services and other social facilities which can be addressed over the Plan period.</p> <p>1.2 See key theme 'Green Belt' for more detail. Green Belt sites have been considered suitable for development where they are 'weakly performing' in the Green Belt Assessment (GBA) stage 1. This is the case with Ashford Manor Golf Course (site ref: AE1/003). In the case of the land at Chattern Hill (site ref: AE3/009) and land to the east of the Sports Club on Woodthorpe Road (site ref: AT1/003), these parcels were identified for further consideration in stage 2 of the GBA. It was determined that both parcels could be released without harming the integrity of the wider Green Belt.</p> <p>1.3 See key theme 'Green Belt' for more detail. Officers have produced a Strategic Land Availability Assessment (SLAA) to consider brownfield land for development. Unfortunately, there is not enough capacity in the urban area to meet development needs therefore Green Belt is being considered.</p>
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		<p>the site allows us to consider the bigger picture and to subsequently plan so that adverse impacts can be overcome. Any planning application would need to demonstrate that highways issues can be overcome, so whilst the detail would be considered at this latter stage, we can start to work with the County Council at this early stage to determine what infrastructure is required to support the allocations.</p>
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**Stanwell (Urban)**

Stanwell urban area	<p>1.1 Too much development concentrated in the area especially on Clare Road.</p> <p>1.2 Too many flats in the area, particularly on Clare Road.</p> <p>1.3 Increased pressure on road network due traffic and congestion.</p> <p>1.4 Public transport options are limited.</p> <p>1.5 Demand for car parking spaces due to increase exponentially as a result of the Brooklands site.</p> <p>1.6 Loss of character coupled with declining street scene.</p> <p>1.7 Pollution concerns.</p> <p>1.8 Heathrow expansion-related impacts.</p>	<p>1.1 The Council followed a robust site selection methodology to determine which sites to take forward as potential allocations. The proposed allocations are considered to fulfil the Council’s strategy and provide a spread of development across the Borough to meet the Government’s challenging housing target. Central government have set out that we must follow a standard method to calculate housing need, with a target of over 600 homes per annum for Spelthorne. Therefore, we need to consider how this level of need can be met across the Borough.</p> <p>We will continue to work with service providers and Surrey County Council to meet the infrastructure needs of the population as it grows. The Local Plan allows us to plan holistically and consider a range of impacts into the future. The Local Plan also provides the opportunity to identify areas which are lacking in services and other social facilities which can be addressed over the Plan period.</p> <p>1.2 The Strategic Housing Market Assessment update 2019 sets out the housing mix required through the Local Plan. We have taken this into account in the development of draft policy H1: Homes for All, which sets out that a suitable mix of homes will be required in housing schemes. This will allow us to deliver an appropriate mix of types and sizes of units across Spelthorne throughout the plan period.</p> <p>1.3 Surrey County Council has undertaken transport modelling for the new Local Plan. This assesses the impacts of new development on the local road network. Allocating the site allows us to consider the bigger picture and to subsequently plan so that adverse impacts can be overcome.</p> <p>At the planning application stage, the developer will be required to submit a transport assessment and a travel plan to consider the road impacts and identify where a positive contribution can be made to improving road safety. Also, planning obligations can be paid by the developer to contribute to improvements in the local area, such as road and safety enhancements.</p>
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		<p>1.6 New development will need to take account of local character and reference will need to be made to design policies within the Local Plan at the planning application stage. Regard will need to be given to design and the wider environment.</p> <p>The Site Selection Methodology included an assessment of 'Landscape Character and Townscape' at stage 2b. Here officers assessed the impact of development on the wider environment. In addition, the Sustainability Appraisal framework also includes objectives 7 and 8 which address townscape and landscape character. All sites have been assessed against these criteria and were deemed to have acceptable impacts, subject to appropriate mitigation. Character will need to be considered further at the planning application stage whereby applicants will need to demonstrate that policies have been complied with. Draft policy SP3: Stanwell and Stanwell Moor sets out that the Council will support preserve and enhance the local character of the area, whilst draft Policy DS1: Place Shaping focusses on positive contributions to local character.</p> <p>1.7 Please refer to the Pollution theme for further details. More details on the impacts of pollution will come after the current consultation and we will be engaging with the relevant landowners to go over any of the impacts. Aside the transport modelling, the Infrastructure Delivery Plan and our Sustainability Assessment amongst other supporting evidence, the Council will continue to work proactively with Surrey County Council through the development of the Local Plan to ensure that these matters are appropriately considered and addressed for individual sites.</p> <p>1.8 Please refer to the Heathrow theme for further details. Due to the uncertainty surrounding the expansion at Heathrow, the Council is unable to comment further on the potential impacts of the proposed scheme until the ANPS has either been revised or renewed and Heathrow's proposals are deemed compatible with the requirements set out in the document.</p>
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**Stanwell Green Belt**

	<p>1.1 Development could result in urban sprawl and the merging of settlements.</p> <p>1.2 Oppose the development of Green Belt land, particularly for Gypsy and Traveller pitches (Land to the west of Town Lane) and Commercial purposes (Land at Northumberland Close).</p> <p>1.3 Choosing Green Belt sites is profit driven.</p> <p>1.4 Green Belt needs to remain Green Belt</p> <p>1.5 Green Belt plays an important role in Climate Change.</p> <p>1.6 Too much development is proposed here</p> <p>1.7 Loss of open spaces</p> <p>1.8 Adverse impacts on wildlife and biodiversity</p> <p>1.9 Noise and air pollution, particularly from Heathrow</p>	<p>1.1 See key theme 'Green Belt' for more detail. Local areas and smaller sub areas were assessed through the Green Belt Assessment stage 1 and 2 against the Green Belt purposes set out in the NPPF. One or more criteria was developed for each purpose using both qualitative and quantitative measures and a score out of five was attributed to each criterion. Any sub area scoring relatively weakly, weakly or very weakly (score of 1 or 2) across all NPPF purposes was judged to be weak Green Belt. Any sub area scoring strongly or moderately (score of 3-5) against any of the purposes was deemed to play a role and was judged to be moderate or strong Green Belt. The identified potential allocation sites followed the GBA2 recommendations, therefore the release of the identified parcels is not considered to result in risk to the potential merging of settlements or sprawl.</p> <p>1.2 See key theme 'Green Belt' for more detail. Green Belt sites have been considered suitable for development where they are 'weakly performing' in the Green Belt Assessment (GBA). Land to the west of Town Lane (site ref: SN1/015) and Land at Northumberland Close (site ref: SN1/005) could be released without harming the integrity of the wider Green Belt.</p> <p>The site at Northumberland Close was promoted for economic development by the landowner. The Council identified the site for commercial use to support growth at Heathrow Airport through the officer site assessment process. The area around Northumberland Close is characterised by a number of large storage and distribution units which play an important economic role for Spelthorne in supporting the operation of Heathrow Airport. For this reason the site is considered to be more appropriate for commercial use.</p> <p>1.3 Through the examination of the Local Plan the Council will be expected to demonstrate that it has left no stone unturned in meeting its housing needs. At present Spelthorne is unable to meet all of its housing needs within the urban area alone therefore a strategy including weakly</p>
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	<p>1.10 Loss of outlook and privacy</p> <p>1.11 Limited car parking spaces especially along Northumberland Close and in Cleveland Park</p>	<p>performing Green Belt has been considered as the preferred option. Moving forward, we will take account of the representations received to our consultation to further develop our strategy. We will continue to review the proposed allocations as well as supporting evidence before concluding on our allocation sites.</p> <p>1.4 See key theme 'Green Belt' for more detail. The Green Belt Assessment focuses on the NPPF purposes and the strategic function of Green Belt. Whilst Green Belt does hold some environmental value by its nature, these factors are not primary to the fundamental aims of Green Belt which is to prevent urban sprawl by keeping land permanently open. Environmental impacts have been considered through the Sustainability Appraisal (SA) and will be further considered through the next SA stages as the Local Plan progresses.</p> <p>1.5 Climate change must be a consideration that runs through the Local Plan so whilst we don't have a Climate Change policy specifically, our Plan when read as a whole seeks to positively address Climate Change, for example through addressing flood risk, improved biodiversity, sustainable construction and the creation of sustainable places. Draft 'Policy DS2: Sustainable Design and Renewable/Low Carbon Energy Generation' can be considered one of the more practical policies in terms of addressing Climate Change, however all policies were assessed against the Climate Change objective as set out in the Sustainability Appraisal framework in order to ensure that the most sustainable option was chosen and adverse impacts can be mitigated. All potential allocation sites were also assessed against the SA framework to consider any adverse impacts on Climate Change. It is the role of the SA to highlight these and identify where improvements can be made to reduce these impacts.</p> <p>1.6 The Council is required to build over 600 homes per annum by Government therefore we are likely to see an increase in built form across the Borough. We aim to maximise densities where character allows, for example in high density areas like town centres and near to transport hubs, but we will seek to ensure that new developments across the wider</p>
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		<p>area adhere to local character. Applicants will need to demonstrate that this has been taken into account through their planning application.</p> <p>1.7 The Council has published an Open Space Assessment which identifies areas which are deficient in open space provision. Where there is deficiency, the Council will seek to address this through the Local Plan process. The Council agrees that the loss of recreation grounds and parks would be detrimental, and these are protected under the NPPF. Where open spaces have been identified for development, draft Policy E5 requires that compensatory measures are undertaken to mitigate the loss either through re-providing the one space on site or providing a financial contribution to improve significantly an open space close by the development site.</p> <p>1.8 Refer to key theme 'biodiversity' for more information. Our draft Policy 'E4: Green and Blue Infrastructure' will seek a net gain in biodiversity where a proposal will impact biodiversity. The Council will also seek to enhance on site green infrastructure where possible. If this is not feasible, a financial contribution will be sought in exceptional circumstances. All proposals at the planning application stage will need to have regard to this policy. The Council will be updating the Spelthorne Biodiversity Action Plan this year which will set out the Council's commitment to conserve and enhance biodiversity. It will contain actions to improve habitats and species in the Borough. This will also help us to improve the proportion of local sites with positive conservation management.</p> <p>1.9 Refer to key theme 'Pollution' for more information. The Council has carried out a Sustainability Appraisal for all sites to assess the social, economic and environmental impacts of development, including on air and noise pollution. Part of this process is to identify where development could have a negative impact on any of the SA objectives and to subsequently identify mitigation measures. The detailed officer assessment sets out the reasons behind the identification of the site.</p>
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		<p>1.10 The officer site assessments considered visual amenity impacts from public viewpoints to consider how outlook could potentially be impacted by development. It should however be noted that there is no 'right to a view' and a loss of a view is not a material planning consideration. The assessment of visual amenity is not an absolute constraint and while due regard has been given to visual impact it has been weighed against other assessment criteria in order to identify potential development sites. We have also sought to take this into account to help mitigate adverse impacts as much as possible.</p> <p>Whilst the planning system cannot protect the view from a property, outlook is considered to be an important consideration. This occurs where development would have an adverse overbearing effect. This matter would be considered at the planning application stage.</p> <p>1.11 The Council is working with Surrey County Council as a Highways Authority and other infrastructure providers to establish where capacity genuinely exists and areas of greatest demand to ensure car parking spaces are available where appropriate over the Local Plan period.</p> <p>As part of the Council's on-going work on the IDP, we are engaging with Surrey County Council to ascertain opportunities for expanding and improving car parking where appropriate.</p>
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**Charlton Village and Waterworks**

	<p>1.1 85% increase in homes is disproportionate.</p> <p>1.2 The Eco Park development has had negative impacts on wildlife and traffic.</p> <p>1.3 Worsening air quality.</p> <p>1.4 Loss of a “buffer” between M3 - Eco Park, Shepperton Studios expansion and existing housing. The land is an important environmental barrier to pollution from Charlton Road Eco Park, the M3, Shepperton Studios expansion and the overloaded Charlton Road.</p> <p>1.5 Loss of views in relation to LS1/007</p> <p>1.6 Development of Charlton village would result in merging with Ashford Common and Littleton.</p> <p>1.7 The inclusion of these sites is contrary to the Green Belt review.</p>	<p>1.1 The Council are seeking to meet the identified need for home over the plan period. The Local Plan Preferred Options consulted on aimed to meet Spelthorne’s housing needs by releasing some weakly performing Green Belt, intensifying development in urban areas and by producing a masterplan for Staines. Two sites close to Charlton Village were identified as weakly performing and there were no overriding constraints so they were taken forward for consultation.</p> <p>1.2 The comments are noted by officers and the <a href="#">LPWPLPTG</a> to consider further. The Eco Park is constructed and beyond the scope of the new Local Plan.</p> <p>1.3-1.4 The whole of Spelthorne is an Air Quality Management Area (AQMA) and this is an important issue for the Local Plan to address. The individual officer assessments for each proposed allocations considered the effects of air pollution in areas in borough with poor air quality below EU standards.</p> <p>All the allocated sites were assessed against the Sustainability Appraisal framework including air pollution and identified its adverse impacts on the environment and subsequently recommended mitigation measures. Check the Council’s website for the detailed officer assessments which set out the reasons for specific allocations.</p> <p>The Council’s Environmental teams are also actively involved in capturing air quality data via additional monitoring stations to assist in managing air quality improvements.</p> <p>Draft Policy E3: Environmental Protection has been included in the emerging Local Plan to address air pollution and will be applied where necessary to all new developments at the planning application stage. The Council will also ensure that proposals in the AQMA are consistent with the requirements set out in local air quality action plan</p>
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	<p>1.8 The Bugle Nurseries site should be developed.</p> <p>1.9 Development would result in unacceptable harm to the rural character of the area.</p> <p>1.10 Sites are not sustainable.</p> <p>1.11 Development would result in negative impacts on biodiversity.</p> <p>1.12 LS1/020 should be planted as a municipal wood.</p> <p>1.13 Increased pressure on sewerage.</p> <p>1.14 Mains water pressure is extremely low.</p> <p>1.15 Lack of infrastructure to support the proposed levels of growth.</p> <p>1.16 Very limited bus service and residents have little option but to use cars.</p> <p>1.17 Charlton Road is inadequate at its junction with Charlton Lane, given the requirement for an improved junction as part of</p>	<p>All development proposals will need to be accompanied by Air Quality Assessments which will assess the potential impacts of air quality associated with additional vehicular movements on both our local and strategic road network as well as other issues such as waste disposal and construction. This will then give us a greater level of understanding with regards to the impacts of the proposed scheme.</p> <p>1.5 See key theme 'Visual Impacts'.</p> <p>1.6 -1.10 See key theme 'Green Belt' for more detail. Green Belt sites have been considered suitable for development where they are 'weakly performing' in the Green Belt Assessment (GBA) stage 1.</p> <p>1.11-1.12 The Sustainability Appraisal for the Local Plan Preferred Options sets out where negative impacts are expected on biodiversity. This will need to be considered in more detail at the planning application stage to show how adverse impacts can be mitigated to an acceptable level.</p> <p>Our new draft policy 'E4: Green and Blue Infrastructure' seeks to make a positive contribution to biodiversity and seeks a net gain in biodiversity. Biodiversity net-gain is an approach which aims to leave the natural environment in a measurably better state than beforehand. This approach has been included as part of the Government's Draft Environmental (Principles and Governance) Bill 2018. Biodiversity net gain will be sought on sites where existing green assets can be improved or enhanced or where these are lost, such as on greenfield sites, proposed development will provide significant replacements.</p> <p>We will be updating the Spelthorne Biodiversity Action Plan this year which will set out Spelthorne's commitment to conserve and enhance biodiversity. It will contain actions to improve habitats and species in the Borough. This will also help us to improve the proportion of local sites with positive conservation management.</p>
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	<p>the Shepperton Studios expansion.</p> <p>1.18 A new roundabout at the junction of Charlton Road and Charlton Lane as part of the Shepperton Studios Expansion, may compromise capacity so needs mitigation.</p> <p>1.19 Safety issues along Charlton Road.</p> <p>1.20 Lack of site specific studies carried out.</p> <p>1.21 Loss of sites will mean a loss for community use e.g. horse and dog shows.</p> <p>1.22 The stables and horses and an important part of the village.</p> <p>1.23 Surface water flooding and drainage are issues for the village.</p> <p>1.24 Loss of flood storage land will make flooding worse.</p> <p>1.25 LS1/020 - area liable to flood as a direct result of flooding from the River Ash.</p>	<p>1.13-1.14 As the organisation responsible for sewerage in the bough Thames Water are a Specific Consultation body and are consulted at each stage of Plan preparation to ensure they have no objections to sites or overall number of homes allocated in the Local Plan.</p> <p>1.15 Please see Key Themes Health, Education and Transport.</p> <p>1.16-1.20 The Council acknowledges that future growth will inevitably lead to increased pressures on infrastructure. By having a Local Plan in place, this will identify areas which are lacking in infrastructure which can be addressed over the Plan period.</p> <p>Please see Key Theme Transport, particularly Local and Strategic Road Network</p> <p>1.21-1.22 Officers recognise that site owners have allowed members of the public informal use of greenfield sites over a number of years. If sites have a public right of way through them this will be retained as part of new development however if this is not the case it is the goodwill of the owner that has allowed this. Officers note the value the community place on the Horse and Dog Shows.</p> <p>1.23-1.25 Each allocated in the emerging Plan will be subject to a site specific flood risk assessment (FRA) where required. These will be undertaken by AECOM who have undertaken the Strategic Flood Risk Assessment.</p> <p>Please refer to Key Theme Flooding for further detail.</p> <p>1.26 Surrey CC will be consulted at all stages of plan preparation and there will be detailed and ongoing engagement with many departments including waste, education and highways.</p>
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	<p>The western end of the site is shown to be within the 1 in 100 flood plain, the remaining area of the land is totally within the 1 in 1000 flood plain.</p> <p>1.26 Concerns over close proximity to existing and safeguarded waste sites – this could threaten the operation of the existing waste facility.</p>	
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**Sunbury Urban**

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
Sunbury – Urban area	<p>1.1 Traffic issues, particularly at Sunbury Cross Roundabout and A308.</p> <p>1.2 Increased pressure on Sunbury Health Centre</p> <p>1.3 Loss of character of Lower Sunbury.</p> <p>1.4 Lots of development in the past in Sunbury.</p> <p>1.5 Too much development concentrated here.</p> <p>1.6 Loss of businesses with office to residential conversions.</p> <p>1.7 Too many flats in the area.</p> <p>1.8 Loss of social and community facilities negative.</p> <p>1.9 Existing roads are narrow and may not cope.</p> <p>1.10 Public transport options are poor.</p>	<p>1.1 Surrey County Council have undertaken transport modelling for the new Local Plan. This assesses the impacts of new development on the road network and junctions. By allocating sites through the Local Plan we can consider the bigger picture and plan so that adverse impacts that arise as a result of multiple developments can be overcome. This allows us to address any highways impacts in a holistic manner in collaboration with Surrey CC as the highways authority and developers, with planning obligations also providing a means to address issues. The transport modelling has not identified that the Council's preferred options for development will cause impacts which are 'severe', which is the NPPF's threshold for rejecting development on highway grounds. Suitable infrastructure will be required as allocations materialise and planning applications are submitted to show that cumulative impacts have been considered in terms of both pollution and transport.</p> <p>1.2 See key theme 'Health' for more detail. The Council are in discussions with infrastructure providers to meet the demands of our future growth. By having a Local Plan in place, this will identify areas which are lacking in services and social facilities which can be addressed over the Plan period. We recognise the importance of adequate infrastructure for both existing and proposed development. The Council is currently producing an Infrastructure Delivery Plan which will look at all aspects of infrastructure, such as health care, and will also factor in our growth projections. This study will identify what infrastructure will be needed in Sunbury and we will be able to provide further details of these improvements after the IDP has been completed.</p> <p>1.3 The Site Selection Methodology included an assessment of 'Landscape Character and Townscape' at stage 2b. Here officers assessed the impact of development on the wider environment. In addition, the Sustainability Appraisal framework also includes objectives 7 and 8 which address townscape and landscape character. All sites have</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
	1.11 Lack of youth facilities.	<p>been assessed against these criteria and were deemed to have acceptable impacts, subject to appropriate mitigation. Character will need to be considered further at the planning application stage whereby applicants will need to demonstrate that policies have been complied with. Draft policy SP2: Ashford, Shepperton and Sunbury Cross sets out that proposals will be supported that protect and enhance the local character of the area, whilst draft Policy DS1: Place Shaping focusses on positive contributions to local character.</p> <p>1.4 – 1.5 The Spelthorne Strategy from 2009 required us to build 166 homes per annum, whilst our Strategic Housing Market Assessment 2015 indicated that Spelthorne had a need for 552-757 homes per annum. More recently the standard method for calculating housing need sets out that we need to provide 603 homes each year. We therefore face the challenge of meeting these needs across Spelthorne and must consider the capacity of each settlement to help contribute to housing provision.</p> <p>As Spelthorne does not have an up to date Local Plan, planning applications have been submitted on an ad hoc basis in recent years, with no up to date allocations and supporting infrastructure plan to guide development in a holistic manner.</p> <p>The Local Plan will provide the opportunity to plan for Spelthorne in a holistic manner and will enable us to consider what infrastructure is needed in each area to support development. This will allow for a more joined up plan-led approach to development in Spelthorne.</p> <p>We will be expected to show that we have left no stone unturned in planning to meet our development needs in Spelthorne. As such the capacity of each settlement needs to be considered. The Council is currently producing an Infrastructure Delivery Plan (IDP) to set out what infrastructure is required in each part of Spelthorne to support Local Plan development.</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
		<p>1.6 The Government made permanent permitted development rights to allow the conversion of office space to residential use in 2016. Whilst this provides a source of housing supply, the local planning authority has less control over the detail of each scheme and can only consider limited criteria in the decision-making process. Whilst the Council has limited control over these schemes, the Local Plan will allow the Council to plan for Spelthorne in a holistic manner, with housing and employment needs considered amongst other matters.</p> <p>1.7 The Strategic Housing Market Assessment update 2019 sets out the housing mix required through the Local Plan. We have taken this into account in the development of draft policy H1: Homes for All, which sets out that a suitable mix of homes will be required in housing schemes. This will allow us to deliver an appropriate mix of types and sizes of units across Spelthorne throughout the plan period.</p> <p>1.8 All schemes that involve a loss of social facility will be subject to re-provision. This will either be on the existing site as part of a mixed use scheme or in an alternative suitable location within close proximity.</p> <p>1.9 Surrey County Council have undertaken transport modelling for the new Local Plan. This assesses the impacts of new development on the road network. Allocating the site allows us to consider the bigger picture and to subsequently plan so that adverse impacts can be overcome. Planning obligations can be paid by the developer to contribute to improvements in the local area, such as road and safety enhancements. We will give more consideration to the detail of each site identified for potential allocation following the consultation. This will include discussions with the landowner to discuss potential impacts on the wider area and any mitigation measures that may be required.</p> <p>At the planning application stage, the developer will be required to submit a transport assessment and a travel plan to consider the road impacts and</p>

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
		<p>identify where a positive contribution can be made to improving road safety.</p> <p>1.10 We will be working on an ongoing basis with Surrey County Council as the highway authority and service providers to help address shortfalls in public transport. The Local Plan provides the opportunity to boost active and sustainable travel and this will be a key consideration as we move forward with Local Plan preparation. Planning obligations at the planning application stage may be used to help fund transport infrastructure, whilst developments may be required to make appropriate contributions to local transport. The IDP will set out the transport needs for the Borough and this will help us to address deficits through the Local Plan.</p> <p>1.11 The Council will continue to work with Surrey County Council to address any shortfall in social and community facilities. The IDP will consider Spelthorne's current provision and needs with the level of development proposed through the Local Plan. We will then be able to consider how this can be addressed through the Local Plan.</p>

**Sunbury Green Belt**

KEY THEMES	ISSUES RAISED	OFFICER'S RESPONSE
Sunbury – Green Belt	<p>1.1 Too much development is proposed in the area.</p> <p>1.2 Green Belt should be protected and brownfield land should be prioritised.</p> <p>1.3 Increased flood risk.</p> <p>1.4 Loss of character.</p> <p>1.5 Sunbury is overpopulated.</p> <p>1.6 Negative impacts on the environment.</p> <p>1.7 Negative impacts on wildlife and nature, particularly in relation to Stratton Road.</p> <p>1.8 Negative impacts on heritage assets.</p> <p>1.9 Roads won't be able to cope with new development.</p> <p>1.10 Trees should be planted on sites to improve air quality, rather than development.</p> <p>1.11 Loss of views.</p>	<p>1.1 Officers have followed a robust site selection methodology to determine which sites should be taken forward as potential allocations. The Council has decided to pursue a combination approach to focus on brownfield sites, increased densities where appropriate, releasing some weakly performing Green Belt and a masterplan for Staines upon Thames. The proposed allocations are considered to fulfil this strategy and provides a spread of development across the Borough to meet the Government's challenging housing target.</p> <p>1.2 See key theme 'Green Belt' for more detail. Officers have produced a Strategic Land Availability Assessment (SLAA) to consider brownfield land for development. Unfortunately there is not enough capacity in the urban area to meet development needs therefore Green Belt is being considered.</p> <p>1.3 Officers have considered flood risk through the assessment process. Sites within the functional floodplain (flood zone 3b) have been discounted. Due to the constrained nature of Spelthorne, flood zone 3a and 2 need to be considered. A Strategic Flood Risk Assessment stage 2 will be produced in due course to assess the risk on individual sites and options for mitigation. See key theme 'flood risk' for more detail.</p> <p>1.4 The officer site assessment has addressed character through stage 2b and the SA. At the planning application stage new development will need to take account of local character and reference will need to be made to design policies within the Local Plan at the planning application stage. Regard will need to be given to the wider environment and local context.</p> <p>1.5 Central Government have set out that we must follow a standard method to calculate housing need, with a target of over 600 homes per annum for Spelthorne. We therefore need to consider how this level of need can be met across the Borough. We will continue to work with</p>

	<p>1.12 Concerns over safety with more activity.</p> <p>1.13 Disruption in the construction phase.</p> <p>1.14 Support that Kempton Park has been discounted from consideration.</p> <p>1.15 Kempton Park should be further considered as an allocation.</p>	<p>service providers and Surrey County Council to meet the infrastructure needs of the population as it grows. The Local Plan allows us to plan holistically and consider a range of impacts into the future. The Local Plan provides the opportunity to identify areas which are lacking in services and other social facilities which can be addressed over the Plan period.</p> <p>1.6 – 1.7 See key theme 'biodiversity' for more information. Our new policy 'E4: Green and Blue Infrastructure' will seek a net gain in biodiversity and will also seek to enhance on site green infrastructure where possible. If not feasible, a financial contribution will be sought in exceptional circumstances. Any planning application for this site will need to have regard to this policy. We will be updating the Spelthorne Biodiversity Action Plan this year which will set out Spelthorne's commitment to conserve and enhance biodiversity. It will contain actions to improve habitats and species in the Borough. This will also help us to improve the proportion of local sites with positive conservation management.</p> <p>1.8 Surrey County Council have been consulted on all of our proposed allocation sites and we will engage with them more as the Local Plan progresses and we have firmed up our list of site allocations. Surrey have a dedicated Heritage Conservation Team and one of their main roles is to advise on planning proposals for new developments.</p> <p>If the site is taken forward through the Local Plan the landowner will need to submit a planning application for the proposed development. All applications which have the possibility to affect a heritage asset should be accompanied by a statement describing the significance of the heritage asset affected and the contribution of their setting to that significance. The level of detail should be proportionate to the importance of the heritage asset and should be sufficient to understand the potential impact of the proposal on the significance of the heritage asset.</p> <p>Where an application includes, or is considered to have the potential to include, heritage assets with archaeological interest applicants should</p>
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		<p>submit an appropriate desk-based assessment and, where desk-based research is insufficient to properly assess the interest, a field evaluation.</p> <p>1.9 See key theme 'Transport' for more detail. Surrey County Council have undertaken transport modelling for the new Local Plan. This assesses the impacts of new development on the road network. Allocating the site allows us to consider the bigger picture and to subsequently plan so that adverse impacts can be overcome. Any planning application would need to demonstrate that highways issues can be overcome, so whilst the detail would be considered at this latter stage, we can start to work with the County Council at this early stage to determine what infrastructure is required to support the allocations.</p> <p>1.10 Given Spelthorne's level of housing need to provide and the lack of capacity in the urban area, we need to consider Green Belt land to help meet our needs. We will be expected to show that we have left no stone unturned in addressing our needs at the examination of the Local Plan. The National Planning Policy Framework (NPPF) sets out that compensatory improvements to the environmental quality and accessibility of remaining Green Belt can help to offset the removal of Green Belt land. This will be a key consideration as allocations are firmed up and the Local Plan progresses. The Sustainability Appraisal which considers air quality impact through the site assessment process makes a high level judgement regarding the potential for adverse impact from new development and any mitigation measures that could be used to overcome this. As we are still very early in the Local Plan process and we do not know the detail of each proposed development site yet, we have had to make high level assessments of each site based on the information available to us. This Preferred Options stage of the Local Plan is largely about determining if the principle of development on each site would be suitable or if there are any adverse impacts that could not be overcome. The detail will come after the current consultation and we will be holding discussions with landowners to go over any local impacts.</p>
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		<p>At the planning application stage the applicant will need to adhere to all of the Local Plan policies, including draft policy E3: Environmental Protection, and will need to submit an Air Quality Assessment which will assess air quality associated with transport volumes, waste disposal, construction etc. This will then give us a greater level of understanding with regards to the impacts of the proposed scheme.</p> <p>1.11 See key theme 'Green Belt' for more detail. Loss of a view is not a material planning application and outlook is not a consideration in Green Belt policy. Visual amenity and landscape have been considered through the Site Selection Methodology to consider where there may be adverse impacts and to identify mitigation measures.</p> <p>1.12 Surrey County Council have undertaken transport modelling for the new Local Plan. This assesses the impacts of new development on the road network. Allocating the site allows us to consider the bigger picture and to subsequently plan so that adverse impacts can be overcome. Planning obligations can be paid by the developer to contribute to improvements in the local area, such as road and safety enhancements. We will give more consideration to the detail of each site identified for potential allocation following the consultation. This will include discussions with the landowner to discuss potential impacts on the wider area and any mitigation measures that may be required.</p> <p>At the planning application stage the developer will be required to submit a transport assessment and a travel plan to consider the road impacts and identify where a positive contribution can be made to improving road safety.</p> <p>1.13 Construction will be a key consideration in the determination of planning applications. This is to ensure that the construction process is sustainable, with regard given to pollution and the transportation of materials. Planning conditions are a mechanism used by local planning authorities to ensure that once planning permission has been granted, developers must fulfil certain requirements. Through planning conditions, Construction Transport Management Plans are often required to set out</p>
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		<p>how materials will be moved and managed in the construction period. This will need to be signed off by the local planning authority to ensure that it is satisfactory and keeps disruption to a minimum.</p> <p>1.14 The issue is noted by officers and the <a href="#">LPWPLPTG</a> to consider further. The Council's preferred spatial strategy focusses on maximising building on land in urban areas such as town centres, particularly Staines-upon-Thames, and to consider releasing some 'weakly performing' Green Belt for development. The Kempton Park site does not fulfil this criterion as it was deemed to be strongly performing and strategically important Green Belt.</p> <p>1.15 The Kempton Park site was considered in detail through the site selection process. The large scale of development was considered to make a positive contribution to parts of the preferred spatial strategy, enabling the Council to deliver a significant quantum of homes in a reasonably sustainable location.</p> <p>The site is however some 94 hectares and has been identified as strongly performing Green Belt that also plays an integral role in the wider Strategic Green Belt. The loss of this site from the Green Belt would risk the merging of Spelthorne with Greater London and this would also significantly alter the character of the area. As such, development of the site is considered contrary to the spatial strategy. Negative Sustainability Appraisal impacts were identified for landscape, land and transport particularly, given the expected significant rise in congestion and substantial amount of land take. Transport modelling of the site also indicated that development could have a detrimental impact on the road network, with potential for significant impacts in an area that is already congested. The benefits of the proposed scheme were weighed up against the negative impacts identified and it has been concluded that the harm to the Green Belt is not outweighed by the proposed development. Prior to the next public consultation officers plan to give further consideration to previously developed land, including that which is located within the Green Belt to ensure that no stone has been left unturned.</p>
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## 7. Next Steps

- 7.1 The Council will be considering the consultation feedback in developing its Publication Local Plan to be consulted on at the next stage of plan preparation, in accordance with the Local Development Scheme<sup>2</sup> timetable. This preparation process will also be guided by a Sustainability Appraisal to ensure our Local Plan meets key environmental, social and economic objectives.
- 7.2 Moving forward officers will consider a range of options to meet the Borough's development needs and will present these options to a cross-party Local Plan ~~Working Party~~ Task Group. The Local Plan Task Group will re-examine both the site allocations and policy wording and will make recommendations to the Council's Cabinet. Cabinet will also be advised on how the Council may progress with the Local Plan, with the final Local Plan strategy and selection of sites to be decided by members. Following the final stage of consultation the Local Plan will be submitted to the Planning Inspectorate for an Examination in Public. Those who respond to the final stage of consultation may ask to attend the Examination and raise their concerns with the Inspector. The Inspector will produce a report which states whether the Plan is sound or not and any changes needed to make it Sound. Members will then decide whether to adopt the Local Plan as Council policy.

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<sup>2</sup> <https://www.spelthorne.gov.uk/localplan>

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**Cabinet****23 September 2020**

<b>Title</b>	Affordable housing at the former Brooklands College site, Ashford		
<b>Purpose of the report</b>	To make a Key Decision		
<b>Report Author</b>	David Birley, Housing Strategy & Policy Manager		
<b>Cabinet Member</b>	Councillor Maureen Attewell	<b>Confidential</b>	No
<b>Corporate Priority</b>	Housing		
<b>Recommendations</b>	<b>Cabinet is asked to approve the payment of grant to A2Dominion as detailed in this report, to support the delivery of 26 homes for Affordable Rent, subject to the completion of a legal agreement which will allow the Council to reclaim the grant should Brooklands Helix successfully challenge the Council's decision in relation to the CIL demand.</b>		
<b>Reason for Recommendation</b>	<b>The Council is committed to enabling the delivery of more affordable homes in Spelthorne, and this is an opportunity to secure the delivery of 26 new homes for Affordable Rent in the centre of Ashford, for local residents in housing need.</b>		

**1. Key issues**Timeline

- 1.1 Brooklands Helix (a subsidiary of the developer Inland Homes) purchased the former Brooklands College site in Ashford and obtained planning permission in 2016 for 357 dwellings, plus commercial space under application 17/01274/FUL. This application Included 32 affordable homes as a planning requirement under s106 (22 x Affordable Rent and 10 x Shared Ownership), leaving the remaining 325 homes as private sale.
- 1.2 Brooklands Helix was liable for a Community Infrastructure Levy (CIL) across the entire development at £1,252,663.78. CIL is a levy that local authorities can choose to charge on new development in their area. The money raised can be used to fund a wide range of infrastructure projects such as:
  - (a) roads and other transport infrastructure
  - (b) flood defences
  - (c) schools and other educational facilities
  - (d) medical facilities
  - (e) sporting and recreational facilities
  - (f) open spaces.

- 1.3 Parties liable to pay CIL can apply for an exemption under certain circumstances – the main being the delivery of affordable housing. Brooklands Helix successfully applied for this category of CIL relief on the 32 affordable homes. This relief was worth £96,588.17 and was granted in March 2018. This left a balance CIL liability of £1,156,075.61. Brooklands Helix made the first three instalments of this balance on time, leaving a fourth and final instalment of £289,018.90 which was at the time due on 3/8/19.
- 1.4 Officers discovered informally in June 2018 that Brooklands Helix had sold the site to A2Dominion. Brooklands Helix failed to notify us, as it was formally required to do under Regulation 52, until 21/3/19.
- 1.5 A2Dominion, following lengthy discussions with SBC in August 2018, approached Homes England for grant funding to convert the on a number of the private sale homes. The scheme includes 226 Shared Ownership and 26 Affordable Rent. This application, worth £10.08m, was successful, leaving a final tenure mix of:

<b>Tenure</b>	<b>Non-s106</b>	<b>s106</b>
A2Dominion Private Rent	73	0
Shared Ownership	226	10
Affordable Rent	26	22
<b>Total</b>	<b>325</b>	<b>32</b>

- 1.6 Whilst the Council would have preferred a tenure mix including even more affordable rented in lieu of shared ownership, the increase was welcomed in support of the more than 2,000 households waiting for an affordable home on the Council's Housing Register.
- 1.7 SBC was notified of the transfer of ownership of the land under Regulation 52 on 21/3/19. On 26/3/19 Brooklands Helix were advised to also transfer the liability for CIL to A2Dominion as soon as possible. On 26/3/19, Brooklands Helix confirmed that they were to retain the liability for CIL.
- 1.8 On 30/5/19, Brooklands Helix submitted an application for social housing relief on the remaining CIL liability, based upon the 252 'additional' affordable housing. This relief is worth £923,711.79. This was deemed an ineffective application by Officers. In order to claim social housing relief as per Regulation 51 the party claiming relief must be the owner of the relevant land and also the party that has the liability to pay CIL. Whilst Brooklands Helix were liable to pay CIL, A2Dominion were owners of the relevant land.
- 1.9 On 1/8/19 A2Dominion advised SBC that they intended to apply for CIL relief, which was only submitted on 12/9/19. An application to transfer CIL liability was submitted at the end of September.
- 1.10 Given the complexities of the case, Planning Policy carried out a lot of research and consultation with Legal in consideration of the 12/9/19 application.
- (a) Social housing relief  
Although the relevant land was now owned by the party claiming relief

(A2Dominion), Brooklands Helix remained the party liable to pay CIL. Therefore this application for CIL relief was also ineffective as it does not satisfy the second requirement of Regulation 51.

(b) Transfer of CIL liability

In order for a transfer of CIL liability to be valid, the applicable form must be received before the due date of the final instalment. In this case, the final instalment date was 3/8/19, however a transfer of liability request was not submitted until the end of September. Not only was the application out of time, it was also invalid as it was not signed.

Therefore, in accordance with the CIL Regulations, liability for this scheme cannot be transferred from Brooklands Helix, who remain liable to pay the final CIL instalment which is now overdue.

- 1.11 A2Dominion were advised on the outcome of the 12/9/19 application on 20/12/19. There are no appeal rights within the Regulations, and A2Dominion cannot request a Judicial Review as there is no decision to be reviewed, given that neither the 12/9/19 nor the 30/5/19 applications were effective to start off with. Legal advice confirmed that the delay in confirming the outcome of the most recent application for social housing relief had not contributed to the situation as the application to transfer liability to A2Dominion was received too late to be considered in any event.
- 1.12 Planning Policy colleagues have followed the appropriate regulations, made best endeavours to seek legal advice and also advice from peers and independent professionals at training seminars. All advice has pointed them to the conclusion that their hands are tied under the Regulations as they are written. Essentially this means that 'someone' needed to pay the remaining instalment of £289,018.90. There was no mechanism or power for SBC to grant relief outside of the Regulations and to do so would be ultra vires.
- 1.13 To confirm the current position, the Council sought Counsel advise which confirmed that *'Spelthorne Borough Council is not the author of the CIL Regulations and has limited discretions available to it in the procedures and machinery of the Treasury approved Regulations. The Council has properly applied the CIL Regulations, as it was required to do, to the orthodox situation where a permitted development ensured 32 affordable housing units. It has also properly applied the Regulations to the unorthodox situation created by the original developer and the new land owner whereby their commercial relationship was not organised so as to ensure potential gateways in the CIL regime remained available to either of them'*.
- 1.14 After much negotiation, the final outstanding CIL instalment was paid by Brooklands Helix on 30/6/2020, although the £8392.64 interest for late payment, which the Council is entitled to charge under the Regulations, remains outstanding. Officers are in active dialogue with both Brooklands Helix and A2Dominion regarding this final outstanding sum.

Current position

- 1.15 A2Dominion state that the Council's demands with respect to the CIL issue mean that the delivery of the additional affordable housing on this site is now unviable. A representative from Housing met with representatives from A2Dominion to understand the issues further, and their development appraisals have been scrutinised by Officers.

1.16 Due to the design stage of the current site phasing, the additional shared ownership units are already committed to in terms of design, specification and construction. The only block not yet committed to in the same respect is Block B – the additional 26 affordable rent apartments. It is therefore these units which are now vulnerable as a result of the CIL issue.

## 2. Options analysis and proposal

2.1 A2Dominion are seeking a grant from the Council, equivalent to £16,000 per unit (£416,000 total) to gap fund the development, and secure the additional 26 affordable rent apartments.

2.2 If the Council cannot commit to this grant funding, then the A2Dominion Board will need to make a decision on the delivery of Block B based on the revised development appraisal. Given that these units are already subsidised to A2Dominion's self-set cap of £120,000 for an affordable rent home, the Board is highly unlikely to proceed with Block B as affordable rent, and will likely convert it to private rent. This would mean the loss of the only pipeline affordable housing to be delivered by the private sector in 2022/23.

2.3 The provision of local authority grant towards the delivery of affordable housing schemes outside of planning obligations is a generally well established principle, although given the low numbers of delivery locally, typically Spelthorne has not been called upon to grant fund schemes of this type.

2.4 Whilst it is clearly good news that the Council's CIL balances have been significantly improved as a result of A2Dominion and Brookland Helix's administrative errors in this matter, it is hard to believe that any regulations set by the Government would actively be a barrier to the delivery of affordable housing.

2.5 Homeless households forced to live in emergency accommodation are adversely affected socially through issues such as reduced access to schools, GP surgeries, and poor nutritional standards. In addition there is a financial cost of around £6750 per household per year, with the Council typically spending £0.5 M per year in this area. There are huge social benefits of these households being nominated to settled housing. The financial cost of £16,000 of obtaining nomination rights to each property under the proposal would, in effect, be repaid in under three years.

## 3. Financial implications

### The use of CIL

3.1 The Council is not easily able to use the money collected via CIL to grant back to A2Dominion. Collections of CIL must be used towards funding 'the provision, improvement, replacement, operation or maintenance of infrastructure' to support growth in the local area. There are two types of CIL spend – Strategic (85% of the fund) and Neighbourhood (15% of the fund). Government guidance explicitly states that Strategic CIL **cannot** be used to fund affordable housing.

3.2 There is more flexibility under the Neighbourhood CIL whereby the guidance states 'The neighbourhood portion of the levy can be spent on a wider range of things than the rest of the levy, provided that it meets the requirement to 'support the development of the area'. The wider definition means that the



neighbourhood portion can be spent on things other than infrastructure provided it is concerned with addressing the demands that development places on the local area. For example, the pot could be used to fund affordable housing.’

- 3.3 In order to access Neighbourhood CIL, the Council must go through a bidding process where all bids are reviewed by the CIL Task Group before final submission to Councillors. The governance arrangements for the CIL Task Group are still being finalised. This will be a lengthy process and making a bid for funding via this process is therefore not recommended for this request.

#### Using existing capital provision

- 3.4 The Council historically held an Affordable Housing Opportunity provision within the Capital Programme of £340,000. Due to a lack of demand on this provision over the course of a number of years – partly due to minimal opportunities to work with affordable housing providers – this amount was removed from the programme from the 2020/21 financial year and the provision redistributed to other projects.
- 3.5 There is provision in the Council’s Capital Programme to fund this grant via the £20m set aside for Investment Acquisitions, or £65m set aside for Investments, Management of Assets and Regeneration from which funds could be vired.

#### Affordable housing commuted sums

- 3.6 The Council would ordinarily have a fund of affordable housing commuted sums, which are payments given to the Council by developers in lieu of delivering affordable housing. All of the Council’s funds of this type are being used to deliver the White House and Harper House schemes.

#### Possibility of clawback of grant

- 3.7 As A2Dominion and Brooklands Helix state that they are actively pursuing options to challenge the Council’s demands in respect of the CIL, A2Dominion will agree to a clawback mechanism linked to any repayment of the CIL.

### **4. Other considerations**

- 4.1 The Council has made a commitment in its Housing Strategy 2020-25 to enable the delivery of more affordable homes, and this proposal meets this commitment.
- 4.2 Enabling the delivery of these new affordable homes will also support the Council’s stated objectives in its Homelessness & Rough Sleeping Strategy 2020-25 in relation to:
- (a) ending the use of bed and breakfast accommodation, and
  - (b) reducing the length of time which homeless households stay in temporary accommodation.

### **5. Sustainability/Climate Change Implications**

- 5.1 No specific issues are identified in relation to the proposal in this report. The development itself is subject to the Council’s sustainability policies as part of the planning consent, and this proposal does not affect this.

## **6. Timetable for implementation**

- 6.1 A2Dominion had asked for a decision by the end of August 2020 in order to make the final decision on whether to convert the specification from Affordable Rent to Private Rent. Officers continue to liaise with A2Dominion to ensure that the Council has the time to make an informed decision on whether to make the grant available.
- 6.2 If approved, the grant will be confirmed to A2Dominion in writing and a legal agreement will be drawn up to secure the grant against development milestones.
- 6.3 The current timescale for the completion of Block B in Q1 2022/23.

### **Background papers:**

### **Appendices:**

**Cabinet****23 September 2020**

<b>Title</b>	Capital Monitoring Report		
<b>Purpose of the report</b>	To note		
<b>Report Author</b>	Grantley Miles (Interim Chief Accountant)		
<b>Cabinet Member</b>	Councillor Sati Buttar	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Recommendations</b>	Cabinet to note the current level of spend.		
<b>Reason for Recommendation</b>	Not applicable		

**1. Capital Expenditure to date and Estimated Outturn**

- 1.1 Attached as Appendix A & B is the actual spend to date on capital covering the period April to July 2020. Appendix A provides a summary for capital schemes by portfolio. Appendix B provides a summary of the progress against each capital scheme, with comments on progress.
- 1.2 For the period ending July 2020, the approved 2020/21 Capital Budget including slippage is £142.2m. Actual capital expenditure including commitments to the end of July is £22.1m, with a projected outturn of £31.5m at the end of the year leading to an expected underspend of £110.7m.
- 1.3 It should be noted that Covid-19 has impacted on the overall progress of capital schemes in 2020/21 and has caused delays in the procurement of contractors and supplies. It is anticipated that key planning and economic development schemes will be further delayed due to the impact of Covid-19 upon Planning Committee meetings. It is likely delays in obtaining approval for planning decisions will occur and this will make it difficult for some schemes to progress in line with the budget. A summary of the main highlights of each portfolio follows.
- 1.4 **Councillor Attewell – Community Wellbeing and Housing**  
An underspend of £0.035m is projected at year end. This relates to an underspend of £0.065m on the Landlord Guarantee Scheme which is not now required. It is proposed to vire these monies to fund Sharepoint a scheme in

Councillor Noble's Portfolio which will enable the redesign and relaunch of Sharepoint. There is also an overspend shown of £0.030m resulting from a late invoice received in 2020/21 in respect of Home Improvements for 2018/19. This additional expenditure will be funded by a Surrey County Council contribution.

**1.5 Councillor Barratt – Compliance, Risk and Waste**

An overspend of £0.291m is projected at year end. This principally relates the acquisition of replacement waste vehicles at the end of its life which it was agreed to be funded from revenue reserves and additional CCTV which it is planned to fund from S106 funding.

**1.6 Councillor Chandler- Leisure Services & Leisure Centre Development**

An underspend of £1.98m is forecast on the new Leisure Development project at the end of the year. The project is moving forward and the necessary approvals for planning permissions will be sought within the next few months. Any underspend will be carried forward at year end.

**1.7 Councillor McIlroy – Deputy Leader, Housing Regeneration**

An underspend of £89.7m is forecast at year end. The underspend at year end relates to delays in a number of major redevelopments; Thameside House, Oast House, Ashford Hospital, Elmsleigh Centre. Redevelopments by their nature are subject to delay and the impact of Covid-19 on the building industry contributes significantly to the delays. Any underspend will be carried forward at year end.

**1.8 Councillor Boughtflower – Leader**

An underspend of £19.2m is forecast at year end. At the end of July it is anticipated that £0.8m will be incurred on acquisitions in 2020/21.

**1.9 Councillor Noble – Communications, Corporate Management & Environment**

An overspend of £0.055m is projected at year end. This overspend is mainly due to a £66,000 overspend on IT homeworking costs resulting from the need to deliver effective working from home for staff during the Covid-19 pandemic. These costs will be funded from the Covid-19 Grant as a revenue contribution to fund capital expenditure.

**2. Financial implications**

2.1 Any underspend on the approved Capital Programme enables the authority to invest the monies to gain additional investment income or can be used to fund additional schemes.

**3. Timetable for implementation**

- 3.1 Monthly monitoring reports are prepared for Management team which incorporate regular updates on the progress of capital schemes.

**Background papers: None**

**Appendices: A&B**

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## CAPITAL MONITORING REPORT AT 31 JULY 2020

Portfolio Member	ORIGINAL BUDGET	CARRY FORWARDS	SUPPLEMENTARY ESTIMATE	REVISED BUDGET	ACTUALS YTD	COMMITMENTS	MANAGERS PROJECTED OUTTURN	MANAGERS PROJECTION TO REVISED BUDGET
Cllr Attwell - Community Wellbeing and Housing	41,600	65,000	-	106,600	158,341	70,229	71,600	(35,000)
Cllr Barratt - Compliance, Waste & Risk	180,000	176,100	-	356,100	64,868	368,866	646,900	290,800
Cllr Chandler- Leisure Services & Spelthorne Leisure Centre	2,980,000	-	-	2,980,000	193,315	1,228,337	1,000,000	(1,980,000)
Cllr McIlroy - Deputy Leader, Housing Regeneration	42,201,600	75,774,700	-	117,976,300	4,727,384	15,062,431	28,225,350	(89,750,950)
Cllr Boughtflower - Leader	20,000,000	-	-	20,000,000	120,233	26,500	750,000	(19,250,000)
Cllr Noble - Corporate Management	203,500	510,100	-	743,600	39,698	55,793	798,700	55,100
	<b>65,606,700</b>	<b>76,525,900</b>	<b>-</b>	<b>142,162,600</b>	<b>5,303,838</b>	<b>16,812,156</b>	<b>31,492,550</b>	<b>(110,670,050)</b>

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**CAPITAL MONITORING REPORT AT 31 JULY 2020**

Portfolio Member / Service Head	Cost Centre	Description	Original Budget	Carry Forwards	Supplementary Estimate	Revised Budget	Actuals YTD	Commitments	Managers Projected Outturn	Managers Projection to Revised Budget	Comments
<b>Housing Investment</b>											
<b>Cllr Attewell - Community Wellbeing &amp; Housing</b>											
Deborah Ashman & K Sinclair	40203	Disabled Facilities Mandatory	831,300	-	-	831,300	128,341	70,229	831,300	-	Due to the impact of Covid-19, there has been a delay in DFG works. As many client are in a shielded category, the works are expected to be spent later this year.
Deborah Ashman & K Sinclair	40204	Disabled Facilities Discretion	29,600	-	-	29,600	-	-	29,600	-	Due to the impact of Covid-19, there has been a delay in DFG works. As many client are in a shielded category, the works are expected to be spent later this year.
		Less Specified Capital Grant	(831,300)	-	-	(831,300)	-	-	(831,300)	-	
		<b>Net Cost of Disabled Facilities Grants</b>	<b>29,600</b>	<b>-</b>	<b>-</b>	<b>29,600</b>	<b>128,341</b>	<b>70,229</b>	<b>29,600</b>	<b>-</b>	
Deborah Ashman & K Sinclair	40209	Home Improvement Agency grant	-	-	-	-	30,000	-	30,000	30,000	This overspend will be funded by the Surrey County Council Contribution
		HIA Funding	-	-	-	-	-	-	-	-	
		<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>-</b>	<b>30,000</b>	<b>30,000</b>	
<b>Total For HIP</b>			<b>29,600</b>	<b>-</b>	<b>-</b>	<b>29,600</b>	<b>158,341</b>	<b>70,229</b>	<b>59,600</b>	<b>30,000</b>	
<b>Other Capital</b>											
<b>Cllr Attewell - Community Wellbeing &amp; Housing</b>											
Sandy Muirhead	42015	Landlord Guarantee Scheme	-	65,000	-	65,000	-	-	-	(65,000)	Funding to be used towards Sharepoint redesign & relaunch as more work is required to implement office 365 to maximise the opportunities to work from home due to Covid-19 - this is no longer needed so can be reabsorbed into capital as the original premise for the scheme is not needed and there is plenty of Office 365 funds below. A virement of £65,000 is proposed from Councillor's portfolio to Councillor Noble's portfolio to fund Sharepoint
		<b>Total</b>	<b>-</b>	<b>65,000</b>	<b>-</b>	<b>65,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(65,000)</b>	
Deborah Ashman & K Sinclair	41038	Upgrade treatment rooms	12,000	-	-	12,000	-	-	12,000	-	
		<b>Total</b>	<b>12,000</b>	<b>-</b>	<b>-</b>	<b>12,000</b>	<b>-</b>	<b>-</b>	<b>12,000</b>	<b>-</b>	
<b>Cllr Barratt - Compliance, Waste &amp; Risk</b>											
Jackie Taylor	41502	Refuse/Recycling Vehicles	-	99,000	-	99,000	-	59,044	99,000	-	
Jackie Taylor	41504	EV Pool Vehicles/Bikes	-	-	-	-	851	625	1,900	1,900	This relates to the provision of an additional pool electric cycle. It was agreed that this should be funded from an underspend on the revenue budget as direct revenue financing of this capital expenditure.
Jackie Taylor	41508	Waste Vehicle	-	-	-	-	-	297,942	300,000	300,000	This relates to a replacement a refuse vehicle which was at the end of its useful life. It was agreed that this should be funded from an underspend on the revenue budget as direct revenue financing of this capital expenditure.
Jackie Taylor	41609	Replacement Multi Use Vehicle	100,000	-	-	100,000	-	-	100,000	-	
Jackie Taylor	41612	Recycling Bins	-	27,000	-	27,000	-	-	27,000	-	Bins will be ordered throughout the financial year depending on need as & when identified
Jackie Taylor	41620	Wheellie Bins	50,000	-	-	50,000	22,326	11,256	50,000	-	Bins will be ordered throughout the financial year depending on need as & when identified
Jackie Taylor	42027	Domestic Home Energy	30,000	-	-	30,000	2,285	-	15,000	(15,000)	Installations have been affected by Covid-19 many of these clients have been shielding and there has been 5 months delay.
Jackie Taylor	41621	CCTV Enhancement	-	25,600	-	25,600	39,406	-	42,000	16,400	Project is expected to be completed by end of this financial year. The overspend will be funded from Section 106 funding
		<b>Total</b>	<b>180,000</b>	<b>151,600</b>	<b>-</b>	<b>331,600</b>	<b>64,868</b>	<b>368,866</b>	<b>634,900</b>	<b>303,300</b>	
Lee O'Neil	41314	Air Quality	-	24,500	-	24,500	-	-	12,000	(12,500)	A number of proposals have been evaluated and the shortlisted contractors are expected to have been short listed by the end of August. It is anticipated that £12,000 of the budget will have been spent by year end.
		<b>Total</b>	<b>-</b>	<b>24,500</b>	<b>-</b>	<b>24,500</b>	<b>-</b>	<b>-</b>	<b>12,000</b>	<b>(12,500)</b>	
<b>Cllr Chandler- Leisure Services, Leisure Centre Development</b>											
Heather Morgan	41024	SpelthorneLeisurCenDevelopment	2,980,000	-	-	2,980,000	193,315	1,228,337	1,000,000	(1,980,000)	Public consultation completed 10 April 2020 - 96% support. Report currently planned for Cabinet in September 2020 to agree to move forward with a planning application. It is anticipated that a planning application will be made in November 2020. As a result of reviewing the site location the programme has slipped - no site works are currently anticipated in FY20/21.
		<b>Total</b>	<b>2,980,000</b>	<b>-</b>	<b>-</b>	<b>2,980,000</b>	<b>193,315</b>	<b>1,228,337</b>	<b>1,000,000</b>	<b>(1,980,000)</b>	
<b>Cllr McIlroy- Deputy Leader, Housing Regeneration</b>											
Heather Morgan	41015	Runnymede Estates	55,600	-	-	55,600	-	-	55,600	-	Transfer made at year end.
Heather Morgan	41026	Laleham Park Upgrade	-	237,900	-	237,900	-	-	237,900	-	Project delayed due to Environment Agency objecting on flood risk assessment grounds. Revised site and ground floor plans issued to demonstrate 'water-compatible' use and awaiting a formal response in early September. Demolition works will now likely be delayed to spring 2021 as the window for re-roosting identified bats in pavilion is September/October or April/May. Project completion now expected in summer 2021.
Heather Morgan	41622	Affordable Housing Opportunity	-	-	-	-	-	-	-	-	
Heather Morgan	42010	KG Car Park Improvements	-	44,000	-	44,000	-	-	55,000	11,000	Scope of works agreed with Leader, Deputy and MAT. Phase 1 works to the front of the Council Offices (which will be paid for out of this budget) commenced 19.08.20 and will be completed by 03.09.20.
Heather Morgan	42034	Community Centre Projects	-	118,500	-	118,500	2,850	4,478	2,850	(115,650)	The project at Fordbridge Centre for a ground floor extension is currently on hold as a result of COVID-19. Planning permission has already been granted. No further expenditure expected until a decision is made on how the Independent Living service will be provided moving forwards
Heather Morgan	41328	Ashford MSCP	-	200,000	-	200,000	-	-	200,000	-	Viable feasibility options are being considered by ward councillors that optimise wider community benefits. Forecast spend may be revised at next review depending on outcome.
Heather Morgan	42039	Bugle	-	46,100	-	46,100	-	37,810	38,000	(8,100)	Project complete. Retention being held until final works completed.
Heather Morgan	42041	Churchill	-	-	-	-	-	-	-	-	Project complete.
Heather Morgan	42042	Ceaser Court	8,316,000	-	-	8,316,000	2,452,587	3,689,846	8,316,000	-	Phase 1 of project under construction and practical completion anticipated late November 2020. A planning application for Phase 2 of the project is currently being considered. Target is for September or October planning committee.

**CAPITAL MONITORING REPORT AT 31 JULY 2020**

Portfolio Member / Service Head	Cost Centre	Description	Original Budget	Carry Forwards	Supplementary Estimate	Revised Budget	Actuals YTD	Commitments	Managers Projected Outturn	Managers Projection to Revised Budget	Comments
Heather Morgan	42051	Building Improvements	5,000,000	-	-	5,000,000	-	-	-	(5,000,000)	This budget is for general projects and nothing has been identified as of August 2020
Heather Morgan	42052	Whitehouse	-	-	-	-	-	307,691	-	-	The proposed residential scheme will not proceed until the Local Plan is adopted. There will be no further spend in this financial year.
Heather Morgan	42054	Thameside House	2,700,000	-	-	2,700,000	56,908	1,045,762	1,200,000	(1,500,000)	Planning application submitted and targeting October or November planning committee for a decision. Budget reduced to cover fees and potential demolition costs
Heather Morgan	42055	West Wing	2,980,000	250,000	-	3,230,000	529,348	2,357,160	3,230,000	-	Construction and project completion anticipated end Q4 2020/21
Heather Morgan	42056	Whitehouse Hostel	4,250,000	250,000	-	4,500,000	478,079	3,334,457	4,500,000	-	Planning permission obtained. Construction started Q1 2020 with project completion end March 2021. However, due to COVID-19, the programme has slipped 4 weeks to end April 2021. Partial grant funding provided by Homes England (£2m)
Heather Morgan	42057	Ashford Hospital	4,960,000	-	-	4,960,000	182,107	658,682	1,500,000	(3,460,000)	Application withdrawn in March 2020. A revised application for 127 units registered by the LPA on 4 August and is under consideration. Targeting November planning committee for a decision. Archaeological works being undertaken in parallel to accelerate programme delivery.
Heather Morgan	42058	Waterfront	100,000	-	-	100,000	2,249	43,307	100,000	-	Development Agreement signed 30 April 2020. Arora to progress submission of a planning application within this financial year. The budget is for a monitoring surveyor to oversee the project on behalf of the Council (which will be paid for by Arora).
Heather Morgan	42060	Oast House	3,050,000	74,628,200	-	77,678,200	444,618	1,033,036	2,000,000	(75,678,200)	Initial design and feasibility work underway. Some enabling works expected to start in Q4/20. Current planning application submission target date - December 2020. Fee spend for FY estimated at £1.5m. Listed Building works - estimated at £500k if undertaken in current FY. Managers note: budget excludes acquisition costs.
Heather Morgan	42062	Harper House Redevelopment	2,790,000	-	-	2,790,000	531,138	2,225,136	2,790,000	-	Main contractor on site progressing works - Project ongoing with a target completion of March 2021. Partial grant funding provided by Homes England (£850k)
Heather Morgan	42063	Emsleigh Centre	8,000,000	-	-	8,000,000	47,500	323,669	4,000,000	(4,000,000)	For the regeneration of the Emsleigh Centre, including Tothill car park. Proposals are currently at pre-feasibility stage. No date for planning submission has yet been agreed.
Keith McGroary	41619	Small Scale Area Regeneration	-	-	-	-	-	1,397	-	-	Project complete
<b>Total</b>			<b>42,201,600</b>	<b>75,774,700</b>	<b>-</b>	<b>117,976,300</b>	<b>4,727,384</b>	<b>15,062,431</b>	<b>28,225,350</b>	<b>(89,750,950)</b>	
<b>Cllr Boughtflower - Leader</b>											
Heather Morgan	42038	Acquisition of Assets	20,000,000	-	-	20,000,000	120,233	26,500	750,000	(19,250,000)	Property Y acquisition likely to go ahead. The assets team will continue exploring acquisitions as and when they become available.
<b>Total</b>			<b>20,000,000</b>	<b>-</b>	<b>-</b>	<b>20,000,000</b>	<b>120,233</b>	<b>26,500</b>	<b>750,000</b>	<b>(19,250,000)</b>	
<b>Cllr Noble - Corporate Management</b>											
Jodie Hawkes	43601	SCP Portal	1,500	-	-	1,500	-	9,306	11,300	9,800	Necessary security improvements to enable electronic payments to continue to be made. The overspend reflects by some charges by some third parties to enable integration with the Council's Secure Card Portal.
Jodie Hawkes	43602	Centros Upgrade - Integra	-	-	-	30,000	-	-	30,000	-	This is a major upgrade to the Council's financial system Integra. It is aimed to carry out this work by the end of the financial year. The timescales are subject to supplier availability.
Alistair Corkish	43603	Training Room	15,000	-	-	15,000	-	-	15,000	-	Works adversely affected by the Covid-19 lockdown. It is anticipated that these works will be completed by year end.
Alistair Corkish	43604	Leisure Board	15,000	-	-	15,000	-	-	15,000	-	An options appraisal is in progress which includes working with the BID to provide a joined up solution, it is anticipated that this will be completed by year end.
Alistair Corkish	43605	Audiocodes	12,000	-	-	12,000	-	-	12,000	-	In the region of £2,000 will be used for the new telephone s
Alistair Corkish	43625	Customer Portal	-	10,000	-	10,000	-	-	10,000	-	These funds form part of the funds for the new phone system
Alistair Corkish	43626	Customer Services Contact Cent	-	40,000	-	40,000	368	-	40,000	-	Work was delayed on new telephone system due to long procurement process and is expected to start in August 2020.
Alistair Corkish	43628	Reception Terminals	-	5,000	-	5,000	-	73	5,000	-	This is using Lima funding to continue to upgrade the reception area to meet COVID 19 requirements.
Alistair Corkish	43629	Sharepoint Upgrade	-	35,000	-	35,000	-	-	35,000	-	This funding form part of the funding for the new phone system.
Alistair Corkish	43632	General ICT Equipment	90,000	-	-	90,000	6,560	1,710	90,000	-	Expenditure on various hardware/ software enhancements throughout the financial year
Alistair Corkish	43633	Covid-19 ICT Home Working	-	-	-	-	14,530	22,570	65,300	65,300	Expenditure to be funded through Govt. grants relating to Covid-19
<b>Total</b>			<b>133,500</b>	<b>90,000</b>	<b>-</b>	<b>253,500</b>	<b>21,458</b>	<b>33,659</b>	<b>328,600</b>	<b>75,100</b>	
Sandy Muirhead	42008	Project Lima	-	27,600	-	27,600	-	10,619	27,600	-	Further work to be undertaken to Reception area & office configuration and general provisions re: Covid-19
Sandy Muirhead	43501	Forward Scanning	20,000	-	-	20,000	-	-	-	(20,000)	This scheme has been reconsidered and will not be needed at this time. The resources will be added back into the corporate pot.
Sandy Muirhead	43502	Digital Spelthorne	50,000	-	-	50,000	-	-	50,000	-	Project has been on hold with COVID 19
Sandy Muirhead	43512	Sharepoint redesign & Relaunch	-	90,000	-	90,000	-	-	90,000	-	This project is part of Office 365 implementation & sharepoint training needs which because previous workloads only started in detail in December 2019 and is likely to run into mid 2021 so this money will be spent over that period. As Office 365 needs to be implemented first Sharepoint may implementation with the training required may not start or be implemented until early 2021.
Sandy Muirhead	43515	Corporate EDMS Project	-	302,500	-	302,500	18,240	11,515	302,500	-	This is part of office 365 which started late 2019 and will run into 2021. It is important to ensure this works well and all appropriate measures are in place to ensure the implementation is successful and works well for staff.
<b>Total</b>			<b>70,000</b>	<b>420,100</b>	<b>-</b>	<b>490,100</b>	<b>18,240</b>	<b>22,134</b>	<b>470,100</b>	<b>(20,000)</b>	
<b>Total For Other</b>			<b>65,577,100</b>	<b>76,525,900</b>	<b>-</b>	<b>142,133,000</b>	<b>5,145,497</b>	<b>16,741,927</b>	<b>31,432,950</b>	<b>(110,700,050) #</b>	
<b>Total Expenditure</b>			<b>66,438,000</b>	<b>76,525,900</b>	<b>-</b>	<b>142,993,900</b>	<b>5,303,838</b>	<b>16,812,156</b>	<b>32,323,850</b>	<b>(110,670,050)</b>	
<b>Total: Ring Fenced Grant Funding</b>			<b>(831,300)</b>	<b>-</b>	<b>-</b>	<b>(831,300)</b>	<b>-</b>	<b>-</b>	<b>(831,300)</b>	<b>(831,300)</b>	
<b>GRAND TOTAL</b>			<b>65,606,700</b>	<b>76,525,900</b>	<b>-</b>	<b>142,162,600</b>	<b>5,303,838</b>	<b>16,812,156</b>	<b>31,492,550</b>	<b>(110,670,050)</b>	

**Cabinet****23 September 2020**

<b>Title</b>	Revenue Monitoring Report		
<b>Purpose of the report</b>	To note		
<b>Report Author</b>	Grantley Miles (Chief Accountant)		
<b>Cabinet Member</b>	Councillor Sati Buttar	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Recommendations</b>	To note the current level of spend		
<b>Reason for Recommendation</b>	Not applicable		

**1. Key issues**

- 1.1 This report provides a summary of the forecast outturn position at the end for the 2020-21 financial year, based on income and expenditure up to the end of July 2020.
- 1.2 The report considers the Council's financial position in the light of the Covid-19 pandemic. It should be noted that the Covid-19 pandemic has created a dynamic environment leading to continuous change to plans and figures. The current environment is constantly changing in relation to events, plans and programmes. As a result of this it is inevitable that there will be changes over time in financial information, forecasts and reports to Members.
- 1.3 A forecast overspend has been identified within the General Fund budget. The key variances are summarised in the table below.
- 1.4 The Council's General Fund forecast outturn, estimates that the General Fund will be underspent, against the revised budget, overall by £2.016m at the year end. The table below details the impact of Covid-19, together with the additional grant funding received from Government to meet the costs of Covid-19, is shown separately from Non-Covid-19 impacted services. The impact of Covid-19 is shown as an underspend of £1.539m, this takes into account the Supplementary Revenue Estimate which was approved by Council. This is currently suggests that the Council will not need to apply all of the £2.2m supplementary estimate, funded from reserves, that was approved by Council on 21st May. Non Covid-19 expenditure is showing an underspend of £0.477m.

1.5 **Covid-19 Uncertainties** – The table shows the impact of Covid-19 on those areas affected. Appendix A and B show an additional breakdown of the forecast impact of Covid-19 on each area within the Council's General Fund budget. The forecast overspends are based on discussions with Budget Managers and are based on knowledge available to Budget Managers and should be seen as a realistic and prudent assessment. However, it should be recognised that it is difficult for Managers to form a judgement on circumstances which are currently very fluid. There are a number of unknowns such as when the lockdown and measures on social distancing will end and importantly when a return to normal activity will occur.

<b>Forecast Outturn Position at 31/3/21</b>	<b>Revised Budget £'000</b>	<b>Forecast Outturn £'000</b>	<b>Covid-19 Variance £'000</b>	<b>Non Covid-19 Variance £'000</b>	<b>Total Variance £'000</b>
Service Level Expenditure	62,917	63,410	921	(428)	493
Housing Benefit Income	(28,621)	(28,700)	-	(79)	(79)
Service level Income	(12,041)	(10,715)	1,110	216	1,326
Salary budget saving ( <i>actual vacancy savings are reflected in services level expenditure</i> )	(300)	-	-	300	300
Supplementary Covid Budget	2,200	-	(2,200)	-	(2,200)
Net Asset Income	(10,124)	(9,916)	-	208	208
Project Delivery Fund	1,397	1,397	-	-	-
Other Adjustments	(390)	(455)	629	(694)	(65)
External Financing	(4,351)	(6,350)	(1,999)	-	(1,999)
Revenue Carry forward	(204)	(204)	-	-	-
General Fund Reserves	(2,200)	(2,200)	-	-	-
Council Tax Income	(8,283)	(8,283)	-	-	-
<b>Net Over/(Underspend)</b>	<b>-</b>	<b>(2,016)</b>	<b>(1,539)</b>	<b>(477)</b>	<b>(2,016)</b>

1.6 Covid-19 Grant funding for the General Fund – Funding has been received from central government to mitigate the impact of Covid-19 together with a New Burdens Grant to offset the costs of the additional work involved in administering the Business Support Grants and the 100% Business Rate Relief schemes. Government has also announced additional funding will be provided for the loss of income resulting from the pandemic. Councils will have to meet the first 5% of the loss and will receive 75% funding for the remainder of the loss of Sales, Fees and Charges. The additional grant funding is shown in the table below.

<b>Covid- 19 Revenue Grants</b>	<b>£'000</b>
Covid-19 Grant (Tranche 1) – Received	34
Covid-19 Grant (Tranche 2) – Received	987
Covid-19 Grant (Tranche 3) – Received	161
New Burdens Grant – Received	130
Income Recovery Grant (estimated claim)	687
<b>Anticipated Covid-19 Revenue Grant Support</b>	<b>1,999</b>

- 1.7 **Business Support Grants** – Government has provided additional funding to Local Government to be distribute to eligible small businesses within the Council’s area to mitigate against the financial impact of Covid-19. This funding provided was provided in the form of a non-discretionary scheme and a discretionary scheme. In addition to this Government has provided grant funding to Councils to enable additional Council Tax Support of up to £150 per eligible council taxpayer to be provided to Council Taxers who receive Council Tax Support.

<b>Business Grants</b>	<b>Grant Received</b>	<b>Grant Distributed as at 31/7/2020</b>
	<b>£000’s</b>	<b>£000’s</b>
Non-Discretionary Business Grant	14,428	12,795
Discretionary Business Grant	715	690
Council Tax Hardship Grant	588	0

## 2. Forecast Budget Under/Overpends at year end by Portfolio

- 2.1 The following tables identifies significant forecast over and underspends greater than 5% or £10,000 of the spend area for each Cabinet portfolio. Figures shown without brackets represent an overspend, figures shown within brackets represent an underspend.

## Leader - Portfolio

<b>Spend Area</b>	<b>Variance £'000</b>	<b>Comment</b>
Corporate Governance	24	Additional consultancy costs relating to Group Head recruitment
Legal	41	Additional temporary/agency staff costs offset by increased income
Staines Town Centre Mgt	90	This results from a loss of income net of reduction in costs following the implementation of the new arrangements for the Elmsleigh Centre.
Information Technology	(25)	Anticipated savings from vacant posts
<b>Total</b>	<b>130</b>	

## Deputy Leader - Portfolio

<b>Spend Area</b>	<b>Variance £'000</b>	<b>Comment</b>
Asset Mgt Administration	(86)	Underspend expected as a result of vacant posts offset by unbudgeted Covid -19 expenditure.
Development Properties	230	This relates to costs of properties awaiting development mainly Elmsleigh Centre Multi Storey & Thameside House. :
<b>Total</b>	<b>144</b>	

## Finance - Portfolio

<b>Spend Area</b>	<b>Variance £'000</b>	<b>Comment</b>
Central Services Mgt & Support	(25)	Salary vacancies anticipated to be used on consultancy costs
<b>Total</b>	<b>(25)</b>	

## Leisure & New Leisure – Portfolio

Spend Area	Variance £'000	Comment
Spelthorne Leisure Centre	337	Loss of income plus support package for Spelthorne Leisure Centre
Public Health	56	Higher expenditure due to Covid-19 and reduced income from courses
<b>Total</b>	<b>393</b>	

## Community Wellbeing & Housing- Portfolio

Spend Area	Variance £'000	Comment
SPAN	(19)	Staff vacancy and additional grant from Surrey
Com Care Admin	9	The cost of the S4S Community Hub has been offset by a number of vacant. posts are vacant which are planned to filled later in the year.
Day Centres	151	Income affected by the closure of day centres offset by vacancies and reduced spend on supplies and services
SAT	(60)	Income is reduced due to Covid-19
General Grants	(13)	Grants awarded below budget
Housing Needs	93	Overspend on staffing budget due to an unbudgeted post transferred from Family Support and additional overtime as a result of Covid-19.
Homelessness	257	Bed and Breakfast costs higher than budgeted due to additional demands arising from Covid-19
Housing Benefit Admin	(65)	2019/20 underspend carry forward of Discretionary Housing Payments (DHP) grant being retained as a contingency
Housing Benefit Payments	(78)	Increase in recovery of overpayments
<b>Total</b>	<b>275</b>	

### Compliance, Waste and Risk Management- Portfolio

Spend Area	Variance £'000	Comment
Car Parks	535	Income is lower than budgeted due to Covid-19 pandemic
Cemeteries	(49)	Burials higher than budgeted due to an increase in burials due to Covid-19
DS Management and Support	21	No management recharge income as the contract with Runnymede has ended.
Licensing	37	Income lower than budgeted due to Covid-19
Refuse Collection	(65)	Green Waste bin income is higher than anticipated
Staines Market	190	Income lower than budgeted due to Covid-19
Taxi Licensing	41	Income lower than budgeted due to Covid-19
Waste Recycling	231	Increase in income lower due to increase in charges and lower income from Surrey
<b>Total</b>	<b>941</b>	

### Planning and Economic Development - Portfolio

Spend Area	Variance £'000	Comment
Building Control	83	Income lower than budgeted due to Covid-19
Community Infrastructure Levy	(82)	Expected administration recovery from CIL receipts
Economic Development	14	Expected small business incubator cost of £50k offset by vacant post
Land Charges	61	Income lower than budgeted due to Covid-19
Planning Development	(242)	This underspend is as a result of staff vacancies and additional income from planning performance agreements
Planning Policy	33	This is mainly attributable to Local Plan costs not budgeted less a staffing vacancy.
Public Halls	20	Income lower than budgeted due to Covid-19
<b>Total</b>	<b>(113)</b>	



## Communications, Corporate Management and Environment – Portfolio

<b>Spend Area</b>	<b>Variance £'000</b>	<b>Comment</b>
Corporate Management	(44)	Savings expected against overall Retention Allowance budget
Parks Strategy	40	Income anticipated to be lower than budgeted due to Covid-19
<b>Total</b>	<b>(84)</b>	

### 2.2 Net Asset Income (Commercial and Regeneration Assets)

The table below shows the latest monitoring position for the acquired assets, the net income is used to meet additional expenditure resulting from reduced government grant, Surrey County Council funding and other pressures.

<b>Net Asset Income from Commercial and Regeneration Assets</b>	<b>Revised Budget £'000</b>	<b>Forecast Outturn £'000</b>	<b>Variance £'000</b>
<b>Rental Income</b>	(53,006)	(53,021)	(15)
<b>Loan Interest Payable</b>	24,035	24,258	223
<b>Minimum Revenue Provision</b>	11,903	11,903	0
<b>Sinking Funds</b>	5,814	5,814	0
<b>Asset Supervision Costs</b>	1,130	1,130	0
<b>Net Income (used to fund Revenue budget)</b>	<b>(10,124)</b>	<b>(9,916)</b>	<b>208</b>

2.3 It can be seen in the table above that the Council places a significant amount of the income earned into sinking funds (£5.814m) to cover future changes in circumstance, such as capital refurbishments or rent free periods. The sinking funds are being built up over a number of years in anticipation of when required. The sinking fund positions for the various acquisitions are as follows:

<b>Proposed Allocation to Reserves</b>	<b>Balance 31/03/20 £'000</b>	<b>Additions 2020/21 £'000</b>	<b>Applied 2020/21 £'000</b>	<b>Balance 31/03/21 £'000</b>
<b>BP Main Site</b>	3,909	500	0	4,409
<b>BP SW Corner</b>	848	150	0	998
<b>Elmbrook House</b>	438	50	0	488
<b>12 Hammersmith Grove</b>	4,086	900	(814)	4,172
<b>Stockley Park</b>	1,580	100	(222)	1,458
<b>World Business Ctre 4</b>	200	200	0	400
<b>Communications House</b>	1,054	500	(1)	1,553
<b>Thames Tower</b>	1,998	1,050	0	3,048
<b>Charter Building</b>	4,074	1,190	0	5,264
<b>Porter Building</b>	1,384	200	0	1,584
<b>Summit Centre</b>	391	250	(1)	640
<b>Elmsleigh Centre</b>	548	724	0	1,272
<b>Total</b>	<b>20,510</b>	<b>5,814</b>	<b>(1,038)</b>	<b>25,286</b>

#### 2.4 **Project Delivery Fund Contributions**

This Project Delivery Fund provides funding for two separate projects:-

- A sum of £0.9m was set aside for a Green Belt Fighting Fund currently none of this funding has been required and it is anticipated that this provision will be carried forward into the next financial year.
- The balance of the Fund (£0.497m) was set aside before the impact of Covid-19 occurred, to be allocated by Cabinet to support a number of specific projects. Following the start of the Pandemic, it was then decided to retain the funding to offset any net financial impact from Covid-19. At this current time, it appears that the financial position of the Council is such that these funds could be considered for release for other projects.

#### 2.5 **Impact on the Council's Cash Flow as a result of Covid-19**

There is a concern amongst Billing Authorities (ie the borough and district councils who raise the bills) about the extent to which Covid-19 reduces the cash collected in respect of Council Tax and Business Rates. As many Billing Authorities only retain a small proportion of, with the majority collected being paid to preceptors. The concern is as precepts were set well before the start of the financial year, prior to the onset of Covid-19 collection rates will be significantly below expectation as the finances of residents and local businesses are impacted. As precept payments to Surrey County Council, Surrey Police and the Government were set in line with statute the gearing effect will reduce the Spelthorne's cashflow. The impact of this is shown in the table above under Other Adjustments. The impact is £0.629m, which comprise

a loss of interest receivable of £0.398m as a result of lower interest rates and additional short term borrowing costs of £0.231m.

- 2.6 Currently the Council Tax and Business Rates collection rate stand at 95.2% and 96% respectively. If these rates continue to the end of the year the impact of these lower rates on the Council's cash flow is estimated at £3.1m. These lower collection rates will impact on the Council's borrowing costs in 2020/21. If the Council is unable to collect Council Tax/Business Rates in 2020/21 in line with the levels of previous years, it is also likely that additional bad debt provisions will need to be made in 2020/21 in respect of any uncollected debt. This could give rise to deficits on the Collection Fund for both Council Tax and Business Rates which are apportioned between SBC and the preceptors. As deficits have to be met from future budgets, this places additional pressure on the budget setting process for 2021-22. The Council is monitoring collection rates closely, to assess the risks. Government has advised that they will be flexing the regulations to enable Collection Fund deficits to be spread over 3 years, rather than 1 year as at present.
- 2.7 **Charges to Knowle Green Estates Ltd-** Knowle Green Estates is a wholly owned company set up to meet the housing needs of residents including affordable rented and private rented accommodation and key worker homes. The company does not directly employ any staff but commissions or procures the work required by the Board from the Council. The services provided by the Council are provided at cost. The company is at an early stage in its development cycle and it would not be appropriate at this time to take on the burden of fixed overhead costs until it becomes more mature.
- 2.8 In 2020/21 the estimated charges made to Knowle Green Estates for services provided by the Council are set out in the table below.

<b>Spelthorne Charges for Services to Knowle Green Estates Ltd</b>		
	<b>2020/21 Budget £000's</b>	<b>2020/21 Estimated Charge to end July £000's</b>
<b>Charges for Commissioned Work</b>		
Senior Management	9,700	3,200
Property Team	70,600	23,500
Finance	5,500	1,800
Housing	3,500	1,200
Legal	12,000	4,000
<b>Total of Commissioned Work</b>	<b>101,300</b>	<b>33,700</b>
<b>Debt Financing Costs</b>		
Loan Interest*	101,320	33,375
Loan Repayment*	45,780	15,595
<b>Total to be recharged by Spelthorne</b>	<b>248,400</b>	<b>82,670</b>

## **2.9 2020/21 Pay Award**

The Council determines the pay for the Council's staff on a local basis. The Council's policy is to at least match the pay award which is negotiated nationally by local government employers with the relevant Trade Unions. The national pay award has now been agreed at 2.75% with the Trade Unions for 2020/21 commencing in April 2020 and the pay award will be backdated to April 2020. The Council has allowed 2.5% in the budget for 2020/21. The additional cost in 2020/21 is estimated at £38,900.

## **3. Financial implications**

3.1 Financial implications are as set out within the report and appendices.

## **4. Other considerations**

4.1 There are none.

## **5. Timetable for implementation**

5.1 Monthly financial monitoring reports are produced for Management team.

**Background papers: None**

**Appendices: A and B**

**APPENDIX A**

**2020/21 Net Revenue Budget Monitoring  
As at end of 31 JULY 2020**

	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21
	Budget		Forecast	Variance	Variance	Variance
	Original £	Revised £	Outturn £	Covid	Non-Covid	to Revised £
Gross Expenditure	62,712,500	62,916,700	63,409,505	921,044	(428,239)	492,805
Less Housing Benefit grant	(28,621,000)	(28,621,000)	(28,699,800)	-	(78,800)	(78,800)
Less Specific fees and charges income	(12,040,600)	(12,040,600)	(10,714,660)	1,109,940	216,000	1,325,940
<b>Net Expenditure - broken down as below</b>	<b>22,050,900</b>	<b>22,255,100</b>	<b>23,995,045</b>	<b>2,030,984</b>	<b>(291,039)</b>	<b>1,739,945</b>
Leader of the Council	2,556,200	2,544,200	2,653,900	(61,970)	171,670	109,700
Deputy Leader	2,419,000	2,419,000	2,583,990	63,060	101,930	164,990
Finance	4,389,000	4,434,000	4,404,500	4,370	(33,870)	(29,500)
Community Wellbeing	1,520,700	1,548,800	1,725,585	356,235	(179,450)	176,785
Housing	2,318,500	2,383,200	2,524,350	261,295	(120,145)	141,150
Leisure Services	48,300	48,300	447,540	394,634	4,606	399,240
Compliance, Waste & Risk	4,248,100	4,248,100	5,185,700	1,037,650	(100,050)	937,600
Planning & Economic Development	1,060,100	1,060,100	946,940	(74,580)	(38,580)	(113,160)
Communications & Corporate Management	2,222,400	2,285,500	2,235,440	28,970	(79,030)	(50,060)
Environment	1,268,600	1,283,900	1,287,100	21,320	(18,120)	3,200
<b>NET EXPENDITURE AT SERVICE LEVEL</b>	<b>22,050,900</b>	<b>22,255,100</b>	<b>23,995,045</b>	<b>2,030,984</b>	<b>(291,039)</b>	<b>1,739,945</b>
Salary expenditure - vacancy monitoring	(300,000)	(300,000)	-	-	300,000	300,000
<b>NET EXPENDITURE</b>	<b>21,750,900</b>	<b>21,955,100</b>	<b>23,995,045</b>	<b>2,030,984</b>	<b>8,961</b>	<b>2,039,945</b>
<b>NET EXPENDITURE</b>	<b>21,750,900</b>	<b>21,955,100</b>	<b>23,995,045</b>	<b>2,030,984</b>	<b>8,961</b>	<b>2,039,945</b>
Covid-19 Supplementary Estimate		2,200,000	-	(2,200,000)		(2,200,000)
Asset Acquisition Income	(53,006,200)	(53,006,200)	(53,021,240)	-	(15,040)	(15,040)
Interest Payable-Long Term	24,034,600	24,034,600	24,257,600	-	223,000	223,000
Minimum Revenue Provision	11,902,900	11,902,900	11,902,900	-	-	-
Refurbishments Reserve Contributions	5,814,000	5,814,000	5,814,000	-	-	-
Asset Supervision Costs	1,130,000	1,130,000	1,130,000	-	-	-
Project Delivery Fund Contributions	1,397,400	1,397,400	1,397,400	-	-	-
Interest Receivable	(1,340,000)	(1,340,000)	(1,636,000)	398,000	(694,000)	(296,000)
Interest Payable-Short Term	200,000	200,000	430,800	230,800	-	230,800
Revenue Contributions to Capital Outlay	750,000	750,000	750,000	-	-	-
<b>BUDGET REQUIREMENT</b>	<b>12,633,600</b>	<b>15,037,800</b>	<b>15,020,505</b>	<b>459,784</b>	<b>(477,079)</b>	<b>(17,295)</b>
Baseline NNDR Funding	(3,000,000)	(3,000,000)	(3,000,000)	-	-	-
Non Ring-fenced Grants	(800,000)	(800,000)	(800,000)	-	-	-
Covid-19 Support Grant	-	0	(1,998,510)	(1,998,510)	-	(1,998,510)
New Homes Bonus	(551,100)	(551,100)	(551,100)	-	-	-
<b>NET BUDGET REQUIREMENT</b>	<b>8,282,500</b>	<b>10,686,700</b>	<b>8,670,895</b>	<b>(1,538,726)</b>	<b>(477,079)</b>	<b>(2,015,805)</b>
2019/20 Revenue carry forward	0	(204,200)	(204,200)	-	-	-
General Fund Reserves- Supplementary Estimate		(2,200,000)	(2,200,000)	-	-	-
Collection Fund Surplus/(deficit)	(63,000)	(63,000)	(63,000)	-	-	-
Income from Council Tax	(8,219,500)	(8,219,500)	(8,219,500)	-	-	-
<b>Net Position</b>	<b>-</b>	<b>-</b>	<b>(2,015,805)</b>	<b>(1,538,726)</b>	<b>(477,079)</b>	<b>(2,015,805)</b>

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REVENUE MONITORING 2020/21						
EXPENDITURE AND INCOME SUMMARY 31 JULY 2020						
Results to 31-Jul-20	Budget		Forecast Outturn £	Covid-19 Variance £	Non-Covid-19 Variance £	Total Variance to Revised £
	Original £	Revised £				
<b>Leader of the Council</b>						
Employees	2,010,400	2,010,400	2,080,000	259	69,341	69,600
Other Expenditure	1,258,100	1,246,100	1,098,350	(86)	(147,664)	(147,750)
Income	(712,300)	(712,300)	(524,450)	(62,150)	250,000	187,850
	<b>2,556,200</b>	<b>2,544,200</b>	<b>2,653,900</b>	<b>(61,976)</b>	<b>171,676</b>	<b>109,700</b>
<b>Deputy Leader</b>						
Employees	1,237,200	1,237,200	1,112,850	2,150	(126,500)	(124,350)
Other Expenditure	1,818,400	1,818,400	2,106,460	59,633	228,427	288,060
Income	(636,600)	(636,600)	(635,320)	1,280	0	1,280
	<b>2,419,000</b>	<b>2,419,000</b>	<b>2,583,990</b>	<b>63,064</b>	<b>101,926</b>	<b>164,990</b>
<b>Finance</b>						
Employees	4,140,700	4,140,700	4,111,200	0	(29,500)	(29,500)
Other Expenditure	628,800	673,800	673,800	4,375	(4,375)	0
Income	(380,500)	(380,500)	(380,500)	0	0	0
	<b>4,389,000</b>	<b>4,434,000</b>	<b>4,404,500</b>	<b>4,375</b>	<b>(33,875)</b>	<b>(29,500)</b>
<b>Communications &amp; Corporate Management</b>						
Employees	1,131,100	1,176,100	1,085,480	3,107	(93,727)	(90,620)
Other Expenditure	1,131,300	1,149,400	1,177,440	13,345	14,695	28,040
Income	(40,000)	(40,000)	(27,480)	12,520	0	12,520
	<b>2,222,400</b>	<b>2,285,500</b>	<b>2,235,440</b>	<b>28,972</b>	<b>(79,032)</b>	<b>(50,060)</b>
<b>Community Wellbeing</b>						
Employees	2,087,000	2,087,000	1,991,800	11,107	(106,307)	(95,200)
Other Expenditure	845,200	873,300	863,085	62,929	(73,144)	(10,215)
Income	(1,411,500)	(1,411,500)	(1,129,300)	282,200	0	282,200
	<b>1,520,700</b>	<b>1,548,800</b>	<b>1,725,585</b>	<b>356,237</b>	<b>(179,452)</b>	<b>176,785</b>
<b>Leisure Services</b>						
Employees	222,900	222,900	225,900	448	2,552	3,000
Other Expenditure	166,000	166,000	508,700	340,646	2,054	342,700
Income	(340,600)	(340,600)	(287,060)	53,540	0	53,540
	<b>48,300</b>	<b>48,300</b>	<b>447,540</b>	<b>394,634</b>	<b>4,606</b>	<b>399,240</b>
<b>Compliance, Waste &amp; Risk</b>						
Employees	5,202,200	5,202,200	5,202,800	2,648	(2,048)	600
Other Expenditure	3,427,800	3,427,800	3,329,800	0	(98,000)	(98,000)
Income	(4,381,900)	(4,381,900)	(3,346,900)	1,035,000	0	1,035,000
	<b>4,248,100</b>	<b>4,248,100</b>	<b>5,185,700</b>	<b>1,037,648</b>	<b>(100,048)</b>	<b>937,600</b>
<b>Planning &amp; Economic Development</b>						
Employees	2,014,600	2,014,600	1,849,220	638	(166,018)	(165,380)
Other Expenditure	341,800	341,800	470,320	1,080	127,440	128,520
Income	(1,296,300)	(1,296,300)	(1,372,596)	(76,296)	0	(76,296)
	<b>1,060,100</b>	<b>1,060,100</b>	<b>946,944</b>	<b>(74,578)</b>	<b>(38,578)</b>	<b>(113,156)</b>
<b>Housing</b>						
Employees	1,958,000	1,958,000	2,054,900	44,783	52,117	96,900
Other Expenditure	31,668,400	31,733,100	32,046,800	373,163	(59,463)	313,700
Housing Benefit grant income	(28,621,000)	(28,621,000)	(28,699,800)	0	(78,800)	(78,800)
Income	(2,686,900)	(2,686,900)	(2,877,550)	(156,650)	(34,000)	(190,650)
	<b>2,318,500</b>	<b>2,383,200</b>	<b>2,524,350</b>	<b>261,296</b>	<b>(120,146)</b>	<b>141,150</b>
<b>Environment</b>						
Employees	984,800	984,800	984,800	818	(818)	0
Other Expenditure	437,800	453,100	435,800	0	(17,300)	(17,300)
Income	(154,000)	(154,000)	(133,500)	20,500	0	20,500
	<b>1,268,600</b>	<b>1,283,900</b>	<b>1,287,100</b>	<b>21,318</b>	<b>(18,118)</b>	<b>3,200</b>
<b>NET EXPENDITURE AT SERVICE LEVEL</b>	<b>22,050,900</b>	<b>22,255,100</b>	<b>23,995,049</b>	<b>2,030,990</b>	<b>(291,041)</b>	<b>1,739,949</b>
Total Employees	20,988,900	21,033,900	20,698,950	65,960	(400,910)	(334,950)
Total Other Expenditure	41,723,600	41,882,800	42,710,555	855,086	(27,331)	827,755
Housing Benefit grant income	(28,621,000)	(28,621,000)	(28,699,800)	0	(78,800)	(78,800)
Other Covid-19 Grant Income						
Total Income	(12,040,600)	(12,040,600)	(10,714,656)	1,109,944	216,000	1,325,944
	<b>22,050,900</b>	<b>22,255,100</b>	<b>23,995,049</b>	<b>2,030,990</b>	<b>(291,041)</b>	<b>1,739,949</b>
<b>Total Expenditure</b>	<b>62,712,500</b>	<b>62,916,700</b>	<b>63,409,505</b>	<b>921,046</b>	<b>(428,241)</b>	<b>492,805</b>
<b>Total Income</b>	<b>(40,661,600)</b>	<b>(40,661,600)</b>	<b>(39,414,456)</b>	<b>0</b>	<b>137,200</b>	<b>1,247,144</b>
<b>Net</b>	<b>22,050,900</b>	<b>22,255,100</b>	<b>23,995,049</b>	<b>921,046</b>	<b>(291,041)</b>	<b>1,739,949</b>

### Leader of the Council

Results to 31-Jul-20	Budget			Actual	Forecast	Variance	Covid-19	Non-Covid-19	Total Variance	Comments
	Original	Revised	YTD	YTD	Outturn	to Revised	Variance	Variance	to Revised	
	£	£	£	£	£	£	£	£	£	
Employees	158,600	158,600	52,600	78,347	166,600	8,000	0	8,000	8,000	Higher due to overlapping of costs for the month of July Additional consultants costs relating to recruitment of Group Head post.
Other Expenditure	7,200	7,200	3,500	16,794	23,200	16,000	0	16,000	16,000	
Income	0	0	0	0	0	0	0	0	0	
<b>Corporate Governance</b>	<b>165,800</b>	<b>165,800</b>	<b>56,100</b>	<b>95,141</b>	<b>189,800</b>	<b>24,000</b>	<b>0</b>	<b>24,000</b>	<b>24,000</b>	
Employees	12,100	12,100	4,900	5,741	12,900	800	0	800	800	Savings expected against members allowances
Other Expenditure	407,700	407,700	124,000	107,228	397,700	(10,000)	0	(10,000)	(10,000)	
Income	0	0	0	0	0	0	0	0	0	
<b>Democratic Rep &amp; Management</b>	<b>419,800</b>	<b>419,800</b>	<b>128,900</b>	<b>112,969</b>	<b>410,600</b>	<b>(9,200)</b>	<b>0</b>	<b>(9,200)</b>	<b>(9,200)</b>	
Employees	2,300	2,300	800	0	0	(2,300)	0	(2,300)	(2,300)	No expenditure if there is no by elections
Other Expenditure	7,900	7,900	2,600	0	0	(7,900)	0	(7,900)	(7,900)	
Income	0	0	0	0	0	0	0	0	0	
<b>Elections</b>	<b>10,200</b>	<b>10,200</b>	<b>3,400</b>	<b>0</b>	<b>0</b>	<b>(10,200)</b>	<b>0</b>	<b>(10,200)</b>	<b>(10,200)</b>	
Employees	152,600	152,600	51,200	52,356	157,200	4,600	0	4,600	4,600	Additional Individual Electoral Registration (IER) Grant funding of £8.5k to fund the additional costs as above
Other Expenditure	100,900	100,900	5,600	1,330	104,900	4,000	0	4,000	4,000	
Income	(1,000)	(1,000)	0	(8,505)	(9,600)	(8,600)	(8,600)	0	(8,600)	
<b>Electoral Registration</b>	<b>252,500</b>	<b>252,500</b>	<b>56,800</b>	<b>45,182</b>	<b>252,500</b>	<b>0</b>	<b>(8,600)</b>	<b>8,600</b>	<b>0</b>	
Employees	505,400	505,400	166,600	204,861	591,400	86,000	235	85,765	86,000	Additional legal work relating to Litigation & S106 is being undertaken by Agency/ Temporary staff, partially expected to be off-set by additional income
Other Expenditure	26,600	26,600	24,000	30,725	31,600	5,000	(116)	5,116	5,000	
Income	(77,500)	(77,500)	(5,800)	(16,744)	(127,500)	(50,000)	(50,000)	0	(50,000)	
<b>Legal</b>	<b>454,500</b>	<b>454,500</b>	<b>184,800</b>	<b>218,842</b>	<b>495,500</b>	<b>41,000</b>	<b>(49,881)</b>	<b>90,881</b>	<b>41,000</b>	Higher software costs due to upgrade Higher income due to more activity
Employees	119,100	119,100	39,200	28,247	111,100	(8,000)	0	(8,000)	(8,000)	Savings expected due to a vacant post
Other Expenditure	24,900	24,900	11,600	12,452	24,900	0	0	0	0	
Income	0	0	0	0	0	0	0	0	0	
<b>Committee Services</b>	<b>144,000</b>	<b>144,000</b>	<b>50,800</b>	<b>40,699</b>	<b>136,000</b>	<b>(8,000)</b>	<b>0</b>	<b>(8,000)</b>	<b>(8,000)</b>	
Employees	0	0	0	0	0	0	0	0	0	Current budgeted income due to be received.
Other Expenditure	82,400	82,400	27,400	13,218	83,090	690	0	690	690	
Income	(83,800)	(83,800)	(28,000)	(25,502)	(84,350)	(550)	(550)	0	(550)	
<b>General Property Expenses</b>	<b>(1,400)</b>	<b>(1,400)</b>	<b>(600)</b>	<b>(12,284)</b>	<b>(1,260)</b>	<b>140</b>	<b>(550)</b>	<b>690</b>	<b>140</b>	
Employees	0	0	0	0	0	0	0	0	0	Cleaning costs for the Lammas Pavilion.
Other Expenditure	0	0	0	308	1,560	1,560	0	1,560	1,560	
Income	0	0	0	0	0	0	0	0	0	
<b>Sea Cadets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>308</b>	<b>1,560</b>	<b>1,560</b>	<b>0</b>	<b>1,560</b>	<b>1,560</b>	
Employees	0	0	0	0	0	0	0	0	0	This is an old budget now due to the acquisition of the Elmsleigh Centre.
Other Expenditure	160,000	160,000	79,200	0	0	(160,000)	0	(160,000)	(160,000)	
Income	(550,000)	(550,000)	(250,000)	0	(300,000)	250,000	0	250,000	250,000	
<b>Staines Town Centre Management</b>	<b>(390,000)</b>	<b>(390,000)</b>	<b>(170,800)</b>	<b>0</b>	<b>(300,000)</b>	<b>90,000</b>	<b>0</b>	<b>90,000</b>	<b>90,000</b>	
Employees	317,300	317,300	99,400	102,441	321,800	4,500	25	4,475	4,500	
Other Expenditure	57,300	75,300	16,400	13,323	75,300	0	0	0	0	
Income	0	0	0	0	0	0	0	0	0	
<b>HR</b>	<b>374,600</b>	<b>392,600</b>	<b>115,800</b>	<b>115,764</b>	<b>397,100</b>	<b>4,500</b>	<b>25</b>	<b>4,475</b>	<b>4,500</b>	
Employees	57,900	57,900	19,500	20,325	58,900	1,000	0	1,000	1,000	
Other Expenditure	800	800	200	69	700	(100)	30	(130)	(100)	
Income	0	0	0	0	0	0	0	0	0	
<b>Payroll</b>	<b>58,700</b>	<b>58,700</b>	<b>19,700</b>	<b>20,393</b>	<b>59,600</b>	<b>900</b>	<b>30</b>	<b>870</b>	<b>900</b>	
Employees	685,100	685,100	225,100	187,759	660,100	(25,000)	0	(25,000)	(25,000)	Savings expected due to vacant posts, expected to be covered by additional payments
Other Expenditure	382,400	352,400	176,700	179,025	355,400	3,000	0	3,000	3,000	
Income	0	0	0	(3,000)	(3,000)	(3,000)	(3,000)	0	(3,000)	
<b>Information &amp; Comms Technology</b>	<b>1,067,500</b>	<b>1,037,500</b>	<b>401,800</b>	<b>363,784</b>	<b>1,012,500</b>	<b>(25,000)</b>	<b>(3,000)</b>	<b>(22,000)</b>	<b>(25,000)</b>	
Total Employees	2,010,400	2,010,400	659,300	680,076	2,080,000	69,600	259	69,341	69,600	
Total Other Expenditure	1,258,100	1,246,100	471,200	374,472	1,098,350	(147,750)	(86)	(147,664)	(147,750)	
Total Income	(712,300)	(712,300)	(283,800)	(53,750)	(524,450)	187,850	(62,150)	250,000	187,850	
	2,556,200	2,544,200	846,700	1,000,799	2,653,900	109,700	(61,976)	171,676	109,700	



Appendix C2										
<b>Deputy Leader</b>										
<b>Results to</b>	<b>Budget</b>			<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>	<b>Covid-19</b>	<b>Non-Covid-19</b>	<b>Total Variance</b>	<b>Comments</b>
<b>31-Jul-20</b>	<b>Original</b>	<b>Revised</b>	<b>YTD</b>	<b>YTD</b>	<b>Outturn</b>	<b>to Revised</b>	<b>Variance</b>	<b>Variance</b>	<b>to Revised</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
Employees	629,300	629,300	209,900	229,543	484,650	(144,650)	0	(144,650)	(144,650)	2 vacant posts and a underspend on agency staff.
Other Expenditure	406,600	406,600	135,500	201,812	465,350	58,750	58,483	267	58,750	Current cost of £58k on unbudgeted Covid19 expenditure, include the Stanwell foodbank.
Income	(635,600)	(635,600)	(9,400)	(7,050)	(635,600)	0	0	0	0	Year end transfer from set asides to fund expenditure, public halls income expected to be on target (£24.5k)
<b>Asset Mgn Administration</b>	<b>400,300</b>	<b>400,300</b>	<b>336,000</b>	<b>424,306</b>	<b>314,400</b>	<b>(85,900)</b>	<b>58,483</b>	<b>(144,383)</b>	<b>(85,900)</b>	
Employees	0	0	0	0	0	0	0	0	0	This covers revenue costs for properties being developed or awaiting development.
Other Expenditure	0	0	0	66,426	229,710	229,710	0	229,710	229,710	£15k show home furniture for Ceaser Court, £150k service charge liability for Elmsleigh Multi-story Car Park, £25.3k Hannover House empty costs, £22k Thameside House running costs (electricity & insurance), £7k Benwell insurance liability and running costs for Oast House totalling £8 approx.
Income	0	0	0	0	0	0	0	0	0	
<b>Development Properties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>66,426</b>	<b>229,710</b>	<b>229,710</b>	<b>0</b>	<b>229,710</b>	<b>229,710</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	1,284,100	1,284,100	428,000	145,946	1,284,100	0	0	0	0	
Income	0	0	0	1,278	1,280	1,280	1,280	0	1,280	Credit note relating to the previous FY has caused this charge.
<b>Planned Maintenance Programm</b>	<b>1,284,100</b>	<b>1,284,100</b>	<b>428,000</b>	<b>147,225</b>	<b>1,285,380</b>	<b>1,280</b>	<b>1,280</b>	<b>0</b>	<b>1,280</b>	
Employees	213,300	213,300	70,700	63,035	217,200	3,900	0	3,900	3,900	
Other Expenditure	8,400	8,400	2,500	1,498	8,000	(400)	1,150	(1,550)	(400)	
Income	0	0	0	0	0	0	0	0	0	
<b>Chief Executive</b>	<b>221,700</b>	<b>221,700</b>	<b>73,200</b>	<b>64,533</b>	<b>225,200</b>	<b>3,500</b>	<b>1,150</b>	<b>2,350</b>	<b>3,500</b>	
Employees	274,000	274,000	90,800	92,271	281,000	7,000	0	7,000	7,000	Additional allowance payment to one member of staff as S151 officer
Other Expenditure	2,400	2,400	800	(79,581)	2,400	0	0	0	0	Early pension payment of £80k due to Surrey County Council is still outstanding and waiting to be charged
Income	0	0	0	0	0	0	0	0	0	
<b>Deputy Chief Executives</b>	<b>276,400</b>	<b>276,400</b>	<b>91,600</b>	<b>12,690</b>	<b>283,400</b>	<b>7,000</b>	<b>0</b>	<b>7,000</b>	<b>7,000</b>	
Employees	120,600	120,600	39,700	44,313	130,000	9,400	2,150	7,250	9,400	Honorarium is being paid to 2 members of staff for additional responsibilities and additional costs relating to Covid-19
Other Expenditure	4,800	4,800	1,500	1,330	4,800	0	0	0	0	
Income	0	0	0	0	0	0	0	0	0	
<b>MaT Secretariat &amp; Support</b>	<b>125,400</b>	<b>125,400</b>	<b>41,200</b>	<b>45,643</b>	<b>134,800</b>	<b>9,400</b>	<b>2,150</b>	<b>7,250</b>	<b>9,400</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	112,100	112,100	15,600	9,536	112,100	0	0	0	0	
Income	(1,000)	(1,000)	0	0	(1,000)	0	0	0	0	
<b>Emergency Planning</b>	<b>111,100</b>	<b>111,100</b>	<b>15,600</b>	<b>9,536</b>	<b>111,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Employees</b>	<b>1,237,200</b>	<b>1,237,200</b>	<b>411,100</b>	<b>429,162</b>	<b>1,112,850</b>	<b>(124,350)</b>	<b>2,150</b>	<b>(126,500)</b>	<b>(124,350)</b>	
<b>Total Other Expenditure</b>	<b>1,818,400</b>	<b>1,818,400</b>	<b>583,900</b>	<b>346,969</b>	<b>2,106,460</b>	<b>288,060</b>	<b>59,633</b>	<b>228,427</b>	<b>288,060</b>	
<b>Total Income</b>	<b>(636,600)</b>	<b>(636,600)</b>	<b>(9,400)</b>	<b>(5,772)</b>	<b>(635,320)</b>	<b>1,280</b>	<b>1,280</b>	<b>0</b>	<b>1,280</b>	
	<b>2,419,000</b>	<b>2,419,000</b>	<b>985,600</b>	<b>770,359</b>	<b>2,583,990</b>	<b>164,990</b>	<b>63,064</b>	<b>101,926</b>	<b>164,990</b>	

## Finance

Results to 31-Jul-20	Budget			Actual	Forecast	Variance	Covid-19	Non-Covid-19	Total Variance	Comments
	Original	Revised	YTD	YTD	Outturn	to Revised	Variance	Variance	to Revised	
	£	£	£	£	£	£	£	£	£	
Employees	659,700	659,700	218,100	212,271	659,700	0	0	0	0	Vacant posts are being covered by agency staff which are usually paid in arrears
Other Expenditure	46,900	76,900	24,600	27,322	76,900	0	75	(75)	0	
Income	(69,000)	(69,000)	0	(74)	(69,000)	0	0	0	0	
<b>Accountancy</b>	<b>637,600</b>	<b>667,600</b>	<b>242,700</b>	<b>239,519</b>	<b>667,600</b>	<b>0</b>	<b>75</b>	<b>(75)</b>	<b>0</b>	
Employees	2,330,000	2,330,000	776,000	(562,327)	2,330,000	0	0	0	0	Added years Pension & compensation payments of £1.93m for previous financial years is still due to Surrey County Council and July payment for current financial year is actually made one month in arrears
Other Expenditure	61,600	61,600	6,200	8,930	61,600	0	0	0	0	
Income	0	0	0	0	0	0	0	0	0	
<b>Unapportionable CentralO/Heads</b>	<b>2,391,600</b>	<b>2,391,600</b>	<b>782,200</b>	<b>(553,397)</b>	<b>2,391,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	0	0	0	0	0	0	0	0	0	
Income	0	0	0	0	0	0	0	0	0	
<b>Misc Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	101,000	101,000	33,300	31,440	96,500	(4,500)	0	(4,500)	(4,500)	
Other Expenditure	71,700	86,700	400	(116,946)	86,700	0	0	0	0	Early pension payment of £117k due to Surrey County Council is still outstanding and waiting to be charged
Income	0	0	0	0	0	0	0	0	0	
<b>Audit</b>	<b>172,700</b>	<b>187,700</b>	<b>33,700</b>	<b>(85,506)</b>	<b>183,200</b>	<b>(4,500)</b>	<b>0</b>	<b>(4,500)</b>	<b>(4,500)</b>	
Employees	1,050,000	1,050,000	354,200	299,793	1,025,000	(25,000)	0	(25,000)	(25,000)	Savings achieved due to vacant posts is expected to be used to pay for consultants and temporary staff to clear back log of work
Other Expenditure	448,600	448,600	316,300	291,863	448,600	0	4,300	(4,300)	0	
Income	(311,500)	(311,500)	0	0	(311,500)	0	0	0	0	
<b>CServ Management &amp; Support</b>	<b>1,187,100</b>	<b>1,187,100</b>	<b>670,500</b>	<b>591,655</b>	<b>1,162,100</b>	<b>(25,000)</b>	<b>4,300</b>	<b>(29,300)</b>	<b>(25,000)</b>	
Total Employees	<b>4,140,700</b>	<b>4,140,700</b>	<b>1,381,600</b>	<b>(18,823)</b>	<b>4,111,200</b>	<b>(29,500)</b>	<b>0</b>	<b>(29,500)</b>	<b>(29,500)</b>	
Total Other Expenditure	<b>628,800</b>	<b>673,800</b>	<b>347,500</b>	<b>211,169</b>	<b>673,800</b>	<b>0</b>	<b>4,375</b>	<b>(4,375)</b>	<b>0</b>	
Total Income	<b>(380,500)</b>	<b>(380,500)</b>	<b>0</b>	<b>(74)</b>	<b>(380,500)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>4,389,000</b>	<b>4,434,000</b>	<b>1,729,100</b>	<b>192,272</b>	<b>4,404,500</b>	<b>(29,500)</b>	<b>4,375</b>	<b>(33,875)</b>	<b>(29,500)</b>	

Appendix C5										
<b>Community Wellbeing</b>										
<b>Results to 31-Jul-20</b>	<b>Budget</b>			<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>	<b>Covid-19</b>	<b>Non-Covid-19</b>	<b>Total Variance</b>	<b>Comments</b>
	<b>Original</b>	<b>Revised</b>	<b>YTD</b>	<b>YTD</b>	<b>Outturn</b>	<b>to Revised</b>	<b>Variance</b>	<b>Variance</b>	<b>to Revised</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
Employees	107,300	107,300	35,600	30,626	98,600	(8,700)	158	(8,858)	(8,700)	Vacant post being backfilled by a post in Com Care Admin
Other Expenditure	82,900	82,900	27,300	21,854	82,900	0	0	0	0	
Income	(205,000)	(205,000)	(142,200)	(200,203)	(215,000)	(10,000)	(10,000)	0	(10,000)	Surrey Telecare grant of £10k
<b>Span</b>	<b>(14,800)</b>	<b>(14,800)</b>	<b>(79,300)</b>	<b>(147,723)</b>	<b>(33,500)</b>	<b>(18,700)</b>	<b>(9,842)</b>	<b>(8,858)</b>	<b>(18,700)</b>	
Employees	451,900	451,900	151,900	130,563	402,700	(49,200)	7,752	(56,952)	(49,200)	3 posts vacant, to be filled later in the year
Other Expenditure	19,300	19,300	5,200	5,865	77,085	57,785	57,185	600	57,785	Costs for S4S Community Hub included here at £57,185
Income	(20,000)	(20,000)	(6,700)	0	(20,000)	0	0	0	0	
<b>Com Care Administration</b>	<b>451,200</b>	<b>451,200</b>	<b>150,400</b>	<b>136,428</b>	<b>459,785</b>	<b>8,585</b>	<b>64,937</b>	<b>(56,352)</b>	<b>8,585</b>	
Employees	622,200	622,200	206,000	169,745	590,300	(31,900)	2,079	(33,979)	(31,900)	3 posts currently vacant, to be advertised shortly
Other Expenditure	289,800	289,800	110,800	42,579	244,000	(45,800)	744	(46,544)	(45,800)	Supplies and services costs lower due to COVID19
Income	(394,200)	(394,200)	(131,200)	(7,912)	(166,000)	228,200	228,200	0	228,200	Income impacted by closure of Day Centres due to COVID19
<b>Day Centres</b>	<b>517,800</b>	<b>517,800</b>	<b>185,600</b>	<b>204,412</b>	<b>668,300</b>	<b>150,500</b>	<b>231,023</b>	<b>(80,523)</b>	<b>150,500</b>	
Employees	124,600	124,600	41,200	44,006	130,700	6,100	1,119	4,981	6,100	
Other Expenditure	87,400	87,400	33,600	30,938	87,800	400	0	400	400	
Income	(160,300)	(160,300)	(53,500)	(58,755)	(160,300)	0	0	0	0	
<b>Meals on Wheels</b>	<b>51,700</b>	<b>51,700</b>	<b>21,300</b>	<b>16,189</b>	<b>58,200</b>	<b>6,500</b>	<b>1,119</b>	<b>5,381</b>	<b>6,500</b>	
Employees	525,600	525,600	173,800	166,592	521,100	(4,500)	0	(4,500)	(4,500)	One member of staff has been working in Housing options and costs are being recharged there and expected to be covered by temporary staff
Other Expenditure	12,400	12,400	3,900	5,523	17,900	5,500	0	5,500	5,500	
Income	(538,000)	(538,000)	0	(52,799)	(539,000)	(1,000)	(1,000)	0	(1,000)	
<b>Spelthorne Troubled Families</b>	<b>0</b>	<b>0</b>	<b>177,700</b>	<b>119,316</b>	<b>0</b>	<b>0</b>	<b>(1,000)</b>	<b>1,000</b>	<b>0</b>	
Employees	199,600	199,600	63,000	62,707	199,600	0	0	0	0	
Other Expenditure	48,100	48,100	8,500	3,602	43,100	(5,000)	0	(5,000)	(5,000)	
Income	(94,000)	(94,000)	(24,600)	(4,021)	(29,000)	65,000	65,000	0	65,000	Income for the year is expected to be lower than budget due to the COVID-19 crisis
<b>SAT</b>	<b>153,700</b>	<b>153,700</b>	<b>46,900</b>	<b>62,287</b>	<b>213,700</b>	<b>60,000</b>	<b>65,000</b>	<b>(5,000)</b>	<b>60,000</b>	
Employees	55,800	55,800	18,500	16,108	48,800	(7,000)	0	(7,000)	(7,000)	
Other Expenditure	82,700	87,100	28,100	10,581	87,700	600	5,000	(4,400)	600	
Income	0	0	0	0	0	0	0	0	0	
<b>People &amp; Partnerships</b>	<b>138,500</b>	<b>142,900</b>	<b>46,600</b>	<b>26,689</b>	<b>136,500</b>	<b>(6,400)</b>	<b>5,000</b>	<b>(11,400)</b>	<b>(6,400)</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	209,600	222,900	5,800	118,250	209,600	(13,300)	0	(13,300)	(13,300)	
Income	0	0	0	0	0	0	0	0	0	
<b>General Grants</b>	<b>209,600</b>	<b>222,900</b>	<b>5,800</b>	<b>118,250</b>	<b>209,600</b>	<b>(13,300)</b>	<b>0</b>	<b>(13,300)</b>	<b>(13,300)</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	13,000	23,400	5,500	0	13,000	(10,400)	0	(10,400)	(10,400)	
Income	0	0	0	0	0	0	0	0	0	
<b>Research &amp; Consultation</b>	<b>13,000</b>	<b>23,400</b>	<b>5,500</b>	<b>0</b>	<b>13,000</b>	<b>(10,400)</b>	<b>0</b>	<b>(10,400)</b>	<b>(10,400)</b>	
<b>Total Employees</b>	<b>2,087,000</b>	<b>2,087,000</b>	<b>690,000</b>	<b>620,347</b>	<b>1,991,800</b>	<b>(95,200)</b>	<b>11,107</b>	<b>(106,307)</b>	<b>(95,200)</b>	
<b>Total Other Expenditure</b>	<b>845,200</b>	<b>873,300</b>	<b>228,700</b>	<b>239,191</b>	<b>863,085</b>	<b>(10,215)</b>	<b>62,929</b>	<b>(73,144)</b>	<b>(10,215)</b>	
<b>Total Income</b>	<b>(1,411,500)</b>	<b>(1,411,500)</b>	<b>(358,200)</b>	<b>(323,690)</b>	<b>(1,129,300)</b>	<b>282,200</b>	<b>282,200</b>	<b>0</b>	<b>282,200</b>	
	<b>1,520,700</b>	<b>1,548,800</b>	<b>560,500</b>	<b>535,848</b>	<b>1,725,585</b>	<b>176,785</b>	<b>356,237</b>	<b>(179,452)</b>	<b>176,785</b>	

Appendix C9										
<b>Housing</b>										
Results to 31-Jul-20	Budget			Actual	Forecast	Variance	Covid-19	Non-Covid-19	Total Variance	Comments
	Original	Revised	YTD	YTD	Outturn	to Revised	Variance	Variance	to Revised	
	£	£	£	£	£	£	£	£	£	
Employees	1,327,400	1,327,400	439,100	498,206	1,435,400	108,000	44,783	63,217	108,000	Overspend due to Heads of Housing working additional hours due to COVID19. One post not budgeted for, as transferred from Family Support. Increase in Super contributions
Other Expenditure	62,500	56,500	14,000	11,617	57,300	800	63	737	800	
Income	(33,900)	(33,900)	(11,300)	0	(50,000)	(16,100)	0	(16,100)	(16,100)	Increase of reimbursements for RSI & KGE at end of year in line with 19/20 actuals
<b>Housing Needs</b>	<b>1,356,000</b>	<b>1,350,000</b>	<b>441,800</b>	<b>509,823</b>	<b>1,442,700</b>	<b>92,700</b>	<b>44,846</b>	<b>47,854</b>	<b>92,700</b>	
Employees	39,000	39,000	13,000	0	39,000	0	0	0	0	
Other Expenditure	2,892,200	2,898,200	958,300	1,478,471	3,261,800	363,600	373,100	(9,500)	363,600	
Income	(2,353,000)	(2,353,000)	(1,148,600)	(1,344,372)	(2,459,250)	(106,250)	(156,650)	50,400	(106,250)	
<b>Homelessness</b>	<b>578,200</b>	<b>584,200</b>	<b>(177,300)</b>	<b>134,099</b>	<b>841,550</b>	<b>257,350</b>	<b>216,450</b>	<b>40,900</b>	<b>257,350</b>	B&B costs higher than budgeted, due to COVID19
Employees	591,600	591,600	195,700	191,610	580,500	(11,100)	0	(11,100)	(11,100)	Two part time posts vacant
Other Expenditure	41,700	41,700	12,700	24,775	55,700	14,000	0	14,000	14,000	Software costs to be covered by new burdens grants
Income	(300,000)	(300,000)	(100,200)	(226,405)	(368,300)	(68,300)	0	(68,300)	(68,300)	Additional new burdens grants received
<b>Housing Benefits Admin</b>	<b>333,300</b>	<b>333,300</b>	<b>108,200</b>	<b>(10,019)</b>	<b>267,900</b>	<b>(65,400)</b>	<b>0</b>	<b>(65,400)</b>	<b>(65,400)</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	28,672,000	28,736,700	9,564,600	8,897,008	28,672,000	(64,700)	0	(64,700)	(64,700)	Increase in DHP Contribution, amount not known until after budget set
Income	(28,621,000)	(28,621,000)	(9,584,800)	(7,650,654)	(28,699,800)	(78,800)	0	(78,800)	(78,800)	Increase in recovery of overpayments
<b>Housing Benefits Payments</b>	<b>51,000</b>	<b>115,700</b>	<b>(20,200)</b>	<b>1,246,354</b>	<b>(27,800)</b>	<b>(143,500)</b>	<b>0</b>	<b>(143,500)</b>	<b>(143,500)</b>	
<b>Total Employees</b>	<b>1,958,000</b>	<b>1,958,000</b>	<b>647,800</b>	<b>689,817</b>	<b>2,054,900</b>	<b>96,900</b>	<b>44,783</b>	<b>52,117</b>	<b>96,900</b>	
<b>Total Other Expenditure</b>	<b>31,668,400</b>	<b>31,733,100</b>	<b>10,549,600</b>	<b>10,411,871</b>	<b>32,046,800</b>	<b>313,700</b>	<b>373,163</b>	<b>(59,463)</b>	<b>313,700</b>	
<b>Total Income</b>	<b>(31,307,900)</b>	<b>(31,307,900)</b>	<b>(10,844,900)</b>	<b>(9,221,430)</b>	<b>(31,577,350)</b>	<b>(269,450)</b>	<b>(156,650)</b>	<b>(112,800)</b>	<b>(269,450)</b>	
	<b>2,318,500</b>	<b>2,383,200</b>	<b>352,500</b>	<b>1,880,257</b>	<b>2,524,350</b>	<b>141,150</b>	<b>261,296</b>	<b>(120,146)</b>	<b>141,150</b>	

Appendix C6										
<b>Leisure Services</b>										
<b>Results to</b> <b>31-Jul-20</b>	<b>Budget</b>			<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>	<b>Covid-19</b>	<b>Non-Covid-19</b>	<b>Total Variance</b>	<b>Comments</b>
	<b>Original</b>	<b>Revised</b>	<b>YTD</b>	<b>YTD</b>	<b>Outturn</b>	<b>to Revised</b>	<b>Variance</b>	<b>Variance</b>	<b>to Revised</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
Employees	207,200	207,200	68,500	71,931	210,000	2,800	267	2,533	2,800	
Other Expenditure	11,200	11,200	3,600	3,056	11,600	400	466	(66)	400	
Income	0	0	0	0	0	0	0	0	0	
<b>Leisure Administration</b>	<b>218,400</b>	<b>218,400</b>	<b>72,100</b>	<b>74,987</b>	<b>221,600</b>	<b>3,200</b>	<b>733</b>	<b>2,467</b>	<b>3,200</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	57,600	57,600	10,600	40,007	350,000	292,400	292,400	0	292,400	Payment Holiday of profit share & employee contributions, due to impact of COVID19
Income	(260,300)	(260,300)	(237,500)	(46,870)	(215,760)	44,540	44,540	0	44,540	
<b>Spelthorne Leisure Centre</b>	<b>(202,700)</b>	<b>(202,700)</b>	<b>(226,900)</b>	<b>(6,864)</b>	<b>134,240</b>	<b>336,940</b>	<b>336,940</b>	<b>0</b>	<b>336,940</b>	
Employees	12,600	12,600	4,200	4,030	12,800	200	181	19	200	
Other Expenditure	3,300	3,300	1,600	1,450	6,100	2,800	0	2,800	2,800	
Income	(3,100)	(3,100)	(1,000)	942	(3,100)	0	0	0	0	
<b>Resource Centre</b>	<b>12,800</b>	<b>12,800</b>	<b>4,800</b>	<b>6,422</b>	<b>15,800</b>	<b>3,000</b>	<b>181</b>	<b>2,819</b>	<b>3,000</b>	
Employees	1,600	1,600	600	40	1,600	0	0	0	0	
Other Expenditure	17,900	17,900	5,800	5,500	17,900	0	0	0	0	
Income	(6,500)	(6,500)	(2,200)	1,750	(6,500)	0	0	0	0	
<b>Sports Development</b>	<b>13,000</b>	<b>13,000</b>	<b>4,200</b>	<b>7,290</b>	<b>13,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	0	0	0	0	0	0	0	0	0	
Income	(46,200)	(46,200)	(8,200)	(8,200)	(46,200)	0	0	0	0	
<b>Sunbury Golf Club</b>	<b>(46,200)</b>	<b>(46,200)</b>	<b>(8,200)</b>	<b>(8,200)</b>	<b>(46,200)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	1,100	1,100	0	0	1,100	0	0	0	0	
Income	0	0	0	0	0	0	0	0	0	
<b>Safeguarding</b>	<b>1,100</b>	<b>1,100</b>	<b>0</b>	<b>0</b>	<b>1,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	5,400	5,400	4,000	292	5,400	0	0	0	0	
Income	(8,000)	(8,000)	(8,000)	0	(8,000)	0	0	0	0	
<b>Museum</b>	<b>(2,600)</b>	<b>(2,600)</b>	<b>(4,000)</b>	<b>292</b>	<b>(2,600)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	24,800	24,800	9,000	1,800	24,800	0	0	0	0	
Income	0	0	0	0	0	0	0	0	0	
<b>Youth</b>	<b>24,800</b>	<b>24,800</b>	<b>9,000</b>	<b>1,800</b>	<b>24,800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	5,000	5,000	1,600	0	5,000	0	0	0	0	
Income	(600)	(600)	(100)	0	(600)	0	0	0	0	
<b>Active Lifestyle</b>	<b>4,400</b>	<b>4,400</b>	<b>1,500</b>	<b>0</b>	<b>4,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	1,500	1,500	500	0	1,500	0	0	0	0	
Other Expenditure	29,800	29,800	17,600	1,576	29,800	0	0	0	0	
Income	(3,000)	(3,000)	(1,000)	0	(3,000)	0	0	0	0	
<b>Arts Development</b>	<b>28,300</b>	<b>28,300</b>	<b>17,100</b>	<b>1,576</b>	<b>28,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	2,000	2,000	700	0	2,000	0	0	0	0	
Income	0	0	0	0	0	0	0	0	0	
<b>Events</b>	<b>2,000</b>	<b>2,000</b>	<b>700</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	7,900	7,900	3,000	50,432	55,000	47,100	47,780	(680)	47,100	Higher expenditure relating to Health & Safety due to covid-19 crisis
Income	(12,900)	(12,900)	(3,000)	(8)	(3,900)	9,000	9,000	0	9,000	No income is expected for Health & Safety as no external courses are to taken due to other priority work
<b>Public Health</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>0</b>	<b>50,424</b>	<b>51,100</b>	<b>56,100</b>	<b>56,780</b>	<b>(680)</b>	<b>56,100</b>	
<b>Total Employees</b>	<b>222,900</b>	<b>222,900</b>	<b>73,800</b>	<b>76,001</b>	<b>225,900</b>	<b>3,000</b>	<b>448</b>	<b>2,552</b>	<b>3,000</b>	
<b>Total Other Expenditure</b>	<b>166,000</b>	<b>166,000</b>	<b>57,500</b>	<b>104,112</b>	<b>508,700</b>	<b>342,700</b>	<b>340,646</b>	<b>2,054</b>	<b>342,700</b>	
<b>Total Income</b>	<b>(340,600)</b>	<b>(340,600)</b>	<b>(261,000)</b>	<b>(52,386)</b>	<b>(287,060)</b>	<b>53,540</b>	<b>53,540</b>	<b>0</b>	<b>53,540</b>	
	<b>48,300</b>	<b>48,300</b>	<b>(129,700)</b>	<b>127,727</b>	<b>447,540</b>	<b>399,240</b>	<b>394,634</b>	<b>4,606</b>	<b>399,240</b>	

Appendix C7										
<b>Compliance, Waste &amp; Risk</b>										
<i><b>Results to 31-Jul-20</b></i>	Budget			Actual	Forecast	Variance	Covid-19	Non-Covid-19	Total Variance	Comments
	Original	Revised	YTD	YTD	Outturn	to Revised	Variance	Variance	to Revised	
	£	£	£	£	£	£	£	£	£	
Employees	457,000	457,000	150,700	127,810	457,000	0	0	0	0	Vacant posts are being covered by agency staff and additional paymernts which are usually paid in arrears
Other Expenditure	1,001,300	1,001,300	120,900	(104,441)	906,300	(95,000)	0	(95,000)	(95,000)	No rental payment due to Surrey County Council for Oast House within Kingston Road car park in this financial year as this was purchased recently and annual On- Strret parking payment due to Surrey County Council is also outstanding for 2019/20
Income	(2,126,200)	(2,126,200)	(666,500)	(12,289)	(1,496,600)	629,600	629,600	0	629,600	Income for the year is expected to be lower than budget due to the COVID-19 crisis.
<b>Car Parks</b>	<b>(667,900)</b>	<b>(667,900)</b>	<b>(394,900)</b>	<b>11,080</b>	<b>(133,300)</b>	<b>534,600</b>	<b>629,600</b>	<b>(95,000)</b>	<b>534,600</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	28,800	28,800	5,900	6,217	28,800	0	0	0	0	
Income	(351,100)	(351,100)	(106,100)	(144,459)	(400,000)	(48,900)	(48,900)	0	(48,900)	Income is expected to exceed the budget target due to an increase in deaths due to the COVID-19 pandemic.
<b>Cemeteries</b>	<b>(322,300)</b>	<b>(322,300)</b>	<b>(100,200)</b>	<b>(138,242)</b>	<b>(371,200)</b>	<b>(48,900)</b>	<b>(48,900)</b>	<b>0</b>	<b>(48,900)</b>	
Employees	67,500	67,500	22,400	22,328	68,100	600	50	550	600	
Other Expenditure	176,900	176,900	59,600	55,891	172,900	(4,000)	0	(4,000)	(4,000)	
Income	0	0	0	0	0	0	0	0	0	
<b>Community Safety</b>	<b>244,400</b>	<b>244,400</b>	<b>82,000</b>	<b>78,219</b>	<b>241,000</b>	<b>(3,400)</b>	<b>50</b>	<b>(3,450)</b>	<b>(3,400)</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	116,200	116,200	63,000	65,753	116,200	0	0	0	0	
Income	0	0	0	0	0	0	0	0	0	
<b>Depot</b>	<b>116,200</b>	<b>116,200</b>	<b>63,000</b>	<b>65,753</b>	<b>116,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	1,175,200	1,175,200	388,400	360,755	1,175,200	0	2,078	(2,078)	0	Vacant posts are being covered by agency staff which are usually paid in arrears
Other Expenditure	136,300	136,300	41,000	43,318	136,300	0	0	0	0	
Income	(24,200)	(24,200)	(17,600)	(1,840)	(3,000)	21,200	21,200	0	21,200	No management recharge income from Runnymede BC due to cease of contract
<b>DS Management &amp; Support</b>	<b>1,287,300</b>	<b>1,287,300</b>	<b>411,800</b>	<b>402,233</b>	<b>1,308,500</b>	<b>21,200</b>	<b>23,278</b>	<b>(2,078)</b>	<b>21,200</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	2,500	2,500	300	130	2,500	0	0	0	0	
Income	(4,500)	(4,500)	(1,400)	(585)	(4,500)	0	0	0	0	
<b>Food Safety</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(1,100)</b>	<b>(455)</b>	<b>(2,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	1,294,500	1,294,500	419,000	408,437	1,294,500	0	0	0	0	Vacant posts are being covered by agency staff and additional overtime payments which are usually made in arrears
Other Expenditure	643,300	643,300	170,200	151,082	643,300	0	0	0	0	
Income	(248,600)	(248,600)	(164,700)	(149,822)	(248,600)	0	0	0	0	
<b>Grounds Maintenance</b>	<b>1,689,200</b>	<b>1,689,200</b>	<b>424,500</b>	<b>409,697</b>	<b>1,689,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	215,200	215,200	71,300	54,429	215,200	0	0	0	0	Vacant post is expected to be covered by agency/temporary staff which are usually paid in arrears
Other Expenditure	5,400	5,400	1,700	2,654	6,400	1,000	0	1,000	1,000	
Income	(115,600)	(115,600)	(36,100)	(26,078)	(79,600)	36,000	36,000	0	36,000	Income for the year is expected to be lower than budget due to the COVID-19 crisis.
<b>Licensing</b>	<b>105,000</b>	<b>105,000</b>	<b>36,900</b>	<b>31,005</b>	<b>142,000</b>	<b>37,000</b>	<b>36,000</b>	<b>1,000</b>	<b>37,000</b>	
Employees	1,333,700	1,333,700	452,300	444,567	1,333,700	0	0	0	0	Vacant posts are being covered by agency staff which are usually paid in arrears
Other Expenditure	886,000	886,000	622,200	593,415	886,000	0	0	0	0	
Income	(793,000)	(793,000)	(680,300)	(751,956)	(858,000)	(65,000)	(65,000)	0	(65,000)	Mainly Green wastes bins income is higher due to more activity
<b>Refuse Collection</b>	<b>1,426,700</b>	<b>1,426,700</b>	<b>394,200</b>	<b>286,026</b>	<b>1,361,700</b>	<b>(65,000)</b>	<b>(65,000)</b>	<b>0</b>	<b>(65,000)</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	113,300	113,300	30,600	24,072	113,300	0	0	0	0	
Income	(250,000)	(250,000)	(83,300)	(13,200)	(60,000)	190,000	190,000	0	190,000	Income for the year is expected to be lower than budget due to the COVID-19 crisis.
<b>Staines Market</b>	<b>(136,700)</b>	<b>(136,700)</b>	<b>(52,700)</b>	<b>10,872</b>	<b>53,300</b>	<b>190,000</b>	<b>190,000</b>	<b>0</b>	<b>190,000</b>	
Employees	659,100	659,100	217,300	188,069	659,100	0	520	(520)	0	Vacant posts are being covered by agency staff which are usually paid in arrears
Other Expenditure	314,500	314,500	145,300	145,005	314,500	0	0	0	0	
Income	(47,700)	(47,700)	0	(40)	(47,700)	0	0	0	0	
<b>Street Cleaning</b>	<b>925,900</b>	<b>925,900</b>	<b>362,600</b>	<b>333,035</b>	<b>925,900</b>	<b>0</b>	<b>520</b>	<b>(520)</b>	<b>0</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	3,300	3,300	1,200	912	3,300	0	0	0	0	
Income	(79,000)	(79,000)	(26,300)	256	(37,900)	41,100	41,100	0	41,100	Income for the year is expected to be lower than budget due to the COVID-19 crisis.
<b>Taxi Licensing</b>	<b>(75,700)</b>	<b>(75,700)</b>	<b>(25,100)</b>	<b>1,168</b>	<b>(34,600)</b>	<b>41,100</b>	<b>41,100</b>	<b>0</b>	<b>41,100</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	0	0	0	0	0	0	0	0	0	
Income	(342,000)	(342,000)	(12,500)	87,551	(111,000)	231,000	231,000	0	231,000	Income is expected to remain below the budget due to changes to the financial mechanism system and increases in charges, which has resulted in lower income from Surrey County Council. School Recycling income is also lower by £10k due to Covid-19 crisis
<b>Waste Recycling</b>	<b>(342,000)</b>	<b>(342,000)</b>	<b>(12,500)</b>	<b>87,551</b>	<b>(111,000)</b>	<b>231,000</b>	<b>231,000</b>	<b>0</b>	<b>231,000</b>	
Total Employees	<b>5,202,200</b>	<b>5,202,200</b>	<b>1,721,400</b>	<b>1,606,394</b>	<b>5,202,800</b>	<b>600</b>	<b>2,648</b>	<b>(2,048)</b>	<b>600</b>	
Total Other Expenditure	<b>3,427,800</b>	<b>3,427,800</b>	<b>1,261,900</b>	<b>984,010</b>	<b>3,329,800</b>	<b>(98,000)</b>	<b>0</b>	<b>(98,000)</b>	<b>(98,000)</b>	
Total Income	<b>(4,381,900)</b>	<b>(4,381,900)</b>	<b>(1,794,800)</b>	<b>(1,012,461)</b>	<b>(3,346,900)</b>	<b>1,035,000</b>	<b>1,035,000</b>	<b>0</b>	<b>1,035,000</b>	
	<b>4,248,100</b>	<b>4,248,100</b>	<b>1,188,500</b>	<b>1,577,943</b>	<b>5,185,700</b>	<b>937,600</b>	<b>1,037,648</b>	<b>(100,048)</b>	<b>937,600</b>	

Appendix C8										
Planning & Economic Development										
Results to 31-Jul-20	Budget			Actual	Forecast	Variance	Covid-19	Non-Covid-19	Total Variance	Comments
	Original	Revised	YTD	YTD	Outturn	to Revised	Variance	Variance	to Revised	
	£	£	£	£	£	£	£	£	£	
Employees	423,200	423,200	140,200	134,147	403,200	(20,000)	638	(20,638)	(20,000)	Savings expected due to a vacant post
Other Expenditure	18,400	18,400	6,300	4,846	18,400	0	0	0	0	
Income	(410,000)	(410,000)	(136,600)	(89,313)	(307,500)	102,500	102,500	0	102,500	Income for the year is expected to be lower than budget due to the COVID-19 crisis.
<b>Building Control</b>	<b>31,600</b>	<b>31,600</b>	<b>9,900</b>	<b>49,680</b>	<b>114,100</b>	<b>82,500</b>	<b>103,138</b>	<b>(20,638)</b>	<b>82,500</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	0	0	0	0	0	0	0	0	0	
Income	0	0	0	(81,866)	(81,866)	(81,866)	(81,866)	0	(81,866)	SBC is able to retain 5% of this income to administer CIL. Amounts received in year rely on levies on developments making it difficult to forecast for.
<b>Community Infrastructure Levy</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(81,866)</b>	<b>(81,866)</b>	<b>(81,866)</b>	<b>(81,866)</b>	<b>0</b>	<b>(81,866)</b>	
Employees	145,700	145,700	48,600	34,142	110,750	(34,950)	0	(34,950)	(34,950)	1 vacancy and recent restructure.
Other Expenditure	46,700	46,700	15,500	2,835	138,700	92,000	0	92,000	92,000	Expected 50k incubator cost for financial year and also £42.8k EM3 match funding spend for digital screens at the Elmsleigh Centre. Incubator costs covered by NNDR retention money.
Income	0	0	0	0	(42,850)	(42,850)	(42,850)	0	(42,850)	EM3 grant expected to be received soon
<b>Economic Development</b>	<b>192,400</b>	<b>192,400</b>	<b>64,100</b>	<b>36,976</b>	<b>206,600</b>	<b>14,200</b>	<b>(42,850)</b>	<b>57,050</b>	<b>14,200</b>	
Employees	66,100	66,100	22,100	19,975	59,850	(6,250)	0	(6,250)	(6,250)	Full time post budget being temporary worked against part time.
Other Expenditure	27,500	27,500	9,100	6,061	16,800	(10,700)	35	(10,735)	(10,700)	Less money to be sent onto SCC due to lower collections with search fees.
Income	(155,000)	(155,000)	(51,600)	(27,795)	(77,500)	77,500	77,500	0	77,500	Impact on searches in first quarter due to main lockdown period of Covid 19. We have seen a pick up with searches rebounding later on in the quarter.
<b>Land Charges</b>	<b>(61,400)</b>	<b>(61,400)</b>	<b>(20,400)</b>	<b>(1,760)</b>	<b>(850)</b>	<b>60,550</b>	<b>77,535</b>	<b>(16,985)</b>	<b>60,550</b>	
Employees	986,300	986,300	328,800	301,986	916,020	(70,280)	0	(70,280)	(70,280)	Two current vacancies.
Other Expenditure	169,200	169,200	56,300	69,675	164,800	(4,400)	914	(5,314)	(4,400)	Small reductions in things like printing, postage and car mileage, due to officers not being in the building from C19, more use of emailing and less officers visiting sites to claim mileage.
Income	(632,100)	(632,100)	(210,700)	(268,792)	(799,210)	(167,110)	(167,110)	0	(167,110)	Although pre application and planning application fees are down against the budget, we are expecting some large amounts from developers for planning performance agreements and shortly some income from the proceeds of crime act. This will help to offset the fee based income.
<b>Planning Development Control</b>	<b>523,400</b>	<b>523,400</b>	<b>174,400</b>	<b>102,870</b>	<b>281,610</b>	<b>(241,790)</b>	<b>(166,196)</b>	<b>(75,594)</b>	<b>(241,790)</b>	
Employees	393,300	393,300	131,100	135,946	359,400	(33,900)	0	(33,900)	(33,900)	1 vacancy and 1 member of staff on sick pay.
Other Expenditure	71,700	71,700	23,900	56,638	123,300	51,600	131	51,469	51,600	Costs associated with local plan. Although not budgeted, these costs were largely expected this year for our local plan.
Income	(71,800)	(71,800)	0	0	(56,270)	15,530	15,530	0	15,530	This is to fund 2 CIL posts, currently only one post is filled. Variance here will be offset by favourable variance in staff costs.
<b>Planning Policy</b>	<b>393,200</b>	<b>393,200</b>	<b>155,000</b>	<b>192,584</b>	<b>426,430</b>	<b>33,230</b>	<b>15,661</b>	<b>17,569</b>	<b>33,230</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	8,300	8,300	2,000	1,306	8,300	0	0	0	0	
Income	(27,400)	(27,400)	(6,100)	64	(7,400)	20,000	20,000	0	20,000	Income for the year is expected to be lower than budget due to the COVID-19 crisis.
<b>Public Halls</b>	<b>(19,100)</b>	<b>(19,100)</b>	<b>(4,100)</b>	<b>1,370</b>	<b>900</b>	<b>20,000</b>	<b>20,000</b>	<b>0</b>	<b>20,000</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	0	0	0	24	20	20	0	20	20	
Income	0	0	0	0	0	0	0	0	0	
<b>Staines Upon Thames Programme</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>20</b>	<b>20</b>	<b>0</b>	<b>20</b>	<b>20</b>	
<b>Total Employees</b>	<b>2,014,600</b>	<b>2,014,600</b>	<b>670,800</b>	<b>626,195</b>	<b>1,849,220</b>	<b>(165,380)</b>	<b>638</b>	<b>(166,018)</b>	<b>(165,380)</b>	
<b>Total Other Expenditure</b>	<b>341,800</b>	<b>341,800</b>	<b>113,100</b>	<b>141,386</b>	<b>470,320</b>	<b>128,520</b>	<b>1,080</b>	<b>127,440</b>	<b>128,520</b>	
<b>Total Income</b>	<b>(1,296,300)</b>	<b>(1,296,300)</b>	<b>(405,000)</b>	<b>(467,702)</b>	<b>(1,372,596)</b>	<b>(76,296)</b>	<b>(76,296)</b>	<b>0</b>	<b>(76,296)</b>	
	<b>1,060,100</b>	<b>1,060,100</b>	<b>378,900</b>	<b>299,878</b>	<b>946,944</b>	<b>(113,156)</b>	<b>(74,578)</b>	<b>(38,578)</b>	<b>(113,156)</b>	

### Communications & Corporate Management

Results to 31-Jul-20	Budget			Actual	Forecast	Variance	Covid-19	Non-Covid-19	Total Variance	Comments
	Original	Revised	YTD	YTD	Outturn	to Revised	Variance	Variance	to Revised	
	£	£	£	£	£	£	£	£	£	
Employees	256,000	256,000	89,300	36,222	202,900	(53,100)	0	(53,100)	(53,100)	Savings expected against overall Retention Allowance budget
Other Expenditure	154,100	172,200	62,500	70,659	181,000	8,800	11,173	(2,373)	8,800	Additional expenditure relates to Covid-19
Income	0	0	0	0	0	0	0	0	0	
<b>Corporate Management</b>	<b>410,100</b>	<b>428,200</b>	<b>151,800</b>	<b>106,881</b>	<b>383,900</b>	<b>(44,300)</b>	<b>11,173</b>	<b>(55,473)</b>	<b>(44,300)</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	0	0	0	0	0	0	0	0	0	
Income	0	0	0	0	0	0	0	0	0	
<b>Corporate Savings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	214,000	214,000	71,400	59,370	176,480	(37,520)	1,360	(38,880)	(37,520)	1 vacancy
Other Expenditure	526,600	526,600	173,100	90,512	545,840	19,240	2,172	17,068	19,240	Public address system causing overspend to budget along with extra cleaning products required to deal with Covid19.Split between actual plus commitment less budget
Income	0	0	0	13,416	13,420	13,420	13,420	0	13,420	Credit note issued on invoice relating to 1920.
<b>Facilities Management</b>	<b>740,600</b>	<b>740,600</b>	<b>244,500</b>	<b>163,298</b>	<b>735,740</b>	<b>(4,860)</b>	<b>16,952</b>	<b>(21,812)</b>	<b>(4,860)</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	319,100	319,100	0	0	319,100	0	0	0	0	
Income	(35,000)	(35,000)	0	(897)	(35,900)	(900)	(900)	0	(900)	
<b>Insurance</b>	<b>284,100</b>	<b>284,100</b>	<b>0</b>	<b>(897)</b>	<b>283,200</b>	<b>(900)</b>	<b>(900)</b>	<b>0</b>	<b>(900)</b>	
Employees	188,600	188,600	62,300	71,010	188,600	0	1,747	(1,747)	0	Any overspends will be recharged to Leisure Centre project
Other Expenditure	68,000	68,000	21,400	20,107	68,000	0	0	0	0	
Income	(5,000)	(5,000)	0	0	(5,000)	0	0	0	0	
<b>Corporate Publicity</b>	<b>251,600</b>	<b>251,600</b>	<b>83,700</b>	<b>91,116</b>	<b>251,600</b>	<b>0</b>	<b>1,747</b>	<b>(1,747)</b>	<b>0</b>	
Employees	472,500	517,500	157,400	157,498	517,500	0	0	0	0	
Other Expenditure	63,500	63,500	200	357	63,500	0	0	0	0	
Income	0	0	0	2	0	0	0	0	0	
<b>Project Management</b>	<b>536,000</b>	<b>581,000</b>	<b>157,600</b>	<b>157,857</b>	<b>581,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Total Employees	<b>1,131,100</b>	<b>1,176,100</b>	<b>380,400</b>	<b>324,100</b>	<b>1,085,480</b>	<b>(90,620)</b>	<b>3,107</b>	<b>(93,727)</b>	<b>(90,620)</b>	
Total Other Expenditure	<b>1,131,300</b>	<b>1,149,400</b>	<b>257,200</b>	<b>181,634</b>	<b>1,177,440</b>	<b>28,040</b>	<b>13,345</b>	<b>14,695</b>	<b>28,040</b>	
Total Income	<b>(40,000)</b>	<b>(40,000)</b>	<b>0</b>	<b>12,521</b>	<b>(27,480)</b>	<b>12,520</b>	<b>12,520</b>	<b>0</b>	<b>12,520</b>	
	<b>2,222,400</b>	<b>2,285,500</b>	<b>637,600</b>	<b>518,256</b>	<b>2,235,440</b>	<b>(50,060)</b>	<b>28,972</b>	<b>(79,032)</b>	<b>(50,060)</b>	



## Environment

Results to 31-Jul-20	Budget			Actual	Forecast	Variance	Covid-19	Non-Covid-19	Total Variance	Comments
	Original	Revised	YTD	YTD	Outturn	to Revised	Variance	Variance	to Revised	
	£	£	£	£	£	£	£	£	£	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	3,500	3,500	1,100	1,940	3,500	0	0	0	0	
Income	0	0	0	0	0	0	0	0	0	
<b>Abandoned Vehicles</b>	<b>3,500</b>	<b>3,500</b>	<b>1,100</b>	<b>1,940</b>	<b>3,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	23,000	23,000	4,600	5,459	23,000	0	0	0	0	
Income	(30,500)	(30,500)	(200)	(488)	(30,500)	0	0	0	0	
<b>Allotments</b>	<b>(7,500)</b>	<b>(7,500)</b>	<b>4,400</b>	<b>4,970</b>	<b>(7,500)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	25,300	25,300	1,100	702	25,300	0	0	0	0	
Income	0	0	0	0	0	0	0	0	0	
<b>Bus Station</b>	<b>25,300</b>	<b>25,300</b>	<b>1,100</b>	<b>702</b>	<b>25,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	10,100	10,100	3,400	6,310	10,100	0	0	0	0	
Income	0	0	0	(0)	0	0	0	0	0	
<b>Energy Initiatives</b>	<b>10,100</b>	<b>10,100</b>	<b>3,400</b>	<b>6,310</b>	<b>10,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	46,000	46,000	13,900	14,637	46,000	0	0	0	0	
Income	(25,000)	(25,000)	0	0	(25,000)	0	0	0	0	
<b>Environmental Enhancements</b>	<b>21,000</b>	<b>21,000</b>	<b>13,900</b>	<b>14,637</b>	<b>21,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	984,800	984,800	326,000	313,439	984,800	0	818	(818)	0	Vacant posts are being covered by agency/ temporary staff which are usually paid in arrears
Other Expenditure	79,000	79,000	10,800	10,381	79,000	0	0	0	0	
Income	0	0	0	(4,735)	(5,000)	(5,000)	(5,000)	0	(5,000)	Enforcement Notice Charges income with no budget
<b>Environmental Health Admin</b>	<b>1,063,800</b>	<b>1,063,800</b>	<b>336,800</b>	<b>319,084</b>	<b>1,058,800</b>	<b>(5,000)</b>	<b>(4,182)</b>	<b>(818)</b>	<b>(5,000)</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	119,400	134,700	35,200	33,615	134,700	0	0	0	0	
Income	(21,100)	(21,100)	(2,100)	(2,924)	(21,100)	0	0	0	0	
<b>Environmental Protection Act</b>	<b>98,300</b>	<b>113,600</b>	<b>33,100</b>	<b>30,691</b>	<b>113,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	0	0	0	1,380	4,500	4,500	0	4,500	4,500	Managing agent costs - awaiting confirmation if to be managed by KGE Ltd.
Income	0	0	0	(5,792)	(16,000)	(16,000)	(16,000)	0	(16,000)	Forecast on basis income will stay the same.
<b>Parks Properties Project</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,412)</b>	<b>(11,500)</b>	<b>(11,500)</b>	<b>(16,000)</b>	<b>4,500</b>	<b>(11,500)</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	87,200	87,200	21,200	20,702	87,200	0	0	0	0	
Income	(72,400)	(72,400)	(24,600)	(17,843)	(32,400)	40,000	40,000	0	40,000	Expected possible loss of income due to Covid-19 crisis
<b>Parks Strategy</b>	<b>14,800</b>	<b>14,800</b>	<b>(3,400)</b>	<b>2,859</b>	<b>54,800</b>	<b>40,000</b>	<b>40,000</b>	<b>0</b>	<b>40,000</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	12,400	12,400	1,400	120	1,500	(10,900)	0	(10,900)	(10,900)	Savings expected due to closure of Public Conveniences
Income	0	0	0	0	0	0	0	0	0	
<b>Public Conveniences</b>	<b>12,400</b>	<b>12,400</b>	<b>1,400</b>	<b>120</b>	<b>1,500</b>	<b>(10,900)</b>	<b>0</b>	<b>(10,900)</b>	<b>(10,900)</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	26,400	26,400	8,900	5,132	15,500	(10,900)	0	(10,900)	(10,900)	Savings expected due to no contract payment for Rodent & Pest control
Income	(5,000)	(5,000)	(1,700)	0	(3,500)	1,500	1,500	0	1,500	
<b>Rodent &amp; Pest Control</b>	<b>21,400</b>	<b>21,400</b>	<b>7,200</b>	<b>5,132</b>	<b>12,000</b>	<b>(9,400)</b>	<b>1,500</b>	<b>(10,900)</b>	<b>(9,400)</b>	
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	5,500	5,500	0	0	5,500	0	0	0	0	
Income	0	0	0	0	0	0	0	0	0	
<b>Water Courses &amp; Land Drainage</b>	<b>5,500</b>	<b>5,500</b>	<b>0</b>	<b>0</b>	<b>5,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Employees</b>	<b>984,800</b>	<b>984,800</b>	<b>326,000</b>	<b>313,439</b>	<b>984,800</b>	<b>0</b>	<b>818</b>	<b>(818)</b>	<b>0</b>	
<b>Total Other Expenditure</b>	<b>437,800</b>	<b>453,100</b>	<b>101,600</b>	<b>100,377</b>	<b>435,800</b>	<b>(17,300)</b>	<b>0</b>	<b>(17,300)</b>	<b>(17,300)</b>	
<b>Total Income</b>	<b>(154,000)</b>	<b>(154,000)</b>	<b>(28,600)</b>	<b>(31,782)</b>	<b>(133,500)</b>	<b>20,500</b>	<b>20,500</b>	<b>0</b>	<b>20,500</b>	
	<b>1,268,600</b>	<b>1,283,900</b>	<b>399,000</b>	<b>382,034</b>	<b>1,287,100</b>	<b>3,200</b>	<b>21,318</b>	<b>(18,118)</b>	<b>3,200</b>	

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**Cabinet****23 September 2020**

<b>Title</b>	Annual Investment Report (Investment and Regeneration Portfolios)		
<b>Purpose of the report</b>	To make a decision		
<b>Report Author</b>	Heather Morgan, Group Head Regeneration and Growth		
<b>Cabinet Member</b>	Councillor J. Boughtflower	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Recommendations</b>	<b>Cabinet to: Approve the Annual Investment Report</b>		
<b>Reason for Recommendation</b>	<p><b>The Annual Investment Report 2020 sets out a picture of our investment and regeneration assets as at the end of the financial year March 2020.</b></p> <p><b>The report ensures there is full transparency around the portfolio and its performance.</b></p>		

**1. Key issues**

- 1.1 Cabinet will be well aware of the investment journey that the Council has undertaken in the past four years. Whilst the initial focus was on investments to produce an income to support services to reverse the funding cuts, by 2018 we were in a position to focus on the delivery an ambitious housing programme and regeneration projects. In line with the Capital Strategy the Council's acquisition strategy is now focused on regeneration and housing opportunities rather than income generating assets.
- 1.2 The portfolios objective originally was to generate revenue to support the services delivered by the Council to residents and businesses of Spelthorne. For the past two years it has focused on regeneration and economic development, including the delivery of housing for residents. To reflect this journey, we now have an investment portfolio and a regeneration portfolio, which are covered in different sections in the Annual Investment Report.
- 1.3 With a portfolio of £1bn the Council clearly needs to set out in a transparent way (as any other major institutional investor would) the performance of the portfolio over the preceding year. This Annual Investment Report 2020 seeks to do that (**Appendix 1**).
- 1.4 It is divided into various sections (1) portfolio analysis including property valuation and key performance indicators (2) investment activity (3) market

commentary for both offices and retail (3) Investment portfolio activity including rent analysis - security of income, rent collection and longevity of income (4) regeneration portfolio activity (5) asset management including the Elmsleigh Centre, Communications House, and the Summit Centre (6) retail portfolio including rent analysis – security of income, rent collection and longevity of income and (7) asset profiles of each of our assets including a short summary of the Councils asset strategy for each building.

- 1.5 The report reflects the COVID-19 pandemic which began in March 2020, and the impact that this has had on our portfolio and the wider property market. These impacts were also specifically covered and referenced in the annual valuation report undertaken by Carter Jonas on behalf of the Council which fed into this report.
- 1.6 There is a lot of detailed information in the report, but set out below are some key messages

Portfolio Key Facts	Value
Net Asset Value 31 March 2020	£1.026 billion
Number of Property Holdings	11
Average Lot Size	£93.27million
Total Passing Rent (per annum)	£46.97 million*
Estimated Rental Value (per annum)	£54.28 million**

\* Contracted rent assumes rent free periods have expired, excludes guarantees & Elmsleigh Centre.

\*\*Excludes Elmsleigh Centre.

Key Performance Indicators	Numbers
Portfolio Capital Return (acquisition)	0.86%
Portfolio Capital Growth (last 12 months)	-1.13%*
Portfolio Income Yield at 31/3/2020	5.2%***
Sinking Fund income cover	5.19 months
Investment Cover Ratio	1:5**
Vacancy Rate – % of floor area	8.4%
Vacancy Rate - % of market value/ERV	7.7%***

\*excludes Summit Centre & Elmsleigh Centre

\*\*Investment portfolio

\*\*\*excludes the Elmsleigh Centre

Rent	Value
<b>Annual passing rent (excluding Elmsleigh)</b>	£46.97 million (increase of £3.67 million on 2019)

<b>Acquisitions 2019/20</b>	<b>Value</b>
Summit Centre	£13.785 million current passing rent £1,015,500 per annum
Elmsleigh Centre	£39.325 million gross income of £4,340,107 per annum

<b>Investments</b>	<b>Collection rate 31 March 2020</b>	<b>Collection rate 17 May 2020</b>
Investment portfolio	79%	90%
National average	49.7% all UK rent and 60% office rent	

<b>Retail</b>	<b>Collection rate end May 2020</b>	<b>Collection rate end May 2020</b>
Elmsleigh	18.06% rent	61.13% service charge

#### **Commercial Property Assets – Valuation table.**

<b>Assets</b>	<b>Portfolio</b>	<b>Sector</b>	<b>Value (£m) March 2019</b>	<b>Value (£m) March 2020</b>
BP Campus, Sunbury Business Park, Sunbury	Investment	Offices	389.08	391.73
12 Hammersmith Grove, London	Investment	Office	170.80	165.90
Charter Building, Uxbridge	Investment	Office	135.40	131.20
Thames Tower, Reading	Investment	Office	127.20	126.80
The Porter Building, Slough	Investment	Office	71.40	69.90
World Business Centre 4, Heathrow	Investment	Office	47.00	45.80
3 Roundwood Avenue, Heathrow	Investment	Office	20.55	20.10
Communications House, Staines	Regeneration	Office	15.40	14.50
Elmbrook House, Sunbury	Investment	Office	7.46	7.24
<b>Sub-Total</b>			<b>984.29</b>	<b>973.17</b>

## Properties acquired since March 2019.

Assets	Portfolio	Sector	Value (£m) March 2019	Value (£m) March 2020
Summit Centre, Sunbury	Regeneration	Offices /Ind	N/A	13.50
Elmsleigh Centre, Staines	Regeneration	Retail	N/A	39.33
<b>Sub-Total</b>				<b>52.83</b>

<b>Total</b>	<b>All Properties</b>		<b>£984.29m</b>	<b>£1.026 bn</b>
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### 2.0 Options analysis and proposal

2.1 Cabinet can either agree to approve or not approve the report. It is recommended that the report attached at Appendix 1 is agreed.

### 3.0 Financial implications

3.1 The provisional revenue outturn report elsewhere on this agenda sets out the income received from our portfolios which is ~£51.624m gross. After deducting interest payable, principle repayment (MRP) and the sinking fund the contribution to the general budget was £10.146m.

3.2 The Annual Investment Report sets out that despite the COVID 19 restrictions which came into effect on 24th March, by the 31<sup>st</sup> March 2020 the investment portfolio collection rate was 79% and by 14<sup>th</sup> May 2020, 90% of the portfolio rent had been collected (excludes the Elmsleigh Centre). This compares favourably to other landlords; research published by Re-Leased which collated data from 10,000 properties and 35,000 leases indicated that on average 49.7% of all UK rent had been collected 10 days after the March quarter. This was a decline from 69.7% on the average collection rates for the last two years. As you would expect the office sector was more resilient with on average just over 60% collected.

3.2 The COVID-19 effect of rent collection level on the Council's overall financial position was set out in very clear terms in the report on the borough wide response to the COVID-19 crisis to the Emergency Council Meeting on 21 May 2020.

<https://democracy.spelthorne.gov.uk/documents/s27114/Report%20on%20emergency%20response%20to%20COVID-19.pdf>

3.3 Section 8 'Financial Implications' included sections on both commercial income and retail income and stated on the latter "the potential reduction in income from Elmsleigh rents is expected to be around £600,000 (mid-point between the best and worst case scenarios) – most retailers are looking for rental holidays, we are seeking to ensure deferrals instead to ensure that actual write offs are much less than this." However on the Investment portfolio it reported the position as set out in section 3.1 above.

- 3.4 As part of the Council's 'triple net' approach a portion of money has been set aside from each acquisition to be added to a sinking fund. This is to be used when assets come up for lease renewal when it will be necessary to undertake capital expenditure bring them up to the relevant office standards (category A etc) in order to re-let.
- 3.5 As at the 31<sup>st</sup> March 2020 the Council accumulated a sinking fund balance of £20.3m (as at 31 March 2019 the sinking fund balance was £10.6 million). The sinking fund is the equivalent to 5.19 months of the portfolio passing rent. At this level the sinking fund would cover 25 months of the net income payable to the Council. In addition it is projected that further contributions will be made based upon anticipated revenue over the coming years.

#### **4.0 Other considerations**

- 4.1 Risk management is embedded in the work of the team and how they assess all of our assets. The Council closely monitors the financial position of all our tenants and guarantors. The accountancy firm Deloitte provides advice on tenant covenant strength on acquisitions, on large transactions and provides regular financial reviews. In addition the Council subscribes to the Dun and Bradstreet service which monitors the financial performance of the tenants. The monitoring of all tenants is clearly important at the current time.
- 4.2 The lockdown for COVID-19 came into effect the day before quarter day. During this period the government has introduced a number of measures to protect tenants which are set out in the section headed 'Rent Collections' in the report. Whilst this has protected businesses it has to a large extent 'tied the hands' of landlords and limited the options available in respect of legal remedies as a result of withheld rental payments.
- 4.3 The report includes specific commentary on risk distribution and security of income. More detail on the general principles around how we manage our assets (out with COVID 19) are set out in the Asset Management Plan (section 5 Investment Portfolio) which is elsewhere on this agenda. That agenda item also includes an appendix setting out the actions that the asset team have been undertaking in the COVID-19 pandemic.
- 4.4 Equality and diversity is not a relevant consideration in terms of this report.

#### **5.0 Sustainability/Climate Change Implications**

- 1.7 There are no climate change implications. As regards sustainability, the vast majority of our commercial assets are under 10 years old and have been built to meet more rigorous building regulations requirements. As an example, 12 Hammersmith Grove is Platinum WiredScore rated, and a BREEAM Excellent building.

#### **2. Timetable for implementation**

- 2.1 The Annual Investment Report will be published on the Council's website once it has been approved by Cabinet. An easy to read Executive Summary will be provided on the website which will draw out the key information in a digestible form for those who just wish to review the headline facts.

**Background papers: None**

**Appendices:**

**Appendix 1 Annual Investment Report**

**Appendix 2 Executive Summary**





# SPELTHORNE BOROUGH COUNCIL

Property and Assets Annual Report – 31st March 2020

# Asset Manager's Report

## Introduction

The Investment report is produced by the Asset and Property Team at Spelthorne Borough Council. It includes an analysis of the commercial property portfolio owned by the Council as at 31<sup>st</sup> March 2020.

The commercial portfolio is wholly owned by Spelthorne Borough Council. The Portfolio objective is to generate revenue to support the services delivered by the Council to residents and businesses of Spelthorne including the delivery of housing for residents.

The withdrawal of Central Government funding has meant that Councils across the UK have had to find alternative methods to fund vital services within their boundaries. Spelthorne Borough Council has sought to invest in commercial property, through borrowing at very competitive fixed rates of interest mainly from the Public Works Loan Board.

By 2018 the Council had acquired a portfolio of sufficient size to reverse the funding cuts and were in a position to focus on the delivery an ambitious housing programme and regeneration projects. In line with the Capital Strategy the Council's acquisition strategy is now focused on regeneration and housing opportunities rather than income generating assets. To reflect this we now have an investment portfolio and a regeneration portfolio, which are covered in different section in this report. Collectively, these two portfolios are referred to as the commercial portfolio in the report.

## Commercial Portfolio Key Facts

Net Asset Value 31 March 2020	£1.026 billion
Number of Property Holdings	11
Average Lot Size	£93.27million
Total Passing Rent (per annum)	£46.97 million*
Estimated Rental Value (per annum)	£54.28 million**

\* Contracted rent assumes rent free periods have expired, excludes guarantees & Elmsleigh Centre.

\*\*Excludes Elmsleigh Centre.

## Portfolio Analysis

### Property Valuation

The investment property portfolio is independently valued annually at the 31<sup>st</sup> March to comply with the Council's accounting obligations. At 31<sup>st</sup> March 2020, Carter Jonas LLP valued the portfolio at £986.67 million (excluding the Elmsleigh Centre). Carter Jonas LLP were appointed in 2018 on a two year contract to undertake the annual property portfolio valuation. The portfolio was valued on an open market basis in accordance with the RICS Valuation Global Standards 2020 incorporating the IVSC International Valuations Standard also known as the "Red Book".

Since March 2019 the Council has acquired the Summit Centre, Sunbury and the long leasehold interest at The Elmsleigh Centre for regeneration purposes. The portfolio now includes 11 direct holdings with a net asset value of £1.026 billion. The commercial portfolio (excluding the Elmsleigh Centre) produces an annual passing rent of £46.97 million (£45.79 million per annum – December 2019). This is an increase of £3.67 million per annum following the letting activity completed across the portfolio during the last 12 months. The passing rent is the rental income due under lease contracts excluding any rent free periods.

The table below lists the Council's investment and regeneration assets in hierarchical order based upon capital value. It shows the current book value of each property as provided by Carter Jonas. The Elmsleigh Centre was not independently valued at 31<sup>st</sup> March having been purchased in February 2020. The acquisition was an open market transaction and so the Council has relied upon the valuation at purchase.

The valuation reflects increased market uncertainty due to the global Covid-19 pandemic which started to affect the commercial real estate markets towards the end of March, i.e. just prior to the valuation date. Carter Jonas have confirmed that their approach is consistent with market sentiment.

#### Commercial Property Assets (investment and regeneration portfolios) – Valuation table.

Assets	Portfolio	Sector	Value (£m) March 2019	Value (£m) March 2020
BP Campus, Sunbury Business Park, Sunbury	Investment	Offices	389.08	391.73
12 Hammersmith Grove, London	Investment	Office	170.80	165.90
Charter Building, Uxbridge	Investment	Office	135.40	131.20
Thames Tower, Reading	Investment	Office	127.20	126.80
The Porter Building, Slough	Investment	Office	71.40	69.90
World Business Centre 4, Heathrow	Investment	Office	47.00	45.80
3 Roundwood Avenue, Heathrow	Investment	Office	20.55	20.10
Communications House, Staines	Regeneration	Office	15.40	14.50
Elmbrook House, Sunbury	Investment	Office	7.46	7.24
Sub-Total			984.29	973.17

#### Properties acquired since March 2019.

Assets	Portfolio	Sector	Value (£m) March 2019	Value (£m) March 2020
Summit Centre, Sunbury	Regeneration	Offices /Ind	N/A	13.50
Elmsleigh Centre, Staines	Regeneration	Retail	N/A	39.33
Sub-Total				52.83

<b>Total</b>	<b>All Properties</b>		<b>£984.29m</b>	<b>£1.026 bn</b>
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## Key Performance Indicators

The Council has set a number of key performance indicators for the commercial portfolio which were published in the Capital Strategy 2020. The performance measures are currently under review and will be re-assessed as part of the Capital Strategy update. The commercial portfolio as a whole fell in value over the last 12 months by -1.13%. With the exception of Sunbury Business Park all the commercial properties valued at 31<sup>st</sup> March 2020 decreased in value. This figure does not include the Elmsleigh Centre and the Summit Centre which were not held for the full year. This was driven by the uncertainty in the occupational market due to Brexit and at the end of the year due to the Covid-19 pandemic. The Monthly All Property Index produced by MSCI recorded a substantial decrease of 2.4% in capital values for March. Across different sectors performance varied, with offices showing capital value growth of -1.4% and retail being the worst affected with capital value growth of -4.8% in March<sup>1</sup>.

The total amount invested by the Council since 2016 is £1.017 billion. The portfolio is now valued at £1.026 billion. Since 2016 there has been a positive return on the acquisition price with capital growth of 0.86%.

The management strategy of the investment portfolio focuses on protecting and optimising the rental income, over capital growth. The income yield for the portfolio (excluding the Elmsleigh Centre) at the 31<sup>st</sup> March was 5.2%. The income yield or initial yield, being the annualised rent expressed as a percentage of the property value provides an indication of the investment return. It is a good guide to the quality of the investment, with a high quality investment expected to produce a low initial yield. When acquiring property the Council is seeking to balance a good quality asset with a yield profile sufficient to meet the loan repayments, sinking fund contribution and the net income required to cover the Council's business activities (known as the 'triple net income'). The portfolio initial yield demonstrates that the Councils holds a portfolio of good quality assets. The initial yield may not indicate the continuing income return as the current income level is not always a good indicator of future income levels.

The portfolio has a vacancy rate of 8.4% reference by floor area or 7.7% when calculated as a percentage of the portfolio rental value. The vacancy rate has reduced from 14% (based upon floor area) in March 2019 due to a number of successful lettings during the year. Whilst some floor space remains unlet the Council benefits from rental guarantees on all the void space which were agreed on the acquisition of Thames Tower, the Porter Building and the Charter Building. The guarantees cover all the void costs; rent, service charge and insurance for a period of two years at Thames Tower and the Porter Building and four years at the Charter Building from the date of acquisition (August 2018). The rental guarantees ensure that the portfolio is fully income producing.

## Key Performance Indicators

Portfolio Capital Return (acquisition)	0.86%
Portfolio Capital Growth (last 12 months)	-1.13% *
Portfolio Income Yield at 31/3/2020	5.2%***
Sinking Fund income cover	5.19 months
Investment Cover Ratio	1:5**

<sup>1</sup> JLL Monthly Property & Economic commentary April 2020

Vacancy Rate – % of floor area	8.4%***
Vacancy Rate - % of market value/ERV	7.7%***

\*excludes Summit Centre & Elmsleigh Centre

\*\*Investment portfolio

\*\*\*excludes the Elmsleigh Centre

The Council has been prudent in its approach to protecting the net income payable to the Finance Department by establishing a sinking fund. A proportion of the rental income is reserved on a quarterly basis to cover all capital and revenue costs associated with the properties. This may include rental voids, marketing costs, refurbishment costs which are not recoverable from the tenant and the potential cost of redevelopment. As at the 31<sup>st</sup> March 2020 the Council accumulated a sinking fund balance of £20.3m (as at 31 March 2019 the sinking fund balance was £10.6 million). The sinking fund is the equivalent to 5.19 months of the portfolio passing rent. At this level the sinking fund would cover 25 months of the net income payable to the Council. In addition it is projected that further contributions will be made based upon anticipated revenue over the coming years.

In the current climate it is acknowledged that the sinking fund may need to cover rental voids as a result of tenant defaults and rent concessions offered to assist tenants survive the economic crisis. The Council's approach towards ensuring financial stability includes modelling scenarios on the sinking fund. As a result of Covid-19, the worse-case scenario sinking fund analysis has been extended to cover the next 10 years. The sinking fund analysis is an extended cashflow highlighting anticipated income receipts and expenditure over a 10 year period. The assumptions within this analysis are constantly adjusted to take account of tenant discussions, market intelligence and any significant changes in tenant covenant status/financial position. In the Covid-19 climate these assumptions have included scenarios on major tenant defaults at an early stage in the cashflow, to stress test the resilience of the portfolio.

Even with extremely bearish assumptions, the analysis confirms that the sinking fund reserve should remain in a healthy position over the next 10 year period.

The main source of funding for the Council's acquisitions has been the Public Works Loan Board which offers long term loans at low, fixed rates of interest. This provides certainty over repayment costs. The Council seeks to ensure that all loan and interest repayments are adequately serviced by focusing on maximising the portfolio income. As at 31<sup>st</sup> March the net income covered the Council's costs of borrowing at a ratio of 1:5.

## Investment Activity

Over the last 12 months the Council acquired two properties; the Summit Centre, Sunbury and the long leasehold interest in the Elmsleigh Shopping Centre, Staines. Both of these acquisitions were in-borough and reflect the Council's strategy to focus on regeneration and increasing the housing provision in Spelthorne.

On 23<sup>rd</sup> September 2019 the Council completed the investment acquisition of the Summit Centre, Sunbury-upon-Thames for £13.785 million. The Summit Centre is mixed office and light industrial park, developed during the 1970's and 1980's comprising of two office buildings (units 3 & 4), a standalone office/industrial unit (33 Hanworth Road) and a terrace of six industrial units. Johnson Controls/ADT Fire and Security plc, is the largest tenant occupying 56,294 sq.ft. The site of 4.47 acres has the long term potential to provide residential units to meet the Borough's ambitious housing

targets. Units 3 & 4 have already secured permitted development rights approval for a 100 unit conversion to residential. In the short to medium term the Summit Centre provides an income return for the Council with a current passing rent £1,015,500 per annum.

On the 3<sup>rd</sup> February 2020 the Council completed the acquisition of the Elmsleigh Shopping Centre, 1-6 Friends Walk, 77 High Street, 91-93 High Street, 101-103 High Street (rear only) together with the Elmsleigh and Tothill multi-storey car parks in Staines from Maizeland Ltd and Arringford Ltd managed by Aberdeen Standard Investments at a price of £39.325 million. The acquisition reflected a net initial yield of 8.97% and an equivalent yield of 7.89%.

The Council already owned the freehold interest and therefore the acquisition represented the purchase of the long leasehold interest (250 years from 4 October 2006) in the Elmsleigh Centre and car park and the long leasehold interest (115 years from 11 July 1988) of 1-6 Friends Walk and Tothill car park. The acquisition also included the freehold interest of 77, 91, 93, 101-103 (rear only) High Street which adjoins the Elmsleigh Centre. The acquisition merges the freehold and long leasehold interests consolidating the Council's ownership of the Elmsleigh Shopping Centre, associated retail units and the multi-storey car parks.

The Elmsleigh Centre is central to the retail offer of Staines, the shopping centre provides 244,023 sq.ft of retail space, divided into 43 units, with anchor tenants including Primark, Matalan and Decathlon. The scheme provides a gross income of £4,340,107 per annum.

The Council recognised the importance of the Elmsleigh Shopping Centre for the prosperity of Staines and the wider borough. The Council has ambitious regeneration plans for Staines town centre and is already invested in a number of key town centre sites including Communications House, Thameside House, Hanover House and the Oast House/Kingston Road car park site. The acquisition of the Elmsleigh Centre is important to ensure a co-ordinated and holistic approach to the regeneration of central Staines. As an authority it was also important to ensure that the centre would be proficiently managed for the benefit of the local residents. The Council already had an interest in the centre so the acquisition has enabled the Council to regain control of the asset and ensure that it is managed in accordance with the Town Centre Strategy

The Elmsleigh Shopping Centre forms part of the Council's regeneration portfolio which also now includes Communication House and the Summit Centre.

## Market Commentary

### Office market

A commentary on the office market for the year ending March 2020 cannot ignore the huge implications on the economy of the global pandemic of Covid-19 which forced the UK into lockdown on 23<sup>rd</sup> March. Writing post quarter end, the severity of the lockdown on the UK economy cannot be understated or fully known, however for much of Q1 2020 both the occupational market and the investment market remained relatively unscathed by what was largely a crisis in China and the Far East. When the first case of Covid-19 appeared in the UK at the end of January, few people could have foreseen the national health and economic crisis that was to follow. Consequently, the quarter to March market statistics are positive with the South East office market performing well with an increase of leasing activity and supply continuing to fall.

The year started optimistically, the office market was forecasting an increase in demand, leasing activity and the continued reduction of available grade A space on the back of Boris Johnson's election victory. Total take-up in the Thames Valley Q1 totalled 267,042 sq.ft which was an increase of 21% on the previous quarter<sup>2</sup> although uncertainty over the direction of Brexit had seriously affected the statistics for Q4 2019. So whilst Q1 was an improvement quarter on quarter, the take-up figures were down (-24%) compared to the 5 year quarterly average. There were 28 transactions in Q1 but the average size of each transaction was 8,381 sq.ft which is also below the 5 year average of 12,500 sq.ft.<sup>3</sup> The Reading market reflected this trend with the majority of the deals sub 5,000 sq.ft and overall take-up, whilst positive still remained at levels below the long term averages and lower than Q1 2019<sup>4</sup>. Slough saw very few leasing transactions with only one significant letting above 5,000 sq.ft. either in or out of town. This was at The Future Works, close to the Porter Building where 9,500 sq.ft was let to ByBox, a serviced office operator at a headline rent of £38 per sq.ft.<sup>5</sup>

Take-up in the West London market which includes Hammersmith and Uxbridge totalled 135,503 sq.ft during the quarter to March. This was a decrease of 45% on Q4 2019, partly due to one large letting of 120,000 sq.ft and 26% lower than the 5 year quarterly average<sup>6</sup>. There were 10 significant transactions during the quarter with an average deal size of 13,550 sq.ft.<sup>7</sup>

Leasing activity in the South East office market had started positively in 2020 albeit still below the 5 year average. New enquiries especially in the South East market were encouraging in January and February but unsurprisingly the volume of new demand fell significantly in March. New demand across the UK office sector since mid-March has averaged 130,000 sq.ft which represents a 70% reduction of a typical week of named demand over 20,000 sq.ft. As at the end of April 10% of all UK demand had cancelled their search citing Covid-19 as the reason<sup>8</sup>. Demand is expected to continue to decline and it is unclear when demand levels will recover.

The level of supply across offices in the South East continued to fall during the quarter and now totals 13.08 million sq.ft, 3.05% down on the December figure. In the Thames Valley market the supply of grade A space fell a further 10.82% on the previous quarter and the level of total availability is now well below the 5 and 10 year averages<sup>9</sup>. The West London market saw a marginal fall in the level of available office space but not as significant as the Thames Valley market (0.4% since Q4 2019). Across the South East there are limited speculative schemes either under construction or in the pipeline. The delivery of new grade A space is expected to remain low. Covid-19 will no doubt affect the commencement of new construction projects due to uncertainty in the occupational sector and rising costs in labour and materials due to supply chain disruption and social distancing measures.

In March 2019 the research suggested that due to the low level of availability in the South East market, demand could outstrip supply in 2022/2023 leading to upward pressure on rents. This was the market prediction prior to the catastrophic impact of the Covid-19 pandemic across the world which is forecast to place the UK into a deep recession. It is too early to predict the long term effect to the property market as a result of Covid-19 beyond a fall in demand and transactions which the statistics are already indicating. It is expected that incentives to tenants will increase as landlords try to secure the limited demand in the market. Occupiers experiencing financial pressures will seek to reduce costs and release office space to the market or space will be returned through business failures. As in

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<sup>2</sup> C&W SE Office Market Update Q1 2020

<sup>3</sup> C&W SE Office Market Update Q1 2020

<sup>4</sup> Avison Young SE Market Report Q1 2020

<sup>5</sup> Avison Young SE Market Report Q1 2020

<sup>6</sup> C&W SE Office Market Update Q1 2020

<sup>7</sup> C&W SE Office Market Update Q1 2020

<sup>8</sup> C&W UK Covid-19 Tracker 29/4/2020

<sup>9</sup> C&W SE Office Market Update Q1 2020

previous recessions the level of office availability is likely to increase but this may be of older Grade B stock rather than the new quality Grade A space at Uxbridge, Reading and Slough. Nevertheless with reduced demand and increased supply it is anticipated that rents will soften during 2020.

The period of lockdown and the enforced home-working has invoked a number of questions over the future of offices. Will working practices change permanently with more employees working from home and occupiers needing less office space? Alternatively will the need for social distancing reverse the recent trend for high occupational densities and create increased demand for office space? Businesses may look to create hubs to reduce commuting for staff that do not want to use public transport. There is some thought that serviced offices will become increasingly attractive to businesses as they offer flexible contract arrangements. At the moment it is difficult to predict what the 'new normal' will look like but there is no doubt that businesses will still require office space for their employees. Homeworking has its challenges and many people will have missed the interaction of their peers and the ability to work collaboratively in a team environment.

## Retail market

Both in-town and out of town retail has been significantly challenged by the change in consumer spending away from physical stores to online retail. The emergence of the Covid-19 pandemic in the UK during February and March has placed extreme pressure on an already challenged sector. Following the government's implementation of a national lockdown on 23<sup>rd</sup> March 2020, all but essential retailers have been forced to close their physical stores which has led to an even greater short term structural shift towards online shopping.

A number of retailers have entered into administration following the enforced lockdown. In April, Debenhams called in the administrators for the second time in 12 months, and a number of retailers are in the process of trying to renegotiate rental agreements. The food and beverage sector has been particularly affected - Casual Dining Group has appointed administrators, placing at least one of its three core brands (Las Iguanas, Ed'S Diner and Slim Chickens) at risk of administration or CVA. Carluccios entered into administration in late March but has subsequently been rescued albeit with only 44% of its restaurants to be re-opened.

H&M has signed a new £862m revolving credit facility which will ease pressure after total sales fell by 46% in March 2020 against March 2019, while online sales rose by 17%. [Financial Times].

Conversely, supermarkets have seen unexpected sales growth as consumer expenditure is focused on essential purchases. In the 12 weeks to April 19, grocery sales in the UK increased by 9.1%. Year on year, sales were up 5.5% in April and 20.6% in March. The increased demand has led to expanded online and delivery slots, with Tesco adding 145,000 delivery slots during April.

In an effort to relieve the immediate pressure on (mainly) retail businesses, the government enacted a number of initiatives aimed at easing their cashflow. Firstly, retail and hospitality tenants were granted a 12 month relief period on business rates, effective from 1<sup>st</sup> April. Following that, a Business Interruption Loan was introduced followed by the Coronavirus Act 2020 in March which ensures that landlords cannot forfeit commercial leases in the event that a tenant is unable to pay its rent, service charge and other outgoings. The consequence of the latter has been that many retail tenants have refused to pay their March quarter's rent and other outgoings, which has created further uncertainty in a market where the balance has arguably shifted even further in the tenant's favour.



It is too soon to say what the impact of Covid-19 will be on an already fragile retail market. However, there will inevitably be a shift towards a turnover based rent model with landlords and tenants sharing a more balanced division of risk and reward.

Going forwards, there will inevitably be a greater focus on shopping centres being required to be seen as safe environments, the re-opening of non-essential shops on 15 June will be an important milestone, and it will remain to be seen how town centre retail can evolve to meet the challenges.

## Portfolio Activity - Investment

### Letting Activity

Over the last 12 months the Council completed five lettings across the portfolio totalling 85,881sq.ft. The lettings across the Porter Building, Thames Tower and the Charter Building have increased the contracted rental income, after the expiry of rent free periods by £2,822,092 per annum. As a result of the leasing activity the portfolio void has been reduced from 14% to 8% by reference to building area.

In October, Mattel UK Ltd took a lease of the 3<sup>rd</sup> floor of the Porter Building (27,401 sq.ft) for a term of 10 years subject to a break option in the 5<sup>th</sup> year at a rent of £931,532 per annum. A capital contribution was granted in lieu of a 23 month rent free period. The Porter Building is now fully let.

In November, the Council completed two lettings of the 3<sup>rd</sup> and 4<sup>th</sup> floor at Thames Tower, Reading totalling 28,084 sq.ft. to existing tenants in the building. Fora took a new lease for a term of 19 years to be co-terminus with their other floors at a rent of £468,430 per annum. BMI Group Management Ltd entered into a new lease of the 4<sup>th</sup> floor for a term of 10 year subject to a break option paying an annual rent of £468,263.

During the last quarter, despite the uncertainty in the market due to Covid-19, terms were agreed for the letting of part 10<sup>th</sup> floor at Thames Tower, Reading. The company will take a lease of 4,900 sq.ft which will reduce the void level in the building, leaving only a small suite of sub 2,000 sq.ft. available to let. On completion of the letting, the Council will have substantially achieved the business plan objectives set at acquisition with 99% of the building let.

On 8<sup>th</sup> January a new lease was completed with Regeneron UK Limited who took 11,721 sq ft of accommodation on the 3<sup>rd</sup> floor at Charter Building, Uxbridge. The lease was for 10 years at a rent of £389,635 per annum, or £33.25 per sq ft, with a 24 month rent free period. As part of the transaction, Regeneron extended the term of their original lease in the building to be co-terminus with the new lease (c. 2 year lease extension)

Elsewhere in Charter Building, a new 10 year lease without break was completed on 6<sup>th</sup> March to Insight Direct (UK) Limited. A rent of £564,231 per annum was agreed which equates to £30.21 per sq ft on 18,675 sq ft on the 4<sup>th</sup> floor. As part of the transaction, the tenant was granted a 21 month rent free period plus a capital contribution equivalent to 21 months rent. A further £420,000 was granted as a capital contribution towards the cost of providing 70 additional car parking spaces. The tenant is obliged to pay £84,000 per annum for these spaces while they are available at the Charter Building.

On 5<sup>th</sup> March an agreement for lease was exchanged with Validity International, for a 10 year lease (subject to a fifth year tenant break) on 8,479 sq ft of accommodation on the 1<sup>st</sup> floor at Charter Building. Upon completion, the tenant will pay a rent of £271,328 per annum based upon £32 per sq ft. Rather than granting a rent free period, the Council will instead pay for the tenant’s fit out, totalling c £512,000 including separation works. This equates to around 23 months rent free period. The lease is scheduled to complete in early June following practical completion of the works.

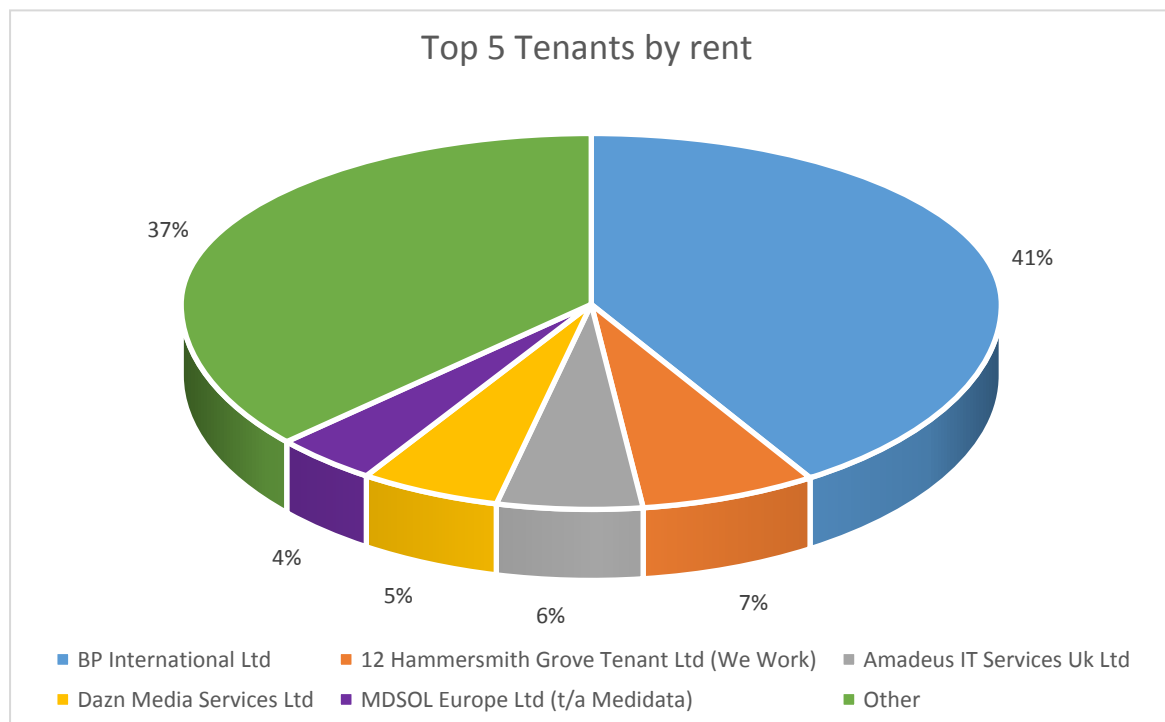
The Charter Building is now 46% let following completion of the Validity International lease.

The void rent on Thames Tower, Charter Building and Porter Building has been covered to date by rental guarantees negotiated on purchase which expire in August 2020 (Porter/Thames Tower) and August 2022 (Charter Building). By successfully completing the lettings within the guarantee period it ensures that there will only be a minimal void on expiry of the guarantee. The lettings will have a positive impact on the valuation by providing additional income certainty and removing the void costs from the valuation.

There has been no rent review activity over the last 12 months.

### Rent analysis - Security of Income

BP International Ltd remains the investment portfolio’s largest tenant paying an annual rent of £17.57 million which equates to 41% of the total portfolio passing rent. This is not surprising as Sunbury Business Park remains the Council’s largest asset by value at £391.73 million. WeWork, the service office provider at 12 Hammersmith Grove is the Council’s second largest tenant contributing 7% to the total rent receivable followed closely by Amadeus and Perform Media. The top 5 tenants by passing rent contribute 63% of the total income.



The Fund’s large exposure to BP International Ltd who has a D&B rating of 5A2 and a low risk of business failure has underpinned the exceptional rent collection performance for the March quarter.

The Council closely monitors the financial position of all our tenants and guarantors. The accountancy firm Deloitte provides advice on tenant covenant strength on acquisitions, on large transactions and provides regular financial reviews. In addition we subscribe to the Dun and Bradstreet service which monitors the financial performance of the tenants. The monitoring of all tenants is clearly important at the current time.

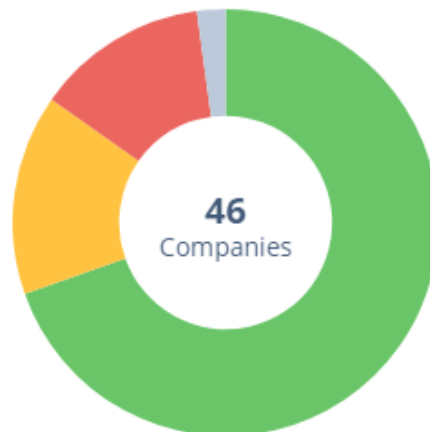
The rental income across the investment portfolio is supported by tenants of high financial strength as the chart below illustrates. Of the 46 companies that are monitored, 32 tenants are regarded as having a low risk of business failure, 7 have a moderate risk and 6 have a high risk of failure. According to Dun & Bradstreet only 6.52% of the overall portfolio is considered risky with both a high delinquency and failure risk. Those companies regarded as high risk fall within the serviced office sector and insurance. It is well-known that the service office sector has been a sector badly hit by the covid-19 pandemic and ongoing discussions are held with our tenants in this sector.

## RISK DISTRIBUTION

Overall view of risk based on the selected portfolio segment.

### Select for Details

- All Risk Segments
- Low Risk
- Moderate Risk
- High Risk
- Severe Risk
- Out of Business
- Undetermined
- Risk Data Unavailable



The overall portfolio income is reversionary with a total estimated rental value of £54.28 million. This indicates that the Council can expect future rental increases. It also provides the Council with the security that some of the properties should they become vacant ought to re-let at the same or greater rental level. There is greater risk attached to the income return of an over-rented property portfolio where there is a higher likelihood of tenant default and the inability to re-let at the passing rent.

## Rent collection

The collection of the March quarters rent was a huge challenge for all landlords across all sectors. The quarter date of 25 March 2020 coincided with the Governments forced shutdown of businesses and the total restriction on movement. The economy came to a standstill and the UK was braced for

a health and economic crisis of epic proportions. With no certainty as to how the pandemic will play out many tenants withheld rental payments to protect their cash position. The Council's ability to collect the rent was made harder by the Government who introduced measures to protect tenants. The Government quickly sought to pass the Coronavirus Act 2020 which prohibited the use of forfeiture as a means to collect the rent until 30 June. This was extended further on 23 April preventing the landlord from serving notice and then instructing an Enforcement Agent to seize and sell goods to meet the outstanding rent (a process known as CRAR). The Taking Control of Goods and Certification of Enforcement Agents (Amendment) (Coronavirus) Regulations 2020 meant that the rent had to be 90 days in arrears rather than the previous 7 days before action can be taken to recover the sums. The Government also announced a temporary ban on statutory demands and winding up petitions where the tenant cannot pay its rent for Covid-19 reasons. The practicalities of serving a notice correctly on the tenant and getting a date for a court hearing also make the process of statutory demands and winding up petitions a pointless exercise for the landlord to coerce the tenant into paying the rent. Essentially the Government made it clear that tenants would be protected from any aggressive action to recover the rent by Landlords.

Despite these restriction by the 31<sup>st</sup> March 2020 the investment portfolio collection rate was 79% and by 14<sup>th</sup> May 2020, 90% of the portfolio rent had been collected (excludes the Elmsleigh Centre). This compares favourably to other landlords; research published by Re-Leased which collated data from 10,000 properties and 35,000 leases indicated that on average 49.7% of all UK rent had been collected 10 days after the March quarter. This was a decline from 69.7% on the average collection rates for the last two years. As you would expect the office sector was more resilient with on average just over 60% collected<sup>10</sup>.

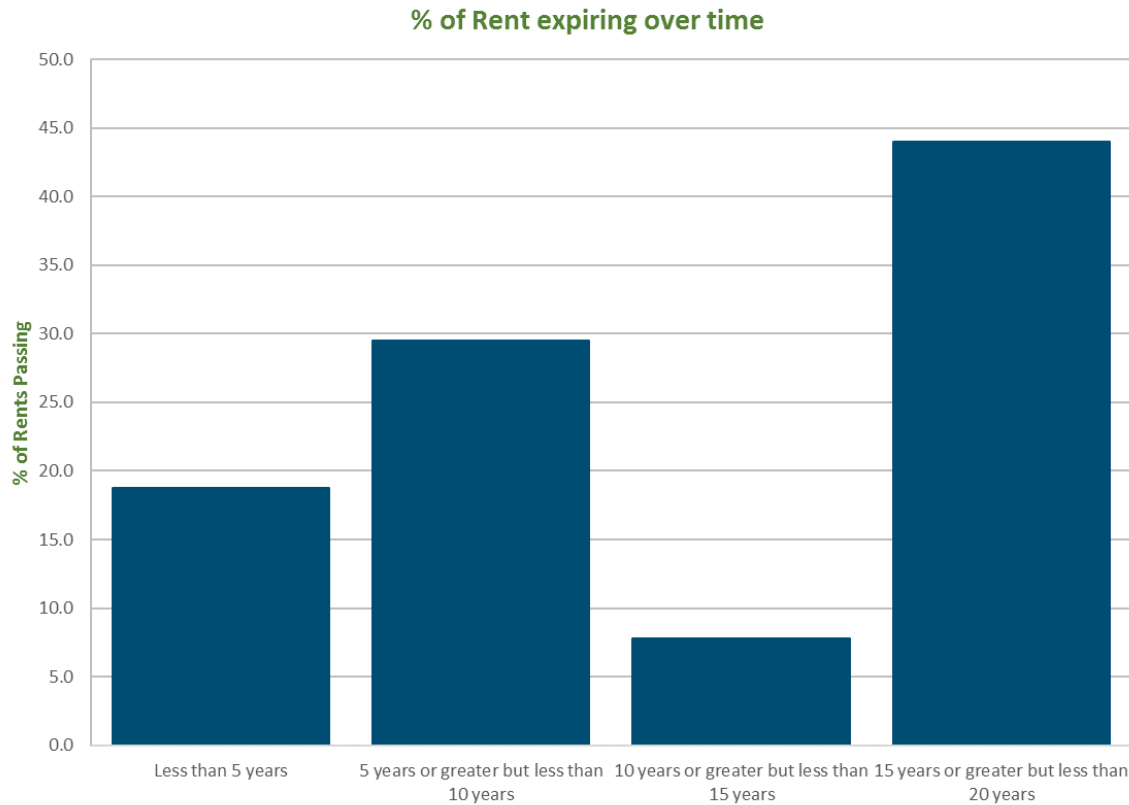
With limited recourse to legal remedies to collect the rent the Council has adopted a policy of engaging and negotiating with tenants on an individual basis to identify their particular financial position. Where appropriate, monthly payments and rent deferments have been agreed. Rent collection has been given top priority and weekly meetings are held with the Leader, Portfolio Holders, Councillors, the CEO and other senior officers. Any rent concession proposal that is considered is modelled to examine the impact it will have to the Council's sinking fund over the next 5 and 10 years.

## Longevity of Income

The portfolio is positioned well in terms of longevity of rental income with 51.8% of the current annual income secured for 10 years or more. Of this figure, 44% is secured for more than 15 years. This is an increase on March 2019 when 45% of the current annual income was secured for 10 years or more with 37% more than 15 years. WeWork and BP International, the Council largest tenant by rent payable contributes to this total with leases in excess of 15 years. The long term secure income of 20 years plus provided by the Council's freehold interest in the Elmsleigh Centre is no longer accounted for in the Investment portfolio following the acquisition. The lettings completed over the quarter will have improved the longevity of income at the Charter Building.

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<sup>10</sup> Property News UK, 24<sup>th</sup> April 2020



The proportion of short term income, expiring in 5 years or less is 18.7% of the total annual rent. This has decreased since December (33.4%) due to the creation of a dedicated regeneration portfolio which now includes Communications House, the Summit Centre and the Elmsleigh Shopping Centre. The successful negotiation to remove the break option with Volga-Dnepr at Stockley Park due in January 2021 has also had a positive impact. The rental guarantees on the vacant space at the Charter Building account for a large percentage of the short term income expiring in August 2022. The completion of the lettings at the Charter Building and the on ongoing leasing activity will greatly improve the income profile and reduce the Council's exposure to short term income.

## Portfolio Activity – Regeneration Portfolio

### Letting activity

There have been three lettings on the Regeneration portfolio during Q1 2020, producing £850,000 per annum in secured rent.

At Units 3&4 The Summit Centre, Sunbury, two reversionary leases to ADT Fire & Security plc were completed on 28<sup>th</sup> February on accommodation totalling 56,412 sq ft. The leases are for five years and take effect from 4<sup>th</sup> August 2020, at a total rent of £850,000 per annum. The lease on Unit 4 is subject to a third year tenant break option. These leases were agreed on a non-binding basis at the time of the asset acquisition in September 2019, and underpin the core income for the property over the next five years while redevelopment plans are progressed.

On 9<sup>th</sup> March, the Council agreed a new letting to Topman/Topshop on Units 15/16 Elmsleigh Centre, after the tenant served notice to vacate on 14<sup>th</sup> March. This was a short term letting with the tenant

paying only rates for a period of two years subject to a rolling mutual break option on 15<sup>th</sup> August on no less than eight weeks notice. In light of the government lockdown two weeks later, this was a timely letting that partially defrays the Council's outgoings.

During Q1 2020 there were a number of lease negotiations with occupiers at the Elmsleigh Centre, including H Samuel, Ernest Jones, Body Shop and Clinton Cards. Given the evolving position with Covid-19, it has proved challenging to finalise these lettings given retailer sentiment, but it is hoped that there will be greater activity over the next two quarters.

## Asset Management

### Elmsleigh Centre

The Elmsleigh Centre was acquired as a regeneration opportunity and therefore sits the Regeneration Portfolio. During the acquisition, an asset management business plan was created which considered short, medium and long term potential development opportunities. Cabinet approval was also obtained at the time for specific enhancement projects including:-

- Car parking consolidation and refurbishment
- Branding, wayfinding and modernising
- Transformation of the southern entrance and the creation of a public square
- Conversion of vacant accommodation above Decathlon into office/gym/nursery

The business plan for the acquisition investigated the potential for development and housing delivery within the town centre, on a phased basis and geared around key lease expiries/lease events from major tenants such as Primark, Matalan etc.

In forming the business plan consideration was given to the fact that the North Mall is the more valuable and vibrant section of the Centre, with the pitch falling away within the East Mall and South Mall areas. The business plan also factors in a reduced need for retail within the town centre over the next decade, which provides an opportunity to re-purpose the less valuable South and East Malls into residential while retaining a reduced retail offer within the North Mall close to the High Street.

Following purchase of the Centre in early February, the Council has now appointed Collado Collins (in line with the report to Cabinet on the original acquisition) to progress initial scheme designs for certain elements of the Elmsleigh Centre. This work is progressing in tandem with the wider Staines town centre masterplan which is being developed through David Locke Associates which will provide evidence around our housing delivery programme as part and parcel of the revised Local Plan.

### Communications House

Communications House was acquired in 2018 as a strategic development opportunity in the town centre. The building is fully let to five tenants and produces an income of £1,246,447 per annum with varying lease expiries between 2021 and Q1 2023. It forms a significant land holding which complements the adjoining ownerships at Thameside House and the Elmsleigh Centre. The intention is to redevelop into a residential led scheme once vacant possession can be obtained.

The priority over the last 12 months has been to retain the principal tenant, Samsung R&D, which accounts for the majority of the income (£970,000 per annum) and whose lease expires in Q3 2021.

### **The Summit Centre, Sunbury**

The Summit Centre was acquired in September 2019 to provide core income with medium term regeneration and development opportunities in a strategic location next to the M3/A316 junction at Sunbury Cross.

Following completion of the reversionary leases to ADT Fire & Security this quarter (see above), the Council can now look towards wider land assembly to unlock medium term development.

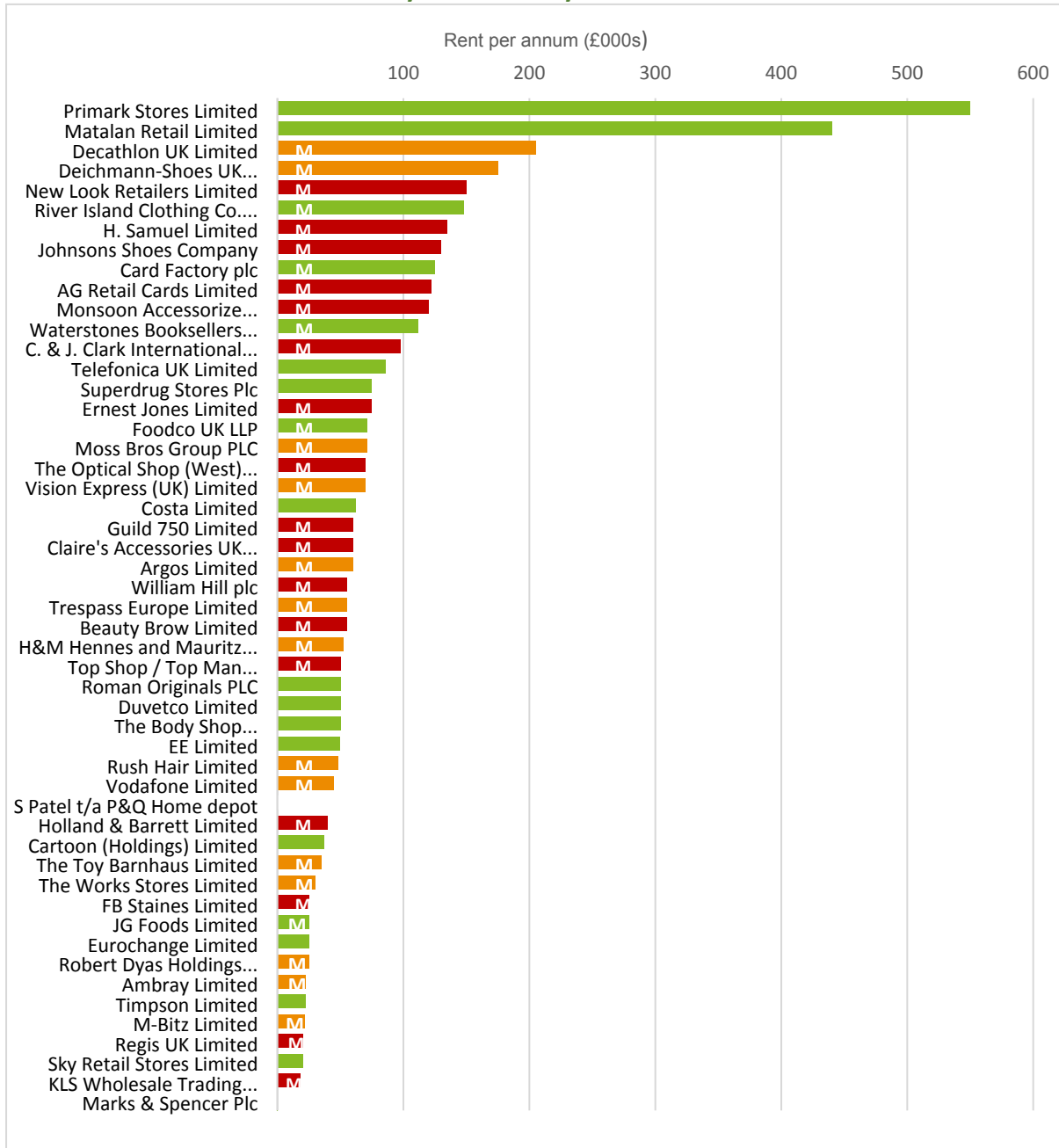
During the quarter we had one tenant entering into liquidation at Unit 1f Summit Centre. The tenant, The Old Surrey Window Company, was paying a rent of £15,000 per annum. A rent deposit was held which covered the Council for the December quarter's rent plus VAT. Following the liquidation we have commenced marketing and at the date of this report, we are close to agreeing terms with a new tenant.

The tenant of 33 Hanworth Road, Cyntergy Limited, also entered administration on 20<sup>th</sup> March 2020. We are in discussions with the guarantor on the lease, Omnico Holdings Limited, to step in and pay the March quarters rent and to agree a lease surrender in advance of the December 2020 expiry. This is on the basis of agreeing terms with another occupier/s to take a lease on the building, and progress is being made in that regard. It is anticipated that the ground floor accommodation will be let to the Incubator project which is an initiative which will be led by the Council's Economic Development team.

## Rent analysis - Security of Income

This section focuses on the Elmsleigh Centre only. The table below shows a summary of the tenant risk profile at the Elmsleigh Centre, based on a Red/Amber/Green (“RAG”) rating which includes a number of factors, including credit score, gearing, operating margins, changes in sales and operating margins and net assets.

**Tenant RAG Analysis Ranked by Income. Source:Deloitte**

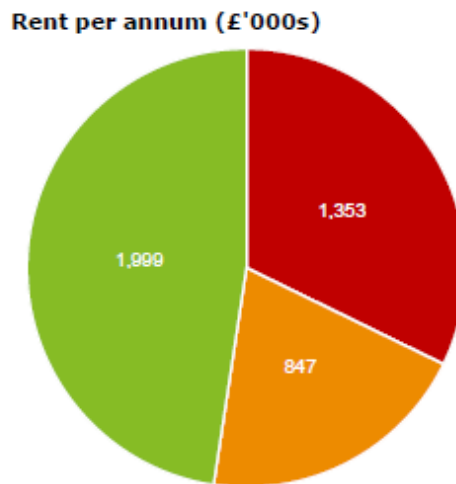




The top ten entities by rental value total £2.2m per annum which is 54% of the rental income of the shopping centre. Of these ten occupiers, there are four entities considered low risk, two entities rated moderate risk and four entities that are viewed as high risk. Two of the top ten tenants have been through an insolvency / CVA process.

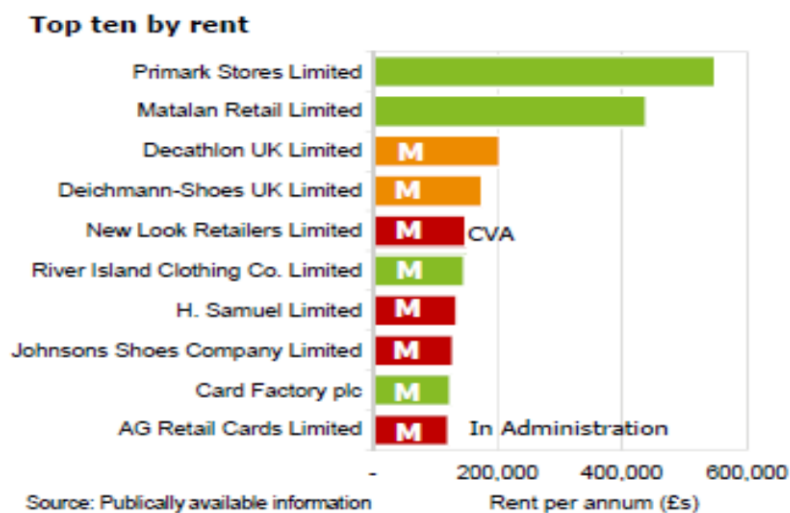
The top tenant by income at the Elmsleigh Centre is Primark Stores Limited which accounts for 13% of the overall gross income. This is followed by Matalan Retail Limited which pays 10.4%. Both of these are viewed as low risk tenants according to a report commissioned by Deloitte at the time of purchase.

The overall rent can be categorised in risk terms as follows:-



Source: Management information

The Deloitte report rates the top 10 tenants into the following RAG categories:-



The top ten high risk entities total £1.08m of rental value which accounts for 25.5% of the overall rental income for the centre. These tenants are closely monitored with regular financial updates obtained via Dun & Bradstreet.

## Rent Collection

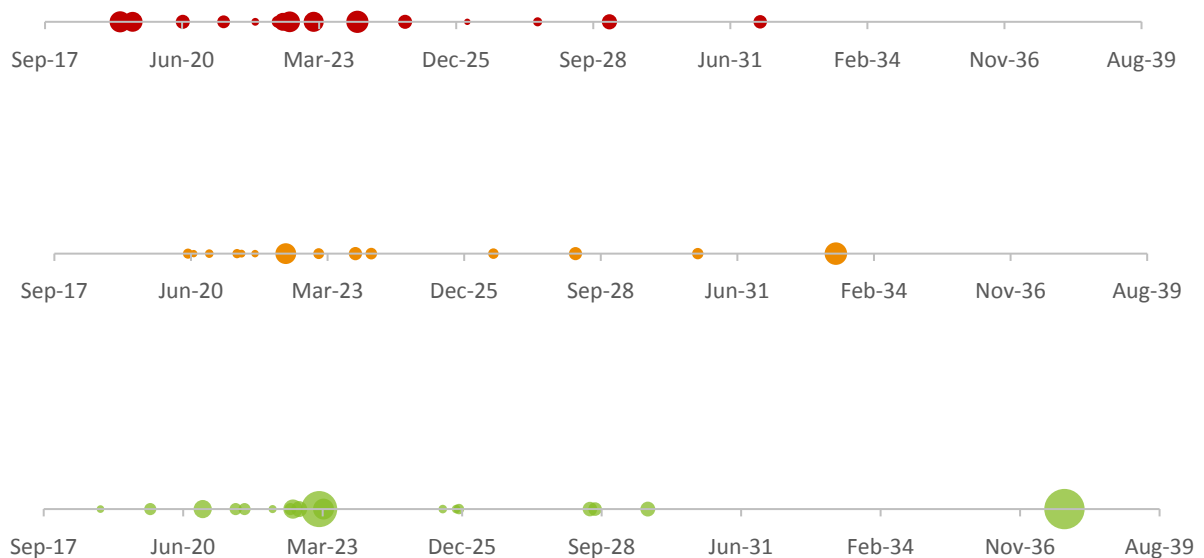
As highlighted earlier government intervention coupled with the lockdown on 23<sup>rd</sup> March has created significant challenges in collecting rent on retail properties in particular. At the date of this report, the March quarter rent and service charge collection statistics on Elmsleigh Centre stood at 18.06% and 61.13% respectively (30.78% combined).

While these figures are concerning, they are representative of the wider retail sector, and major retail landlords such as Hammerson, Intu and Land Securities have reported similar statistics. The Assets team has adapted its strategy towards rent collection and approximately 75% of time spent during end March / April was dedicated to chasing rent and service charge payments in collaboration with our managing agents.

## Longevity of Income

At the Elmsleigh Centre, 35 tenant leases are due to expire before 2023, which totals 41.6% of the rental value. Primark has a lease until 2037 and contributes 13% of the overall rent, whereas Matalan (10.4% of rent) has a lease due to expire in 2023.

The following chart shows an illustration of financial risk by mapping the various lease expiries and breaks at Elmsleigh Centre against the quantum of rent (bubble size). There is a clear consolidation of lease expiry/break events around 2023 which is the focus of short term asset management.



Source: Deloitte

# Asset Profile

**PROPERTY ADDRESS: BP Campus, Sunbury Business Park, Sunbury**



## Asset Details

<b>Sector:</b> Office/Business Park	<b>Tenure:</b> Freehold	<b>Independent Valuation:</b> £391.73 million (31st March 2020)	<b>Purchase Price:</b> £384.9 million (December 2016)
<b>Property Description:</b>	The main site is arranged as a campus style development comprising of eight buildings constructed between 2000 and 2014. They are of steel framed construction with glazed and aluminium cladding under a flat roof. They are fitted out as offices with a Grade A specification although some of the accommodation includes laboratories and a lecture hall. The SW corner site comprises of 4 buildings dating from the 1950's to 2000. The offices, laboratories and warehouse are of a basic internal specification in line with the age of the property. There are 2,001 car parking spaces.		
<b>Total Area:</b> 701,659 sq.ft	<b>Passing rent:</b> £17.57 million pa	<b>ERV:</b> £19.90 million pa	<b>Vacancy %</b> 0%
<b>Key Tenant:</b> BP International Ltd			

## Asset Strategy

### Summary Strategy

To hold the property with a view to progressing the rent reviews in September 2021. The property is reversionary and the Council should benefit from a substantial uplift in income.

# Asset Profile

**PROPERTY ADDRESS: 12 Hammersmith Grove, Hammersmith, London**



## Asset Details

<b>Sector:</b> Office	<b>Tenure:</b> Long Leasehold	<b>Independent Valuation:</b> £165.9 million (31st March 2020)	<b>Purchase Price:</b> £170 million (January 2018)
<b>Property Description:</b>	The property is located in a prime position in Hammersmith, next to the entrance to Hammersmith Underground station and within easy access to the A4/M4 corridor and Heathrow. The Landmark building was completed in February 2016. The multi-let office building provides Grade A accommodation over ground and ten upper floors.		
<b>Total Area:</b> 170,011 sq.ft	<b>Passing rent:</b> £9.54 million pa	<b>ERV:</b> £9.44 million pa	<b>Vacancy %:</b> 0%
<b>Key Tenants:</b> We Work Hammersmith, Perform Media Services, Creative Arts Agency, Medidata Europe Ltd, Research Instruments Ltd and All Nippon Airways Co Ltd.			

## Asset Strategy

### Summary Strategy

To hold the property to benefit from the rental growth anticipated at the first rent review in 2022/2023. Good longevity of income should provide good prospects for capital value growth in the medium term.

# Asset Profile

**PROPERTY ADDRESS: 3 Roundwood Avenue, Stockley Park.**



## Asset Details

<b>Sector:</b> Office/Business Park	<b>Tenure:</b> Freehold	<b>Independent Valuation:</b> £20.10 million (31 <sup>st</sup> March 2020)	<b>Purchase Price:</b> £21.40 million (July 2017)
<b>Property Description:</b>	Stockley Park is a well-established business park located near Uxbridge with excellent transport connections to J4 of the M4, M25, Heathrow Airport and Central London via Hayes and Harlington Rail Station, Uxbridge Underground station and soon Crossrail. The property was built in 1990 and was comprehensively refurbished in 2014 and 2016. It is a two storey, steel-framed building with glazed atrium reception and WC's and shower facilities on both ground and first floor. The refurbished office space provides 4 pipe fan coil air conditioning, LED lighting, raised floors, metal tiled suspended ceiling. A car park provides 136 car parking spaces, a ratio of 3.17 spaces per 1,000sq.ft.		
<b>Total Area:</b> 42,907 sq.ft	<b>Passing rent:</b> £1.43 million pa	<b>ERV:</b> £1.50 million pa	<b>Vacancy %:</b> 0%
<b>Key Tenants:</b> Verifone (UK) Ltd, Volga DNEPR (UK) Ltd			

## Asset Strategy

### Summary Strategy

To hold the property in anticipation of rental growth following the potential longer term expansion of Heathrow airport and the opening of Crossrail. To ensure we retain the existing tenants to reduce the risk posed by the tenant's exercising the break options in 2021/2022.

# Asset Profile

**PROPERTY ADDRESS: World Business Centre 4, Newall Road, Heathrow Airport**



## Asset Details

<b>Sector:</b> Office	<b>Tenure:</b> Part freehold & part leasehold	<b>Independent Valuation:</b> £45.80 million (31 <sup>st</sup> March 2020)	<b>Purchase Price:</b> £47.248 million (September 2017)
<b>Property Description:</b>	Located to the north of Heathrow airport it is a stand-alone office building adjacent to World Business Centre 1, 2 & 3. Recently completed it is of steel frame construction with glass elevations and a flat roof. It provides open plan, Grade A accommodation over ground and three upper floors. There is an underground car park providing a car parking ratio of 1:556sq.ft.		
<b>Total Area:</b> 89,282 sq.ft	<b>Passing rent:</b> £2.46 million pa	<b>ERV:</b> £2.37 million pa	<b>Vacancy %:</b> 0%
<b>Key Tenant:</b> Amadeus IT Services UK Ltd			

## Asset Strategy

<b>Summary Strategy</b>	Long term hold to benefit from the 15 year income return. Asset well placed to withstand market movement due to grade A building, close proximity to Heathrow and long lease to a tenant of substantial financial strength.
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# Asset Profile

**PROPERTY ADDRESS: Elmbrook House, 18-19 Station Road, Sunbury-on-Thames.**



## Asset Details

<b>Sector:</b> Office	<b>Tenure:</b> Freehold	<b>Independent Valuation:</b> £7.24 million (31 <sup>st</sup> March 2020)	<b>Purchase Price:</b> £7.160 million (December 2016)
<b>Property Description:</b>	The property was constructed in the mid 1990's and comprehensively refurbished in 2016. It is three storey concrete framed structure with brick elevations and hipped slate covered roof. The property provides office accommodation over ground with three upper floors.		
<b>Total Area:</b> 19,480 sq.ft	<b>Passing rent:</b> £0.478 million pa	<b>ERV:</b> £0.487 million pa	<b>Vacancy %:</b> 0%
<b>Key Tenant:</b> Complete Cover Group Ltd			

## Asset Strategy

<b>Summary Strategy</b>	<p>The property provides a good income for a further 6 years. It provide flexible office space in a regional market and compares favourably to other office accommodation in the area in terms of parking and transport connections.</p> <p>It benefits from planning consent for a change of use from offices to residential apartments.</p> <p>The medium-term strategy is to consider a residential redevelopment when the lease expires in 2026.</p>
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# Asset Profile

**PROPERTY ADDRESS: Charter Building, Uxbridge**



## Asset Details

<b>Sector:</b> Office	<b>Tenure:</b> Freehold	<b>Independent Valuation:</b> £131.20 million (31 <sup>st</sup> March 2020)	<b>Purchase Price:</b> £135.98 million (August 2018)
<b>Property Description:</b>	The property is located in Uxbridge town centre within close proximity to the train station. Newly completed in 2017 by Brockton Capital and Landid it provides Grade A office accommodation over lower ground and five upper floors. The building benefits from a large reception area and five storey atrium, decked roof terraces and 326 car parking spaces. The open plan floorplates provide flexible space that range in size from 8,747 sq.ft to 54,076 sq.ft .		
<b>Total Area:</b> 235,458 sq.ft	<b>Passing rent:</b> £2.69 million pa (excludes guarantees)	<b>ERV:</b> £7.41 million pa	<b>Vacancy (as % of floor area):</b> 54%
<b>Key Tenants:</b> Spaces, Tracelink, Parkview, Jazz Networks, Regeneron, Café Kix.			

## Asset Strategy

<b>Summary Strategy</b>	To the let the vacant space at or above ERV within the timeframe provided by the guarantees to avoid full vacancy costs.
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# Asset Profile

**PROPERTY ADDRESS: Thames Tower, Reading**



## Asset Details

<b>Sector:</b> Office	<b>Tenure:</b> Freehold	<b>Independent Valuation:</b> £126.8 million (31 <sup>st</sup> March 2020)	<b>Purchase Price:</b> £119.32 million (August 2018)
<b>Property Description:</b>	The building was developed by Brockton Capital & Landid and completed in 2017. It is prominently located in Reading town centre adjacent to Reading train station. It provides Grade A office accommodation over basement, ground and 14 upper floors. A private occupier terrace and café is provided on the 14 <sup>th</sup> floor.		
<b>Total Area:</b> 190,868 sq.ft	<b>Passing rent:</b> £6.18 million pa (excludes guarantees)	<b>ERV:</b> £6.69 million pa	<b>Vacancy (as % of floor area):</b> 3.5%
<b>Key Tenants:</b> Fora, Pret a Manger, Clarkslegal, Make a Wish, Broadway Malyan, HSBC, MBNL, Eriksson, BDO, Austin Fraser, Objective Corporation.			

## Asset Strategy

### Summary Strategy

To let the vacant part 10<sup>th</sup> floor at or above ERV within the timeframe provided by the guarantees to avoid full vacancy costs. To improve the income profile when opportunities arise by negotiating longer leases, removing break options or improving the covenant strength. Long term hold to benefit from expected reversionary potential in 2022/2023.

# Asset Profile

**PROPERTY ADDRESS: The Porter Building, Slough**



## Asset Details

<b>Sector:</b> Office	<b>Tenure:</b> Freehold	<b>Independent Valuation:</b> £69.90 million (31 <sup>st</sup> March 2020)	<b>Purchase Price:</b> £66.47 million (August 2018)
<b>Property Description:</b>	The building was developed by Brockton Capital & Landid and completed in 2017. It is located in a prominent position in Slough town centre opposite the station. It provides high quality Grade A office accommodation over ground and four upper floors.		
<b>Total Area:</b> 117,388 sq.ft	<b>Passing rent:</b> £3.94 million pa	<b>ERV:</b> £3.88 million pa	<b>Vacancy (as % of floor area):</b> 0%
<b>Key Tenants:</b> Starbucks, Fiserv, Spaces & Orange Business Services			

## Asset Strategy

### Summary Strategy

Long term hold to benefit from anticipated rental growth in 2022/2023 and any capital growth from positive yield movement.

# Asset Profile

## PROPERTY ADDRESS: Elmsleigh Shopping Centre, Staines



### Asset Details

<b>Sector:</b> Retail	<b>Tenure:</b> Freehold	<b>Independent Valuation:</b> £39.325 million NB although the asset was not formally valued pre-purchase, independent property consultants JLL supported the purchase price.	<b>Purchase Price:</b> £39.325 million (February 2020)
<b>Property Description:</b>	The Elmsleigh Shopping Centre is a modern, covered shopping mall fronting the High Street and with access at the rear to Friends Walk and bus station. Adjoining the Centre is a multi-storey car park. The freehold was purchased by Spelthorne in February 2020. The acquisition also included the purchase of the Titles to:- 1-6 Friends Walk, 77 High Street, 91-93 High Street, 101-103 High Street (rear only), the Elmsleigh and Tothill multi-storey car parks, and Elmsleigh shopping centre itself. The shopping centre and adjacent premises currently present 51 separate retailers plus additional mall kiosks*		
<b>Internal Lettable Area</b> 200,977 sq.ft	<b>Passing rent:</b> £4.36 million pa	<b>ERV:</b> £3.72 million pa	<b>Vacancy %:</b> 3.2551%
<b>* Key Tenants:</b> Deichmann, Matalan, Decathlon, Primark, M&S, H&M, New Look, and others			

### Asset Strategy

<b>Summary Strategy</b>	A strategic long-term regeneration investment for the Council, Elmsleigh Centre is also a focal point at the heart of the community. An opportunity to maximise potential on multiple levels – housing, work, communications, community, leisure, retail – it is key to the prosperity of Staines. The Council is committed to promote and improve Staines as a thriving centre.
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# Asset Profile

**PROPERTY ADDRESS: Communications House, South Street, Staines**



## Asset Details

<b>Sector:</b> Office	<b>Tenure:</b> Freehold	<b>Independent Valuation:</b> £14.50million (March 2020)	<b>Purchase Price:</b> £11.70 million (July 2018)
<b>Property Description:</b>	The property is located in Staines town centre adjacent to the Tothill car park and the Elmsleigh Centre. Constructed in 1981 and refurbished internally in 2013 it provides office accommodation over ground and five upper floors. The building is an 'L' shaped, brick construction with a flat roof.		
<b>Total Area:</b> 47,500sq.ft	<b>Passing rent:</b> £1.25 million pa	<b>ERV:</b> £1.25 million pa	<b>Vacancy rate:</b> 0%
<b>Key Tenant:</b> Samsung Electronics (UK) Ltd, Pros Europe Ltd, Anglo Gold Ashanti Holdings Plc, Marsh Corporate Services Ltd, Mathison & Macara LLP.			

## Asset Strategy

<b>Summary Strategy</b>	To maximise the income in the short term. In the medium term there is the potential to redevelop the site in conjunction with other property assets owned by the Council nearby such as Tothill Car park.
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# Asset Profile

**PROPERTY ADDRESS: The Summit Centre, Sunbury**



## Asset Details

<b>Sector:</b> Light Industrial/Office	<b>Tenure:</b> Freehold	<b>Independent Valuation:</b> £13.50 million (31st March 2020).	<b>Purchase Price:</b> £13.79 million (September 2019)
<b>Property Description:</b>	The site of 4.47 acres includes a mix of industrial and office accommodation constructed during the 1970's and 1980's. Units 3 & 4 provide a 2 a storey office and R&D space over 56,412 sq.ft. 33 Hanworth Road provides 1970's style office accommodation with a warehouse to the rear totalling 10,627 sq.ft. There is a terrace of 6, small industrial units ranging in size from 997 to 1,196 sq.ft.		
<b>Total Area:</b> 73,401 sq.ft	<b>Passing rent:</b> £1.03 million pa	<b>ERV:</b> £1.12 million pa	<b>Vacancy (as % of floor area):</b> 0%
<b>Key Tenants:</b> Johnson Controls/ADT Fire and Security plc, Cyntergy Ltd.			

## Asset Strategy

<b>Summary Strategy</b>	To maintain short/medium term income by renewing leases if possible or re-letting. The longer term strategy is to redevelop the site for residential. To create a larger site for redevelopment the Council is considering acquiring other sites/buildings to maximise the potential.
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## Glossary

**Capital Growth** - The increase in value of the property over time also known as capital appreciation. It can be calculated with reference to the previous valuation or since purchase.

**Capital Return** – In the context of the report this is the capital value growth shows the capital appreciation since the date of purchase.

**Capital Value** - This is also known as the property’s market value. The market value is defined by the International Valuation Standards Council ‘IVSC’ and the Royal Institution of Chartered Surveyors to mean ‘the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The IVSC makes it clear that a “willing seller” is simply a seller motivated to sell at the best price obtainable on the valuation date.

**Estimated Rental Value (ERV)** - The estimated annual rent that would be achieved if the floor space was to be re-let in the open market at the valuation date. The rental value is determined by Carter Jonas, the Council’s appointed valuers.

**Equivalent yield** - The internal rate of return of the cashflow from the property, assuming a rise to ERV (estimated rental value) at the next review but with no further rental growth.

**Grade A** – This refers to the quality of the office space. A Grade A building is the highest quality of building, it is typically newly constructed or substantially redeveloped. It is considered the best in class in terms of aesthetics, standard of finishes, state of the art systems and location.

**Gross/Net Rental Income** – the actual rent received or receivable either including or excluding revenue costs such as marketing costs, letting fees, void costs.

**Income Yield/Net Initial yield** – The annual passing rent less costs as a percentage of the capital value, after adding notional purchaser’s costs. In the report the income yield has been calculated at the valuation date.

**Investment cover** – the ratio of net income received by the Council to the total payable in loan repayments and interest in the financial year.

**Lot size** – the capital value of the property.

**Net Asset Value** – the full value of all the properties owned by Spelthorne Borough Council.

**Passing rent** – the contracted rent or gross rent less any ground rent payable under the lease over a 12 month period.

**Quarter Day** – the dates specified under the lease when the rents are payable. The English quarter days are 25<sup>th</sup> March, 24<sup>th</sup> June, 29<sup>th</sup> September and 25<sup>th</sup> December.

**Rent free period** – a period of time during the lease when the tenant does not have to pay rent. Typically granted to a tenant as an incentive to enter in to a lease.

**Reversionary Lease** – a lease which is granted today but has a future term commencement date. They are granted to extend a tenant's lease.

**Vacancy rate** – the amount of space within a property which is currently empty and not generating rent as a percentage of the whole property or portfolio. The rate can be expressed a percentage of floor area or as a percentage of the estimated rental value.

**Void** – a period when the property is vacant and is not generating any rent.

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## Executive Summary

The investment report is an overview of the performance of the commercial property portfolio owned by Spelthorne Borough Council for the financial year ending 31<sup>st</sup> March 2020.

### Commercial Portfolio Key Facts

Net Asset Value 31 March 2020	£1.026 billion
Number of Property Holdings	11
Average Lot Size	£93.27million
Total Passing Rent (per annum)	£46.97 million*
Estimated Rental Value (per annum)	£54.28 million**
Vacancy Rate - % of floor area	8%**

\* Contracted rent assumes rent free periods have expired, excludes guarantees & Elmsleigh Centre.

\*\*Excludes Elmsleigh Centre.

At the 31<sup>st</sup> March 2020 Spelthorne Borough Council owned 11 properties with a total value of £1.026 billion.

In the last 12 months the Council has acquired two properties; the Summit Centre in Sunbury and the Elmsleigh Shopping Centre in Staines totalling £53.11 million. In line with the Capital Strategy both properties were acquired for regeneration purposes; to provide long term housing and to rejuvenate the retail offer in Staines town centre. Since the end of 2018 the Council's income generating assets have reached a critical mass that has allowed the Council to focus on regeneration and housing opportunities in the Borough.

Since 2016 the Council has invested £1.017 billion in commercial property largely funded by the Public Works Loan Board on long term loans at low, fixed rates of interest. With the portfolio now valued at £1.026 billion, the portfolio has seen positive capital growth since purchase of 0.86%.

The commercial properties were independently valued annually on 31<sup>st</sup> March by Carter Jonas LLP at £986.67 million. Carter Jonas did not value the Elmsleigh Shopping Centre which has been recently acquired in February 2020. The Council has relied upon the acquisition price of £39.33 million.

With the exception of Sunbury Business Park all the properties fell in value over the 12 month period. Excluding the properties acquired during the year the portfolio decreased in value by 1.13% since March 2019 when they were last valued. The decrease in value is in line with the market, it reflected the increased market uncertainty due to Brexit and more recently the global covid-19 pandemic.

Despite the fall in value, the Council has been successful if increasing the rental income. Six letting transactions were completed over the 12 months increasing the passing rent by £3.67 million and reducing the portfolio vacancy rate from 14% to 8% (as a percentage of total floor space excluding the Elmsleigh Centre). The Porter Building is now fully let and Thames

Tower is principally let at 96.7% with space currently under offer. The Charter Building is now 46% let which is commendable in difficult market conditions. The portfolio void on the investment properties (ie. the Porter Building, Thames Tower and the Charter Building) are all covered by rental guarantees.

The Council has been prudent in its approach to property investment by setting aside a percentage of the rental income as a sinking fund. The sinking fund has a balance of £20.3 million as at 31<sup>st</sup> March 2020 (as at 31<sup>st</sup> March 2019 the sinking fund balance was £10.6 million). This sum is the equivalent to 5.19 months of the portfolio rent, in the very unlikely event that no tenants pay rent. More importantly the sinking fund would cover 25 months of the net income payable to the Council to support services to the Borough.

The sinking fund was established as a reserve account to cover capital costs such as refurbishments and void costs. In the current Covid-related economic crisis the Council acknowledges that the sinking fund may be needed earlier than anticipated to cover void costs of tenants who may default. The Council undertakes rigorous financial modelling and stress testing on the sinking fund cash-flow. Even modelling the worse-case scenario the Council can demonstrate that the reserve fund remains in a healthy position over the next 10 years.

The Council's investment portfolio of Grade A buildings are well-let to tenants who are best placed to financially withstand the economic shock of the national lockdown and anticipated economic recession. BP International Ltd is the Council largest tenant contributes 41% of the total rental income and 51.8% of the total portfolio income is contracted for 10 years or more.

The rent collection rate on the investment portfolio at the 31<sup>st</sup> March was 79%. This compares favourably to the property market as a whole which recorded that 49.7% of all UK rent had been collected 10 days after the March quarter. At the year-end the Council was not looking to 'write off' any bad debts (the Council has subsequently collected 91% of rents by day 60) which demonstrates the resilience of the investment portfolio.

The Elmsleigh Shopping Centre was acquired as a regeneration opportunity and not an asset to generate income to support Council services. In line with the wider retail market, the rent and service charge collection statistics on the Elmsleigh Centre stood at 18.06% and 61.13% respectively.

With the retail sector in the doldrums the Council has proactively commenced the regeneration opportunities identified for the Elmsleigh Centre at acquisition. Collado Collins, an architectural practice has been appointed to progress initial scheme designs for elements of the shopping centre.

The Elmsleigh Centre together with the Summit Centre and Communications House were all acquired with the long term objective to redevelop to provide much needed housing within the Borough. Identified for their redevelopment potential the three properties are collectively known as the regeneration portfolio. Over the next 12 months the Council will be progressing the regeneration opportunities whilst focusing on maximising the income generated from our existing properties in what will be a challenging property market.



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**Cabinet****23 September 2020**

<b>Title</b>	Asset Management Plan		
<b>Purpose of the report</b>	To make a decision		
<b>Report Author</b>	Heather Morgan - Group Head Regeneration and Growth		
<b>Cabinet Member</b>	Councillor J. Boughtflower	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Recommendations</b>	<p><b>Cabinet to:</b></p> <ul style="list-style-type: none"> <li>• <b>Approve the Asset Management Plan (AMP) for the period 2020 to 2025</b></li> <li>• <b>Delegate authority for any annual updates which may be required (excluding any substantive changes in approach) to the Group Head for Regeneration and Growth in consultation with the Portfolio Holder for Investment Portfolio and Management, and Regeneration</b></li> </ul>		
<b>Reason for Recommendation</b>	<p><b>The Asset Management Plan sets out in practical terms how the Council will support the delivery of its Capital Strategy. Its intent is to ensure that the property assets Spelthorne owns, uses, develops and has invested in are fit for purpose, managed effectively and represents value for money for the council's residents.</b></p> <p><b>Long term risks to the Council will be minimised, and it will help sustain the local economy and ensure continued and effective delivery of Council services.</b></p>		

**1. Key issues**COVID-19

- 1.1 This Plan was due to have been considered by Cabinet on 25 March 2020, which was cancelled as we entered lockdown as a result of the pandemic on that day. The Asset Management Plan was written prior to COVID 19 but has been amended subsequently to cover this global event in an opening paragraph. Whilst it was never intended to 'capture and respond' such an event, the Plan has helped the Council as an organisation to manage our assets very effectively during this crisis. The principles which are set out in

the document have been applied since we first started our acquisition strategy, and have withstood the test of the pandemic remarkably well.

- 1.2 For example, the risk profiling which has been undertaken in respect of every acquisition (as per the Plan) has ensured prudent purchases with tenants who have a strong covenant strength. Stress testing on individual acquisitions/tenants is already undertaken when required, an Annual Investment Report has been completed (and is elsewhere on this agenda) and a sinking fund worst case scenario is undertaken on a weekly basis. I would point Cabinet to what work the assets team undertook (and still do undertake) during the COVID-19 pandemic. For ease of reference this is included as an Appendix at the back of this report (**Appendix 3**).
- 1.3 Our approach to management is the right one – checks and balances are in place, our dedicated professionally skilled team have got any issues well under control and this is paying dividends. As a result of the rigour of our approach £10m pa is being delivered to the Council to support and enhance key services (such as independent living and community wellbeing) and to deliver a development programme to provide much needed residential accommodation and help the recovery of the local economy.
- 1.4 In terms of the March quarter rent as of 10 June 2020 we have collected 90.98% of the March quarter's rent. With payment plans agreed with other tenants we have less than 1% (0.84%) of the rent outstanding and due for payment at the current date. This compares very favourably to an industry average of 67%.

#### Background

- 1.5 Historically, our Asset Management Plans (AMP) have been focused on municipal assets and geared very much towards day to day management. Our recent investment and development activity has both changed the landscape completely, and how we have to deal with our assets. As a Council we have recognised and fully embraced that property, in its many guises, has the capacity to deliver significant and lasting change for the benefit of the borough and our residents. Our achievements are already well documented:
  - (a) ensuring sustainable income streams (e.g. from our £1bn investment portfolio)
  - (b) delivering housing (e.g. the Borough building its first residential units since the late 1990's which provides a solid base from which to develop our expanding development portfolio )
  - (c) regenerating and improving town centres and our environment (e.g. acquiring strategic town centre sites for redevelopment)
  - (d) facilitating organisational change (e.g. consolidation of Council offices at Knowle Green reducing office space by 40%)
  - (e) improving service quality (e.g. expanding and improving our day centres)
- 1.6 The Capital Strategy, agreed by Cabinet on 26 February 2020 and approved at Council on 27 February 2020, is a high level document setting out the vision and direction of travel. It covers our investment, development and municipal portfolios. The main purpose of an AMP is to drill down to the next level and ensure that the assets the Council owns, uses, develops and has

invested in are fit for purpose, managed effectively over the long term and represent value for money. Property generally responds slowly to change so the AMP has to look at how property can facilitate responses to changes in service delivery, customer demand or strategic direction. Managing property assets requires co-ordination with all parts of an organisation at a strategic and business level. It is also a mechanism for ensuring that the relevant policies with our various strategies (for example Housing, Economic Development, Leisure and the Local Plan) are delivered on the ground.

#### Asset Management Plan

- 1.7 An effective AMP needs to be able to ensure:
  - (a) Efficient use of capital
  - (b) Adequate controls over running costs, and focused monitoring
  - (c) Sustainable and energy efficient portfolios
  - (d) Well planned and resourced maintenance programme
  - (e) A good fit between service requirements and the property from which services are delivered
  - (f) Quality accommodation (productivity, recruitment and retention)
  - (g) Opportunities for co-location of public services
  - (h) Effective procurement of property and construction and property support services
- 1.8 The AMP for 2020 to 2025 (**Appendix 1**) is split into our three main areas of activity. A one page Executive Summary is also provided for an 'at a glance' overview (**Appendix 2**).
- 1.9 The Investment Portfolio generates a significant income stream to support the delivery of housing (including affordable), economic development and service delivery. The key drivers here are to ensure we have income security, maintain the value of the assets, mitigate risk, ensure loan repayments, provide a return and have an exit strategy in place for each asset. The Plan details how we will ensure that we are able to achieve each of these, and Appendix 6 gives an example of how we will be monitoring performance.
- 1.10 The Housing, Economic Regeneration and Strategic Portfolio is focused on using land and buildings to deliver housing (private and affordable rented), and economic regeneration of Staines-upon-Thames in particular (mixed use developments with potential for community, leisure, office and other uses). These will also generate an on-going income stream and help relieve some of the pressure on Housing Services. The key drivers here are to repurpose and/or develop a number of key sites to deliver a sizeable proportion of the housing need which has been identified in the Local Plan within Staines-upon-Thames (where we have significant strategic landholdings) which the private market is failing to deliver. We also need to ensure that we provide sustainable residential accommodation with a range of tenure options, we secure an appropriate return and have an exit strategy in place.
- 1.11 The third strand covers the Municipal Portfolio which covers just short of 700 assets. They provide a wider community benefit and include our day centres, green spaces, buildings in parks (pavilions and toilet blocks) and grazing land. The key drivers here are to ensure properties are fit for purpose to deliver our services, they are efficient, in a suitable condition (where they are being

retained for the long term) and represent value for money. The AMP proposes that the Council goes through a process of assessing all its assets to determine whether they are needed for the short, medium or long term and to match the planned and responsive maintenance resource accordingly (Fig 20 in AMP). As part of this it will consider whether buildings will meet the changing future needs of our services where we may be looking to alter service delivery (Fig 20 – Asset Review Process). In addition, a specific policy has been developed (which is elsewhere on this agenda) which sets out a ‘balanced scorecard’ approach to assessing opportunities for utilising assets (and in particular buildings) for community use.

- 1.12 Effective governance is critical to the success of any AMP, and is particularly important when the assets function is so core to the running of the Council. The AMP sets out how this will operate with the Property and Investment Committee (PIC) performing the role of sub-committee of Cabinet, the Development and Investment Group (DIG) overseeing matters at a corporate level and the Assets team covering the operational level. These groups will ensure that investment and development decisions are taken in line with the Capital Strategy and the AMP, and monitor performance to ensure that the portfolios are delivering to expectation. Where this does not occur, these groups will ensure that appropriate and proportionate corrective action is taken.

## **2. Options analysis and proposal**

- 2.1 The AMP is one of the main delivery vehicles for the Capital Strategy (which has to be updated and approved annually). It effectively sets out the work plan for the asset management team. It is therefore recommended that this plan is formally approved following the very recent adoption of the Capital Strategy. If we were to decide not to produce or adopt such a plan, then we would not be in a position to clearly set out and define our intentions on how we will be managing our assets or development programme. It is important that we are open and transparent in setting out the future work of the assets team in light of its central importance to the Council.

## **3. Financial implications**

- 3.1 Capital resource requirements to grow and deliver an expanding residential and economic regeneration portfolio will be considered on an annual basis as part and parcel of the budget setting process which will go to Council for approval. From 2021 - 2022 onwards the aim is that the whole of the assets and property team will be 100% self-funded. This will be achieved through a mix of using monies set aside from investments (as part of our triple net return), appropriately capitalising development resources and recharging Knowle Green Estates Ltd for residential management of the portfolio.

## **4. Other considerations**

- 4.1 The AMP covers all the required areas including risk mitigation. Section 5.1 of the Plan covers strategy, policy and risk management around our investment assets and highlights mitigation measures such as annual risk assessment, annual stress tests, ad hoc investment reviews and annual performance reports. Equality and diversity will be considered (as required) when we are looking at how property can facilitate service delivery.



## **5. Timetable for implementation**

- 5.1 If approved, the AMP would come into immediate effect. The Action Plan sets out a timetable for implementing various key actions. There will be regular reviews to ensure progress is maintained.

**Background papers: None**

**Appendices:**

**Appendix 1 – Asset Management Plan 2020 – 2025**

**Appendix 2 – Executive Summary sheet**

**Appendix 3 – Extract from the Emergency Council Meeting 21 May 2020**

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# Asset Management Plan

for Spelthorne Borough Council



***“OUR VISION IS TO MAXIMISE VALUE, MINIMISE COSTS AND ENHANCE REVENUE THROUGH EFFICIENT MANAGEMENT AND EFFECTIVE AND AFFORDABLE MAINTENANCE”***

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**NB: Covid-19**

This document was drafted prior to the national restrictions imposed by the Covid-19 pandemic, however all the principles established within this Asset Management Plan have been applied during the crisis.

# 1.0 INTRODUCTION

## 1.1 Spelthorne

Spelthorne Borough Council covers an area of some six by two and a half miles. It has an estimated population of around 98,500 and a significant employment base.

It is 15 miles from central London and shares its northern border with Heathrow Airport, a major local employer and a significant positive influence on the local economy. Its southern boundary is defined by the River Thames.

The main town in Spelthorne is Staines-upon-Thames. Other urban areas include Ashford, Shepperton, Sunbury Cross, and Stanwell

Staines-upon-Thames serves an area well beyond the Borough, for retail and as a large office and commercial focus. It has direct rail links to Waterloo, Reading, Windsor and Weybridge and is within 10 minutes' drive to the M25 and Terminal 5. It is the nearest significant town to Heathrow Airport.

Sunbury-on-Thames is the second major office location within the Borough, adjacent to Junction 1 of the M3. The nature of Spelthorne's economy reflects its major growth in the 20th century. Between the 1920s and 1960s the Borough's population increased more than 3-fold, mirrored by extensive housing development.

Spelthorne has exceptional communication links, a substantial business base and overall a strong economy. However, it is characterized by a greater representation of unskilled and semi-skilled work than other parts of Surrey, driven by its more industrial heritage and airport associated industries.

## 1.2 Why the Council owns and uses property

Spelthorne Council is the administrative body for the area, providing a wide and varied range of local services to residents and businesses, from community buildings, planning and housing support through licencing, permits and food safety to parks and car parking. A full list of the Council's services is provided at Appendix 1.

To enable the delivery of these services, the Council needs to occupy and provide a range of buildings. Often, the most cost-effective way for this to be done is by owning the premises, as the Council has a long term role in the community.

The Council also needs to generate an income to help pay for its services, to reduce the burden of cost on local people and businesses. To this end, the Council has, since 2016, in response to the need to offset the impact of disappearing central government revenue grant support, embarked on a programme of capital investment in income producing property, to support its revenue budget and maintain and enhance the services it can provide. These investments, all located within the Heathrow functional economic area include:

- The BP campus at Sunbury on Thames
- Elmbrook House, Sunbury on Thames
- An office building at Stockley Park, Uxbridge
- World Business Centre 4 at Heathrow
- An office building at Hammersmith Grove
- And a portfolio of 3 offices at Uxbridge, Slough and Reading

The focus of investment has now shifted towards property that enables residential development, and strategic acquisitions that support local regeneration. These include:

- Long leasehold of the Elmsleigh Centre, Staines-upon-Thames
- Leasehold interest in Communications House, Stains-upon-Thames
- Thameside House, Staines-upon-Thames
- Ceaser Court, Sunbury
- Oast House, Staines-upon-Thames
- Churchill Way, Sunbury
- The Bugle Returns, Halliford
- Harper House, Ashford
- Summit Centre, Sunbury on Thames



Fig 1 Location of commercial assets

These more recent property related activities sit alongside the existing Council asset base, which largely comprises municipal and community property, owned to support the delivery of services. This includes:

- Council offices at Knowle Green
- White House Depot, Ashford
- Car parks
- Public conveniences
- Community centres
- Leisure facilities, such as Spelthorne Leisure Centre
- Community Halls
- Parks, recreation grounds and open spaces, such as Fordbridge Park and Laleham Park
- Play areas such as Grove Play area and Moormeade playground
- Allotments
- Memorials, including 7 war memorials in Ashford, Laleham, Littleton, Shepperton, Staines-upon-Thames, Stanwell and Sunbury-on-Thames.
- Cemeteries

The Council also has strategic landholdings associated with its regeneration objectives, and longer-term development opportunities. These include locations such as the Elmsleigh Shopping Centre, and the adjacent Communications House office building in Staines-upon-Thames. With the property portfolio also comes energy usage and climate change related issues which the Council will need to address in its current and future developments.



Staines-upon-Thames Leisure Centre



War Memorial Staines-upon-Thames

### 1.3 Purpose of the Asset Management Plan

The Council's overall property portfolio has a capital value of in excess of £1bn as at 31.3.19. With a substantial investment portfolio, an emerging housing company and a significant municipal asset base with some £75m of operational plant and equipment as at 31.3.19 there is a clear need to ensure that the property Spelthorne owns, uses, develops and has invested in is fit for purpose, managed effectively and represents value for money.

The aim is to minimise long term risk to the Council and its local population and help sustain the local economy, the Council, the delivery of its services and mitigate the longer term impacts of climate change.

This Asset Management Plan sets out the principles for ongoing ownership and management of the Council's property.

The core principle that applies across the entire estate is that:

***“The Council will own the optimum estate to enable the effective delivery of its services and objectives. This will be managed efficiently, effectively and on a basis that represents value for money and ensures future sustainability.”***

*Asset Management Core Principle 1*

The development of an up to date Asset Management Plan, setting out the way in which the Council uses and controls its assets, is key to implementing robust processes and procedures to demonstrate how this principle is being applied.

The aim is to ensure that risks are properly understood and managed, and that plans are in place to protect the Council's asset base whatever function it is performing, and to enable appropriate challenge based on meaningful evidence of performance over time.



## 2.0 CONTEXT AND DRIVERS

### 2.1 National Context, and Government Guidance

Over the last decade, local authorities have suffered a significant reduction in revenue support grant and other government funding. This has led councils to review their areas of greatest cost and value, with a view to improving their overall financial position.

This has included reviewing their property ownership to ensure that any surplus property is identified and disposed of or re-purposed, and investing in income producing property assets to support the delivery of local services and to secure revenue sustainability.

UK Councils have historically held sizeable property holdings and have been free to invest in property for purposes relating to service delivery and statutory functions. They can acquire property both within and outside their administrative areas and can borrow money from the Public Works Loan Board (PWLB), and other sources for purchases at relatively low interest rates.

Where the income from the properties exceeds the loan repayment obligations and other costs of ownership, the authority can keep the difference and spend it on supporting local services.

Borrowing and investment forms part of local government capital finance, so is governed by:

- The Chartered Institute of Public Finance and Accountancy’s (CIPFA) Prudential Code for local authority finance.
- CIPFA’s treasury management guidance for local authority funds, and
- The Ministry of Housing, Communities and Local Government’s (MHCLG) statutory guidance on local authority investments.

CIPFA revised the Prudential Code during 2017; and the then Department for Communities and Local Government (DCLG) launched a consultation on updating its two sets of statutory guidance in November 2017, which came into effect on 1st April 2018.

Revenue Support/Transition Grant

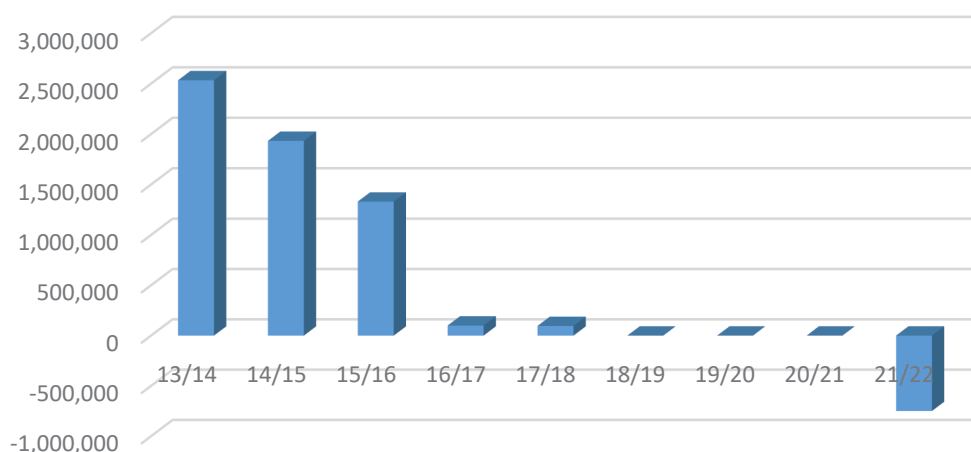


Fig 2: Reduced Government Funding

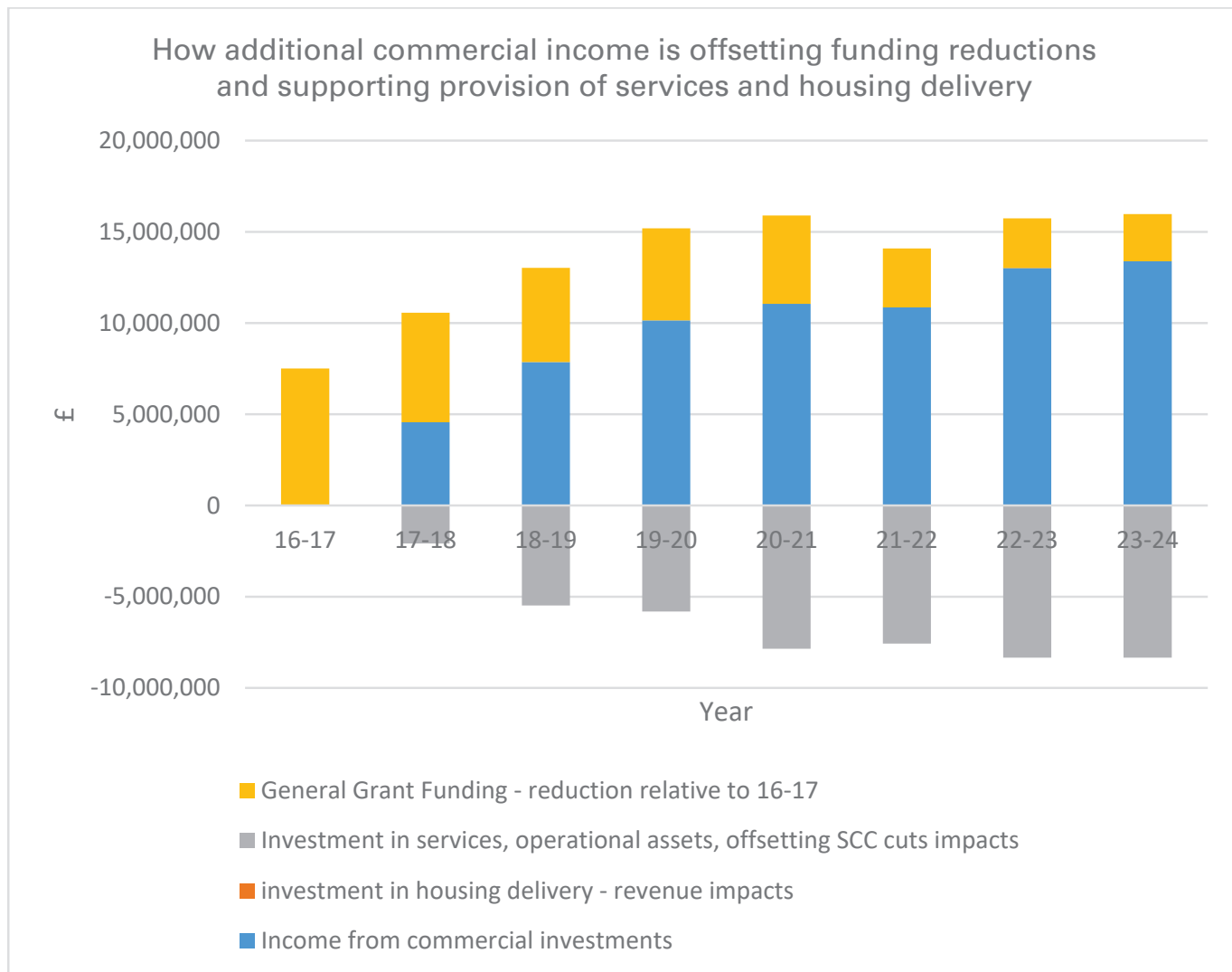


Fig 3: Increase in property income to offset decline in government funding

Until 2018–19 commercial property was not included in the definitions of investments in either the Treasury Management Code or the Governments statutory investment guidance for local authorities. Investment risk was assessed against security, liquidity and yield.

Since new guidance was published in February 2018, investments are defined as

*“all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit: for example, investment property portfolios”*

The revised guidance calls for more robust management of commercial activity and borrowing for investment. Councils must articulate their long term investment plans in their Capital Strategy, looking at risk and reward, appetite for risk, stronger linkages to asset management planning and a strategic long term approach to property. Property investments do not need to be prioritised on the basis of security and liquidity ahead of yield, but can be considered on a portfolio basis, and the local authority can determine the relative importance of these three characteristics.

It is in this context, in parallel with the wider need to ensure that the Council’s property is fit for purpose, represents value for money and addresses future climate change, that this Asset Management Plan has been developed in conjunction with the Council’s current Capital Strategy and the very recently adopted Housing Strategy 2020–2025.

## 2.2 Corporate Plan Priorities

The Corporate Plan 2016 – 2019 (which is currently being updated) ([https://www.spelthorne.gov.uk/media/3622/Spelthorne-Corporate-Plan-2016-2019/pdf/corporate\\_plan.pdf](https://www.spelthorne.gov.uk/media/3622/Spelthorne-Corporate-Plan-2016-2019/pdf/corporate_plan.pdf)) identifies the Council's priorities, aims, values and plans to achieve a sustainable future. In summary these are:



Fig 4: Corporate Plan priorities

Property is core to the delivery of each of these objectives, as follows:

Housing:

- Striving to meet the housing needs of residents, in particular
  - » Using Council owned land to enable delivery of adequate local housing for key workers, and an adequate supply of affordable housing, as well as boosting supply of private rental
  - » Addressing emergency accommodation needs for single people and families
- Direct investment in existing buildings
  - » Converting properties to provide homes
    - Council owned/re-purposed
    - Acquired for the purpose
  - » Developing sites
    - Council owned
    - Acquired for the purpose
  - » Making the best use of existing housing and increase local supply

Economic development:

- Stimulating investment and prosperity
  - » Using existing assets to stimulate the local economy through regeneration and re-purposing

Clean and safe environment:

- Providing well managed, maintained and sufficient leisure facilities
- Providing well managed, maintained and protected green spaces
- Minimising the environmental impact of operational assets

Financial Sustainability:

- Investment in residential and commercial properties to meet needs, address priorities, generate required sustainable revenue streams and create long term value
- Making best use of existing assets – including exploring opportunities for co-location of services
- Managing risk including the risks of impacts caused by climate change
- Reducing costs – more efficient use of space, challenging use where better value may be delivered through change

The Plan recognises the need to manage costs, and to generate income to protect and maintain the delivery of core services. To this end, as part of its drive towards Financial Sustainability, the Council implemented a programme of capital investment in income producing property. This now supports its revenue budget thus maintaining and enhancing the services the council can provide. These investments and the roles they perform are considered in more detail later in the document.

In total, the portfolio currently represents a very significant investment of over £1billion (net balance sheet value as at 31.3.19) which generates a net (after financing costs, and sinking fund contributions) income of over £10million per annum.

In addition to this major investment in income producing assets, the Council has also established a wholly owned local Housing Management Company, Knowle Green Estates Ltd (see Section 7 for more detail).

### 2.3 Capital Strategy

The Council’s Capital Strategy ([https://www.spelthorne.gov.uk/media/20046/Capital-Strategy/pdf/S010801\\_Spelthorne\\_Capital\\_Strategy\\_Full\\_v9\\_\(with\\_links\).pdf](https://www.spelthorne.gov.uk/media/20046/Capital-Strategy/pdf/S010801_Spelthorne_Capital_Strategy_Full_v9_(with_links).pdf)) sets out how the Council will prioritise its capital expenditure, and how the expenditure will enable delivery of corporate priorities for Housing and Economic Development. It identifies 3 key priorities, in line with the Corporate Plan:

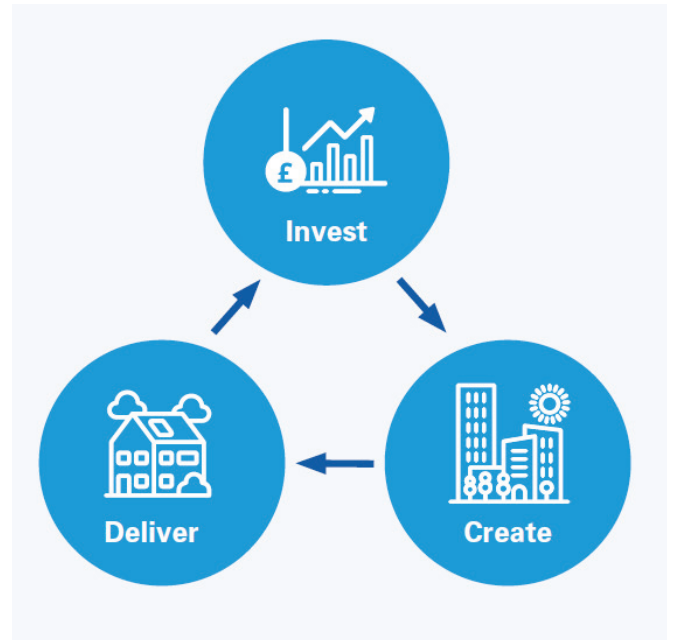


Fig 5: Capital Strategy Priorities

**Investing** in commercial property to derive revenue  
**Creating** new housing and town centre regeneration  
**Delivering** affordable homes and prioritising people on the Housing Register

## 2.4 The Local property market – impact on the Council’s priorities

The commercial property market in Spelthorne is dominated by the influence of Heathrow Airport, within a 10-minute drive time of Staines-on-Thames. Heathrow Airport and related industries represent the largest employers in Spelthorne. Other major employers include BP and Shepperton Studios, as well as the public sector.

Spelthorne benefits from excellent links to the transport network, via the M25, M3 and the M4, and to surrounding boroughs and central London by rail. Any future expansion of Heathrow (no matter what final form it takes) will sustain and attract ongoing local employment opportunities to the area.

### Commercial property

Of particular importance to Spelthorne’s investments is the performance of the local and regional office market. Research<sup>1</sup> indicates that in the last 12 months (Q1 2018 to Q1 2019), prime office rents in the Heathrow area have seen in excess of 10% increase. Take up has also increased in key sectors such as Tech, Media and Telecommunications, and in serviced offices. Both of these sectors are represented in the Council’s Investment Portfolio.

The Thames Valley region as a whole, in particular Reading, Uxbridge, Heathrow and Staines-on-Thames is predicted to experience ongoing office rental growth to 2020 and beyond.

Even setting aside the current uncertainty around the expansion of Heathrow Airport in light of the Court of Appeal decision in February 2020, there are already over 3,000 further hotel bedrooms already planned to meet existing growth in demand. The development of a third runway (if it were to take place in the form that Heathrow consulted on in summer 2019) has been assessed to require some 21,000–23,000 additional hotel bedrooms by 2040, taking into account those expected to be displaced by the works. This represents over 90 new hotels to serve the region, some 40 of which are anticipated to be needed by 2027<sup>2</sup>. If a lesser, or more incremental scheme were to come forwards this would reduce these figures but an increased demand would still exist.

If a third runway were still to happen, it is also anticipated to result in a doubling of the cargo transport passing through Heathrow, which will have a direct impact on the demand for warehouse and logistics related development in the surrounding area. There is already a shortage of warehousing compared to demand, and a restricted supply of land suitable for additional warehouse development. This indicates that demand will accelerate faster than supply, leading to rental growth and strong occupier take up of any new floorspace<sup>3</sup>. If a lesser, or more incremental scheme were to come forwards an increased demand would still exist.

Such growth in local employment will undoubtedly bring additional demand for local housing, which in turn should help to sustain the local retail sector. Retailing in the UK is however experiencing structural change, as a result of a modal shift in shopping away from the high street to on-line and mobile spending. Town centres such as Staines-upon-Thames, and in particular purpose-built shopping centres are experiencing a period of vulnerability, and an increasing number of retailers are contracting their representation to only major destination centres. Whilst additional demand and growth in the local economy will benefit Staines Town Centre, it is unlikely to be immune from the structural changes taking place nationally.

The implications of this for the Council are that to sustain the strength of the local economy positively, it will need to assess how the growth in commercial demand and the resultant impact on local housing need can be accommodated. It will also explore how the town centre can be protected, enhanced and diversified (addressing the need for arts, culture and leisure facilities within towns) to have a positive long term future role for the community. This suggests a pro-active need to review landholdings for suitable development potential, and to identify any opportunities to re-purpose existing land and buildings to meet anticipated demand and future climate change risks. It also highlights the need for town centre regeneration plans to be developed. To this end a masterplan for Staines upon Thames is underway as part of the Local Plan and is expected to be completed Winter 2020/21.

<sup>1</sup> Lambert Smith Hampton 2019

<sup>2</sup> GVA 2018/9

<sup>3</sup> Jones Lang Lassalle

**The Housing Market**

Looking firstly at houses for sale, the housing market in Spelthorne indicates average house prices for February 2018 – February 2019<sup>4</sup> as follows:

Property Type Feb 18–Feb 19	Average value		Average value per m <sup>2</sup>	
	Spelthorne	Surrey	Spelthorne	Surrey
Detached	£698,828	£908,842	£4,510	£5,167
Semi detached	£429,539	£498,406	£4,424	£5,231
Terraced	£366,866	£436,196	£4,392	£5,694
Flats	£271,803	£320,075	£4,672	£5,630
	Spelthorne	% of Surrey	Spelthorne	% of Surrey
Detached	100%	77%	100%	87%
Semi detached	100%	86%	100%	85%
Terraced	100%	84%	100%	77%
Flats	100%	85%	100%	83%

Fig 6: Comparative average values

This demonstrates that house prices in Spelthorne are lower than the averages for the rest of Surrey by in the order of 17%. This makes Spelthorne a relatively attractive place to live in terms of regional affordability

to new residents who cannot afford the more expensive surrounding areas. That said, this does not mean that prices are affordable for local people looking to purchase a property.

Average house price to income ratio		Comparison with adjacent boroughs					
Year	Spelthorne	Runnymede	Hillingdon	Hounslow	Richmond	Elmbridge	England
2015	8.8	9.2	10.4	10.1	17.3	14.8	7.5
2016	10.9	10.5	11.8	10.8	18.2	15.3	7.7
2017	11.1	10.9	12.3	11.1	19.9	16.4	7.9
% increase in 3 years	26%	18%	18%	10%	15%	11%	5%

Fig 7: Comparative average house price to income ratio

<sup>4</sup> Zoopla

This shows that the affordability of homes in Spelthorne has worsened more rapidly than in any of the surrounding boroughs over the last three years, and that the affordability ratio now exceeds that of Runnymede and equals that of Hounslow. It is considerably higher than the average for England as a whole.

For many of local workers, in particular those associated with the relatively lower paid work associated with the operation of the airport, associated logistics and the wider supply chain, this will render the purchase of a home unattainable. The lack of affordable houses to buy will in turn put additional pressure and demand on the stock of housing to rent.

In terms of the rental market, the growth in rental values over the last 5 years<sup>5</sup> has been analysed for Spelthorne in comparison with adjacent boroughs. This is set out in full at Appendix 2.

These statistics demonstrate that single rooms, studios, 1 and 2 bed rental properties (those in most demand) have seen a 15% to 22% increase over the last 5 years, during a period when average UK annual wage growth stood at only 3.2%, representing only a cumulative increase of 13.4% in total over a 5 year period. Many areas of work, particularly those in the public sector, have seen no pay increases during this period due to ongoing national austerity policies.

The analysis also demonstrates that rental costs of 1 bed properties have increased faster in Spelthorne than in all surrounding areas other than Hillingdon. For 2 bed properties the increase is equalled only by Runnymede at 20%, with most other areas showing an increase of less than 10%.

In relation to average earnings, 1 bed properties are less affordable in Spelthorne than in Runnymede and Elmbridge, and 2 beds are less affordable in both these locations and in Hounslow.

In terms of availability, at the time of publishing, there were some 19 × 1 bed flats and some 39 × 2 bed flats

on the market in the whole of Staines-upon-Thames. Demand for 1 and 2 beds in this location is high. The lowest asking rent for a 1 bed flat was £800 per calendar month, ranging up to £1,295 per calendar month, plus bills. With an average weekly wage of some £600, this suggests that lower paid workers will be earning considerably less than this figure and are likely to fail to meet minimum earnings levels set by private landlords and letting agents, and will be unable to afford anything other than some form of shared accommodation, if it is available.

The asking prices for a 2 bed flat started at £1,050 and range up to £1,525 per calendar month plus bills. With such a limited market, the evidence indicates that local workers are at risk of being priced out of the area.

This reinforces the need for action to be taken to provide both affordable and market housing in Spelthorne to cater for local need, and for local workers. This supports the level of priority given in both the Corporate Plan and the Capital Strategy to the delivery of housing. This underpins the Council's action in establishing Knowle Green Estates (see Section 7.0 for more detail), and in assessing its own portfolio and acquisition opportunities for the delivery of housing development.

Overall, the local property market is something of an anomaly within the surrounding area, reflecting the mix of employment opportunities offered by the strong local economy, but also the somewhat historic area of lower value that existed in Spelthorne. The evidence demonstrates that this is now being quickly eroded, reflecting the relative lack of affordability of surrounding areas.

For Spelthorne to maintain its ability to support a strongly airport related workforce and to accommodate key workers to support local health, police, fire and rescue and other public sector services, it will have to take an active role in securing an appropriate mix of housing, both through the planning process, and as part of its asset management function.

<sup>5</sup> Office for National Statistics

### 3.0 THE COUNCIL’S PORTFOLIO

The Council’s portfolio is made up of the following:

- Housing Development, Economic Regeneration and Strategic Portfolio:** The land and buildings owned by the Council to enable housing and economic development, and involvement in/control over strategic uses in Spelthorne (Such as the Elmsleigh Centre), to enable regeneration and to provide opportunities for development to meet the Council’s key priorities. This is considered in detail in Section 4.0
- The Investment Portfolio:** the land and buildings owned by the Council for reasons other than the delivery of services. In particular this includes properties held to generate an income, to support economic development, and to provide local housing. This is considered in detail in Section 5.0
- The Municipal Portfolio:** the land and buildings owned and/or occupied by the Council and/or its direct agents or service delivery partners for the purposes of providing services to the residents and businesses of Spelthorne. This is considered in detail in Section 6.0

The role and aspirations for Knowle Green Estates Limited are set out at section 7.0 and Governance is covered in Section 8.0.

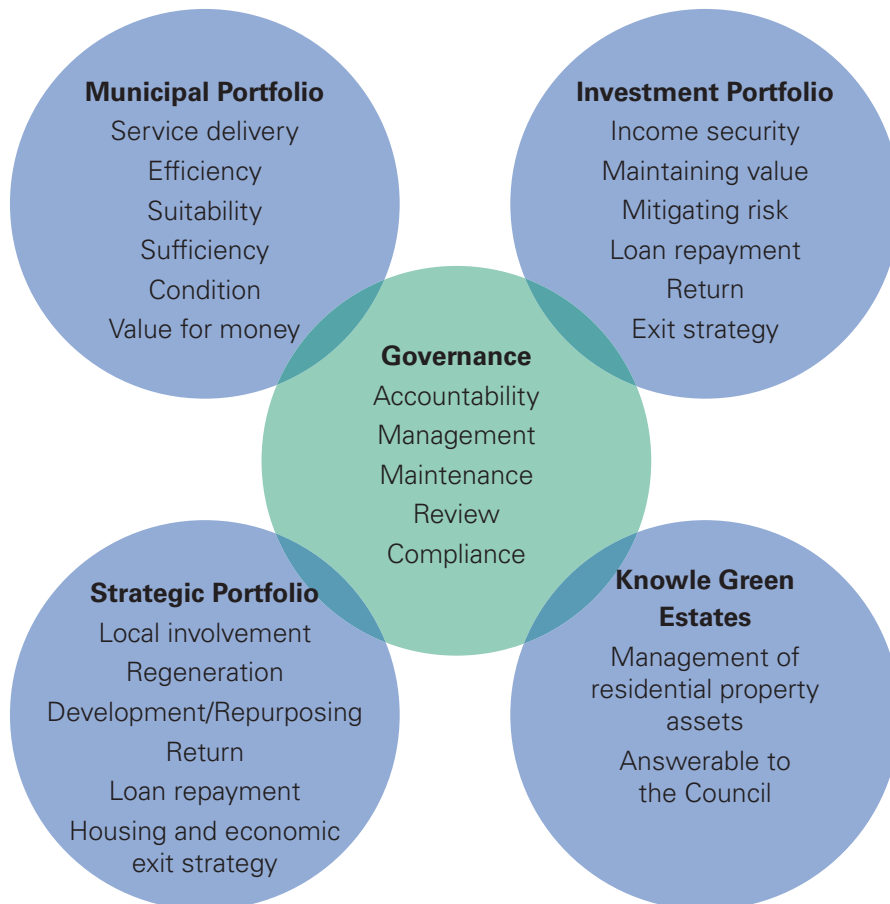


Fig 8: Portfolios, structure and governance



The Council’s overall estate comprises some 678 property assets, broadly made up as follows by number of assets:

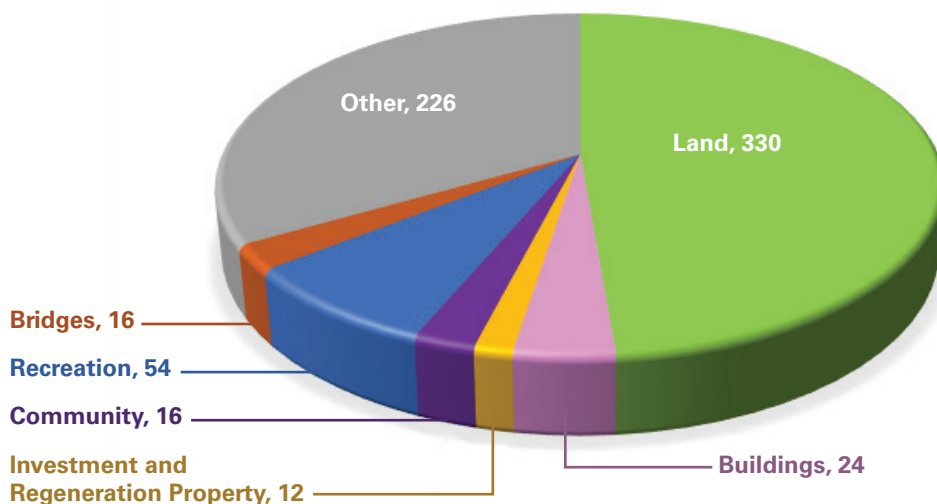


Fig 9: Assets by number

A summary breakdown of assets is included in Appendix 3. In terms of relative value, the picture is as follows:

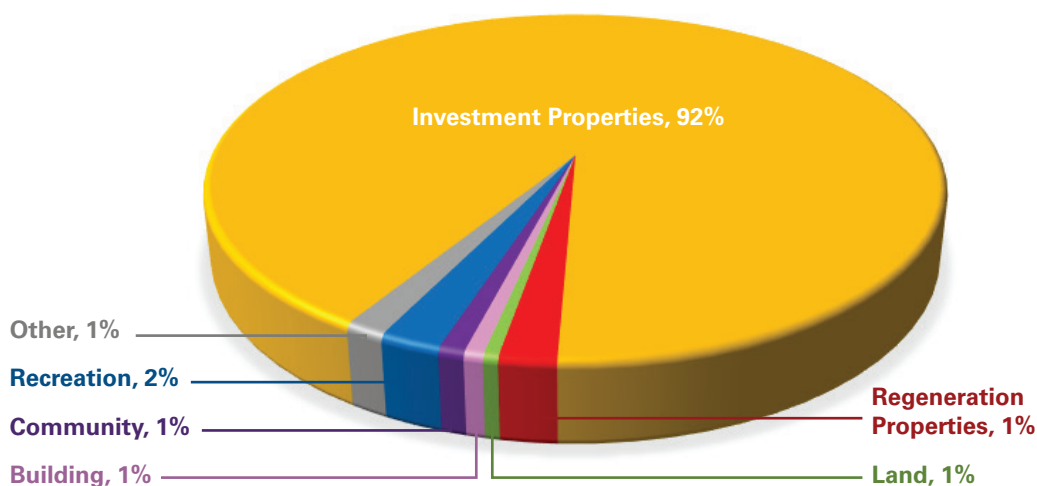


Fig 10: Assets by value

This clearly demonstrates the importance of managing risk in the investment portfolio, which forms such a significant proportion of the value of the Council’s overall asset base.

In comparison, whilst land represents the bulk of assets by number, its value is relatively low. This suggests that the best use of resources in respect of the Council’s landholdings is to review the potential for intensification of use or re-purposing to generate additional value and benefit.

## 4.0 HOUSING DEVELOPMENT, ECONOMIC REGENERATION & STRATEGIC PORTFOLIO

One of the Council’s key corporate objectives is the delivery of housing for its residents. The Council holds and acquires significant assets that enable housing and economic development and confer a strategic benefit, or provide the Council with direct involvement in or control of significant regeneration activities within its administrative area.

***“The strategic objectives for the Housing Development, Economic Regeneration and Strategic Portfolio are that it:***

- ***Enables the delivery of housing or regeneration in accordance with the Council’s key corporate objectives***
- ***Represents value for money***
- ***Does not put the Council in a position of reputational or unquantifiable financial risk.”***

*Asset Management Core Principle 2*

### 4.1 Direct development

Spelthorne’s stated priority to meet local housing needs is driven by:

- The number of households in emergency or temporary accommodation
- The size of the housing register
- Lack of housing stock
- Lack of single person hostel accommodation
- Limited private rental accommodation
- Very limited affordable accommodation
- Pressure of people relocating from central London
- The need for supporting social infrastructure

The private property market is failing to address these needs. The Council has therefore embarked on a programme of direct involvement in the development of accommodation to meet this, and other, local demand to support local people. Primarily, the focus for development is to provide sustainable residential accommodation to meet a range of tenure options.

The Council is well placed to do this, as it can borrow at a more advantageous rate than private developers, and simply needs to cover all the costs of acquisition, construction and management rather than generating a return to shareholders or profit at a level that satisfies third party funding requirements. It is therefore more viable for the Council to deliver suitable residential rental development itself than to rely on market activity. The Council is aiming to deliver at least 20% of the Council’s 5-year housing target of 3,131<sup>6</sup> units in this way.

<sup>6</sup> Draft Statement of Five Year Housing Supply Deliverable Housing Sites as at 1 April 2019

To this end, the Council has assessed and identified development potential in its own landholdings, which is ongoing over time, and has identified and acquired property in the borough that has development potential. The housing delivery programme to date includes:

<b>SPELTHORNE HOUSING DEVELOPMENT PROJECTS AND PROPOSALS</b>		
<b>Location</b>	<b>Type of dwellings</b>	<b>No. of dwellings</b>
Land at Churchill Way (delivered)	Houses	3
Bugle House, Shepperton (delivered)	Flats	8
Ceaser Court (phase I under construction)	Flats - phase 1	55
	Flats - phase 2	36
Harper House (under construction)	Flats	20
White House site (demolition complete and Hostel under construction)	Hostel	31
	Flats	28
Knowle Green Offices West Wing (under construction)	Flats	25
Ashford Multi Storey Car Park	Flats	50
Victory Place (Ashford Hospital car park site)	Flats	127
Thameside House	Flats	140
Oast House	Flats	Minimum 180
<b>Total</b>		<b>703</b>

Fig 11: Spelthorne Housing development projects and proposals as at March 2020

This represents some 22.7% of the Council's identified five-year housing need.

The Council is also actively progressing opportunities to meet wider commercial demand, to provide development such as industrial/warehousing units to meet the Heathrow supply chain demand and encourage local jobs; to address business needs and encourage visitor-based economy.

The Council will continue to seek opportunities for both re-use of existing assets and acquisitions of additional property/land that has potential for development/regeneration to meet its housing and economic development objectives. The criteria for acquisition include:

- Location within the Borough boundary
- Contribution to the Council's objectives
- Value for money
- Affordability
- Risk – planning, financial, physical, reputational, impact of climate change

The Council will also consider acquiring schemes built by developers where we can use it to provide S106 affordable housing, for example Block E within the Berkeley Homes development, London Road, Staines-upon-Thames.

## 4.2 Strategic intervention and regeneration

The strategic/regeneration assets currently held include the following:

- Communications House (on lease expiry) – Office building due for redevelopment to provide further residential accommodation
- Hanover House and Bridge Street Car Park – forming part of the proposed Waterfront Regeneration Area to provide a mixed use development (which will be delivered for the Council via a third party)
- Elmsleigh Shopping centre (part of Elmsleigh regeneration potential)
- Elmsleigh Centre Multi-Storey Car Park
- Spelthorne Museum (part of Elmsleigh Regeneration Potential)
- Staines Library (part of Elmsleigh Regeneration Potential, in partnership with Surrey County Council as occupier)
- Nos 1–6 Friends Walk (Forming part of a proposed regeneration area associated with the Elmsleigh Centre)
- 105, 119–121, and 121a High Street – held for strategic purposes and future involvement in town centre regeneration

This identifies only the commitments current as at the date of this document (March 2020). There is an ongoing programme of appropriate acquisition for development and regeneration being progressed to provide both further housing in the Borough, and to meet wider economic and regeneration aspirations.

The Council's involvement in and control of these properties ensures an active role in the regeneration of Staines-upon-Thames Town Centre, and importantly the Elmsleigh Centre, which remains critical to the retail offer in the town. Having a significant and direct stake in the town centre provides the Council with a seat at the decision-making table where regeneration proposals are concerned, rather than a purely reactive role as local planning authority. With structural changes arising in town centres across the UK in response to the modal shift from bricks and mortar retailing to on-line and mobile shopping, it is increasingly recognised that local authorities will need to play a leading role in determining how long-term sustainability (economic, social and environmental) can be maintained. This is anticipated to remain a key focus for regeneration for Spelthorne for the life of this plan.



*Elmsleigh Shopping Centre, Staines-upon-Thames*

The Council is also planning to develop a new Leisure Centre to provide sports pitches, swimming, sports hall, health and fitness suite, multi activity studio space, soft play, clip and climb and supporting reception, retail and café facilities and associated parking whilst ensuring its sustainability in meeting carbon targets.

## 5.0 THE INVESTMENT PORTFOLIO

Another of the Council’s key corporate objectives is to secure long-term financial sustainability. A key aspect of this aspiration is the generation of a sustainable revenue stream to underpin the delivery of the Council’s services and offset the upfront costs of the housing delivery programme.

This is reflected in the key priority set out in the Capital Strategy for investing in commercial property to derive revenue.

To date, the Council has acquired a range of commercial properties for primarily income generating purposes as follows:

- The BP campus at Sunbury on Thames
- Elmbrook House, Sunbury on Thames
- Summit Centre, Sunbury on Thames (investment for future regeneration)
- 3 Roundwood Avenue, Stockley Park, Uxbridge
- World Business Centre 4 at Heathrow
- An office building at Hammersmith Grove
- A portfolio of 3 offices at Uxbridge, Slough and Reading (Charter Building, Porter Building, Thames Tower)

In total the portfolio represents a very significant investment of over £1billion which generates a net income of over £10million per annum.

The value is apportioned across this portfolio as follows:

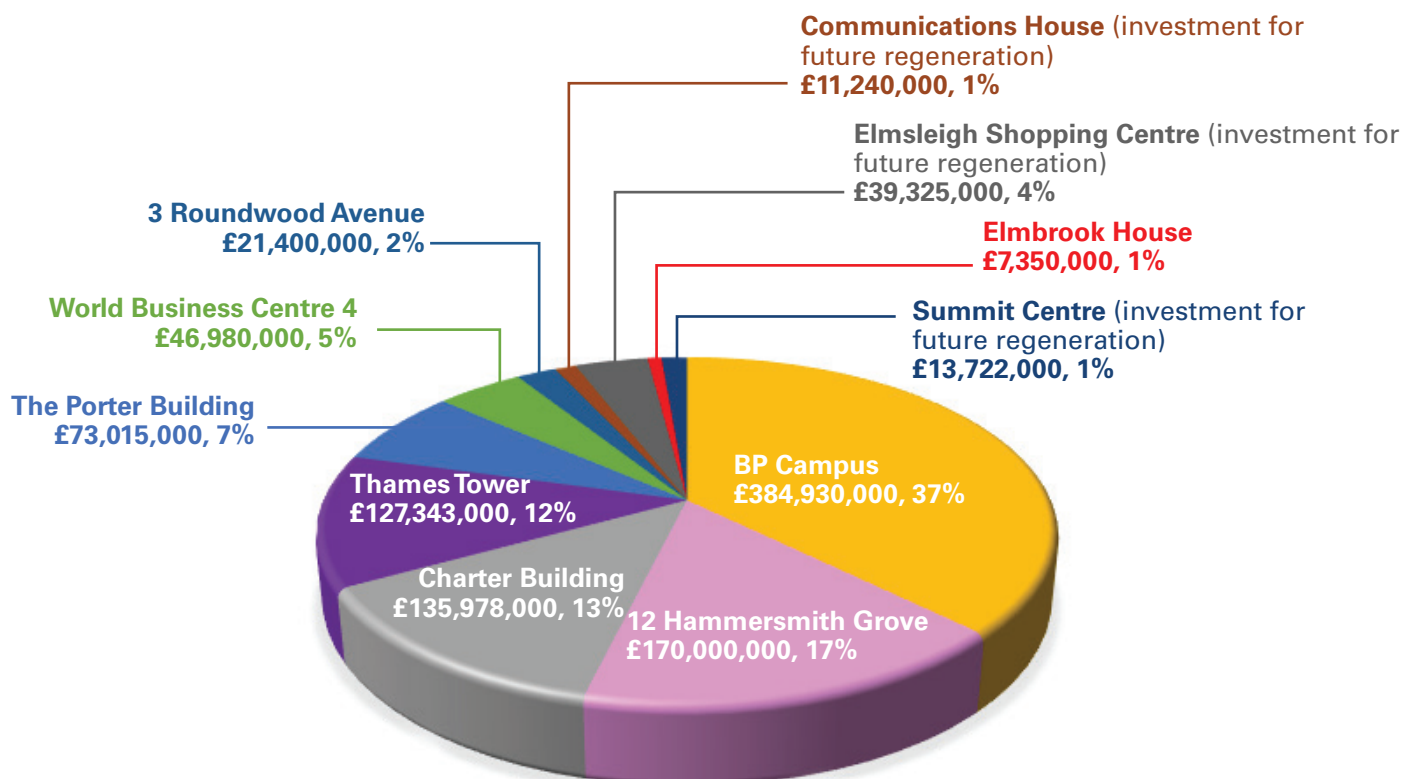


Fig 12: Investment properties by asset value

Collectively, these properties comprise the Council’s investment portfolio.

Annually these contribute approximately £10m net to the Council’s revenue budget, enabling the Council to continue to deliver services that would otherwise have to be cut, including for example such valued services as Meals on Wheels or community centres.

***“The strategic objectives for the investment portfolio are that it:***

- Provides a net revenue return to the Council after all costs and risks are accounted for***
- Maintains its long-term value***
- Contributes to the Council’s wider objectives and the economic and social wellbeing of Spelthorne residents***
- Does not put the Council in a position of unquantified risk”***

Asset Management Core Principle 3



World Business Centre, Heathrow

## 5.1 Strategy, Policy and Risk Management

The Council recognises the significance of the amount of money that has been invested in commercial property to date, and the positive impact that this is having on the Council’s overall revenue. It is also acutely aware of the need to ensure that the Council is not put at unquantifiable risk, and that the risks inherent to property investment are professionally managed, both at the acquisition stage and during the ongoing ownership of the asset.

The Council’s strategy going forward is to continue to acquire property that will generate an ongoing net income. This builds on the investments made to date but will concentrate specifically on in-borough investment that supports the local economy, and provides regenerative, environmental and social as well as financial benefits. This is articulated in the Council’s Capital Strategy.

All transactions are subject to meeting the Council’s Investment Parameters and to detailed risk assessment, due diligence and comprehensive professional scrutiny before they are recommended for action.

The parameters for investment set out at appendix 2 of the approved Capital Strategy and are summarised as follows:

<b>SPELTHORNE BOROUGH COUNCIL: STRATEGIC PROPERTY INVESTMENT CRITERIA</b>	
For all types of investment, the Council will pay due attention to prevailing laws, statutory regulations and Chartered Institute of Public Finance and Accountancy guidance and best practice recommendations. The Council will keep under review compliance with changing guidance.	
<b>Investments for Revenue Generation <sup>7</sup></b>	<b>Reasoning</b>
The Council will always undertake due diligence	To ensure that the Council understands the risks associated with a particular proposed acquisition and how those risks are mitigated. Preference is given to investing within the borough, or in an adjoining area that is economically important to Spelthorne (e.g. Heathrow and immediately south of Staines Bridge). Properties outside this area should represent a lower risk and higher return. Local investment ensures that the Council is best placed to know all the facts surrounding the property, its history, potential developments in the area etc. and, as the planning authority, the borough can optimize the benefits that provides. Any loss-mitigating exit strategy will benefit the residents of Spelthorne or be mitigated by higher returns.
The Council has a clear view of the asset security curve	To consider the anticipated return on investment and risk profile over time, so that performance can be measured against it
The Council has a clear exit strategy, fully costed at various critical points in the life of the investment (e.g. lease break points)	To have a fully costed plan for repayment of capital debt related to an investment, and maximising the benefit of the asset at the point that its return fails to meet required performance level
The Council does not make assumptions as to likely tenant activity (it does not attempt to second guess what a tenant may do in the future). It relies solely on the contractual obligations and plans for the worst-case scenario	To minimise risk and avoid optimism bias and to assess the impact on the Council over time of worst case risk materialising.
The Council does not make speculative investments for revenue generation purposes. Investment properties should ordinarily be complete, free from any ongoing redevelopment work and occupied by creditworthy tenants with a minimum of 10 years' lease remaining.	To avoid development risk, reduce void risk and increase income certainty over time
Any exposure to the interest rate fluctuations must be mitigated. The Council will ordinarily only borrow at fixed interest rates.	To avoid exposure to external changes in financial risk and return during the life of the investment.
Once completed (funding drawn down and purchase completed), the funding arrangements for investment should require only minimal supervision or intervention, avoiding technically complex, long term refinancing exercises (e.g. bond issues, dependence on future refinancing) or dependence on external professionals or professional, specialist knowledge from councillors or officers (who may have left the Council by the time the decision-making point arrives)	To avoid exposure to external changes in financial risk and return during the life of the investment, to minimise use of resources, and to avoid key person risk.
The Council does not invest in incomplete builds, conversions, etc unless a water tight pre-completion occupier lease is in place.	To avoid development risk, reduce void risk and increase income certainty over time
Borrowing to finance investment will only take place on a long term fixed interest rate basis	To enable better financial planning and risk projection over time
The Council will not normally invest in retail units	To mitigate the risks associated with structural changes taking place in the retail market.
The Council will not engage with sellers or tenants who may present a significant reputational risk	To avoid negative impact on the Council's local standing or reputation.
The credit rating of all incumbent tenants will be understood, recorded at the time and must be sufficiently strong for the level of investment. The Council aims for primarily "Blue Chip" covenants.	To reduce income security risk
The Council does not engage in high-risk/high-reward investments.	To protect the Council's financial position, and to demonstrate prudence in the investment of public money.
The Council does not invest in properties that have a material flood risk (1/100 years or more frequent) unless robust flood mitigation has been designed in.	To reduce physical risk to the asset, and impact on occupiers and market demand over time

<sup>7</sup> The generation of income to underpin the Council's financial security

<b>Social Investments <sup>8</sup></b>	<b>Reasoning</b>
Some element of speculation may be inevitable and acceptable (e.g. building affordable housing when the housing market is subject to market pressures)	To address challenging market conditions for the benefit of Spelthorne residents.
The Council does not ordinarily invest outside the borough. Consideration will be given for investments nearby where the Council can ensure that Spelthorne residents benefit.	Social investments are designed to benefit the residents/ taxpayers of Spelthorne.
Any exposure the interest rate fluctuations must be mitigated. The Council will ordinarily only borrow at fixed interest rates.	To avoid exposure to external changes in financial risk and return during the life of the investment.
Once completed (funding drawn down and purchase completed), the funding arrangements for investment should require only minimal supervision or intervention, avoiding technically complex, long term refinancing exercises (e.g. bond issues, dependence on future refinancing) or dependence on external professionals or professional, specialist knowledge from councillors or officers (who may have left the Council by the time the decision-making point arrives). One exception to this is the ongoing operational management of rented/leased (social or affordable) accommodation and emergency housing. Where practical, these ongoing responsibilities may be transferred to Knowle Green Estates Ltd (where KGE receives services from SBC these are recharged on an appropriate and transparent basis).	To avoid exposure to external changes in financial risk and return during the life of the investment, to minimise use of resources, and to avoid key person risk.
The Council will not engage with sellers or tenants who may present a significant unmitigated reputational risk	To avoid negative impact on the Council's local standing or reputation.
The Council does not invest in properties that have a material flood risk (1/100 years or more frequent) unless robust flood mitigation has been designed in.	To reduce physical risk to the asset, and impact on occupiers and market demand over time
Social investments are not an alternative to proper funding and provision by the County Council of infrastructure and services that the County Council is required to provide. Spelthorne does not intend these social investments by the Borough Council to alleviate the financial and social responsibilities borne by the County Council.	To remain within Vires and to ensure value for money to Spelthorne residents.
In all cases the Council will structure investments to give the maximum control, financial and social benefit to itself and Spelthorne residents and priority will be given to retaining ownership and receipt of revenue	To maximise long term benefit and value for money for Spelthorne residents and taxpayers.
<b>Strategic Investments to augment Revenue Generation or Social Investments (e.g. acquisitions to secure "marriage value")</b>	<b>Reasoning</b>
Investment criteria and funding to be in accordance with the relevant purpose and criteria as set out in the categories above.	To ensure consistency of application of the criteria to all investment decisions

<sup>8</sup> Investments aimed primarily at benefitting the residents and taxpayers of Spelthorne, rather than generating an income



## 5.2 Risk assessment

All investments, including those acquired to date and those to be considered in the future are the subject of rigorous due diligence ahead of any commitment to purchase, supported by advice from globally renowned advisers Cushman and Wakefield and Deloitte. The full process for the purchase of an investment asset is set out at Appendix 4. As part of this process risk is assessed at every stage, and then monitored as part of the ongoing management of the portfolio.

Risk assessment includes the following:

<p><b>Physical risk</b></p> <ul style="list-style-type: none"> <li>• Environmental and contamination</li> <li>• Flood including future exposure due to climate change</li> <li>• Highways and access</li> <li>• Condition of Building               <ul style="list-style-type: none"> <li>» Structure</li> <li>» M&amp;E</li> </ul> </li> <li>• Location, Neighbouring properties and any potential or known impact</li> <li>• Site security</li> </ul>	<p><b>Financial risk</b></p> <ul style="list-style-type: none"> <li>• Use</li> <li>• User and covenant strength</li> <li>• Rent and break opportunities</li> <li>• Value of building</li> <li>• Return on investment</li> <li>• Cash flow</li> <li>• Base case/worst-case scenario testing</li> <li>• Margin after liabilities are covered/ annual revenue surplus</li> <li>• Capital expenditure need</li> <li>• Borrowing terms</li> <li>• Development potential</li> <li>• Exit strategy</li> <li>• Stress testing against potential voids</li> <li>• Annual investment review provided by external property investment experts</li> <li>• External market factors and trends</li> </ul>
<p><b>Legal risk</b></p> <ul style="list-style-type: none"> <li>• Searches</li> <li>• Title – assessment of any restrictions</li> <li>• Planning constraints</li> <li>• Lease details and provisions               <ul style="list-style-type: none"> <li>» Insurance liability</li> <li>» Repairing liability</li> <li>» Review provisions</li> <li>» Break clauses</li> </ul> </li> <li>• Terms of agreement for purchase</li> <li>• Tax implications and liabilities</li> </ul>	<p><b>Reputational risk</b></p> <ul style="list-style-type: none"> <li>• Identity of occupiers and nature of business</li> <li>• Any adverse history</li> <li>• Any potential for conflict with Council's objectives</li> <li>• Any conflicts of interests or relevant connections</li> <li>• Any other considerations that might impact on the Council or its reputation in any way</li> </ul>

Fig 13 Summary of risk assessment

The aim of the risk assessment is to fully understand the risk profile of investments so that this can be reported to Cabinet Members and considered as part of the decision-making process. Key to this is quantifying the overall financial risk in terms of investment made, value of the asset, return on investment, which is tested over the period for which loan repayments will be made, on a base case and worst-case scenario. Each risk assessment also includes an exit strategy, so that in the event of an unforeseen but significant change in the risk profile of the asset, there is a plan in place to minimise the impact on the Council. All valuations are double checked by two sets of suitably qualified experts to ensure that they are demonstrably robust and defensible.

### 5.3 Risk management, performance measurement and monitoring

Risk assessment is an intrinsic part of the ongoing management of the portfolio. In accordance with Treasury Management Guidance, the Council considers the balance of all its investments on the basis of security, liquidity and yield. It is recognised by central government that the priority for property investments differs from other investments, in that it is inherently lacking in liquidity, as property sales take longer than the disposal of stocks and shares, so are harder to cash in. To address this the Council seeks to model future potential liabilities and build up sinking funds to mitigate. Of more importance in considering property transactions are security, particularly of income, and yield.

The security of income is assessed through the due diligence process, and through assessing the financial strength of the occupier and the term for which they are committed to paying rent. The yield is a product of the income as a return on investment over time. This is considered by assessing the property market for the asset type and location and considering the condition and quality of the accommodation.

#### *Compared to other forms of investment, property has specific risks, including:*

- Low liquidity and flexibility
- Greater exposure to economic, cultural and technological changes
- Over/undersupply in local markets
- Physical/structural issues
- Void periods with ongoing costs and no income

#### *The advantages of property as an asset class are:*

- A reversionary interest – ownership of a tangible land/building asset at the end of the income period
- Lease arrangements which provide a binding legal contract and improve security of income
- The opportunity to negotiate more favourable terms in response to improvements in the market
- Returns on average above bank/PWLB interest rates

Fig 14: Characteristics of property as an investment

The property market also informs the liquidity of the asset, albeit incomparable to other forms of asset, as the sale of an investment property will be easier and quicker to secure in a stronger market for that asset type and will similarly be more straightforward for a high-quality asset with tenants of good covenant.

In managing the risk to the Council, it is important to assess both the individual performance of each asset, and that of the portfolio as a whole. The process for assessing and managing the ongoing risks to the investment portfolio involves the following:

An annual investment review carried out by a retained third party property investment advisor will involve the following:

1. Annual risk assessment
  - a. Income risk
  - b. Covenant risk
  - c. Occupier industry risk
2. Annual stress test – assessing the extent to which rent can be reduced across the portfolio and for each individual investment before a negative revenue position is reached
3. Ad-hoc investment reviews where specific external factors have a direct influence on risk (as advised by retained adviser)
4. Annual performance report to the Property Investment Committee
5. Review of the provision and maintenance of a robust sinking fund

*Fig 15: Summary of Investment risk assessment process*

This enables risk to be quantified, which is key to ensuring that the Council is aware of its liabilities over time. The elements that can be considered from a quantitative point of view are as follows:

- Asset Value compared to outstanding debt – a risk that is likely to diminish over time
- Revenue liability for loan repayment, management costs and sinking fund as a percentage of total income – for the portfolio as a whole, or for each asset
- Percentage of income that is at risk of becoming void within the next 5 years
- The percentage by which income would have to fall to reach a break-even revenue position (stress test)

This also enables targets to be set which can then inform decisions relating to the management of the portfolio.

## 5.4 Industry risk

The analysis of industry risk looks at the industry categories that the occupiers fall into, to see whether this is balanced or skewed towards any particular area. A skew means that the industry which represents a disproportionate percentage of the value of the portfolio will need to be more carefully monitored, and any significant economic issues that might affect that industry explored with the Council’s professional advisers.

The portfolio is currently skewed towards the oil and gas industry through the purchase of the BP headquarters estate, which at the time of writing represents over a third of the total income. This is a significant local employer and an international business, for which significant due diligence was carried out ahead of the purchase and is considered to represent an excellent occupier covenant. This is however an industry sector which will be specifically reported on as part of the annual investment monitoring report. No other industry currently exceeds 20% and only two exceed 10%: The IT/Technology industry, which includes a wide range of different businesses, and the flexible office space market.

The target is to develop the portfolio to a point where the highest percentage industry risk does not exceed the target for the stress test. This will ensure that any significant industry failure, however catastrophic, will not threaten the Council’s ability to meet its financial obligations.

## 5.5 Asset stress test

The asset stress test will consider the amount the rental income in a property could fall before the break-even position is reached both at face value and taking account of sinking fund balances available to offset any potential loss. This can then be compared to the income risk related to the timing of rent reviews, break clauses, ending of rental guarantees etc. If the stress test for a particular asset falls below the assessed income risk for a specific investment or the portfolio, then this would trigger a review.

## 5.6 Portfolio Stress test

A target can also be set for the portfolio stress test to remain at or above a specified percentage of income. It is suggested that this should be in the order of 15%, as a fall in rental income of over 10% will usually indicate some form of structural change either in the sector that the building represents (offices, warehousing, retail etc – as currently being experienced in the retail sector) or an issue with the building, such as a change affecting its location, or a need for investment from the Sinking Fund to maintain its market position.

The Development and Investment Group (DIG) will monitor performance on at least a quarterly basis, and will report on Portfolio performance to the Property and Investment Committee (PIC) at least annually and on an exception basis where anomalies in performance trigger specific action, which could include for example considering sale if the risk profile no longer conforms with the Council's Investment Parameters. More detail on DIG and PIC are set out in Section 8.0 on Governance.

An outline of the Performance Monitoring Report is provided at Appendix 5.

***“A quantified annual investment performance report to the Property Investment Committee provides a summary of the outcome of each element of risk assessment supported by appropriate advice in relation to changes in performance, any areas that require further consideration, and any actions that should be taken to mitigate unacceptable risk.***

***The Property Investment Committee (PIC) can at any time ask to be updated on the overall portfolio risk analysis.***

***Significant changes to the balance of the portfolio are reported as part of the acquisition process for new investments.”***

Asset Management Core Principle 4

## 5.7 Financial prudence

Part of the management of risk is to ensure that the income received from the properties is managed in a financially prudent manner. Whilst the overall investment portfolio aims to support the local economy of Spelthorne and provide the Council with a sustainable income to underpin its revenue budget, this does not mean that all the income received from the investment portfolio can be spent on services and developments.

- The first call on income is the repayment of borrowing used to finance the purchase.
- The second call is the costs of managing the portfolio, including securing the right internal resources and external expertise as required. This will include the risk mitigation measures set out above. If the portfolio is poorly managed, or inadequately analysed, this will increase risk to the Council.
- The third call is the sinking fund. This is a proportion of the income to put aside to maintain the long-term value of the asset and to avoid impact on the Council's revenue budget in the event of future voids and rent-free periods. If the property is allowed to become obsolete in its function, or if there are works of updating required to secure the best quality lettings, then unless the appropriate ongoing investment is made the income will not be sustainable for the long term.

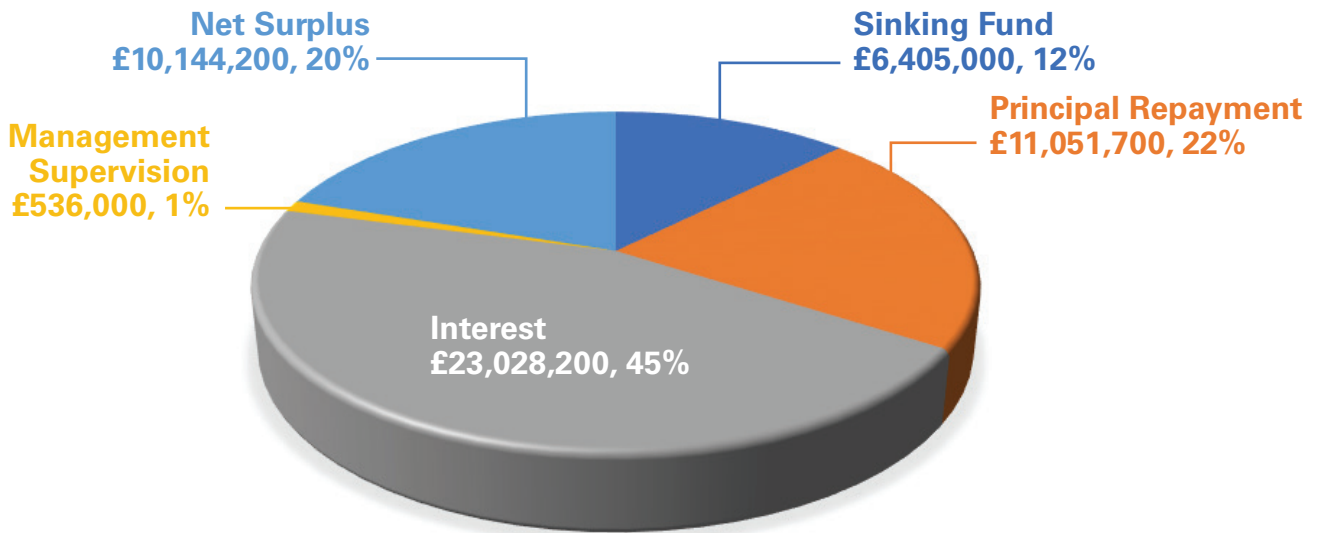


Fig 16: Division of income

To ensure sustainability, a sinking fund has been established into which a percentage of the annual income from each investment asset is saved. This money is ringfenced for use to maintain or enhance the value of the investment portfolio through future capital investment/refurbishment, and to reduce long-term risk (including covering potential future voids/rent free periods).

The sinking fund is invested in accordance with the Council’s Treasury Management requirements

- Only after the above costs have been met will surplus income be available for use as part of the Council’s annual revenue budget. The ability to generate such a surplus will have been considered as part of the assessment prior to purchase. Currently, the net return available for such use represents in the order of 20% of the total income generated. The percentage of total income contributing to the Council’s revenue account is measured by asset and by portfolio, and reported to the PIC as part of the annual performance report.

***“The income from Property Investments will be used according to the following priority:***

- a) Repayment of loan and interest***
- b) Management costs***
- c) Sinking fund***
- d) Surplus net income available for use as part of the Council’s annual revenue budget with particular focus on housing and regeneration in the borough”***

*Asset Management Core Principle 5*

## **5.8 Management, monitoring and Maintenance**

The Investment Portfolio is managed by the Council's Asset Management team.

The principle guiding the maintenance of the Investment Properties is that wherever possible this will be passed to the occupier via a fully maintaining and insuring lease. Any liability in respect of the maintenance of common parts will be addressed through a service charge. The intention is that the costs of maintenance will not fall on the Council, other than where investment is required beyond the legal obligations on the occupier to maintain the value of the asset, or in the event of any non-recoverable default. These costs will then be met from the sinking fund.

Further detail of the specific performance measures and how these will be monitored and reported is set out at Appendix 5.

## 6.0 THE MUNICIPAL PORTFOLIO

### 6.1 Land

The municipal estate comprises some 668 property assets, the biggest category of which (some 330 by number) consist of pieces of land.

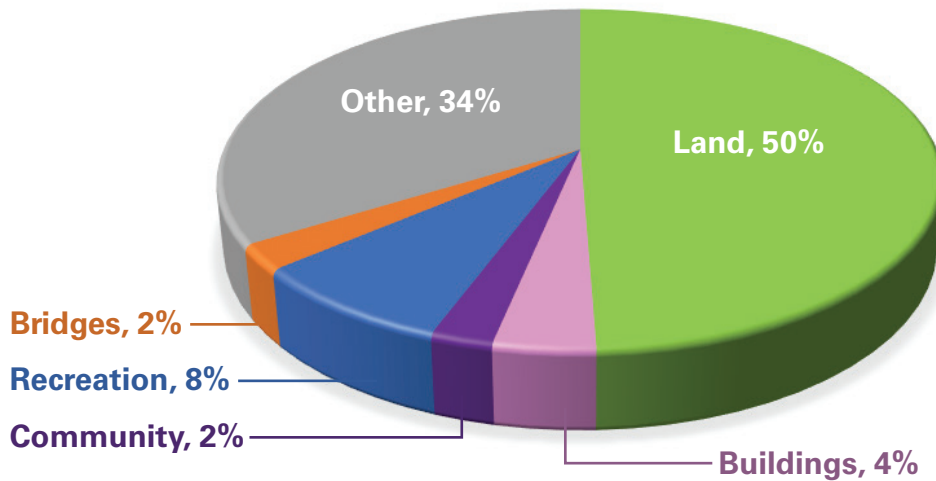


Fig 17: Municipal assets by percentage

These land holdings include public parks and gardens, playgrounds and open space, allotments, garden land, grazing land, areas of access to the river, highways land (where not owned by the County Council) and subsoil under the highway.

Largely, these pieces of land do not generate an income to the Council (with the exception of grazing land), but confer benefits to those who live and work in Spelthorne by providing valuable green spaces contributing to the health and well-being of residents and its environment. Some are of strategic value, such as where they control access to areas of development.

It is essential that the Council’s property holdings are kept under review to ensure that they provide value for money, and that where possible, minor/insignificant landholdings that confer no real benefit are considered for disposal to neighbouring landowners or the community.

More significant areas of land that do not represent value for money or confer real community/sustainability benefit are considered for their ability to contribute to the Council’s regeneration or development objectives. This process of review ensures that the Council is optimising its landholdings.



Lammas recreation ground, Staines-upon-Thames



## 6.2 Buildings and structures

The municipal estate also includes a wide range of buildings, structures and other assets such as memorials, portacabins, shelters, towers etc. Many of these are owned for historic reasons, and are held by the Council to ensure that they are managed for the community, others are used by the Council and its partners for the direct delivery of services.

Those which are held for local governance/community reasons include:

- Bandstand
- Boathouse
- Borehole
- Bridges
- Clock Tower
- Ice house
- Memorial bench
- Public Art
- Pump room
- Pumping Station
- Sub-stations
- Telecommunications Mast
- War Memorials
- Water Feature

Some assets, such as the Boathouse, produce a nominal income but other such as the bridges, War Memorials and pieces of public art are held for either practical or historic/community related reasons. If the Council did not care for and manage these properties, then arguably the wider benefit they confer would be lost or at risk.

Municipal buildings/assets in use include:

- The Council’s offices at Knowle Green
- Bowling Greens
- Leisure centres
- Cemetery
- Car parks
- The Riverside Arts Centre
- Nursery
- Buildings used by Voluntary Organisations
- Staines Bus Station and Shelter
- Depot
- Pavilions in parks
- Community Halls and Day Centres

The vast majority of the Council’s buildings and structures (97%) are owned outright by the Council as freehold interests. Some of these are leased out by the Council to third parties, often for the delivery of Council related services. The remainder of the Council’s portfolio is occupied on a leasehold basis, some of which is then sublet to third parties.



*The Walled Garden, Sunbury*

Some of these properties are income producing, and others are owned or held to enable a service to be effectively delivered.

It is important to ensure that the municipal buildings effectively do what they are required to do and represent value for money. They therefore require review to assess whether they are:

**Suitable** for the use they are performing, i.e. in the right place, with the right configuration for the use suitably accessible to the public, and of a quality that reflects the service they provide and how those services may be delivered in the future;

**Sufficient** i.e. of a suitable size – if they are too small, this can impact negatively on the function they perform, if they are too big, they are likely to represent a disproportionate cost, and offer poor value for money; and

**In appropriate condition** – buildings must be compliant with all regulatory requirements, and properly maintained to meet the needs of those who work in them and who visit them, reflecting their potential future life and ensure where feasible they are made as carbon neutral as practically feasible.

**Represent value for money** – are cost effective compared to other options for service delivery, and in comparison to other buildings.



Spelthorne Council Offices, Knowle Green

If buildings are not suitable, sufficient or in appropriate condition, or no longer serve a useful purpose for the Council and the community, then plans are put in place to either invest in them, to address their shortfalls, replace them with something more suitable, or re-purpose those which are no longer needed or no longer fulfil their original role. If they cannot be re-purposed, then they are advertised to ascertain if there is a community organisation that could lease the building and provide additional benefit to the residents of the borough. Failing that they are considered for disposal, to save revenue costs and generate a capital receipt that can be used to deliver the Council's priorities.

***“The Council’s Strategic Objectives for its Municipal Estate are that it:***

- ***Positively Contributes to the delivery of the Council’s Priorities and services***
- ***Is suitable, sufficient and of appropriate quality and condition***
- ***Represents Value for Money***
- ***Enhances the Council’s reputation***
- ***Meets future carbon neutral targets”***

Asset Management Core Principle 6

Spelthorne Borough Council is part of the Surrey Homes and Properties Enterprise partnership (SHAPE) which is designed to explore and deliver opportunities to use land & buildings collaboratively. The programme has a strong governance comprising a mix of County Councillors, Council Leaders and CEOs.

The aim of SHAPE is to benefit the wider community and Council's alike. Benefits include:

- Improvement of public services provision to residents, visitors, employees and businesses in the local area.
- Delivery of efficiency savings
- Renewal and rationalisation of the public estate to reduce the amount spent on land & buildings
- Free up much needed land for the development of housing, commercial and employment space
- Identification of opportunities to use combined assets to generate enhanced financial return.
- Support of local economic growth
- Generation of capital income and receipts

SHAPE is directly aligned with and receives funding from the Government's One Public Estate joint initiative between the Cabinet Office, the Ministry of Housing, Communities & Local Government and the Local Government Association. The One Public Estate programme was launched in 2013 to make better use of public-sector sites, free up space for new homes and create jobs. It encourages the emergency services, local councils and government departments to work more closely together by sharing sites and creating public-sector 'hubs' where services are delivered in one place.

Spelthorne is committed to the One Public Estates initiative, and actively considers opportunities for joint working in assessing the potential of its property assets, as set out in the review processes. (See Appendix 6).

The Asset Management Team has overall responsibility for the following:

- Landlord and Tenant matters related to leased in and leased out properties
  - » Rent reviews
  - » Lease renewals
  - » Compliance with lease terms
  - » New leases
- Acquisitions, for local wellbeing, income generation, housing and commercial development
- Disposals
- Development Strategy and housing delivery
- Investment strategy and portfolio review
- Property review
- Compliance with legal and regulatory requirements, e.g. keeping the Asbestos Register, fire compliance, insurance, risk assessment, electrical compliance etc.
- Health and Safety
- Condition surveys
- Maintenance
- Facilities Management related directly to the buildings (Cleaning etc.)
- Valuation – Annual asset valuations, insurance valuations, ad-hoc valuation
- Maintaining the asset register and appropriate property records
- Feeding into the Corporate contract register
- Planning and Development proposals
- Addressing day to day queries and issues relating to Council owned assets
- Meeting future risks and associated with climate change and working towards carbon neutrality in its assets.

Some areas of this work are sub-contracted.

Dealings with the Council's assets are subject to a raft of specialist controls such as the laws of Landlord and Tenant, the Law of Property Act, rights and case law that impacts on how they are governed, and actions that can be taken in the event of disputes or breaches of covenant. Rights can also be created if occupation in Council buildings is allowed without putting in place the correct documentation.

There is therefore a significant risk that unless the Council's municipal property is managed consistently, and through procedures that ensure the technical property matters are fully taken into account, then situations can arise that represent a physical or financial disadvantage to the Council. For this reason, the following principle will be applied to all Council owned property:

***The Council's Asset Management Team has overriding responsibility for all municipal property, and the acquisition, disposal, leasing and licensing of any space required by the Council or third parties for service delivery***

*Asset Management Core Principle 7*

In terms of specific areas of management, the current position is as follows:

## 6.4 Repairs, maintenance, and compliance

These areas of management are currently governed by a Joint Procurement and Management Agreement between Runnymede Borough Council and Spelthorne Borough Council. This agreement governs the procurement of a joint service providing the following:

- Planned Maintenance
- Reactive maintenance
- Servicing contracts for systems and equipment including alarms, lifts, health and safety systems, legionella testing, CCTV, air conditioning, clocks, automatic doors and other technical /electrically operated equipment.
- Condition surveys

The contract also includes the updating and management of property records in relation to the works done, including plans, correspondence assessments and regulatory/statutory information.

The contract has been in place since 2010 and was extended and varied in 2016. The arrangement will be reviewed in 2020 before 'contract' expiry in March 2021 to establish whether this approach continues to provide value for money and an effective service.

The revised contract enables Spelthorne to prioritise the works to be done following completion of stock condition surveys, and to assess affordability. This is essential in planning future maintenance budgets and programmes in the light of property review. Such surveys are undertaken every 5 years, and the next period runs from April 2021.

The partnership approach adopted for the delivery of the repairs, maintenance and compliance service with Runnymede reflects the positive attitude to information sharing and the One Public Estate initiative.

## 6.5 Property review, and emerging Value for Money Maintenance Policy

To meet the stated objectives for its municipal estate, the Council is committed to undertaking a comprehensive review of its entire municipal property estate over the next 3 years. Review has been an ongoing process, as evidenced by decisions such as bringing the Grounds Maintenance works back in house, to reduce the costs of managing the Council's landholdings, and periodic reviews of car parking and charging regimes. In developing this Asset Management Plan it has however been recognised that ongoing financial constraints will require a more rigorous and comprehensive approach to assessing whether the Council's land and building assets are working for the local electorate, and that money is being prioritised wisely.

Review procedures to be implemented in conjunction with service representatives and Root and Branch (efficiency review team) have therefore been revised to enable the Council's occupied municipal properties to be categorised. More detailed processes are set out at Appendix 6, and are initially aimed at buildings, with a separate process for land and items of infrastructure.

The key issues to identify are whether the service is needed for the long term, the suitability of the building/ location for the delivery of the service and whether the property occupied represents or could represent value for money.

The service assessment and suitability will be carried out by the Asset Management team in conjunction with the relevant service representatives and service planning processes, and is to some extent subjective, based on the knowledge of those using the building. The financial analysis is carried out by the Asset Management Team in liaison with Finance, and will be based on data relating to the portfolio to enable a comparison to be made between buildings.

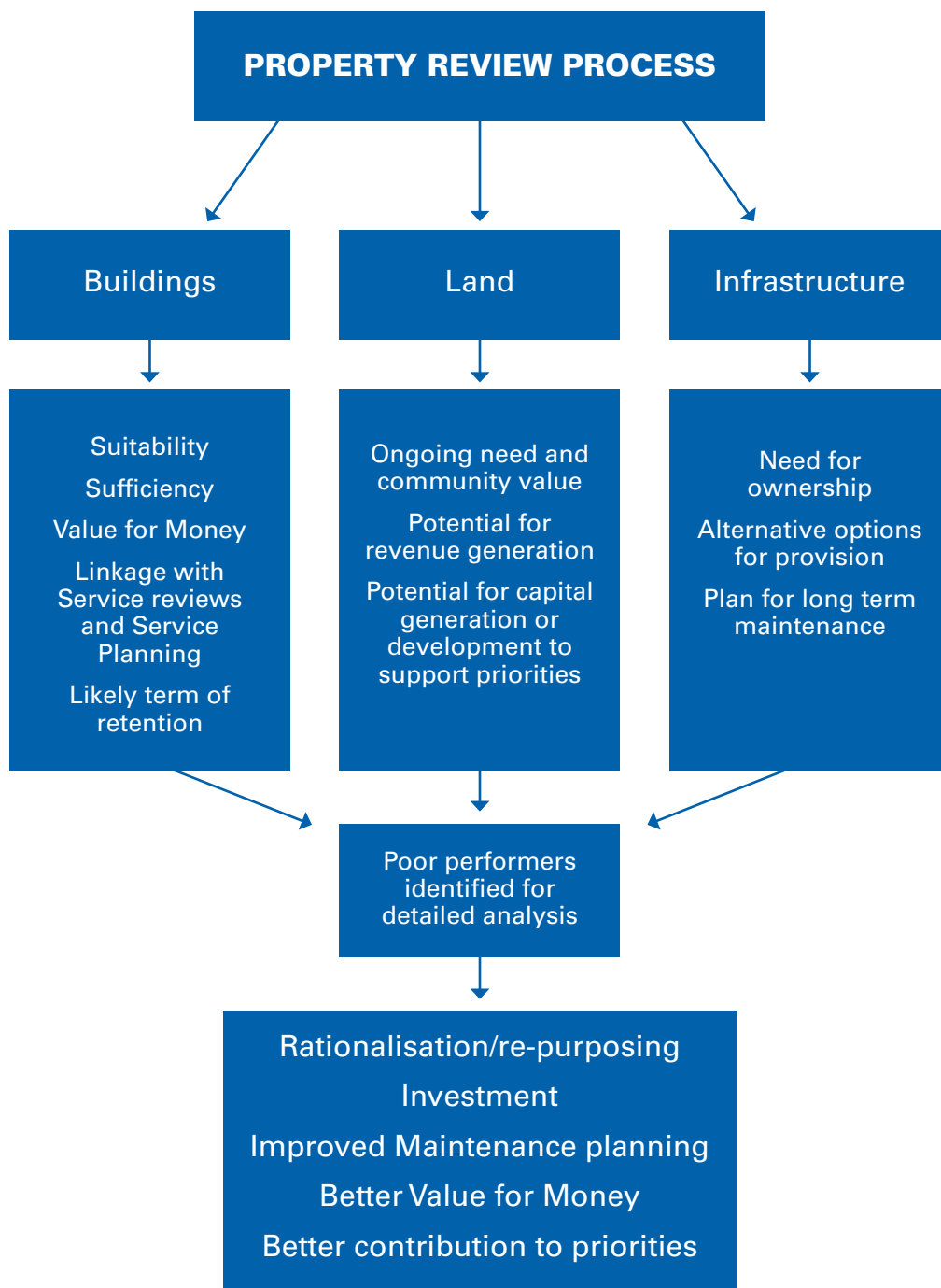


Fig 18: Asset Review Process

This then identifies the poorer performers for more detailed exploration and allows actions to be prioritised to address identified physical and financial shortcomings in the estate. This simple approach means that the greatest effort is put into addressing the needs of the poorer performers, thus securing the most effective change early on and leading to a process of continuous improvement.

Where poor performers are identified through property review, the actions to be taken are:

- Investing in the building to address the issues
- Securing an alternative location for the delivery of the service
  - » Retention for regeneration or strategic purposes
  - » Re-purposing vacated buildings to address corporate priorities (including consideration of community uses); or
  - » Disposal if re-purposing is not feasible or does not represent value for money

A large proportion of the Council's property is made up of land (just under 49% by number). The review process for land will differ from that for buildings. The aim of this is to ensure that any development potential within the Council's landholdings is identified, and that priority can be given to maximising the benefit of this in those cases most likely to generate added value.

With regard to very minor areas of amenity land, such as those on housing estates that were not transferred with the housing stock, it is proposed that in principle, the Council will look favourably on the disposal of these to neighbouring householders where there would be no loss of community value, and no detriment to the Council. The aim is to maximise the savings in terms of management and maintenance cost, risk and administration for areas that make no meaningful contribution to the Council's priorities.

The key asset management principles for the review of the Council's municipal land and buildings are summarised below

***“The Council’s municipal land and buildings will be reviewed every 3 years to drive improvements in suitability and sufficiency, and to ensure that where no longer required for their existing use, action is taken to maximise the contribution they make to the Council’s corporate priorities.”***

*Asset Management Core Principle 8*

The process of Property Review also enables future property maintenance to be managed in a way that maximises value for money. By assessing the ongoing service need for each building in terms of likely future useful life, it is possible to budget for maintenance that reflects the ongoing municipal value of the asset to the Council.

Where properties are only likely to be needed for the short term, then it would not represent value for money to undertake major works of refurbishment. However, where an asset is likely to remain in long term operational use, then a full maintenance programme and periodic refurbishment plans will secure suitability for the longer term. Any proposals for capital spend are fed into the Council's Capital Programme and Capital Strategy.

As part of the property review process, it is proposed that budgeting for repairs and maintenance, and the delivery of works will be managed on a “Value for Money” basis:

***“The Council will maintain its Municipal Property on a Value for Money basis that reflects its anticipated ongoing service life.”***

*Asset Management Core Principle 9*

<b>Spelthorne Borough Council</b>		
<b>Value for Money Maintenance Policy – Operational Property</b>		
<b>Maintenance Standard</b>	<b>Definition</b>	<b>Property anticipated useful life to the authority</b>
Gold standard	Full Planned maintenance programme to address all wants of repair, meet service need and improve service delivery, and maintain the value of the asset	16+ years, and/or where Council has legal obligations to maintain to a good standard
Silver standard	Essential repairs, and desirable repairs where these have a direct impact on service delivery or the reputation of the authority. Reduced preventative maintenance for the longer term unless it is covered by an evidenced increase in value of the asset.	8–15 years
Bronze standard	Essential repairs and Health and Safety/statutory requirements only. Presumption against desirable repairs and long term preventative maintenance, except where these have a direct immediate impact on service delivery or the reputation of the authority.	0–7 years,
<b>Value for Money Maintenance Policy – Other Property</b>		
Commercial Property	Maintenance liability should wherever possible be passed to the occupier, and obligations actively enforced. Where direct maintenance is required, this should be to a standard to maximise value for money.	
Community Property	Wherever possible maintenance liability should be transferred as part of Community Asset Transfer. If retained, then the property is categorised as for Operational Property above, and the appropriate standard applied.	
Strategic Property	As this is intended for short term strategic intervention the Bronze Standard of maintenance will be applied	

Fig 19: Value for Money maintenance policy

Since 2017/18 the Planned Maintenance Budget provision has been increased by £750,000 with a further £250,000 planned from 2021/22. This supports the shift from a reactive to planned maintenance approach.

## 6.6 Performance measurement and monitoring (Municipal Estate)

Measuring the performance of the municipal portfolio is directly linked to the property review process.

In terms of service related buildings, the initial measure is to identify the percentage of buildings by number and floorspace identified as no longer suitable or sufficient for ongoing service delivery. The actions required to address the lack of suitability, or to rehouse the service and repurpose the building will then be added to the Asset Management Action/Delivery Plan, and progress on these projects monitored through usual project management protocols.

For those identified as suitable and sufficient for ongoing service use, performance will be measured through a comparison of operational costs per m<sup>2</sup>. This will be measurable on a building by building basis once the new property information management system is in place and fully functional. This will enable targets to be set for securing value for money in ongoing building operation, and for operational costs to be taken into account in future reviews.

The first performance measure will be the average annual running cost per m<sup>2</sup>, which can then be compared year on year to assess whether there is improvement, or identify what has impacted on it (such as external energy costs).

The second measure will be the percentage by floorspace of the service accommodation that falls over 10% above the average running costs per square metre. This will identify the poorest performers, and enable actions to be identified to address poor performance, or for this to be highlighted a part of later specific building review processes to inform decision making.

An annual report will be provided to PIC who will refer the final report to Cabinet. The report will set out the following:

- % of buildings/floorspace considered unsuitable
- Comparison with previous year
- Actions identified for these buildings and priority/timescale for delivery
- Update on actions identified in previous year and outcomes
- Average operational costs per m<sup>2</sup> for remaining municipal buildings
- Comparison with previous year
- % by floorspace and identification of buildings exceeding 10% over the average operational cost
- Actions identified to improve the relative cost of poor performers
- Update on actions identified in previous year and outcomes

The aim of these simple performance measures and monitoring regime is to put in place a useful process that informs decision making, budget prioritisation, and leads to continuous improvement over time.



## 7.0 KNOWLE GREEN ESTATES

Knowle Green Estates Group Ltd (KGE) is a limited company wholly owned by Spelthorne Borough Council. It was established in May 2016 as a vehicle for the delivery of emergency accommodation at Harper House. Since then it has developed as a vehicle for the Council to own and let residential accommodation. The Company is a key component in the delivery of the Council’s Housing Strategy.

The potential long term role of KGE in managing risks associated with the occupation of Council owned residential property, is subject to ongoing review. The aim is to maximise the value and benefit to the Council of having a separate company, and to minimise risk and reputational exposure.

The funding strategy for KGE is to borrow from its parent (SBC) at competitive rates and with diminished or no developers profit as part of its activities. The resulting benefit of this approach is to enable KGE to own and rent residential property on a long term basis for a variety of tenures including key worker accommodation, affordable housing as well as open market rents.

The Council, as sole owner of the company, will directly benefit from any surplus income or savings generated by KGE which is not reinvested in the Company. Currently the main cashflows from the company to the Council are:

- Payment of interest on loans
- Repayment of principal on loans
- Recharges for services provided by Council to the Company

The main way transfer of surplus from Company to Council takes place is on the interest margin the Council earns on private rental units which the company pays a market rate finance cost on.

In terms of Governance, KGE currently comprises the following:

- Director: Deputy Chief Executive and Chief Finance Officer (Section 151 Officer) for Spelthorne Council

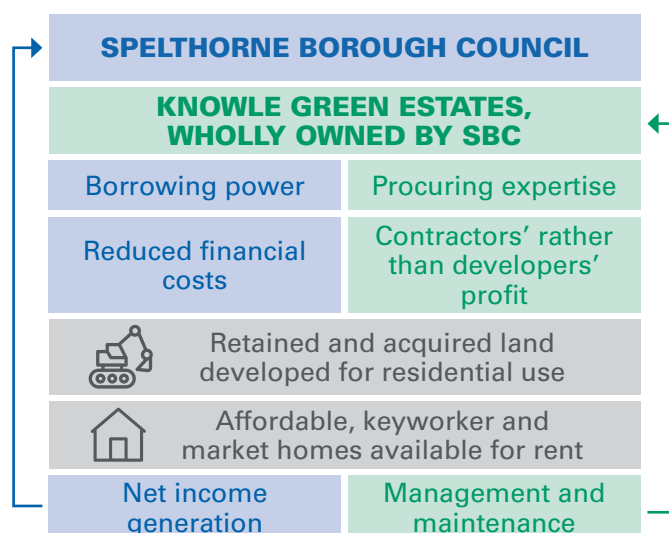
- Director: Councillor Olivia Rybinski
- 2 Non-executive Director [one post vacant]
- Company Secretary

The Company is controlled by and is directly accountable to the Council as its shareholder. The shareholder will also sign off the Annual Strategy for its operation, and a rolling 5-year business plan which will be reviewed on an annual basis.

Using services delivered by the Asset Management Team, KGE will manage the residential property portfolio (with the exception of the White Hostel and Harper House which are owned by SBC). The extent of any future growth in its areas of responsibility will be determined through the Council’s strategy, and the development of a business plan with KGE’s directors.

The growth of Knowle Green Estate as an operating property management entity is a key priority over the life of this plan.

It is not the intention to build and sell residential developments but rather to keep all developments and maintain a residential portfolio under the Knowle Green Estates banner. Over time this will produce revenue for the borough in the long term. It will also facilitate the provision of a significant number of affordable and key worker homes in perpetuity.



## 8.0 GOVERNANCE

### 8.1 Governance of Development and Strategic portfolio

Housing schemes (with the exception of single person homeless and temporary accommodation for families) will be held and managed by Knowle Green Estates, the Council's wholly owned property management company. More details of this are set out at section 7.0.

In terms of governance, all direct developments and potential sites for acquisition are reported to DIG and are the subject of bi-weekly project monitoring reports. An example of the project monitoring report format is provided at Appendix 7.

The bi-weekly monitoring report sets out a summary of the proposed development and its financial profile, including income and cost projections, costs to date, anticipated gross and net return on investment, Progress against milestones, issues and risks including climate change, together with mitigation measures, and reports on Health and safety matters. This ensures that developments are kept to time and budget as far as is possible and enables appropriate action to be taken in a timely manner. This is key to the efficient delivery of the development outcomes and is in accordance with best practice.

Progress against all developments is reported to the Property and Investment Committee (PIC) at least annually, and then summarised to Cabinet.

### 8.2 Governance of the Investment Portfolio

All investment acquisitions are initially considered by the DIG. This reports to the PIC which authorises the DIG to make offers for property, and if terms are agreed on a basis that is acceptable to DIG, this is then referred up to Cabinet for final approval before the transaction takes place.

The management of the Investment Portfolio is carried out by the Council's Asset Management Team with specialist input and support as required from external investment advisers. This team is answerable to the Council's Management team, and the Council as a whole.

An independently supported and accountable approach to the governance of the Investment Portfolio is intended to ensure that robust professional advice is taken on the commercial aspects and risk profile of the investment portfolio. This ensures that risk is managed in the way that would be applied to any major pension fund or property investment company. The commercial advice reported to the Council is always impartial and transparent, enabling this to then be and considered by Council Members in the wider context of its administrative role.

### **8.3 Governance of the Municipal Portfolio and role of the Asset Management Team**

The Municipal Portfolio is used by many areas of the Council, but its management and governance is the responsibility of the Asset Management Team. This team is made up of staff with property expertise and experience who are suitably qualified to protect the Council's interest in all property dealings and transactions.

The Asset Management Team effectively represents the Council's "Corporate Landlord". The team works closely with other officers and partners of the Council to ensure that the views and needs of those who use and occupy the buildings, and who deliver services from them are understood, and considered in any review and decision-making processes.

The Asset Management Team works closely with Finance, who ultimately manage the income received from the Council's portfolio, and the setting of budgets for their management and maintenance, and with the Council's Legal Team who put in place the documentation needed to control how the buildings are used and occupied, such as leases, licence agreements, wayleaves, easements and property contracts and transfers on disposal or acquisition.

## 9.0 PROPERTY INFORMATION MANAGEMENT

Key to the management of all the Council's assets is the collection and management of accurate and reliable data. Historically, the Council's asset register has been held electronically in the form of an excel spreadsheet, with supporting detail held in individual asset files.

With the acquisition of a significant investment portfolio, and increased focus on the need to ensure that the management of all income producing property maximises benefit to the Council it has been recognised that there is a need for a comprehensive Property Management database, linked to mapping via a Geographical Information System.

The Council has procured such a system, and is currently moving into the implementation phase. The system (once operational) will be accessible both to KGE and the Council's in-house asset management function.

The establishment of the new system will enable all asset related data held to be validated as part of the process of information population, and will provide a robust and reliable platform from which property reviews can be undertaken and the related annual performance measurement and monitoring reports prepared.

The property management system will incorporate a database of residential assets covering tenancy related matters, such as:

- antisocial behavioural issues
- rent collection
- void management
- statutory compliance
- contract management
- building maintenance and repairs
- lettings management
- health and safety allocations

This will enable efficient property management, providing the opportunity for appropriate key performance indicators to be set and to form the basis for regular reporting.

## 10.0 ACTION PLAN AND RESOURCING

To deliver the objectives set out in this plan requires a range of actions to be taken. The action plan below identifies in summary the work to be done and timescales for delivery and reporting. Each action represents a project in its own right, which will have separate more detailed governance arrangements and resourcing plans but all should also take account of sustainability objectives and ensure they meet climate change objectives of carbon neutrality by 2050. To achieve this goal needs planning and implementation of mitigation measures to start from 2020.

To deliver this scale of work, and to continue to grow the investment portfolio and direct development activity will require a properly resourced team representing a range of skills, supported by external specialist advice. An indicative resourcing overview setting out the anticipated immediate skills requirement is provided at Appendix 8.

SPELTHORNE BOROUGH COUNCIL ASSET MANAGEMENT PLAN 2019-2024				ACTION PLAN
Area of work	Action	Objectives/outcomes	Timetable	Reporting
Management of AMP processes	Formalise the role of KGE Ltd.	Development of independent company to maximise benefit to Spelthorne Reduce and actively manage risk Demonstrate value for money Maximise financial return to the Council Develop beneficial commercial relationships Secure sustainable supply of housing	2020	To Project Sponsors Board, and update to Cabinet as required
	Continue to develop an appropriately resourced Asset Management Skills team	To support ongoing acquisitions and development programme and to enable property review processes to continue To provide ongoing immediate expertise and support to the Council on property related issues To reduce risk	2020 and ongoing	Reporting to Portfolio Holder as required, at least quarterly
	Review of maintenance and compliance delivery procedures, including contract with Runnymede	To ensure value for money To ensure effectiveness and efficiency To reduce risk	2020 (before partnership contract expiry)	Reporting to Portfolio Holder as required. (See above)
	Populate and validate new Property Management Information System	Support property management and review processes Validate and update data Enable analysis Reduce risk	2020	Reporting to Portfolio Holder as required, at least quarterly

Fig 20: Action plan for AMP development

SPELTHORNE BOROUGH COUNCIL ASSET MANAGEMENT PLAN 2019-2024				ACTION PLAN
Area of work	Action	Objectives/outcomes	Timetable	Reporting
Management and consolidation of Investment Portfolio	Establish annual and ad hoc investment market and industry sector review arrangements with external advisers	To feed into monitoring arrangements and annual reporting To actively manage risk	2020	Quarterly reporting to PIC and annual reporting to Cabinet
	Establish stress test, income risk, occupier risk and covenant risk processes to inform quarterly reporting to PIC and annual reporting to Cabinet	To actively manage risk	2020	
	Initiate annual reporting process and formally adopt appropriate pro-forma	To actively manage and monitor performance and risk To inform decision making	2020	
	Review Sinking Fund arrangements against anticipate lifecycle costs of each investment, and establish proportion of income to be set aside. Review total sinking fund position and current investment and management arrangements	To mitigate future risk and make adequate provision for maintaining the value of the on-operational portfolio To maximise financial benefit of fund to the Council and support adequate resourcing	2020	
	Progress investment acquisitions programme	Generate additional secure revenue, contributing to securing financial sustainability, and to secure economic, environmental and social wellbeing of residents	Ongoing for the life of the plan	

Fig 21: Action plan for Investment Portfolio

SPELTHORNE BOROUGH COUNCIL ASSET MANAGEMENT PLAN 2019-2024				ACTION PLAN
Area of work	Action	Objectives/outcomes	Timetable	Reporting
Management of the municipal portfolio	Assess suitability and sufficiency of operational buildings in accordance with review procedures	To enable planning to better meet the needs of service delivery To assess comparative performance of existing portfolio To inform maintenance budgeting and application of Value for Money Maintenance prioritisation	Once new PMI system has been fully populated and become operational and then at least every three years	In accordance with AMP. Annual performance report for operational estate once initial reviews completed.
	Asses financial performance in accordance with review procedures	To ensure value for money and enable planning of mitigation measures or investment required to reduce running costs		
	Establish reporting protocols for outcomes of review processes	To enable effective monitoring and reporting, and to secure support for any proposed changes or projects arising from review processes		
	Develop a Community Asset Policy based on a balanced score card	To maximise the opportunity for community organisations that directly benefit the borough to lease assets which are surplus to operational requirements	2020	Annually on decisions made basis
	Complete specific review of Council owned car parks	To identify opportunities for maximising value and reducing cost/liability to the Council and for contribution to the delivery of key priorities	2020	In accordance with existing project management arrangements
	Review land holdings and develop action plan based on outcomes	To identify opportunities for maximising value and reducing cost/liability to the Council and for contribution to the delivery of key priorities	By end 2022	In accordance with AMP. Annual performance report for operational estate once initial reviews completed.
	Review infrastructure assets held by the Council in accordance with AMP	To identify opportunities for maximising value and reducing cost/liability to the Council and for contribution to the delivery of key priorities and mitigation of risks associated with climate change	By end 2023	In accordance with AMP. Annual performance report for operational estate once initial reviews completed.

Fig 22: Action Plan for Municipal Portfolio

SPELTHORNE BOROUGH COUNCIL ASSET MANAGEMENT PLAN 2019-2024				ACTION PLAN
Area of work	Action	Objectives/outcomes	Timetable	Reporting
Regeneration/development projects	Progress development/regeneration acquisitions programme	Meet Housing and Economic Development objectives, generate additional secure revenue, contributing to securing financial sustainability, to secure economic and social wellbeing of residents and meet climate change targets	Ongoing for the life of the plan	In accordance with reporting processes and investment criteria set out in AMP
	Knowle Green Rationalisation and repurposing (project Lima)	Reduce operational running and occupancy costs/liabilities Enable further development through re-purposing/redevelopment of parts of the site Support Housing objectives Generate additional revenue, contributing to securing financial sustainability	Ongoing during life of AMP	In accordance with existing project management and development reporting arrangements
	Fordbridge extension to the day centre	To support Health and Wellbeing of local residents	2020	
	Ashford MSCP	Redevelopment to provide PRS housing accommodation Generate additional revenue, contributing to securing financial sustainability Support Housing and economic development objectives	2020/21	
	Ceaser Court, formerly Benwell House	Complete redevelopment to provide 91 units to support housing objectives Generate additional revenue, contributing to securing financial sustainability	Phase 1: 2020/21 Phase 2: 2021/22	
	Waterfront Development Opportunity	Complete JV with preferred delivery partner To enable planning and delivery to be progressed by JV partner Generate additional revenue, contributing to securing financial sustainability Support Housing and economic and environmental development objectives	2020/21	
	White House site (single persons homeless hostel)	Deliver 27 beds to support housing objectives Develop project delivery plan for implementation Generate additional revenue, contributing to securing financial sustainability Support Housing and economic development objectives	2020/21	
	Laleham Park Pavilion	Progress planning for redevelopment to provide toilets and catering concession Develop project delivery plan for implementation Generate additional revenue, contributing to securing financial sustainability	2020/21	
	Harper House (emergency accommodation)	Deliver 20 residential units to support housing objectives Generate additional revenue, contributing to securing financial stability To support Health and Wellbeing of local residents	2020/2021	



Area of work	Action	Objectives/outcomes	Timetable	Reporting
Regeneration/ development projects	Spelthorne Leisure Centre	Delivery of new Leisure Centre Health and Wellbeing of local residents	2021/22	In accordance with existing project management and development reporting arrangements
	Thameside House	Progress planning to enable work to start on delivery phase Deliver 140 residential units to support housing objectives Generate additional revenue, contributing to securing financial stability	2021 – 2023	
	Victory Place (Ashford Hospital car park)	Deliver 115 residential units to support housing objectives Generate additional revenue, contributing to securing financial stability	2021 – 2023	
	The Oast House	Progress planning to enable work to start on delivery phase Deliver residential units to support housing objectives Generate additional revenue, contributing to securing financial stability	2021 – 2023	

Fig 23: Action plan for Regeneration and Development

# APPENDICES

## Appendix 1 – Summary of Council Services

Planning	Rubbish and recycling	Building control
Council tax	Housing	Jobs and careers
Housing benefit	Leisure and parks	Community, health and education
Environmental health	Parking, travel and roads	Sustainability
Licences and permits	Land and property	Business advice and support
Markets and farmers' markets	Food safety	Doing business with the council
Health and safety	Staines-upon-Thames – The Destination	Council tax support
Supporting families	Economic development	Grants

## Appendix 2 – Analysis of growth in rental values over the last 5 years, and comparison with adjacent boroughs:

Average rental values		Room				Comparison with adjacent boroughs		
Year	Spelthorne	Runnymede	Hillingdon	Hounslow	Richmond	Elmbridge	England	
2013/14	525	430	401	600	590	450	338	
2014/15	No data	450	500	587	595	600	350	
2015/16	598	500	450	575	575	600	368	
2016/17	550	550	550	650	661	550	377	
2017/18	638	385	600	638	No data	No data	390	
% increase in 5 years	22%	-10%	50%	6%	12%	22%	15%	

Average rental values		Studio				Comparison with adjacent boroughs		
Year	Spelthorne	Runnymede	Hillingdon	Hounslow	Richmond	Elmbridge	England	
2013/14	650	595	600	700	850	673	475	
2014/15	700	645	690	750	900	730	500	
2015/16	725	725	700	850	950	695	570	
2016/17	725	725	750	835	900	738	550	
2017/18	750	715	795	867	995	750	575	
% increase in 5 years	15%	20%	33%	24%	17%	11%	21%	

Average rental values		1 bed				Comparison with adjacent boroughs		
Year	Spelthorne	Runnymede	Hillingdon	Hounslow	Richmond	Elmbridge	England	
2013/14	800	800	795	1000	1125	848	500	
2014/15	875	895	900	1101	1225	875	540	
2015/16	895	895	900	1295	1250	900	575	
2016/17	900	900	1000	1100	1150	900	595	
2017/18	925	895	1000	1100	1250	900	600	
% increase in 5 years	16%	12%	26%	10%	11%	6%	20%	

Average rental values		2 bed				Comparison with adjacent boroughs		
Year	Spelthorne	Runnymede	Hillingdon	Hounslow	Richmond	Elmbridge	England	
2013/14	1000	1000	1090	1250	1495	1100	575	
2014/15	1150	1198	1200	1350	1550	1150	595	
2015/16	1150	1195	1200	1488	1550	1195	625	
2016/17	1150	1200	1250	1350	1495	1225	650	
2017/18	1195	1195	1250	1250	1595	1200	650	
% increase in 5 years	20%	20%	15%	0%	7%	9%	13%	

Average rental values		3 bed				Comparison with adjacent boroughs		
Year	Spelthorne	Runnymede	Hillingdon	Hounslow	Richmond	Elmbridge	England	
2013/14	1225	1200	1250	1500	2000	1450	650	
2014/15	1300	1400	1450	1584	2200	1480	695	
2015/16	1363	1400	1400	1650	2095	1500	715	
2016/17	1356	1425	1495	1595	1850	1500	750	
2017/18	1350	1413	1450	1500	2100	1500	750	
% increase in 5 years	10%	18%	16%	0%	5%	3%	15%	

Average rental values		4 + bed				Comparison with adjacent boroughs		
Year	Spelthorne	Runnymede	Hillingdon	Hounslow	Richmond	Elmbridge	England	
2013/14	1750	1885	1700	2300	3400	3150	1100	
2014/15	1800	1942	2000	2708	3798	3100	1200	
2015/16	1695	1950	1800	2125	3300	3600	1275	
2016/17	1698	2000	1950	2000	3000	3000	1300	
2017/18	1700	1895	1900	1850	3500	3600	1320	
% increase in 5 years	-3%	1%	12%	-20%	3%	14%	20%	

Average weekly earnings	Spelthorne	Runnymede	Hillingdon	Hounslow	Richmond	Elmbridge
April 208	607.5	682.9	613.6	693.8	611.5	693.8
1 bed multiplier	1.52	1.31	1.63	1.59	2.04	1.30
2 bed multiplier	1.97	1.75	2.04	1.80	2.61	1.73

Source: ONS Median Private rents and average weekly earnings statistics

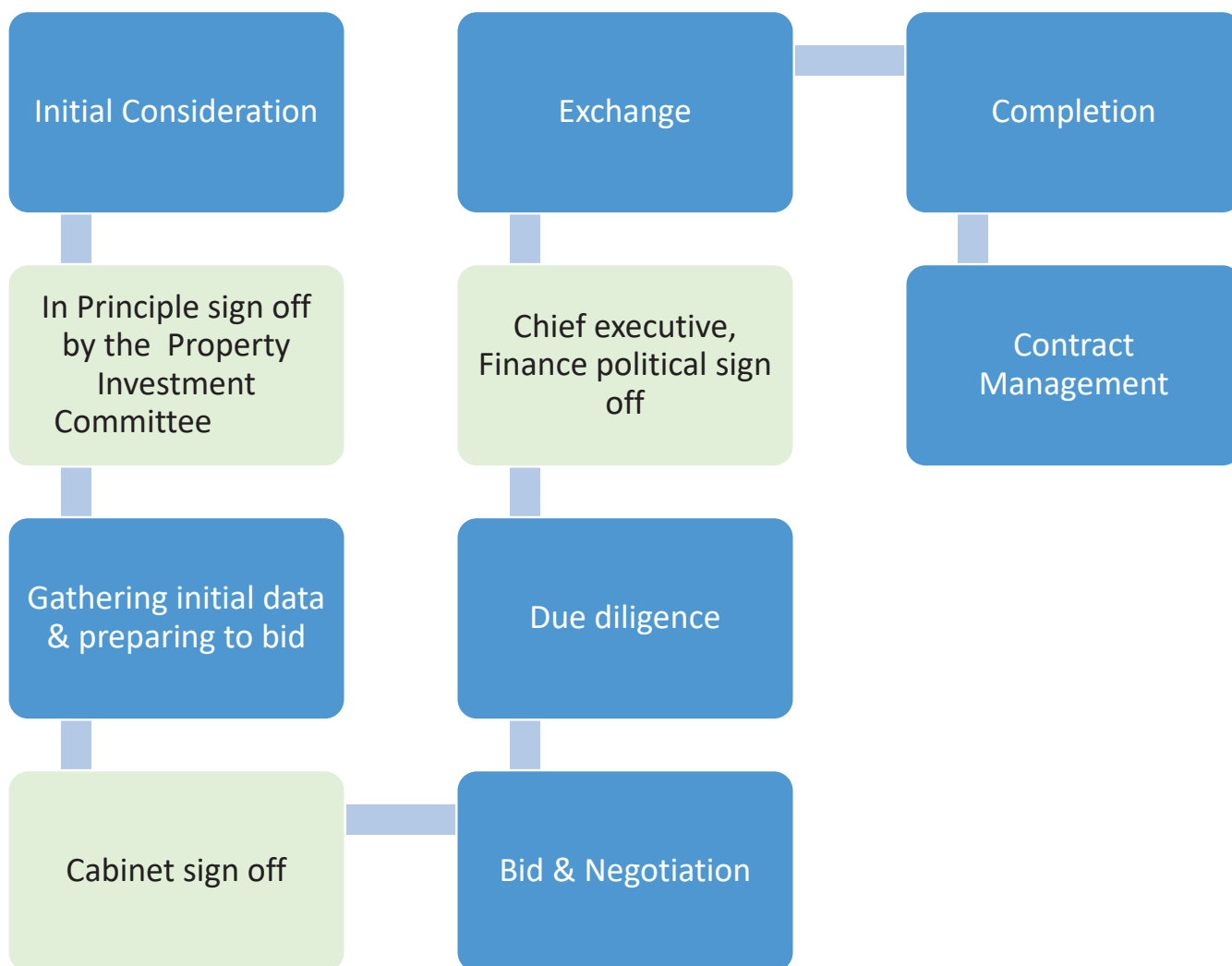
### Appendix 3 – Summary analysis of portfolio

Asset Type	Number
Advertising Hoarding	9
Allotment	16
Arts Centre	1
Back Garden	9
Bandstand	2
Basketball Area	1
Bathing Station	1
Boathouse	4
Borehole	1
Bowling Green	5
Bridge	16
Building-Commercial	12
Building-Office	2
Building-Vacant	1
Bus Shelter	1
Bus Station	1
Café	3
Campsite	1
Car Park	54
Car Parking Spaces	9
Car Wash	1
Cemetery	4
Changing Rooms	4
Chapel	3
Clock Tower	4
Closed Church Yard	5
Clubhouse	4
Common Land	3
Community	1
Community Centre	5
Community Hall	6
Demolished	1
Depot	1
Development	3
Football Grassed Area	5
Games Area	5
Garage	5
Golf Course	1
Greenhouse	1
Highway Subsoil	2
Ice House	1
Investment Property	4
Investments	8
Kiosk	3
Land	8
Land-Access	6
Land-Access to River	1
Land-Amenity	124
Land-Garden	1
Land-Grazing	6
Land-Highway	44
Land-Highway Subsoil	21
Landing Stage	3
Land-part of park	1
Land-Vacant	2

Leisure Centre	2
Linear Park	1
Memorial Bench	1
Museum	1
Nursery	2
Office	2
Offices	2
Open Space	18
Outside Gym	1
Pavilion	11
Plant Nursery	1
Plant Room	1
Playground	31
Playgroup	1
Portacabin	1
Private Road	1
Public Art	15
Public Conveniences	14
Public Gardens	7
Public Park	33
Public Park-part of	3
Public Shelter	2
Pump Room	1
Pumping Station	1
Railway	1
Redevelopment	1
Residential Flat	3
Residential House	2
Resource Centre	1
Service Yard	6
Skate Park	6
Sports Ground	2
Storage Building	4
Storeroom	1
Structures	2
Sub Station	12
Telecommunications Mast	1
Tennis Courts	8
Towpath	6
Underground Structure	1
Vacant	1
Voluntary Organisation	8
Walled Garden	1
War Memorial	6
Water Feature	4
Workshop	2

Asset Type	Number
Land	330
Buildings	24
Investment Property	12
Community	16
Recreation	54
Bridges	16
Other	226
	<b>678</b>

### Appendix 4 – Acquisition Process



## Appendix 5 – Performance Monitoring Report for Investment Portfolio

Spelthorne Borough Council  
 Annual Investment Monitoring Report pro-forma  
 Commercially sensitive information – not for publication

Date:

### 1 Headline analysis, age profile and stress test:

Individual asset performance											
Reference number	Year of acquisition	Asset identification	Current capital value £	Gross income £	Gross return %	% of income contributing to revenue account	Capital debt as a % of Capital Value	Asset stress test (% of income loss to break even)	Comparison with portfolio stress test target	Asset stress test (% of income loss to break even) taking into account sinking fund.	Comparison with portfolio stress test target
<b>Portfolio performance</b>			Current capital value £	Gross income £	Gross return %	% of income contributing to revenue account	Capital debt as a % of Capital Value	Portfolio stress test (% of income loss to break even)	Portfolio stress test target		Portfolio stress test target
<b>Commentary</b>											

### 2 Annual independent investment review and market advice:

- **Key highlights:**
  - » Market commentary
  - » Prospects for growth
  - » Comparison with pension fund performance/other market comparators
  - » Recommendations
- **Issues for Spelthorne**

**3 Risk Assessment outcomes:**

- **Income risk**
- **Covenant risk**
- **Occupier industry risk**

**Analysis and implications for Spelthorne:****4 Sinking fund review:**

- **Total value £**
- **Summary of annual expenditure**
- **Significant building/structural/condition/maintenance issues anticipated for the next 12 months**
- **Service charges and related issues**

**5 Annual Management Review:**

- **Significant Occupier changes**
- **Percentage of voids by income**
  - » Comparison with previous years
  - » Commentary
- **Percentage of voids by floorspace**
  - » Comparison with previous years
  - » Commentary
- **Percentage of floorspace let**
  - » Comparison with previous years
  - » Commentary
- **Percentage of floorspace subject to rental guarantees**
  - » Comparison with previous years
  - » Commentary
- **Percentage of floorspace subject to rental guarantees due to expire within 18 months**
  - » Commentary and actions to be taken
- **Summary of rent review activity**
  - » Value trends
  - » Commentary
- **Anticipated activity for next 12 months**
- **Any areas of anticipated risk requiring interim review**
- **Resourcing implications**
- **Carbon reduction**

**6 Conclusions and key actions planned for next 12 months – to be reported to Cabinet**

Appendix 6 – Review processes

Spelthorne Borough Council Municipal Property review process Applied to all frehold municipal buildings											
Suitability and need assessment		Evidenced where possible, assessed by service users in conjunction with Asset Management Team								Suggested action	
Building identity and M2	Use	How long will use be required/ relevant?	Is there a cheaper alternative?	Condition	Suitability and sufficiency	Score	Total Score	Commentary, including any strategic /One Public Estates matters to be taken into account		Retain and invest/ repurpose/ dispose	
	Used by SBC for:				Size						
	Used by 3rd party on behalf of SBC for				Configuration						
					Location						
					Accessibility						
					DDI compliant						
Suitability Scoring		15+ years 1 7-15 years 2 0-7 years 3	No 1 Yes 2	Good 1 Servicable 2 Poor 3		Good 1 Servicable 2 Poor 3					
Scores from lowest	8										
To highest	23										
Suitable	10 or under										
In need of improvement	10 to 15										
Unsuitable/ needing significant investment	16 or over										
Target: Address lowest performing 10% per annum											
Financial analysis		Comparative across portfolio for specific value/cost information								Suggested action	
Building identity and M2	Income status	score	Responsibility for Repairs and maintenance	Score	Asset Value/ opportunity cost	Identified investment need (maintenance backlog) £	Identified investment need £/M2	Identified investment need % of asset value	Annual revenue cost	Annual revenue cost per M2	Retain and invest/ repurpose/ dispose
	Income producing score 1		Occupier (where not SBC) Score 1								
	Not income producing score 2		Council score 2								
Scores from lowest	8										
To highest	22										
Value for money	12 or under										
In need of improvement	13 to 17										
Poor value for money.	18 or over										
Target: Address lowest performing 10% per annum											

Spelthorne Borough Council Municipal Property review process Applied to all leased in municipal buildings										
Suitability and need assessment		Evidenced where possible, assessed by service users in conjunction with Asset Management Team								Suggested action
Building identity and M2	Summary Lease details (Term outstanding, rent, review pattern)	Use	How long will use be required/ relevant?	Is there a cheaper alternative?	Condition	Suitability and sufficiency	Score	Total Score	Commentary	Retain/ seek to relocate
		Used by SBC for:				Size				
		Used by 3rd party on behalf of SBC for				Configuration				
						Location				
						Accessibility				
						DDI compliant				
Suitability Scoring		Sublet Yes 1 No 2	15+ years 1 7-15 years 2 0-7 years 3	No 1 Yes 2	Good 1 Servicable 2 Poor 3		Good 1 Servicable 2 Poor 3			
Scores from lowest	9									
To highest	25									
Suitable	12 or under									
In need of improvement	13 to 19									
Unsuitable/ needing significant investment	20 or over									
Target: Address lowest performing 10% per annum										
Financial analysis		Comparative across portfolio for specific value/cost information								Suggested action
Building identity and M2	Responsibility for Repairs and maintenance	Score	Annual rent payment	Date of next review	Anticipated capital liability on expiry of lease	Annual revenue cost (including rent)	Annual revenue cost per M2	Retain/ seek to relocate		
	Occupier (where not SBC) Score 1									
	Council score 2									
Scores from lowest	4									
To highest	11									
Value for money	5 or under									
In need of improvement	6 to 8									
Poor value for money.	9 or over									
Target: Address lowest performing 10% per annum										



Spelthorne Borough Council Municipal Property review process Applied to all fully leased out municipal buildings										
Suitability and need assessment			Evidenced where possible, assessed by service users in conjunction with Asset Management Team						Suggested action	
Building identity and M2	details (Term outstanding, rent, review pattern)	Occupier and use	How long will use be required/ relevant?	Is there a cheaper alternative?	Condition	Suitability and sufficiency	Score	Total Score	Commentary, including any strategic /One Public Estates matters to be taken into account	Continue to let/ secure VP and re-purpose or dispose
						Size				
						Configuration				
						Location				
						Accessibility				
						DDI compliant				
Suitability Scoring		Sublet Yes 1 No 2	15+ years 1 7-15 years 2 0-7 years 3	No 1 Yes 2	Good 1 Servicable 2 Poor 3		Good 1 Servicable 2 Poor 3			
Scores from lowest										
To highest										
Suitable			12 or under						Target: Address lowest performing 10% per annum	
In need of improvement			13 to 20							
Unsuitable/ needing significant investment			21 or over							

Financial analysis										Suggested action	
Comparative across portfolio for specific value/cost information											
Building identity and M2	Responsibility for Repairs and maintenance	Score	Capital value/ opportunity cost	Annual rental income	Annual rental income per M2	Return on investment	Date of next review	Anticipated capital liability on expiry of lease	Annual revenue cost to SBC	Annual revenue cost per M2	Retain/ seek to relocate
Financial scoring	Occupier (where not SBC) Score 1										
	Council score 2										
Scores from lowest			8 In lowest 50% score 1		In lowest 50% score 1	In lowest 50% score 1	In lowest 50% score 1	by building score 1	In lowest 50% score 1	In lowest 50% score 1	
To highest			In highest 21-50% score 2		In highest 21-50% score 2	In highest 21-50% score 2	In highest 21-50% score 2	In highest 21-50% by building score 2	In highest 21-50% score 2	In highest 21-50% score 2	
Value for money			In highest 20% score 3		In highest 20% score 3	In highest 20% score 3	In highest 20% score 3	In Highest 20% by building score 3	In highest 20% score 3	In highest 20% score 3	
In need of improvement											
Poor value for money.											
											Target: Address lowest performing 10% per annum

Spelthorne Borough Council Review of landholdings with potential for alternative use or intensified use								
Type of land	Community value?	Income producing?	Development potential?	Existing use value (asset value)	Estimated Alternative/ intensified use value		Negative reputational impact if change of use proposed	Total score
	No score 1	Yes score 2	Yes score 1			EUV<AUV score 1 EUV>AUV score 2	No score 1 Yes score 2	
	Yes score 2	No score 1	No score 2					
Score	If yes, retain. If no, score							
Min score	5 Score of 6 and under check for strategic influence and One Public Estate opportunity, and prioritise for further investigation/action							
Max score	10 Score of 7 and over retain for future reconsideration							
	Target: Address lowest performing 10% of scored sites per annum							

NB assessment of Development Potential will reflect any statutory controls/regulations (e.g as can apply to allotments, open space etc), any legal restrictions and the likelihood of securing planning

Excludes minor areas of amenity land on residential estates

These are to be considered positively where applications from neighbours are made to purchase, so long as disposal has no negative impact on the Council or ider amenity of the area.

Spelthorne Borough Council Review of infrastructure					
Type of infrastructure	Does the Council need to own it for strategic/heritage protection reasons?	Is there a potential alternative owner?	Annual revenue cost	Known capital investment need	Any action required
	Yes/No	Yes/No			
		If yes, consider whether liability can be transferred, and at what cost. Compare to ongoing cost of ownership			Consider in the light of earlier outcomes.

**Appendix 7 – Weekly Development Monitoring Report Example**

<b>Weekly Project Bugle Status report</b>				Project Sponsor Heather Morgan Project Manager Richard Mortimer					
<b>Report Date:</b>		12 March 2019							
<b>Project status</b> Practical Completion is dated as being 7 March 2019. Armfield were served a non completion notice on 9 Jan. The contractual PC date was 7 January. A Liquidated Damages Notice was issued in accordance with the contract on the 8 March. Gross claim is £17,600 based on 8 weeks at £2,200pw. Leader photoshoot with new residents took place on 7 March. Option D rent scenario provides total financial gain to the Council of £117,000pa (rent + B&B savings).				<b>Sales/ revenue</b>	<b>Flat numbers</b>	<b>Flat Rents</b>	<b>Gross rent pcm</b>	<b>Gross rent annual</b>	<b>Net rent per annum (assumes 25% costs)</b>
				1 Bedroom	2	£773.98	£1,547.96	£18,576	£13,932
				2 Bedroom	6	£960.79	£5,764.74	£69,177	£51,883
				<b>Totals</b>	8		£7,313	£87,753	£65,815
<b>Health &amp; Safety</b>		<b>Occurrences</b>		<b>Finance</b>		<b>Cost to Date</b>	<b>Forecast to PC</b>	<b>Comments</b>	
Accidents reported		0		Cabinet approved development costs			£2.4m	£2.4m (confirmed at DIG 24 April this excludes land costs) Approved 21 December 2016	
Near Misses		0		Demolition costs		£30.7k	£31.5k	Completed	
Actions taken		H&S review took place on 14 Nov. Cabling and operative without hardhat and high viz jacket reported to site manager.		Main Contractor build costs		£1.48m	£1.49m	Completed. Final account to be agreed.	
<b>Key Milestones</b>				<b>Comments</b>		<b>Date</b>			
Completion of final Thames Water connections		L	Completed on 21 February 2019	27 Feb 19		Professional fees		£182.7k    £181.6k    (12.2%)	
Completion (48 weeks)		L	Practical completion dated 7 March 2019	7 March 19		Other cost (CIL, Planning etc)		£47.8k    £47.8k	
Occupation		L	Commenced on 7 March 2019. Should be fully occupied week commencing 11 March 2019.	15 March 19		Site purchase		£750k    £750k	
<b>Key Issues / Risks</b>				<b>Mitigation</b>		Associated costs		£67.5k    £72k	
Completion of minor works and snagging.		L	Contractor remaining on site to finish off week commencing 11 March 2019			Interest costs		Yield currently exclude finance costs	
Liquidated damages claim.		M	Notice of intent served. Will need to see whether Armfield intend to counterclaim with EoT (Extension of Time) details			<b>Contingency</b>		Percentage protocol to be agreed at DIG	
				<b>Total</b>		£2.558m	£2.573m		
				<b>Return on cost</b>		<b>Gross yield per annum</b>		<b>Net yield per annum (assuming 25% costs)</b>	
						3.41%		2.56%	

## Appendix 8 – Indicative resourcing requirements

Spelthorne Borough Council – future resourcing analysis – initial overview

The resourcing requirement will be determined by the work/roles required to deliver the business. The quantity of resource required will develop over time as the portfolio grows/changes over time.

Overall Business Manager/Director											
Investment portfolio	Municipal portfolio	Residential portfolio	Residential Facilities Management	Property development & Regeneration	Data, compliance and office management	Financial management					
<b>Resources</b> Acquisitions and disposals Investment Management Day to day management, lettings, L&T issues Strategic investment  Review and performance monitoring/reporting	<b>Resources</b> Acquisitions and disposals/transfer to development Day to day management - liaison with occupiers, occupational leases to third parties Strategic investment Municipal FM and R&M  Property review and asset management	<b>Resources</b> Residential lettings/disposals Day to day management and caretaking Strategic investment/planned maintenance programmes  Review of overall performance, return on investment, reporting	<b>Resources</b> Cross portfolio repairs and maintenance and dilapidations Hard FM Management of common parts and caretaking	<b>Resources</b> R&M/FM dilapidations manager R&M/FM support  Site/opportunity identification/ acquisition Programme management Project management Planning Contract procurement Contract management (day to day) Completion and snagging Handover to Housing Portfolio managers	<b>Resources</b> Development director Development Surveyors/ Project Managers x2  Asset register Occupational information Property management systems administration Contracts data  Maintenance programmes Utilities data Property specific data Health and Safety and Compliance data (Testing certificates etc.) Control of data and change management protocols Insurance Stationery and supplies	<b>Resources</b> Data, compliance and office manager Data/compliance manager x3  Rent collection and payments Arrears management Service charge management Sinking fund  Cost management Financial analysis and performance Accounting and reporting					
<b>External advisers</b>											
Cost consultant/QS External investment advisers/agents and Valuation surveyor Due diligence support - e.g. Deloitte	Covering R&M, investment related and development related advice		Planning advisers/consultants Development consultants/liability appraisal support Architects Specialist advisers as required	Lawyers (Property, Construction, HR, Planning, procurement etc.) HR, pensions etc. IT/website support External accountants Contract Management Procurement advice PR and Communications	Mix of in and out house						
<b>External providers</b>											
Various building contractors, glaziers, handy persons, locksmiths etc Gardeners and Grounds Maintenance (could be procured from SBC)				Building contractors Possibly partnering arrangement? External construction project management (if required)							
<b>Growth plans to 2024 (Subject to business plan)</b>											
H1 Investment Manager Traines		Lettings Negotiator and support x2	R&M/FM support x2	H1 Project Manager Traines							Financial support

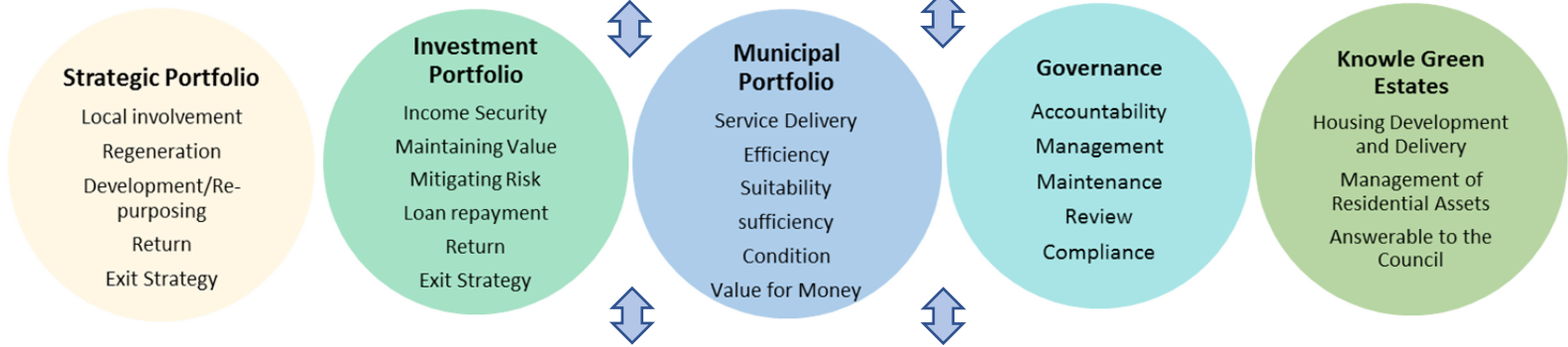


# SPELTHORNE BOROUGH COUNCIL ASSET MANAGEMENT PLAN 2020 - 2025

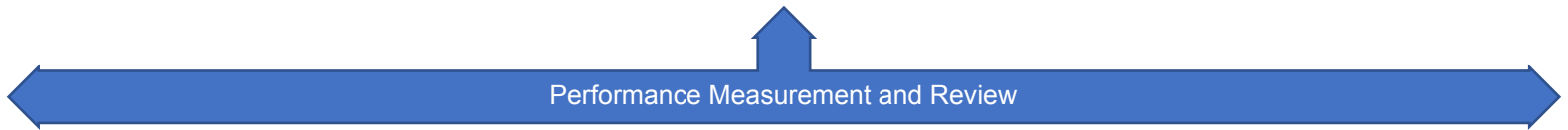
Spelthorne  
Priorities

Housing	Economic Development	Clean and Safe Environment	Financial Sustainability
Key aim: To strive towards meeting the housing needs of our residents, providing working families and others in housing need within the Borough with suitable accommodation.	Key aim: To stimulate more investment, jobs and visitors to Spelthorne to further the overall economic wellbeing and prosperity of the Borough and its residents.	Key aim: To provide a place where people want to live, work and enjoy their leisure time and where they feel safe to do so	Key aim: To ensure that the Council can become financially self-sufficient in the near future

The Estate



Strategic portfolio	Investment portfolio	Municipal portfolio	Knowle Green Estates
<ul style="list-style-type: none"> <li>Enables direct involvement in regeneration</li> <li>Enables direct development</li> <li>Provides strategic control of change</li> <li>Contributes to the delivery of the Council's priorities</li> <li>Does not put the Council at significant risk</li> </ul>	<ul style="list-style-type: none"> <li>Provides a net revenue return to the Council</li> <li>Maintains its long-term value</li> <li>Contributes to the Council's objectives and economic and social wellbeing of Spelthorne residents</li> <li>Does not put the Council at unquantified risk</li> </ul>	<ul style="list-style-type: none"> <li>Positively Contributes to the delivery of the Council's priorities and services</li> <li>Is Suitable, sufficient and of appropriate quality and condition</li> <li>Represents Value for Money</li> <li>Does not harm the Council's reputation</li> </ul>	<ul style="list-style-type: none"> <li>Act in the interests of the Council</li> <li>Operate as a commercial entity</li> <li>Progress delivery of the Council's Key Priorities</li> <li>Represent value for money</li> <li>Be fully accountable and transparent</li> </ul>



Action Plan

Strategic portfolio	Investment portfolio	Municipal portfolio	Knowle Green Estates
<ul style="list-style-type: none"> <li>Progress strategic acquisitions</li> <li>Progress town centre regeneration plans</li> <li>Identify further opportunities from within existing assets</li> <li>Deliver identified pipeline of projects</li> </ul>	<ul style="list-style-type: none"> <li>Manage and review to maximise income, long term value and mitigate risk</li> <li>Continue to invest prudently</li> <li>Review sinking fund</li> </ul>	<ul style="list-style-type: none"> <li>Instigate new property Management information System</li> <li>Review Portfolio to improve efficiency, value for money and identify opportunities</li> <li>Re-purpose any under-used assets</li> <li>Review maintenance and compliance arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Establish KGE Estates Group Ltd to manage and maintain Council development projects</li> <li>Manage occupational risks</li> <li>Develop Skills Base</li> </ul>

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## EXTRACT FROM EMERGENCY COUNCIL MEETING 21 MAY 2020

### 4.7 ASSETS

#### ASSETS COVID-19 IMPACTS

There has been no new work requirement by Government or the Council for the Assets team as a result of the COVID-19 pandemic. However the pandemic has had a significant impact on the level of the workload within the team, and has required a very different approach to the investment and municipal portfolio, in particular.

The COVID-19 crisis has had a significant impact on business, with offices and retail units being closed and staff working at home, being furloughed or being made redundant. This will impact on cashflows moving forwards, and officers will ensure the impact is kept under constant review. 'Lockdown' coincided with the March quarter rent collection. With a £1bn property portfolio, it was critical that the income was received. In order to do this, the workload of the team has increased significantly. Three members of the team, plus the manager, have been focused almost exclusively on maximizing rent receipts. In a normal quarter around 25% of their time would be allocated to rent collection at quarter end. During March and April this has increased to a minimum of 75% of their time.

Central Government announcements around how landlords should be treating business, and rent collection in particular, has had a significant impact on how the team have approached March quarter. Very early on in the COVID-19 crisis the Government advised that landlords would not be allowed to forfeit leases for non-payment of rent. It has been widely reported nationally that a number of companies have taken this as a 'green light' not to pay their March quarters rent, as landlords cannot force them to do so, regardless of the strength of their balance sheet.

In light of the importance of the portfolio to the financial health of the authority, the Council has radically altered the way that it deals with rent collection within its investment portfolio:

- It has set up a weekly rent review meeting (covering investments, retail and municipal). This meeting includes senior politicians, Management Team and the Assets Team;
- All requests from tenants are being considered on an individual case by cases basis;
- No blanket policy was put in place in terms of concessions that would be 'offered' to tenants;
- Where appropriate considering 'win-win' initiatives (e.g. leases can be re-structured with rent free periods in return for removal of impending break clauses to provide longer term benefit to the Council in return for short term easing of cashflow for the occupier)
- The March quarter day, i.e. rents falling due on 25 March, followed a quarter of near normal business operating (i.e. COVID-19 had not impacted their business at that stage) and therefore we have worked from the standpoint that tenants would largely be in a position to pay;
- The principle of whether a tenant 'can't pay' or 'won't pay' has been applied. A large percentage of the portfolio is focused on the office sector. Whilst buildings are physically closed, the companies are still operating remotely. They therefore have a large degree of in-built resilience;

- Robust one-to-one engagement with those who in the opinion of the Council were taking a stance of ‘won’t pay’. This has included frequent direct conversations at director and board level, setting out in particular the Council’s unique position as a landlord (e.g. not an institutional investor – the income goes direct to support provision of Council services and our housing delivery programme). This has borne fruit in a number of instances where organisations have agreed to depart from the norm they have pursued elsewhere;
- Where tenants have clearly demonstrated that they can’t pay (and this has been assessed by the property managers and is deemed acceptable) then the focus has been on securing service charges. This has primarily been in connection with a number of the retail units in the Elmsleigh Centre;
- Developed a Red, Amber, Green (RAG) rating system (watch list), drawing on a number of data sources, to help make informed decisions on recovery of rent arrears including a final guarantor rent deposit spreadsheet;
- Updated covenant strength against payment records for all tenants;
- Undertaken weekly cashflow modelling and stress testing on the investment portfolio to assess the resilience of the accrued sinking fund;
- Cashflow quarterly income for a five year period based on (1) current position (2) base case - default only (3) base case – default and deferment (4) worse case – default and deferment, including refurbishment costs to ensure that even in the worst case scenario that the Council has sufficient sinking funds to insulate the Revenue Budget and council taxpayers from adverse impacts;
- The Elmsleigh Centre was sharply impacted by COVID-19. The lockdown was immediate and mandatory except for a couple of key stores. Tenants were strongly pressed to meet their March quarter payments, however retailer concerns about future trade and footfall even after lockdown is lifted, caused them to focus on preserving their businesses. The majority withheld rent. Government has restricted any meaningful landlord actions for nonpayment, however the Council has not waived any rental and these remain on the ledger to be revisited at a later juncture. Through considerable negotiation with senior personnel in the retailer companies, the Council has managed to collect circa 60% of the March quarter service charge, and expects to improve on that figure by the end of the quarter period. The team has also worked to reduce costs and expenditure at the Centre during this quarter to mitigate the impact of short payments; at the same time ensuring the Centre remains fully compliant, and therefore in a position to reopen without delay once the government imposed lockdown on retail is lifted.

Government guidance was updated on 23 April introducing a temporary ban on landlords from issuing statutory demands and winding up orders (called a 7 day letter); and preventing the use of the Commercial Rent Arrears Recovery procedure (CRAR) where rent arrears are less than 90 days overdue. The Assets Team are actively reviewing the approach the Council now needs to take. Whilst statutory demands can still be issued, the authority cannot progress them. This is a further challenge to securing outstanding rent from tenants. The cost implications are that the Council are unlikely to recover monies in a number of cases.

The Council’s sinking fund currently stands at approximately £20m. With the onset of the COVID-19 emergency in March 2020, the Council has had to pro-actively engage with some of its tenants and discuss their cashflow issues. At the time of writing, **more than 90% of the March quarter rent due on commercial assets has been received, and of the 10% outstanding all but 3.6% has been addressed through rent deferral plans** agreed between the Council and the tenants. Retail is in a more precarious position. Notwithstanding this, at



the time of writing the Council forecast to **realistically recover 29% of rent, and 71% of service charges, by the end of this Quarter period, a combined total of 39%**. In a time of crisis this is testament to the huge amount of time and effort put in by a team of highly qualified and skilled staff.

To put this in some context, major private sector landlords with substantial retail focused portfolios have reported weaker collection statistics on the March quarter of 29% (Intu) and Hammerson (37%).

While balance sheet value post COVID-19 has largely remained at acquisition levels, net income has been significantly increased through leasing and pro-active asset management during the Council's ownership. Despite this initially strong position, the Council recognises that COVID-19 poses the most extreme economic stress test for more than two centuries. Obviously we do not yet know how long the pandemic will impact and when/how the lockdown will be wound down. The Council will continue to keep under active review its sinking funds projections. With even the most adverse of these scenarios, the sinking funds are sufficient to offset potential drops in rental income. This means that the Council is confident that the its sinking funds are sufficient to insulate the Council's Revenue Budget and in turn council taxpayers from any potential reductions or delays in commercial rent received adding to the Revenue Budget gap. The contribution from commercial assets towards the Revenue Budget is protected by the sinking funds.

As a result of our investments, we have improved the financial resilience of and increased service delivery resources in areas such as homelessness and independent living. This has enabled the Council to pro-actively and rapidly move in response to COVID-19 to meet the needs of its vulnerable communities without reliance on Government funding in advance. As an example, even though it is not our role, we have put in place arrangements for our staff to contact 93% of Category A (shielded) residents in the borough and arrange food parcels and welfare support for those in need.

The Government announced on 10 May its 'conditional plan' to begin lifting England's Coronavirus lockdown (Our Plan to Rebuild: The UK Government's COVID-19 recovery strategy). Government has set out a two-step process whilst we are in what is being called Phase 2: smarter controls. We are now moving into step 1. Government has advised that for the foreseeable future workers should continue to work from home wherever possible. This advice will apply to virtually all our investment tenants (bar a few small food retailers in some of our offices).

Subject to assessment of data and a review of whether the Government's five tests are being met, the Government have indicated that non-essential retailers will be able to open from 1 June subject to them meeting the COVID-19 guidelines. This will enable our retailers in the Elmsleigh Centre to reopen and the Centre's management team is working up a detailed exit plan and liaising closely with retailers in preparedness. However, it has been made exceptionally clear that if the infection rate increases then both these measures may be delayed or even reversed.

### **Municipal assets**

The Council owns a large number of municipal assets which provide services to residents and businesses in the borough. Within this portfolio the Council holds a number of buildings and pieces of land which are leased out to community organisations (such as Stanwell Moor Village Hall, Bagster House in Sunbury and Dramatize in Ashford). As a Council we ensured that all these facilities were closed as soon as relevant government guidance was issued. A

significant number have been directly impacted by the COVID-19 crisis. Halls, for example, rely on bookings and this cannot happen as gatherings have been banned. Others rely extensively on charitable funding to supplement their income and this has diminished considerably. These organisations have a valuable place in our community and will be increasingly relied upon once we move out the other side of the pandemic.

Where requests have been received from lessees, officers have considered them on an individual case-by-case needs basis. This has included consideration of payment plans (for example moving from quarterly to monthly), rent deferrals, rent holidays and reduced rents. A new process has been set in place to ensure that these are considered quickly and effectively at both officer and Councillor level. Revised arrangements are now in place for a number of tenants. The Council are keeping the matter under active review, and considering all requests that are submitted to it.

As an authority we have taken specific action in order to assist those parts of the community most directly impacted by the crisis. Stanwell is one of our communities which, for a whole host of reasons, currently relies on Food Bank provision more than other parts of the borough (the numbers of food parcels are referred to elsewhere in this report). Stanwell Food Bank currently occupies Stanwell Pavilion. However, the space is not very well configured and this limits the effective delivery of the Food Bank service (which will continue long beyond the end of the COVID-19 pandemic). As a Borough we are therefore undertaking some internal alterations to the building (at our own cost and not that of the voluntary organisation) to enable this to happen.

### **Development**

In terms of the development work, Central Government made it clear that it expected development and construction work to continue (whilst ensuring social distancing/hygiene measures are met) throughout the COVID-19 pandemic. It has been very clear from the outset that the country needs to be in the best position possible in economic terms once the pandemic subsides. Development and construction are central drivers in achieving this. This view was re-enforced by the fact that the government defined construction staff as essential workers (alongside NHS, health and local government staff).

Government advice (Gov.uk update dated 27 March 2020) is that 'Construction Sites have not been asked to close, so work can continue if it is done safely.' The Government advice also references the Construction Leadership Council Guidelines.

All Council development sites are fully adhering to the Industry Guidance for Building Sites during COVID-19 (produced by the Construction Leadership Council)

The effect on this side of the Asset Team has been twofold. Firstly the development team have continued in their work of bringing forward planning applications for consideration by the Local Planning Authority. Two applications have been or are about to be submitted during this period. The first is for a significant residential development at Thameside House in Staines-upon-Thames, and the second is for a residential schemes at Victory Pace in Ashford. Together they will eventually deliver around 250 units of much needed housing in the borough. The latter will bring forward 115 units of key worker accommodation (with a Memorandum of Understanding between the Council and Ashford and St Peter's Hospital Trust, which gives NHS staff first refusal).

Secondly the Assets Team has a number of projects under construction, namely at White House in Staines-upon-Thames (single person homeless accommodation), Harper House in

Ashford (temporary accommodation), West Wing of the Council Offices (affordable rental housing) and at Ceaser Court in Sunbury (affordable rented and private rented). Not only was it important to keep this work going from a construction (and employment) point of view, it was critical to keep moving these projects forward in terms of housing delivery. The first two schemes have secured between them over £3m of funding from Homes England (HE). Whilst HE have said they are sympathetic to any delays as a result of COVID-19, as a Council we need to ensure that these developments are not delayed. The project manager has therefore undertaken twice weekly inspections of all the active construction sites and liaised with our contractors on a daily basis to ensure the safety of their teams is maintained by ensuring that social distancing measures are in place. This proactive work has enabled all the Council's construction sites to continue to operate throughout this pandemic except for a two week delay on one of the sites during April – which is now back up and running.

As a Council we also have a small active residential portfolio (at Churchill Way and the Bugle). The Facilities and Estates Manager has been in regular contact with our tenants to see if any are suffering from COVID-19 symptoms and whether particular measures need to be put in place. We are also reminding tenants about the need for social distancing.

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**Cabinet****23 September 2020**

<b>Title</b>	Community Asset Policy		
<b>Purpose of the report</b>	To make a decision		
<b>Report Author</b>	Heather Morgan		
<b>Cabinet Member</b>	Councillor Jim McIlroy	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Recommendations</b>	<p><b>Cabinet to:</b></p> <p><b>Approve the Community Asset Policy attached at Appendix 1 and the Stage 1 Further Information Form, Stage 1 Matrix Scoring Form and Flow Chart</b></p>		
<b>Reason for Recommendation</b>	<p><b>The Council regularly has calls for the use of its assets by a range of organisations and community groups.</b></p> <p><b>It is critical that we advertise any opportunities which come up for the assets that we own, and assess them in an open and transparent way.</b></p> <p><b>This policy sets out how we will achieve this.</b></p>		

**1. Key issues**

- 1.1 The Council holds a number of municipal assets. Part and parcel of the approach moving forward will be to undertake a review of all these assets to determine whether they are still required for operational and service needs, whether they need to be re-purposed or failing that whether there is an opportunity to offer them to the wider community for their use.
- 1.2 It should be noted that this Community Asset Policy does not apply to purely commercial business operations.
- 1.3 The policy will apply to situations when the Council has properties which are coming up for lease renewal, or where we have a vacant property which is surplus to Council requirements. As an authority we do need to ensure that every opportunity is offered out to other community organisations regardless of whether or not there is a current tenant whose lease is coming up for renewal in case to ascertain which community use might be best for the premise. The only situation where this would not apply would be when there is

a lease in place 'inside the Act' or there are other legal or technical reasons why this cannot be done.

- 1.4 It comes into play when the Council reaches the point of offering an asset to the wider community. Prior to doing so the assets team will have established if the building is fit for purpose and what works might need to be done in order to bring it 'up to spec'. This will be factored in (as required) as part of any lease.
- 1.5 Assets receive regular requests from various businesses, charities, organisations and individuals on whether we have any surplus buildings or land that may be available. These range from people wanting to run a nursery or pre-school, a charity (for example Men in Sheds), a café (Lammas) to those wanting to set up a start-up company. There are many more 'calls' on our assets than there are to be let.
- 1.6 A clear and transparent process needs to be in place which allows all potential organisations to be made aware of an opportunity and to 'bid' for that. This policy seeks to do that.
- 1.7 The Council recognises that community groups provide significant support to our residents and deliver valuable services that we as an authority are not in a position to do. In addition, there is a strong ethos of encouraging small fledging businesses to grow. Key to all of this however is a focus on delivering for the residents within Spelthorne first and foremost.
- 1.8 The policy sets out a clear and transparent three stage process by which the Council will make a decision on who to lease a building or piece of land to. It will exclude licences as this is a Council permission granting a licence occupy or do something on our land, whereas a lease is the grant of legal interest in land which gives exclusive possession for a fixed period of time. Each opportunity will be advertised for a month to gauge interest. This will be done on the Council's website and via social media. At the same time as the advert is placed on the website ward councillors will be advised by email as well as residents associations and any other community groups that the Council may be aware of (via the Community Development Manager). These organisations can then pass the message out to the local community to ensure the opportunity for local community groups to bid for space is maximised.
- 1.9 The application form and scoring matrix will be appended to the advert and will form part of the advertising process so applicants will know from the outset what information will be required from them and more importantly how the Council will assess that information. The scoring matrix in particular sets out in detail what the authority will take into account and does allow the Council to evaluate a range of different types of applications.
- 1.10 Technical assessment will be undertaken by officers who will (after going through the two stage process) put a report to the Leader, the Portfolio Holder for Investment Portfolio Management, and Regeneration and the Portfolio Holder most relevant to the application with the recommendation to proceed with the lease or community asset transfer as appropriate. The final decision will rest with those councillors.
- 1.11 Requests or approaches received by a Councillor relating to any municipal property will need to be referred directly to the assets team as they need to have full sight of every potential opportunity that has come to the Council no

matter by what route. It will then be for the assets team to manage the process in accordance with the policy. Where a Councillor has had any involvement, this will be recorded in the assessment report considered by the Councillor panel at the end of Stage 2. Councillors with such involvement will not be party to the final decision making process.

## **2. Options analysis and proposal**

2.1 The Council could decide to continue to deal with requests from organisations on an ad hoc basis as and when they come forward. This will not necessarily expose the opportunity to everyone within the wider community (it is effectively almost first come first served). As a result it could be the case that an organisation that might otherwise have benefitted from a lease does not do so. There is also the risk that the Council may not achieve best value for money (in the context of its municipal portfolio). Continuing this approach does not maximise openness and transparency and runs the risk of potential challenge. This option is not recommended

2.2 The alternative is for the Council to adopt this proposed policy. It will allow equality of opportunity, it sets out a clear and transparent framework and ensures that the community benefits are at the heart of the decision making process for these type of assets. This option is recommended.

## **3. Financial implications**

3.1 There are no financial implications per se with the implementation of this policy. Business cases will be considered at stage 2 of the process when we advertise individual opportunities, and will help determine the overall level of rental income required for the eventual successful applicant.

## **4. Other considerations**

4.1 Equality and diversity will be taken into consideration as part and parcel of the process including where adaptation might be required to a building in order to ensure equal access is provided.

## **5. Sustainability/Climate Change Implications**

5.1 The use of otherwise redundant buildings or unused land provides a sustainable re-use of assets which would otherwise cost the Council money to repair, maintain and keep secure without providing any community benefit.

## **6. Timetable for implementation**

6.1 It is proposed that this policy comes into immediate effect upon approval. It is intended to keep the matter under active view as this is a new policy and procedure. A review will be undertaken in six months to assess its effectiveness and to ascertain if any revisions or amendments are required.it will then be reviewed on an annual basis.

### **Background papers:**

None

### **Appendices:**

Appendix 1 - Community Asset Policy and Procedure

Appendix 2 - Stage 1 Further Information Form

Appendix 3 - Stage 1 Matrix Scoring Form

Appendix 4 - Flow Chart

Appendix 5 - Equality Impact Analysis (to follow)

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# **Community Asset** **Policy**

**September2020**

# **Community Asset Policy**

## **1. Introduction**

The Council defines a community asset as a building and/or land that has a community use and from which a community based activity or service is/could be delivered.

The Council's Property Portfolio includes land, buildings and other structures. Assets from the portfolio that are utilised by the community for social, health or leisure purposes include; community centres and halls, parks, play areas and recreation grounds, pavilions & changing rooms, tennis courts, bowls clubs, leisure centres, allotments and scout/uniformed group huts. (N.B. this list is not exhaustive and does not include miscellaneous land that may be considered for future community use. A full list of the types of community assets can be seen in Appendix 3 of the Asset Management Plan).

The Council's portfolio of assets are held to; support direct service delivery, support delivery by partners including the voluntary sector, stimulate economic activity and regeneration and support the Council's budgets. The Council has a duty to act as custodian of community assets whilst supporting and facilitating third sector development through community use agreements/leases.

For the purpose of this policy the term 'Asset Transfer' refers to the transfer of a long-term community asset lease to a community organisation.

## **2. Purpose of the policy**

The purpose of the Community Asset Usage Policy is to establish a transparent and positive framework that sets out the Council's desired objectives for long-term community asset usage. This policy will be used to robustly evaluate current and proposed community usage arrangements through the establishment of a cross service evaluation criteria and procedure. The procedure will:

- source information across services to respond to queries from community groups in a timely manner.
- ensure that Elected Members and officers understand how the evaluation of community asset usage can benefit both the Council and local communities.

Through implementation of the policy and procedure, the Council will ultimately gain a robust methodology to inform and influence long-term community asset usage decisions.

## **3. Objectives**

The objectives of this policy are:

- to ensure a transparent, equitable process for the assessment of community assets and their future use
- to maximise the benefit of Council owned assets for local communities
- to maximise the utilisation of community assets through shared usage arrangements

- to provide long-term sustainability for services and assets to ensure due consideration is given to assets that are already highlighted for potential investment by external sources
- to provide value for money for the Council and residents
- to provide a stimulus for partnership working
- to enhance the Council's reputation

#### 4. Local policy context

The Council will adopt an agreed method of assessing the benefits of current use vs proposed community use that is strategically linked to its corporate priorities.

**Housing** - To strive towards meeting the housing needs of our residents, providing working families and others in housing need within the Borough with suitable accommodation.

**Economic Development** - To stimulate more investment, jobs and visitors to Spelthorne to further the overall economic wellbeing and prosperity of the Borough and its residents.

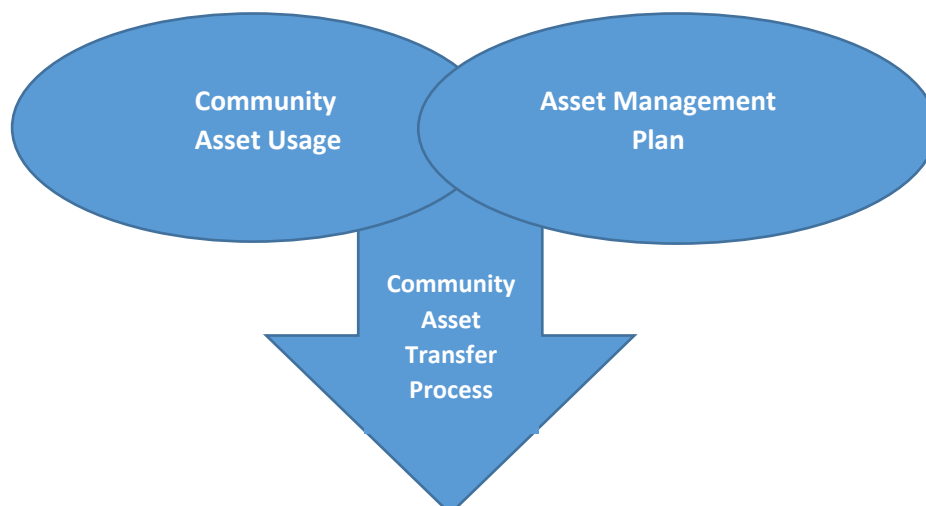
**Clean and Safe Environment** - To provide a place where people want to live, work and enjoy their leisure time and where they feel safe to do so

**Financial Sustainability** - To ensure that the Council can become financially self-sufficient in the near future

The proposed Asset Management Plan for Spelthorne Borough Council will set out the Council's commitment to undertaking a comprehensive review of its entire municipal property estate over the next 3 years, starting with the Council's building assets. The key issues to be identified are:

- the suitability of the building/ location for the delivery of the service
- whether the service is needed for the long-term
- whether the property occupied represents or could represent value for money.

The findings from this review will contribute to the scoring of the Community Asset Evaluation, particularly the financial and community use criteria. The Community Asset Usage Policy will dovetail with the Asset Management Plan to assist in the identification and recommendation of community assets that are suitable for Community Asset Transfer. Any Community Asset Transfer recommendation will consider equal opportunities and the need to provide an open application process against an agreed criteria.



## **5. Principles of the Community Asset Usage Policy**

The policy on Community Asset Usage is underpinned by the following principles:

- any proposed community asset usage must support the aims and priorities of the Council as set out in an adopted policy e.g. Corporate Plan, Asset Management Plan, Health and Wellbeing Strategy
- any community asset usage criteria and procedure must support the overall policy objectives
- recognise the Council's dual roles as a supporter of the third sector but also as a steward of publicly owned assets
- all Council service areas and Elected Members will endorse and help deliver this agenda
- the policy will be maintained and delivered by a Corporate Working Group consisting of representatives from Asset Management, Leisure Services, Community and Neighbourhood Services.

This policy will be supported by a robust evaluation criteria and procedure as set out in the accompanying document.

For clarity:

- This policy applies to leases (the grant of legal interest in land which gives exclusive possession for a fixed period of time) but will exclude licences as this is a Council permission granting a licence occupy or do something on our land
- This policy will also apply to situations when the Council has properties which are coming up for lease renewal, or where we have a vacant property which is surplus to Council requirements. As an authority we do need to ensure that every opportunity is offered out to other community organisations regardless of whether or not there is a current tenant whose lease is coming up for renewal in case to ascertain which community use might be best for the premise. The only situation where this would not apply would be when there is a lease in place 'inside the Act' or there are other legal or technical reasons why this cannot be done.
- Prior to applying this policy to a particular asset the Council will establish if the building is fit for purpose and what works might need to be done in order to bring it up to spec. This will be factored in (as required) as part of any lease.
- As part of this pre-assessment process each individual asset will be looked in its own right when the specification is pulled together on what the Council are looking for (e.g. a small toilet might be suitable for a business or a community use and this will be determined prior to advertising)

## **6. Policy Ownership and Review**

Asset Management will have overall ownership of the community asset policy and procedure. All enquiries regarding community asset usage received by officers or Elected Members will be referred to the Asset Management Team. This is to ensure the enquiry can be processed in line with this policy and procedure and will include cross service evaluation. Officers from Community Wellbeing, Neighbourhood Services and any other relevant department will contribute to Stage 1 Assessment Scoring Forms as required. The Officer Panel that has responsibility for making recommendations will consist of the Group Heads

for Community and Wellbeing and Regeneration and Growth and the Property and Development Manager.

There will be a process of lease reviews for all Community Assets. The timings of these reviews will depend on the individual asset and the outcome of the evaluation.

This policy will initially be reviewed 6 months after implementation and then on an annual basis.

## **Community Asset Usage Procedure**

This procedure sets out a framework for considering Community Asset Usage requests. It outlines the stages of the decision making process plus the assessment criteria and processes at each stage.

For the purpose of this procedure the term 'Asset Transfer' refers to the transfer of a long-term community asset lease to a community organisation.

### **STAGE 1 - Advertising available asset and initial application and assessment**

The authority will only consider advertising an asset where:

It is in the freehold/leasehold interest of the Council

It has already undergone assessment for current benefit to community users and value for money using the adopted policy criteria

It is not already identified in Councils strategies or service delivery plans for future external investment to enhance its current usage. The exception to this would be a proposal that includes the same activity as the current usage e.g. an application could be considered from a football club that wants to make use of a pavilion that has been highlighted for investment in the Councils Playing Pitch Strategy.

Assets identified for potential asset transfer or community having undergone the process set out above will be advertised on the Council's website for a period of 1 month. Each opportunity will be advertised for a month to gauge interest. At the same time as the advert is placed on the website we will advise ward councillors by email as well as residents associations and any other community groups that the Council may be aware of (via the Community Development Manager). These organisations can then pass the message out to the local community to ensure the opportunity for local community groups to bid for space is maximised.

Community groups and organisations will be invited to express their interest in using or leasing the asset by completing a Stage 1 Further Information Form (**Appendix 1**).

All enquiries relating to community asset usage from residents, sports clubs, community groups or organisations and Elected Members will be directed to the website to view potential opportunities. The Stage 1 Further Information Form will be available on the website along with the Scoring Matrix Form which they will be scored against (**Appendix 2**). This will ensure there is full transparency around the process which will be undertaken.

There will be 3 key factors to be considered within stage 1 but the individual criteria which expressions of interest will be scored against may vary depending on the asset being advertised. This will be made clear upfront when the assets is initially advertised.

The Applicant must be a Voluntary and Community Sector organisation - i.e. it must be a legal entity which is:-

- Appropriately constituted, for example, a registered charity, a community interest company or a charitable incorporated organisation, a not-for-profit company; a co-operative, sports club or CASC (Community Amateur Sports Club). A requirement to have charitable status will be dependent on the size of the asset and will be specified at advert stage. (For example where there is a substantial asset and the community group is looking to access government or other grant funding in order to operate then charitable status will almost always be required in any event for them to access that funding)
- Community-led, i.e. its governance arrangements must ensure that members of the community are able to influence its operation and decision making processes.

### **Stage 1 Criteria:**

The three key factors to be considered within the Stage 1a Community Asset Usage Policy/procedure criteria are:

- a. The current benefits to the local community provided by the organisation and/or asset versus those to be gained from new or increased access to the community asset.
- b. The alignment of any new usage proposal with the Council's strategic values and objectives.
- c. The impact of the current and/or proposed usage on the sustainability of the asset and service.

Stage 1 assessment of proposals via the Scoring Matrix Form will take into account these factors, considering both the likelihood and impact of failure.

### **Stage 1 Procedure:**

#### **Stage 1a**

Assets identified for potential asset transfer or community use following the review of the Council's property estate will be advertised on the Council's website for a period of 1 month. Community groups and organisations will be invited to express their interest in using or leasing the asset by completing a Stage 1 Further Information Form (**Appendix 1**).

The Property and Development Manager will initially assess all Stage 1 enquiries using the 'Further information Form' and 'Stage 1 Scoring Matrix Form' (**Appendix 2**). See attached Flow Chart for further details (**Appendix 3**). Where necessary, Community Wellbeing and Neighbourhood Services will be asked to contribute to provide missing information.

Stage 1 Scoring Matrix Forms that score 75% or below will not meet the Council's key criteria for long-term community asset usage. Asset Management will inform the enquirer accordingly once all assessments have been completed that they have been unsuccessful in their submission.

This stage will be completed within 2 weeks of the closing date of the advert.

### **Stage 1b**

Stage 1 Scoring Matrix Forms that score 75% and above will be assessed by the Officer Panel (Group Heads of Community and Wellbeing, Regeneration and Growth and the Property and Development Manager). That group will undertake a basic options appraisal to compare current and proposed usage facts and decide which applications should move to stage 2. Once this process has been completed Asset Management will advise those applicant(s) that have been successful in moving to Stage 2.

This will be completed within 2 weeks of the completion of the stage 1a assessment.

### **STAGE 2 - Consideration for Asset Transfer**

Stage 2 requires applicants to produce a full business case, including financial considerations and evidence of ability to sustain the asset and service they provide. The level of detail in the business case will be to a large extent determined by the size of the asset and the community offering being put forward (for example a community café in a disused toilet will require less than an organisation looking to take a whole community hall).

These documents will undergo a robust objective review by officers in Asset Management, Finance, Community Wellbeing and Neighbourhood Services (the latter two as required) and assessed for a second time against the full assessment criteria using the Council's Stage 1 Scoring Matrix Form.

This process will be completed in 2 weeks. If as a result of additional requests for information or a large number of business case submissions this 2 week turnaround cannot be achieved the Council will write and advise all applicants in writing of the date of the extended deadline by which that assessment will be complete.

### **Stage 2 Criteria:**

A successful Stage 2 full business case will need to evidence the following criteria:

#### **Community Use**

The proposed use of the asset is genuinely for the benefit of the local community and offers real potential for the development of a sustainable, successful and independent community organisation.

The asset will benefit local residents, including less advantaged groups and provide affordable membership costs.

#### **Strategic Direction**

The proposed use of an asset reflects the outcomes and objectives of the Council's Corporate Plan and Asset Management Plan.

#### **Local Provision**

The application demonstrates that there is supply and demand for the service and no surplus duplication within the local area.

## Finance

The applicant provides a business plan that demonstrates:

- Value for money for the Council
- Security /sustainability of service to ensure continued utilisation and prevention of anti-social behaviour

### **Stage 2 Procedure:**

#### **Stage 2a:**

Successful applicants from stage 1 are invited to submit a detailed business plan. These should be submitted by the applicants within 2 weeks of being advised they have advanced to stage 2 of the process. Where this deadline cannot be achieved the applicant should advise the Council why and how long this will take.

#### **Stage 2b:**

Business cases are reviewed by officers in Asset Management, Finance, Community Wellbeing and Neighbourhood Services (the latter two as required) and assessed for a second time against the full assessment criteria using the Council's Stage 1 Scoring Matrix Form.

A full financial review will be undertaken by the Finance team.

This process will be completed in 2 weeks. If as a result of additional requests for information or a large number of business case submissions this 2 week turnaround cannot be achieved the Council will write and advise all applicants in writing of the date of the extended deadline by which that assessment will be complete

### **STAGE 3 – Asset Transfer Recommendation**

These assessments will be used to determine if there is a suitable applicant which the Officer Panel can recommend to the relevant Councillors. If there is a suitable applicant, a full report including the Stage 1 Scoring Matrix Form, the relevant business case and officer recommendation will be sent to the Leader, the Portfolio Holder for Investment Portfolio Management, and Regeneration and the Portfolio Holder most relevant to the application with the recommendation to proceed with the lease or community asset transfer as appropriate.

A final decision on whether to accept the recommendation of the Officer Panel will be made on the asset by these Councillors. This decision will be made within one week of receipt of the officer recommendation.

The successful applicant will be notified in writing on the decision of the Council and liaison will then take place with the Assets and Legal teams on drawing up the necessary legal documentation.

### **COUNCILLOR INVOLVEMENT**

Requests or approaches received by a Councillor relating to any municipal property will need to be referred directly to the assets team as they need to have full sight of every potential



opportunity that has come to the Council no matter by what route. It will then be for the assets team to manage the process in accordance with the policy.

Where a Councillor has had any involvement, this will be recorded in the assessment report considered by the Councillor panel at the end of Stage 2. Councillors with such involvement will not be party to the final decision making process.

## **REVIEW PROCESS**

All those unsuccessful applicants who reached stage 2 will then be notified that they have not been successful indicating the reasons why. Any applicants not satisfied with the final decision will need to contact the Council and go through the Councils Corporate Complaints Procedure <https://www.spelthorne.gov.uk/article/16560/Comments-compliments-and-complaints>

## **APPENDICES**

Stage 1 Further Information Form

Stage 1 Scoring Matrix Form

Flow Chart

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## COMMUNITY ASSET USAGE POLICY STAGE 1 - FURTHER INFORMATION FORM

In order to assess your initial usage enquiry for a Council owned asset, please provide more information on your organisation, your users, and how your long term usage would align with the Council's strategic values and objectives as set out in the guidance notes at the end of this document.

We will use this information to assess against our key criteria and will inform you if your enquiry passes the Stage 1 assessment. **Organisations will need to answer all questions below. The Council will not be able to assess incomplete forms.**

1.	Community Use
	<u>About your organisation:</u>
1.1	What is the name of your club/organisation?
1.2	What is your organisations legal entity and current governance? Please attach evidence in form of proof of charity status or trading number. Forms without this information will not be considered.
1.3	What service does your organisation provide?
1.4	Does your organisation have an interest in a particular Council asset? i.e. building or land?
1.5	If yes, which Council owned asset/assets is your club/organisation interested in and in what capacity e.g. short / long term lease? Please note a long term lease would be 25 years or more.
1.6	What is the reason for your interest a Council owned asset? e.g. lease ending in current site.
1.7	How many m2 and hours per week would you be wanting to make use of an asset? Please make sure you provide:  - days of week

- times
- floor space in m2.

1.8 Are you a current hirer of a Council owned facility? Please provide details of m2 usage and hours per week.

1.9 One of the Council's objectives is to maximise the usage of community assets. If there is surplus hire/booking space outside your requested usage, would you consider sharing space on a long-term lease with another community group?

About your members:

1.10 How many members/current service users do you have?

1.11 How many of your members/users are Spelthorne residents?

1.12 How many projected members/service users do you expect over the next:

12 months:

2 years:

5 years:

1.13 What is the cost of any membership to local residents – do you offer concessions? Are your rates affordable to your service users?

1.14 Are diverse/less advantaged groups users of their service?

1.15 If yes, what percentage of users are from less advantaged groups?

1.16 How would your club/service attract more people from less advantaged groups?

<b>2.</b>	<b>Strategic Objectives</b>
2.1	<p><u>Benefits of usage</u></p> <p>If you were to use this facility, what benefits would the local people receive from your service? Please refer to the Council's strategic values and objectives in the guidance notes and explain how your benefits relate to these.</p> <p>Corporate Plan:</p> <p>Health and Wellbeing Strategy:</p> <p><u>Benefits to asset</u></p> <p>Please provide any benefits that the Council's asset would receive from your usage. We are interested in how your usage would impact on the sustainability of the asset:</p> <p>2.2 Would your organisation be willing take on responsibility for internal maintenance? Please provide details.</p> <p>2.3 Would presence of your organisation within an asset reduce anti-social behaviour?</p> <p>2.4 Has your organisation secured any capital funding that could benefit the asset?</p> <p>2.5 Does your organisation link with a funding partner who is interested in investing in the asset or receive advisory support from relative organisation?</p>
<b>3.</b>	<b>Local Provision</b>
3.1	Please confirm if you are aware of any other similar groups operating in Spelthorne or in the locality of the asset of interest?
3.2	Do you currently operate a waiting list for your service and if so how many people are listed?
<b>4.</b>	<b>Declaration of interest</b>
	The Council has a duty to consider any situation in which staff personal interests, or interests that owe staff to another body or person, may (or may appear to) influence or affect the Council's decision making. Please therefore

	answer the following questions:
4.1	Is your club/organisation receiving any political interest and or support from local Councillors?
4.2	Are you or any of your committee members related to a member of staff at the Council?
4.3	Are you or any of your committee members self-employed and contractually obliged to provide goods or services to a member of staff or Councillor at the Council?
<b>5</b>	<b>Additional information</b>
	Please supply any additional information that you think might be of interest to the scoring panel.

**Guidance Notes:**

Spelthorne Borough Council's Strategic Plans

The Council's Corporate Plan sets out four main priorities.

Housing

Key aim: To strive towards meeting the housing needs of our residents, providing working families and others in housing need within the Borough with suitable accommodation.

Economic Development

Key aim: To stimulate more investment, jobs and visitors to Spelthorne to further the overall economic wellbeing and prosperity of the Borough and its residents.

Clean and Safe Environment

Key aim: To provide a place where people want to live, work and enjoy their leisure time and where they feel safe to do so.

Financial Sustainability

Key aim: To ensure that the Council can become financially self-sufficient in the near future.

Spelthorne Health and Wellbeing Strategy 2020 – 2023.

Asset Management Plan

Health and Wellbeing Strategy

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## STAGE 1 - SPELTHORNE COMMUNITY ASSET – SCORING MATRIX FORM

Name of community organisation, representative or Councillor expressing interest: \_\_\_\_\_

Name of Asset /Premise: \_\_\_\_\_

Decision to move to STAGE 2?: Yes/No

### Definitions:

Community use = for charity or not for profit organisations.

Asset Transfer = long term lease.

Community Asset = Council owned buildings and or land.

1.	Community Use	Points 2	Points 4	Points 6	Points 8	Score
	<b>About your organisation:</b>					
	Evidence of organisations legal entity and current governance.	No governance.	Work in progress	Evidence pending	Evidence provided	
	Is the organisation seeking a long-term lease of at least 25 years?	Not seeking			At least 25 years.	

Current hirer of a particular Council asset? Low – few hours a week. High – high no. of hours.	For info – non-scoring				
What is your proposed usage of the/an asset? Measurement(s) – 7 days a week 4 pm to 8 pm	10-40% available hours	40-50% available hours	50-60% available hours	100% available hours	
Is the asset in a less advantaged ward?	For info – non scoring				
If there is surplus hire/booking space outside the requested usage, would they consider sharing space on a long-term lease with another community group?	No	Yes – for specific activity	Yes – part spare hours	Yes – all spare hours	
<b>About your members:</b>					
How many members/current service users do they have? (relative to the service)	0-10	10-30	30-60	60+	
How many members/service users are residents?	25% Small percentage	26% - 50%	51% - 75%	76 – 100% Large percentage	
How many projected members/service users do they expect over the next: 1,2 and 5 years.	No increase	Small increase	Double numbers	More than double	
Is the cost of membership affordable to service users?	High cost upfront cost	Medium upfront cost	Low upfront cost	No membership – low cost pay as you go	
Are diverse/less advantaged groups users of their service? What percentage of users are from less advantaged groups?		Less than 50%	40% to 75%	75% to 100%	
How would you intend to attract less advantaged groups?	No plans	Little evidence	Some evidence	Strong evidence	

	Strategic outcomes for users? Economic, Health and Wellbeing etc	No outcomes	One outcome	Two outcomes	Evidence of multiple outcomes	
	<b>Subtotal</b>	<b>/88</b>				

2.	Strategic Objectives	Points 1	Points 2	Points 3	Points 4	Score
	<b>Community benefits of usage:</b>					
	Alignment with Council objectives in Corporate Plan?	Tenuous link to one theme	Partially supports one theme	Supports one theme and partly supports others	Supports More than one Corporate Plan Theme	
	Alignment with Council Community, Health and Wellbeing plans?	No links	Partial links to one theme	Links to one theme	Evidence of more than one theme	
	Prioritised within current Service Delivery Plans? (internal input)	Not listed		Listed in draft future service plan	Yes prioritised for specific purpose	
	Is a particular asset mentioned and if so is it highlighted within a Council Strategy for investment? i.e. Playing Pitch or Homelessness Strategy. See Guidance Notes for list of properties. (Internal input)	Panel to discuss and score highly if the asset already has funding assigned to it.				
	<b>Perceived benefit to asset/Council:</b>					
	Would organisation be willing take on internal maintenance?	No responsibility		Part internal repairing lease	Full internal repairing lease	
	Would presence of organisation reduce anti-social behaviour?	No change		Partly	Significantly	
	Does organisation have secured funding?	No funding		Application approved	Secured funding	

	Does organisation receive advisory funding support from relative organisation?	No support			Yes	
	<b>Subtotal</b>	<b>/28</b>				

3.	Local provision	4	8	12	16	Score
	Is the type of usage/activity/facility catered for within plans for the new Spelthorne Leisure Centre?	Yes			No	
	Does the current provision in the borough cater for the demand?	Yes	Equal	No – short wait lists	No- long wait lists	
	Does the Council own a venue of a suitable size that could be evaluated against this proposal? (internal input)	No			Yes	
	<b>Subtotal</b>	<b>/48</b>				

4.	Declaration of interest	Non- scoring- for information				
	Political interest from local Councillors?					
	Committee members related to a member of staff or Councillor?					
	Committee members contractually obligated to provide self-employed goods or services to any member of staff or Councillor?					

<b>5.</b>	<b>Supporting Information /Additional considerations</b>	<b>-10</b>	<b>-5</b>	<b>0</b>	<b>+5</b>	<b>+10</b>
	Comments:					

<b>6.</b>	<b>Total Score</b>	<b>/164</b>				
	<b>Total as a percentage</b>					
	<b>0 to 82 = 0 – 50% =</b> <b>83 to 99 = 51 - 60% = 25%</b> <b>100 to 115 = 61 – 70%= 50%</b> <b>116 to 131 = 71 - 80% = 75%</b> <b>132 to 148 = 81 – 90% = 85%</b> <b>149 to 164 = 91 – 100% = 100%</b>					
	<b>Proceed to stage 2??</b>	YES/NO				

Scored by:

Signed:

Date:

Approved by:

Signed:

Date:

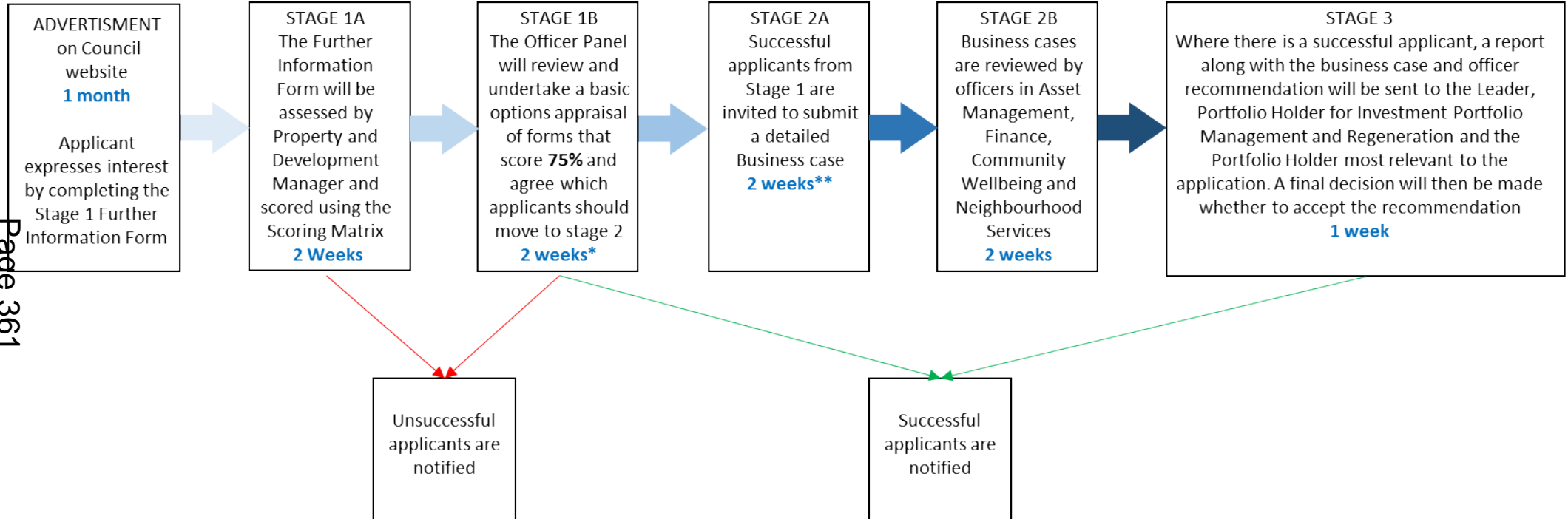
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## Stage 1

## Stage 2

## Stage 3



\* In the event that the 2 week turn around cannot be achieved the Council will write and advise all applicants the date of the extended deadline

\*\* Where this deadline cannot be achieved the applicant should advise the Council why and how long this will take

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## Urgent actions

### Cabinet 23 September 2020

These are the urgent actions which have been taken since the last Cabinet meeting on 15 July 2020.

The following urgent actions were agreed by the Chief Executive in consultation with the Leader, on the following dates and for the reasons stated. These are not Key Decisions.

<b>DATE</b>	<b>ACTION</b>	<b>REASON FOR URGENCY</b>
<b>13 July 2020</b>	A new lease for a letting in Staines-upon-Thames.	To secure the transaction completion of the letting before the Cabinet or its Sub-Committee was next due to meet
<b>29 July 2020</b>	A new letting in the Elmsleigh Centre, Staines-upon-Thames.	To secure the transaction completion of the letting before the Cabinet or its Sub-Committee was next due to meet
<b>29 July 2020</b>	A new letting in the Elmsleigh Centre, Staines-upon-Thames.	To secure the transaction completion of the letting before the Cabinet or its Sub-Committee was next due to meet

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**Cabinet****23 September 2020**

<b>Title</b>	Replacement of Spelthorne Leisure Centre		
<b>Purpose of the report</b>	To make a decision and a recommendation to Council		
<b>Report Author</b>	Lee O'Neil, Deputy Chief Executive Richard Mortimer, Property Development Adviser Jennifer Medcraft, Communications Manager		
<b>Cabinet Member</b>	Councillor Rose Chandler	<b>Confidential</b>	Main report: No Appendix 5: Yes
<b>Corporate Priority</b>	Clean and Safe Environment		
<b>Recommendations</b>	<p><b>Cabinet is asked to:</b></p> <p><b>(a) Note the results of the consultation exercise on proposals for a new Spelthorne Leisure Centre (“the new centre”) undertaken in February – April 2020, seeking the views of residents, businesses and other stakeholders on proposals for:</b></p> <ul style="list-style-type: none"> <li>• The revised location,</li> <li>• The proposed design and facilities mix for the new centre;</li> </ul> <p><b>(b) Approve the amendments to the design of the new centre as outlined in Appendix 4;</b></p> <p><b>(c) Approve modifications to the design of the new centre to meet the full Passivhaus standard;</b></p> <p><b>(d) Agree to the submission of a planning application for the development of the new centre on the proposed site outlined in Appendix 1, with the proposed facilities mix outlined in Appendix 2;</b></p> <p><b>(e) To delegate the decision regarding the selection of the contractor for the construction of the new centre to the Leader and Portfolio Holder for Leisure in conjunction with the Deputy Chief Executive;</b></p> <p><b>(f) Recommend to Council a supplementary capital estimate outlined in the confidential Appendix 5 to cover the projected costs of developing the new centre.</b></p>		
<b>Reason for Recommendation</b>	To ensure that the Council can progress with proposals to develop a new Spelthorne Leisure Centre before the current facility becomes unviable to operate.		

## 1. Key issues

### Background information

- 1.1 The current Spelthorne Leisure Centre in Staines-upon-Thames has served the borough well, but it is likely that by the end of 2021 this facility will be nearing the end of its useful life. It is a well-used facility which in 2019/20 had 507,845 visitors, 3,361 fitness members and 1,737 children registered on the centre's learn to swim scheme. The facility is also used by 8 schools for swimming lessons in addition to other school sports festivals such as indoor athletics, indoor football and swimming galas.
- 1.2 In view of the importance of this centre to the community, a feasibility exercise has been undertaken to assess options for replacing the current facility.
- 1.3 The options of refurbishing the current centre or rebuilding a new centre on the current site were considered and deemed not to be viable for the reasons outlined in paragraphs 1.2 and 1.7 respectively of the [report to Cabinet dated 29 January 2020](#).
- 1.4 Cabinet therefore made a decision to pursue the development of a new leisure centre which meets modern standards and today's customer expectations; and asked officers to identify a new location for this facility.

### Proposed location

- 1.5 In seeking a new location a range of criteria were considered which are outlined in paragraphs 1.5 – 1.6 of the report to Cabinet dated 29 January 2020.
- 1.6 A public consultation exercise was held in summer 2018 on proposals to build the new leisure centre on Staines Park. Despite strong support overall for a new leisure centre, there was significant local concern over the use of Staines Park for this facility. The Council therefore made a decision in September 2018 to seek an alternative location for the new leisure centre.
- 1.7 An extensive evaluation process was subsequently undertaken to identify alternative options for the relocation of the Spelthorne Leisure Centre, which identified that if the originally proposed facilities mix was modified, the most viable site for a new centre was the open space between the current leisure centre and the Knowle Green Council offices (site X in **Appendix 1**), but that in order for the new facility to fit on this site, this location would have to be combined with the existing leisure centre site (site Y in **Appendix 1**), which would be used as car parking for the new centre. By phasing the development it would be possible for the current leisure centre to remain open for as long as possible until the new centre is operational.
- 1.8 The proposed location is land owned by Spelthorne, not in the Green Belt and is not leased to any third parties. Although the open space (site X) is currently designated as public open space, the use of this site for a new leisure facility would ensure that no designated parks, recreation grounds or other significant community uses are affected.
- 1.9 A usage survey has been undertaken during school term and outside of term-time that demonstrates site X is only used minimally by the public.
- 1.10 A range of technical studies have also been completed which have confirmed the suitability of the proposed site for a leisure centre development.

### **Proposed facilities mix**

- 1.11 A detailed feasibility exercise has been undertaken to establish the optimum and most flexible facilities mix which should be provided at the new leisure centre, taking into account the need to remove the full-size 3G pitch originally planned, and the size of the site which is now being proposed for the development. This work, which included the development of a detailed business case, was undertaken by the Sports Consultancy, who have extensive expertise in assisting local authorities in the development of new leisure facilities.
- 1.12 This work has taken into consideration a range of factors including Spelthorne's leisure needs analysis, the borough's current and future demographics, current industry data and the Council's key drivers, including the need to maximise the financial viability of the new centre where possible. Work was also undertaken with local sports clubs to understand their preferences for facilities within the centre and feedback from over 2,300 consultee responses from the public consultation undertaken in 2018 was also taken into consideration. The proposed facilities mix arising from these exercises is outlined in **Appendix 2**.

### **Consultation process and results**

- 1.13 A consultation exercise on the Council's revised proposals was undertaken earlier this year, building on the information gathered from the first consultation undertaken in summer 2018.
- 1.14 This second consultation exercise was launched on 28 February 2020, starting with a two day drop-in event at the current Spelthorne Leisure Centre. The consultation process was originally planned to run until 27 March 2020 but, in view of the developing COVID-19 crisis, it was decided to extend the deadline for responses to 10 April 2020.
- 1.15 The attached report (**Appendix 3**) outlines the consultation process undertaken and the responses to the questions posed in the questionnaire, which sought comments on:
- (a) The proposed location for the new leisure centre,
  - (b) The proposed revised facilities mix, and
  - (c) Our design concept for the new centre.
- 1.16 The headline results from consultation are as follows:
- (a) 97% of respondents said they were in favour of the proposed location for the new leisure centre.
  - (b) 92% of respondents said that the range of facilities would meet their needs.
  - (c) Of the proposed facilities mix:
    - i) 75% said they would use the 25m swimming pool and 52% would use the learner pool and the splash zone for children.
    - ii) Nearly 59% would be likely to use the health and fitness suite
    - iii) 78% would use the multi-activity studio and spin studio
    - iv) 31% would use the interactive climbing facility

- v) 52% would use the sports hall and squash courts
  - vi) 63% said they would use the café
  - vii) 48% would be interested in a roof garden
  - viii) 67% found car parking important
  - ix) 30% would be using the bike sheds
- (d) Comments regarding additional facilities that people wanted to see included:
- i) 16% of those comments related to the need for more studio space, either for them to hold more people or an additional studio, citing the fact that demand exceeds supply for the classes available at the current Leisure Centre;
  - ii) A small number of people thought the centre should contain a 50m pool, waterslides, diving boards and larger changing rooms.
- (e) Of the additional comments received from a small number of people the main themes included:
- i) Environmental issues - the need for a design which was as environmentally sustainable as possible, concerns about noise, light pollution and traffic during construction.
  - ii) Parking, bike storage area – positioning of spaces and lighting etc.

1.17 The results of the consultation process have been discussed by the Council's Leisure Centre Development Working Group (LCDWG). This comprises of the Leader of the Council, the Portfolio Holder for Leisure Services, the Deputy Chief Executive, the Property Development Advisor, the Communications Manager and the Sport and Facilities Manager.

1.18 Taking into account the results of the consultation process, including the specific comments made, the LCDWG agreed that a number of minor amendments should be made to the design of the new centre to take into account some of the comments made by respondents to the questionnaire (e.g. in relation to the availability of studio space). The LCDWG also agreed that the design team should further explore any enhancements which could be made to the design to maximise its environmental credentials and minimise energy usage and associated costs.

#### **Amendments to the design**

1.19 The design team have taken on board a number of the comments received and have made a range of amendments to the design. These are outlined in **Appendix 4**.

1.20 The provision of a 50m pool was previously considered as part of the detailed feasibility analysis outlined in 1.11 and 1.12 above and was not considered viable taking into account a range of factors including the limited space available on the proposed site and the likely demand vs. build and running costs.

#### **Enhancing environmental performance**

1.21 The design team have undertaken some detailed work following the last consultation exercise to explore options for further improving the



environmental performance of the new centre. Typically, leisure centres consume significant levels of energy in order to deliver appropriate climate controlled environments for the activities which take place in them. Being mindful of these impacts on the environment and the rising costs of energy consumption, the design team have sought to actively mitigate these impacts, including exploring the possibility of meeting the Passivhaus standard.

- 1.22 The Passivhaus Institute is based in Germany and is a world leader in setting standards for mitigating the harmful environmental impacts of operating all types of buildings. Passivhaus accreditation is a voluntary standard for achieving energy efficiency which significantly reduces a building's ecological footprint and results in an ultra-low energy, thermally efficient designed building that requires minimal energy for space heating and cooling, which also helps to significantly reduce energy bills and provides higher standards of air quality and comfort for its occupiers.
- 1.23 The design team have calculated that, compared to the current design, if the Passivhaus approach was fully applied to the design of the new leisure centre this would result in:
- (a) A reduction in energy consumption by up to 70%;
  - (b) A reduction in associated CO<sub>2</sub> of 60-70%; and
  - (c) 50% less waste.
- 1.24 The lower energy use would result in a reduction in energy costs of £37/m<sup>2</sup>, which would provide an estimated annual saving of £304,473 based on current energy cost levels. Energy costs are forecasted to increase in the medium and longer term, thereby increasing the potential annual savings. This estimated annual saving is significantly more than the additional financing cost of the additional capital expenditure required to meet the Passivhaus standard.
- 1.25 The option of pursuing a full Passivhaus design for the new centre is supported by all members of the LCDWG and, taking into account the results of the consultation exercise, this Group is of the opinion that:
- (a) The Council should proceed with a planning application for a new leisure centre on the proposed site (as outlined in **Appendix 1**) incorporating the proposed facilities mix outlined in **Appendix 2**.
  - (b) The Council should proceed with the amendments to the design outlined in **Appendix 4**, based on the feedback from the consultation process.
  - (c) The centre should be designed to meet the full Passivhaus standard.

## **2. Options analysis and proposal**

### **2.1 Option 1 (preferred option – pursue development of full Passivhaus standard leisure centre)**

For Cabinet to:

- (a) Note the results of the consultation exercise on proposals for a new Spelthorne Leisure Centre undertaken in February – April 2020;

- (b) Approve amendments to the proposed design of the new leisure centre as outlined in section **Appendix 4**;
- (c) Approve modifications to the design of the new leisure centre to meet full Passivhaus standard, as outlined in section 1.21 – 1.24;
- (d) Agree to the submission of a planning application for the development of a new leisure centre on the proposed site outlined in **Appendix 1**, with the proposed facilities mix as outlined in **Appendix 2**;
- (e) To delegate the decision regarding the selection of the contractor for the construction of the new leisure centre to the Leader and Portfolio Holder for Leisure, in conjunction with the Deputy Chief Executive.
- (f) Recommend to Council a supplementary capital estimate outlined in the confidential **Appendix 5**, to cover the projected costs of developing the new centre.

This option would enable the Council to deliver a new leisure centre which will be flexible enough to meet the needs of our residents and help maintain and improve their health and wellbeing for many years to come. By fully complying with Passivhaus standards, the new centre would meet some of the strictest environmental standards currently specified for new buildings in terms of energy use, CO<sub>2</sub> emissions, waste and internal air quality standards, and would make the facility the first leisure centre in the UK to fully meet these standards.

## 2.2 **Option 2 (pursue development of a leisure centre which does not meet the full Passivhaus standard)**

For Cabinet to:

- (a) Note the results of the consultation exercise on proposals for a new Spelthorne Leisure Centre undertaken in February – April 2020;
- (b) Approve amendments to the proposed design of the new leisure centre as outlined in section **Appendix 4**;
- (c) Agree to the submission of a planning application for the development of a new leisure centre on the proposed site outlined in **Appendix 1**, with the proposed facilities mix as outlined in **Appendix 2**;
- (d) To delegate the decision regarding the selection of the contractor for the construction of the new leisure centre to the Leader and Portfolio Holder for Leisure, in conjunction with the Deputy Chief Executive.
- (e) Recommend to Council a supplementary capital estimate outlined in the confidential **Appendix 5**, to cover the projected costs of developing the new centre.

This option would enable the Council to deliver a new leisure centre which will be flexible enough to meet the needs of our residents and help to maintain and improve their health and wellbeing for many years to come. However, although this option would incorporate a range of features to minimise the impact of the new centre on the environment, the centre would not meet the higher environmental standards of Option 1.



### 2.3 **Option 3 – To propose an alternative option for the development of a new leisure centre**

Any alternative options put forward would have to be based on a thorough analysis of needs, location and viability. In deciding on the proposed location the LCDWG have reviewed alternative sites and the proposed facilities mix reflects expert analysis and feedback from all consultation and stakeholder engagements undertaken.

### 2.4 **Option 4 - Not to proceed with the development of a new leisure centre**

This is not recommended as the current Spelthorne Leisure Centre will be coming towards the end of its useful life in 2021. Costs of repairs to the current centre will increase over time. It is therefore necessary to move forward with proposals to replace this facility within the next few years before it becomes unviable to keep the existing centre open. Results from the first and second consultation exercises held in 2018 and 2020 respectively, have indicated that there is public support for a new facility.

## 3. **Financial implications**

3.1 A budget of £2.984m for the design of the new leisure centre has been allocated within the current capital programme. The costs to date of design work for the new centre are £996,000. Designing the new centre to fully meet the Passivhaus standard would cost a further £320,000.

3.2 The remaining budget within the capital programme for design costs would therefore be £1.668m for a full Passivhaus standard leisure centre. For a non-Passivhaus leisure centre the remaining budget would be £1.988m (reflecting the lower design costs).

3.3 The total design fees for a completed Passivhaus scheme will be approximately £3.304m. A significant proportion of these fees will be novated over to the development contractor as part of the overall construction costs.

3.4 The projected costs of developing the new centre are outlined in the confidential **Appendix 5**.

## 4. **Other considerations**

4.1 An Equality Impact Assessment has been completed by the Council's Leisure Services team and this has been fully considered in designing the new leisure centre. Some of these issues will be the responsibility of the operator and this would be taken into account in drafting any future operator contract.

4.2 It is proposed to run the tender process for the new operator contract in parallel with the design and build process in order to bring the selected operator on-board before the construction of the centre is completed. The operator could then be involved in decisions on the final fit-out of the centre.

### **Risks**

4.3 The Design Team have designed the new centre up to Stage 3 and are now progressing into detailed design, Stage 4a. This will provide a high level of detail for contractors to price against when bidding and will therefore help in obtaining accurate pricing for our proposals.

- 4.4 Progressing the planning application remains the most elastic element of the project at this stage, as it can be difficult to determine how long this process may take. In order to mitigate this, the Council's application will provide more detail than typically required for submission purposes and engagement has already been undertaken with most key stakeholders, including two pre-application meetings with the Local Planning Authority. It is therefore hoped that most issues which can be addressed have now been dealt with, which should assist in getting any planning application determined within the statutory timescale of 13 weeks.
- 4.5 Macroeconomic issues have resulted in the wider procurement market continuing to soften. Similarly, interest rates continue to remain at historically low levels. It is therefore currently a good time to be buying and funding construction work. This situation could, however, change depending on future developments in the UK's economic climate and any changes following Brexit.
- 4.6 The current Spelthorne Leisure Centre was required to close during the COVID-19 pandemic lockdown but reopened on 1 August 2020 following the Council agreeing a one-off financial support package for the existing operator, Everyone Active. There is a risk that if a second wave of the pandemic occurs the centre may be required to close again. Any prolonged closure of the leisure centre could potentially affect its customer base and lead to reduced income from any future operator contract.
- 4.7 Although the COVID-19 pandemic has affected usage of the current leisure centre, it is not anticipated that this will have any impact on the proposed facilities mix required for the new centre when it opens in 2024.

#### **Procurement process**

- 4.8 There are two main procurement routes which could be taken to deliver the new centre. Both have their advantages and disadvantages:
- (a) OJEU – restricted or open tender:
- i. Longer route to market (would take around 3 months longer than going via a compliant framework);
  - ii. Would provide access to the UK's 6-7 leading leisure centre development contractors (including BAM, ISG, Keir, Morgan Sindall, Pellikaan, Wates and Willmott Dixon). Soft market testing has established that all the key contractors would be interested in such an opportunity.
- b. OJEU compliant framework:
- i. Quicker route to market (offering a 3 month advantage over the OJEU open or restricted tender processes).
  - ii. The organisations on the framework agreement have already been through a pre-qualification stage to assess their suitability to provide the works and the terms of the contract are already set by the framework agreement.
  - iii. The downside is that no single framework offers access to all the top leisure centre development contractors, in most cases only 2-3 in any one framework.
  - iv. Single supplier OJEU compliant frameworks. These are available where the client requires the quickest route to market. These frameworks have been through an OJEU tender process to select a

single contractor. However this means working with a single supplier rather than having the benefit of any competition.

- 4.9 The OJEU restricted or open tender routes potentially offers the best route to market. Whilst, the procurement process may take 3 months longer, it offers the opportunity to develop the best detailed design solution and obtain best value for the Council; this would not limit access to any of the top tier contractors, all of which have already expressed interest in competing for this project. However, if a quicker route to market is required then framework options can be considered.

## **5. Sustainability/Climate Change Implications**

- 5.1 The recommended option (Option 1) would deliver the first fully Passivhaus compliant leisure centre in the UK (there are a small number of leisure centres in the UK which partly meet those standards). By delivering a centre which meets such high environmental standards the Council would demonstrate its commitment to sustainability and minimising climate change, which would act as an exemplar to other Councils and local businesses/developers.

## **6. Timetable for implementation**

- 6.1 If Cabinet approve the above recommendations and the Council approves the supplementary capital estimate, the estimated timetable for the various elements of the development programme would be as follows (assuming an OJEU open or restricted tender process is used):

(a) Planning programme:

- |                         |                      |
|-------------------------|----------------------|
| i) Planning Submission  | - Late November 2020 |
| ii) Planning Permission | - March 2021         |

(b) Procurement programme:

- |  |                     |
|--|---------------------|
| i) Open Day For Interested Bidders           | - Late October 2020 |
| ii) OJEU notice issued                       | - End November 2020 |
| iii) Submission tenders following SQ and ITT | - End February 2021 |
| iv) Contract awarded to Contractor On PCSA   | - Early May 2021    |
| v) Main Contract for works                   | - November 2021     |

NB. It is proposed to run the procurement process in parallel with the planning process to increase time efficiency and limit lead in times to starting on site. This is an indicative timeframe and may be subject to variance depending on the conclusion of design information and the grant of planning permission.

(c) Construction programme

- |                          |                     |
|--------------------------|---------------------|
| i) Start on Site         | - Mid January 2022  |
| ii) Practical Completion | - Mid February 2024 |

6.2 If a procurement from a Framework is used, elements 6.1 (b) and (c) above could be delivered approximately 3 months sooner.

**Background papers:**

[Link to previous Cabinet report – 29 January 2020](#)

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## APPENDIX 1 – Proposed site for new Spelthorne Leisure Centre (west of Spelthorne’s Knowle Green Council Offices)

Site X – Proposed new leisure centre building

Site Y – Proposed car parking for new leisure centre

### PROPOSED SITE PLAN



2 • SPELTHORNE LEISURE CENTRE





## **APPENDIX 2 – Proposed revised facilities mix**

### **Core facilities mix to be included**

<b>Main Pool:</b>	25m length, 8 lanes with 250 spectator seats, timing office, judging room & first aid
<b>Learner Pool:</b>	20 x 10m learner pool with moveable floor
<b>Splash Pad</b>	
<b>Sauna, Steam Room &amp; Spa</b>	
<b>Sports Hall:</b>	6 courts with spectator seating.
<b>Squash Courts:</b>	3 courts. Changeable to flexible studio space or 2 badminton courts.
<b>Health &amp; Fitness:</b>	200 station fitness suite
<b>Studios:</b>	2 x multi activity studios
<b>Spin Studio:</b>	1 x spin studio
<b>Multi-Purpose Room:</b>	1 x multi-purpose room for 20 people + Youth
<b>Zone/Bar/Lounge</b>	
<b>Soft Play</b>	
<b>Physio Rooms</b>	2 x physio rooms
<b>Reception With Retail Area</b>	
<b>Café:</b>	100 seats with poolside viewing
<b>3G Pitches:</b>	4 x small sided pitches
<b>Roof Garden:</b>	Over fitness suite
<b>Clip'n Climb</b>	
<b>Parking</b>	300 spaces

### **Potential Additional Facilities**

<b>Outdoor Gym:</b>	Over fitness suite
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# Spelthorne Leisure Centre Consultation Report

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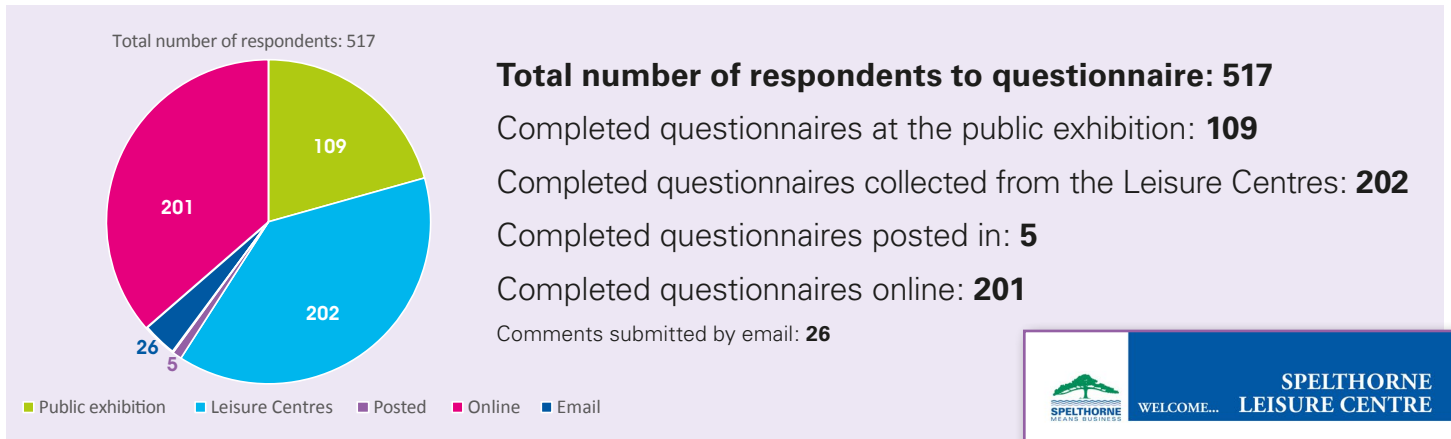
 [www.spelthorne.gov.uk](http://www.spelthorne.gov.uk)



# The Consultation

The consultation on the Council's revised plans for a new Spelthorne Leisure Centre was originally scheduled to run from Friday 28 February to Friday 27 March 2020. However, in view of the developing Covid-19 crisis it was decided to extend the consultation by a further two weeks until Friday 10 April, to give people more time to respond.

The overwhelming majority of respondents to the consultation either submitted their responses via the interactive website or by filling in the questionnaire at the existing Spelthorne Leisure Centre. Only a small handful of residents posted in their responses to the Council. Residents could also email comments to a dedicated email address.



A public exhibition was held in the Leisure Centre on 28 and 29 February, which was easily accessible and would encourage responses from a range of groups. The exhibition consisted of a number of posters explaining the rationale for replacement and the work that had gone in to ensure the planned Leisure Centre had all the facilities residents wanted. A copy of the material used can be found on the Council's website via the following link:

[www.spelthorne.gov.uk/leisurecentreconsultation](http://www.spelthorne.gov.uk/leisurecentreconsultation)

The exhibitions were staffed by Council Officers and representatives from the design team to answer questions and encourage those attending to give their views.

Packs for residents outlining the plans with (questionnaires) were made available in the Council Offices and distributed around the Borough to various libraries and at both leisure centres to give as many people a chance to respond as possible. The locations were chosen as there would be a high footfall and would reach a large number of people.

**WELCOME... LEISURE CENTRE**

Welcome to our public consultation event that showcases our emerging plans for a new leisure centre to be developed by Spelthorne Borough Council.

Please get involved and share your thoughts with us on the latest proposals as we work towards preparing and submitting a planning application later this year.

Your views are important to us! Please take time to review the proposals which show how the new building may look and speak to a member of the team if you have any questions. We would be grateful if you would fill in one of our feedback forms and let us have your views.

The new proposed site is on the site of the existing leisure centre including the adjacent field at Knowle Green, Staines-upon-Thames, Staines, TW18 1AJ.

**Project Background and Process**

2017

- An updated needs assessment was undertaken to establish the requirements of the community.
- Leisure centre proposals were developed and consulted on.
- Proposals were refined based on feedback received.
- Final proposals were submitted to the Council for approval.

**Aims and Objectives**

Sports and fitness activities play a fundamental role in the health and wellbeing of our community. Spelthorne Borough Council is determined to play its part in supporting a healthier and more active community, which is better for individuals and for their families as well as for society as a whole. Spelthorne Borough Council's strategy aims to improve wellbeing through increased participation in sport and physical activity.

Spelthorne Borough Council has worked closely with the project design team and operator using feedback from the first public consultation event to inform the brief and prioritise the key objectives for this project.

The project aims to create a community destination which visibly commits to the park setting and enhances the local area.

**You Spoke, We Listened...**

- Location:** There was concern about the parkland location. It is now proposed to build the leisure centre to the north of the park boundary. Staines Park would remain unlandscaped.
- Artificial Grass Sports Pitches:** There was concern about the location of pitches and flooding. A small artificial grass sports pitches footprint of the building.
- Facility Mix:** Pool facilities were a priority during the last consultation. Enhanced facilities such as a 25m x 10m pool, summer pool, splash area, open air pool and sauna are proposed.
- Access:** There was concern about access routes. The new leisure centre is proposed adjacent to the existing facility therefore access routes will remain with better visual connections to the park.

(Online questionnaire available from 12 noon on Friday 27 March)

[www.spelthorne.gov.uk/leisurecentreconsultation](http://www.spelthorne.gov.uk/leisurecentreconsultation)

[leisurecentre@spelthorne.gov.uk](mailto:leisurecentre@spelthorne.gov.uk)

Spelthorne Borough Council, Knowle Green, TW18 1AJ

Information documents and the questionnaire are available at the Council Offices, all libraries in the Borough and at the old Sunbury Leisure Centre. For more information, please contact the Leisure Centre team by email or by phone on 01895 83432 or email your postal address to [leisurecentre@spelthorne.gov.uk](mailto:leisurecentre@spelthorne.gov.uk)

**SPELTHORNE MEANS BUSINESS**

**Spelthorne Leisure Centre Questionnaire**

**Introduction**

Spelthorne Borough Council is proposing to develop a new Leisure Centre for the Borough. The new Leisure Centre will be fully inclusive with a mix of facilities that will meet a broad range of needs and age groups. Sports and Fitness activities play a fundamental role in the health and wellbeing of our community and Spelthorne Borough Council are determined to play its part in supporting a healthier and more active community.

The existing Spelthorne Leisure Centre in Staines-upon-Thames has been well used for many years but maintenance costs are rising and customers' leisure requirements have changed significantly since the original Leisure Centre was built. The existing centre cannot incorporate the wide range of facilities required by today's health-conscious society and refurbishment of the current centre is not considered a feasible option. A condition survey indicated that a considerable amount of investment would be needed to extend its life much beyond 2021, which is not cost effective and would cause major disruption to current users. A refurbished centre would also have a more limited lifespan (approx. 15-20 years), be less energy efficient and not offer the same range of facilities as a purpose built new-build centre which can deliver the required facilities mix and be built to the highest energy standards.

[Facebook](https://www.facebook.com/spelthornebc)  
[Instagram](https://www.instagram.com/spelthornebc)  
[TikTok](https://www.tiktok.com/@spelthornebc)  
[YouTube](https://www.youtube.com/channel/UC...)  
[www.spelthorneboroughcouncil.gov.uk](https://www.spelthorneboroughcouncil.gov.uk)

**SPELTHORNE MEANS BUSINESS**

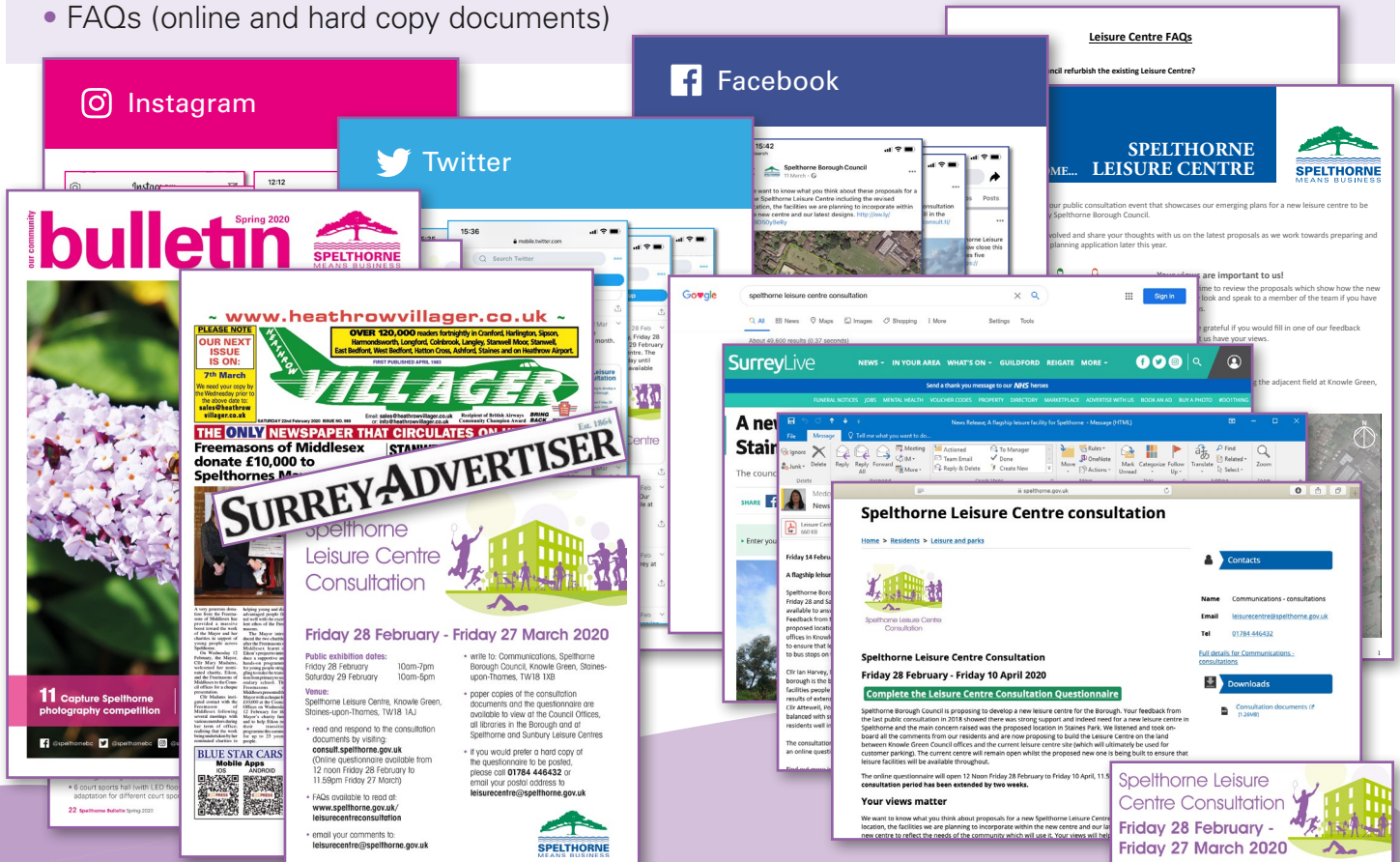
# Engagement

The Leisure Centre consultation was communicated in a manner of ways before and during the consultation period. The consultation process was advertised by:

- posters on community noticeboards, at car parks, and in the Two Rivers and Elmsleigh Centre shopping areas
- a targeted letter drop to residents in the area around the proposed location of the new centre two weeks prior to the launch of the consultation period (over 2000 addresses)
- letters to Residents' Associations
- press releases
- articles in the Bulletin, E-News and My Alerts
- dedicated web page **[www.spelthorne.gov.uk/leisurecentreconsultation](http://www.spelthorne.gov.uk/leisurecentreconsultation)**
- use of social media (Twitter, Facebook, LinkedIn and Facebook)
- the use of an email footer on Council staff communications
- prominent branding on the front page of Council's website
- web advertising (geo-targeting on Facebook and Google)

Information on the Council's proposals was made available by the use of:

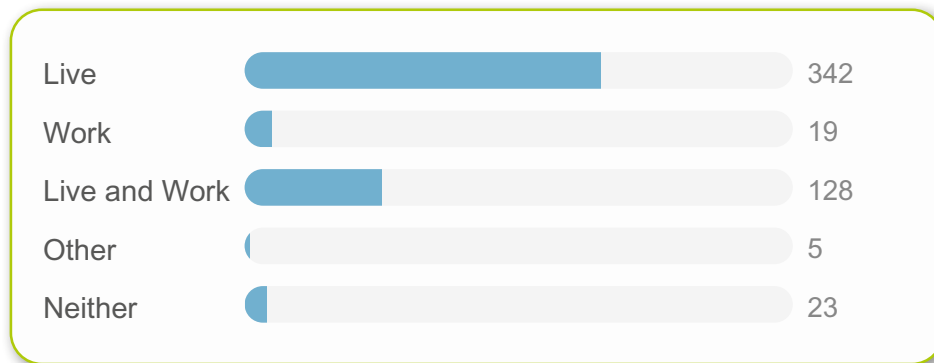
- dedicated email and web pages on the Council's website
- social media (Twitter, Facebook, LinkedIn and Instagram)
- social listening tools and Google analytics for tracking and responding
- FAQs (online and hard copy documents)
- hard copy consultation documents, available at the Council offices, libraries and leisure centres
- briefings to Borough Councillors and Residents Association representatives before consultation opened



# Summary of Responses

## 1. Do you live/work in Spelthorne?

91% of respondents said they were Spelthorne residents and 28% said they worked in the Borough. Just 5% of respondents were from outside the Borough.



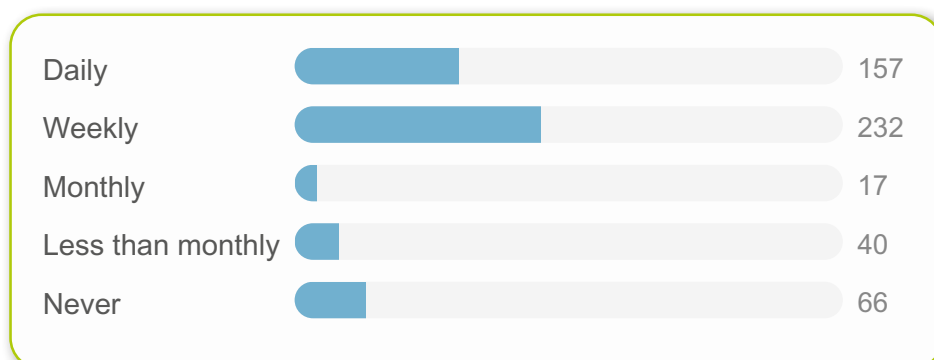
## 2. Do you use the current Spelthorne Leisure Centre?

88% of those who responded said they used the current Spelthorne Leisure Centre.



## 3. How often do you use the current Spelthorne Leisure Centre?

31% said they were daily users of the Leisure Centre, while a further 45% said they used it on a weekly basis; many of them noting they went multiple times a week on the written submissions.

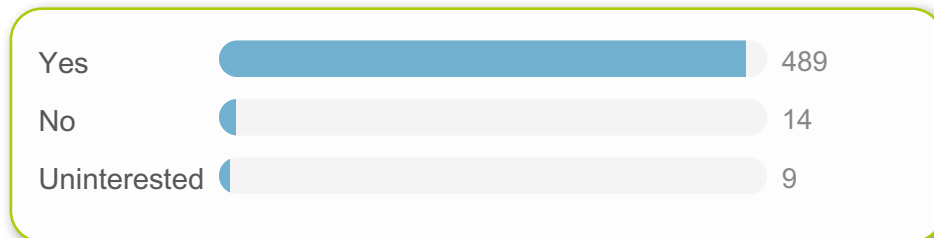




# Summary of Responses

## 4. Would you like to see a new Leisure Centre with enhanced facilities?

Responses to this were overwhelmingly positive with 96% of people saying yes. 3% said no while the remaining responders were uninterested.



## 5. Do you support the new location proposed for Spelthorne Leisure Centre?

The location proposal is to build it between the Council offices in Knowle Green and the current centre site, which will ultimately be used for customer parking. In response to the question, 97% of respondents said they were in favour of this as a location for the new leisure centre.



Comments in relation to this question included:

- *“It is a convenient location for rail journeys and there are other public buildings in the vicinity eg council offices, health centre, which could be useful to visitors.”*
- *“The land between the council offices and the existing leisure centre have been unused for a long time. This is the best use of the land and is the best option to keep the existing facility open whilst the new one is built. It worked well for Egham Orbit.”*
- *“Existing transport links are good to this location also, walking distance from the mainline station as well.”*
- *“Yes 100% - it is the perfect solution and actually be more suitable in enabling the centre to have a bigger carpark which at peak times will be really useful as the existing facilities are somewhat restricted. The current location is far enough away from the town centre which means if there is a bigger uptake in usage of the centre it should not have an adverse affect.”*

A handful of residents expressed conditional support, with their concerns centered on the loss of green space between the Council Offices and the existing Leisure Centre site as exhibited by the comment below:

- *“As long as the relevant environmental/wildlife surveys are carried out and there is no loss of wildlife habitat. Also the new build should be built as environmentally friendly as possible e.g reclaimed/recycled materials, run on solar panels/other renewable sources, blends in with local area, uses grey water, recycling etc.”*

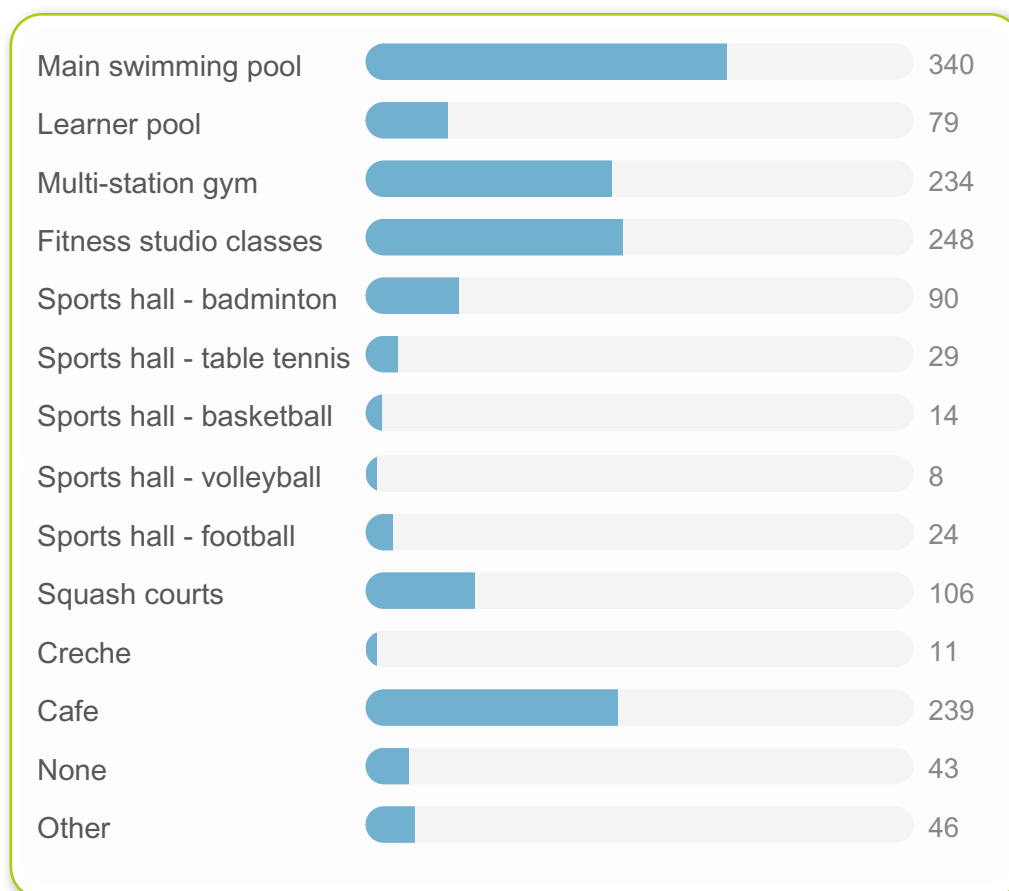
# Summary of Responses

Other comments regarding the proposed location include:

- *“I would support the newly extended leisure centre if it also presents a solid case as an environmentally friendly facility. I would like to see more trees around and a roof garden there, just producing less carbon footprint and generating green energy is not enough, we need to encourage wildlife.”*
- *“I am strongly objecting to the suggested new location. This green area is of extremely high value to me and I do NOT want it destroyed by being built on. Too much of Spelthorne, Staines in particular, is being destroyed by over-development. The new leisure centre should be built on brownfield land. Best of all, the old centre should be refurbished, as was done about 30 years ago.”*

## 6. Which facilities do you or your family currently use?

The main swimming pool was the most popular response with 66% of those using the facilities going for a swim in the main pool, while 15% used the learner pool. The fitness studio classes, which would include yoga, pilates and spin, were the next most popular with 48% of respondents saying they used those facilities. 45% of those who answered the questionnaire said they used the multi-station gym, slightly more than those who said they used the cafe. The sports hall was used by approximately 32% of users with the majority of those being for badminton and a handful of people using it for table tennis, basketball, volleyball and football. 21% of the responders used the squash courts available at the Leisure Centre. A number of respondents commented that they also used the sauna facilities in the Leisure Centre.



# Summary of Responses

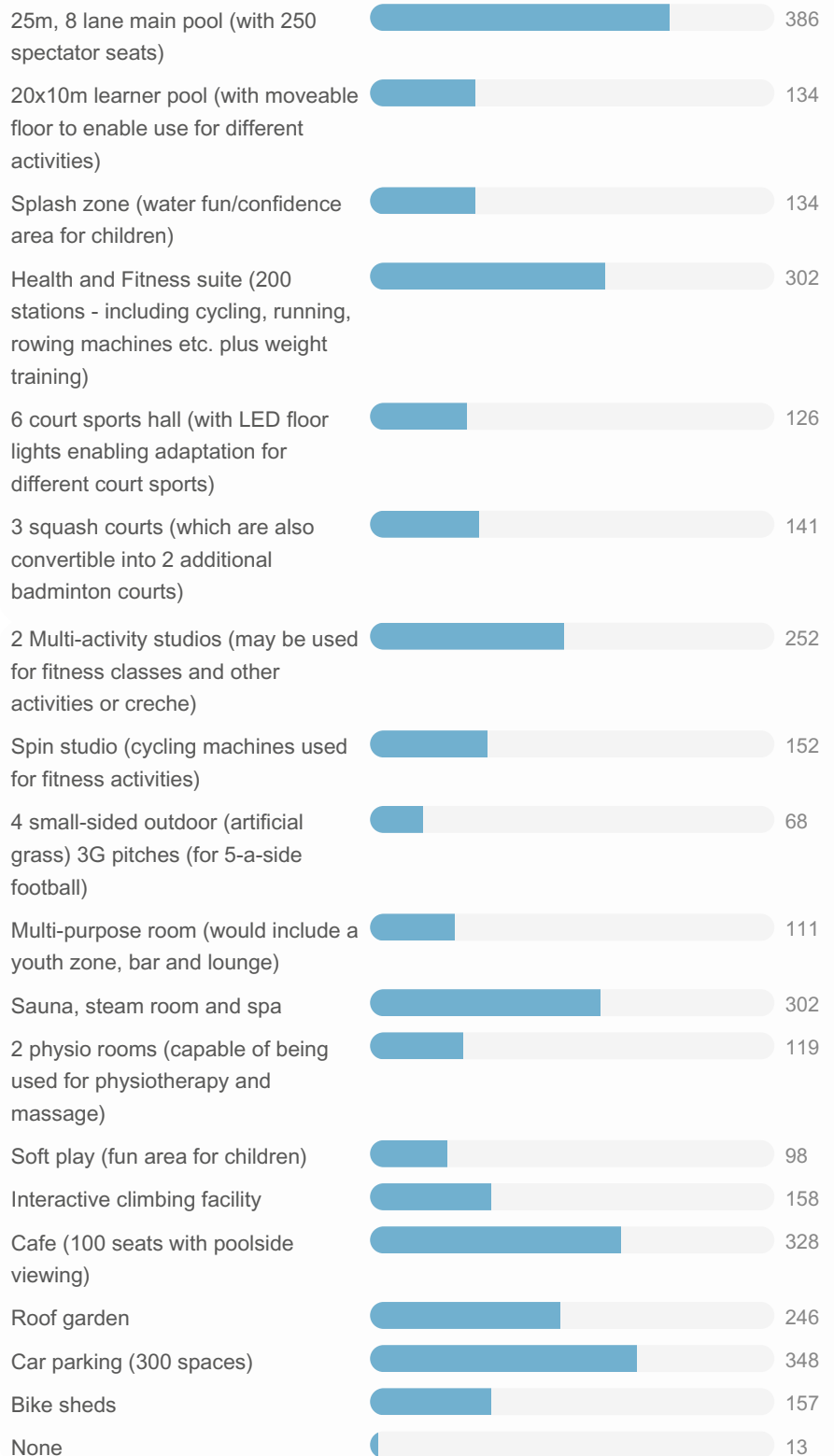
## 7. Which of the proposed facilities for the new Leisure Centre are you or your family most likely to use?

The 25m, eight lane main pool was the most popular choice with 75% of residents saying they would be wanting to use it. 52% of respondents would use the learner pool and the splash zone for children. Nearly 59% of those responded said they would likely use the health and fitness suite with 78% saying they would use the multi-activity studio and the spin studio.

The interactive climbing facility was a popular choice with 31% of people expressing an interest and the sports hall and squash courts would be used by over half (52%) of the respondents.

Away from the activities, 63% said they would use the café and 48% would be interested in a roof garden.

As far as arriving at the leisure centre, 67% found car parking important, while 30% would be using the bike sheds.



# Summary of Responses

## 8. Does this range of facilities meet your needs?

For 92% of respondents, the range of facility does meet their needs.



## 9. Is there anything else you think should be included?

208 responses were received to this question. 16% of comments received related to the need for more studio space, either for them to hold more people or an additional studio, citing the fact that demand exceeds supply for the classes available at the current Leisure Centre.

- *“An extra multi activity studio. I am only a member as I attend yoga, Pilates, body balance. The yoga classes in particular are now virtually impossible to book due to increased demand. Too many members for too few classes. There is a definite trend for well being classes such as yoga. More classes in this area should be provided to meet demand. Would love to see ‘hot yoga’ added to the mix like they offer at The Thames Club.”*
- *“Make sure the spinning classes have a 40 (at least 30) person capacity and machines to accommodate.”*
- *“Need the spin studio to have a minimum of 30 bikes. Yoga and pilates are always oversubscribed. Need enough room for 40 members.”*

The swimming pool also had a small number of comments encouraging the building of a 50m pool with the idea to be able to hold galas and trials. Other comments included installing additional features such as waterslides and diving boards.

- *“There should be a 50M pool. We have a lack of 50M pools in the South yet long distance swimming (outdoor and triathlon) is one of the fastest growing sports in the UK right now.”*
- *“There should be sufficient periods for general swims in pool since nothing worse than it being booked out for most of the day to groups and schools etc.”*

Squash courts were also popular with residents with a handful commenting about the need to have further squash courts.

- *“I think there needs to be dedicated squash courts with coaching sessions available.”*

Other respondents requested facilities that included netball, indoor bowls, facilities for cross fit and a skate park.

# Summary of Responses

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## 10. Do you have any comments on the proposed design of the Leisure Centre?

231 of those who took part in the questionnaire responded to this question. Comments ranged on a variety of issues but there were some common themes.

Residents were particularly interested in arriving at the Leisure Centre, notably the bike storage area, requesting that it be well lit and not positioned in the far corner of the car park.

- *“Parking is a significant distance from the main entrance. Could the route from the car park to the main entrance be weather protected in some way or more provision made for drop off and pick up at the entrance.”*

The environment was another concern from residents with one of them noting concerns about noise and light pollution from the football pitches as well as the traffic during the construction period.

- *“The roof top pitches are a brilliant idea. Will lighting be considered and will there be a time limit to their use at night to prevent disturbance to local residents. The car park lights in the law courts/probation office are a nuisance so with the height of the new complex, this needs to be considered carefully.”*

Some respondents also wanted to share their concerns about the impact of the leisure centre on local wildlife.

- *“I would support the newly extended leisure centre if it also presents a solid case as an environmentally friendly facility. I would like to see more trees around and a roof garden there, just producing less carbon footprint and generating green energy is not enough, we need to encourage wildlife.”*

Changing areas were another aspect respondents were particularly keen on with the view of those expressed suggesting the rooms should be made larger.

- *“Looks promising, the only comment is that the changing room area looks quite small.”*
- *“Much larger wet changing area - currently do not have enough to meet the demand and cannot keep the area clean due to high foot fall. Spelthorne Leisure Centre has 36 changing rooms - you are proposing near 60 and larger pool. More storage areas for equipment please and better office space.”*
- *“Separate changing and washrooms for men, women, and additional single spaces for gender neutral/binary.”*

The squash players are also keen to see the movable walls to incorporate doubles squash and are keen for glass floors to be considered in order to provide easy conversion.

- *“Very serious consideration should be given to having the new ASB glass floors. They would make the area so much more flexible. Using the sliding walls with the floors and LED lighting we could have single/double squash courts and easy conversion into badminton courts.”*

# Summary of Responses

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Enhanced swimming options was another key area that respondents focused on with a particular wish to ensure that the facilities are more widely available in the evenings.

- *"I use the pool regularly every morning for swimming 5 times a week but I currently have to swim in the morning only because the evening time table is taken up heavily by the swim club. It would be good to have more evening availability for swimming in the new centre. Appreciate the club need to swim somewhere but they could split their time between other pools - Sunbury/Egham etc."*
- *"More adult swim time myself and a friend have to swim at 9pm which is quite late or very early morning due to the swim club. Sometimes go to Sunbury pool but this is also late evening due to club - could they not swim earlier."*

## 11. Do you have any other comments on this proposal?

There were 190 comments from respondents on this question. Bicycle parking facilities were touched upon and the entrance/exit access to the car park.

- *"Access to the car park off Knowle Green is two way and there appear to be no pedestrian routes within the car park, other than the crossings marked adjacent to the side 'entrance'. This means that there is potentially pedestrian conflict with cars. This is particularly of concern to me when considering access to the Centre from disabled parking places. Visually impaired people would particularly be at risk. I suggest separate access and exit routes would reduce the hazard."*
- *"The drop-off point, if in front of an entrance, will be of positive benefit if this removes pressure on the disabled parking places, a very common abuse at the current centre."*
- *"A segregated cycle way/footpath runs along Knowle Green adjacent to the Centre. Pedestrian access to and from the car park from Knowle Green means passing the bicycle storage and this increases the potential of conflict with cyclists. I suggest bike storage is placed further into the car park with cyclists using the one way entrance proposed above."*

There were certain concerns from residents who lived close to the current Leisure Centre and they were keen to ensure minimum disruption.

- *"Concerned about parking proposals for 300 vehicle spaces. Consider one way in, another way out. I'm already suffering the convoy of headlights beaming into my house in the early hours (day and night) and the five security lights. Parking area needs to be screened by a high as possible close-board fencing and ground level lighting."*
- *"Leisure Centre will be open? You may be interested to know that commuters take advantage of the present leisure centre car park so they will have a field day with the new proposal."*
- *"The congestion down this road is very high (I use the nursery) people drive very dangerously, and I think with the increase of work vehicles etc. in this area during construction phase we should be putting in place some provisions."*

# Summary of Responses

---

- *“The roundabout at the end of the road, drivers don’t stop to let you out even with your right of way when exiting to Kingston Road especially when heading to Ashford....A filter light to support comings and goings of the increased traffic at this pain point would be very beneficial.”*

Comments were made about installing electric charge points in the car park with some residents also suggesting the car park be multi-storey to allow for additional cars.

- *“Would like to see electric charge points in the car park”*
- *“2 storey car park rather than just a ground level facility which appears to be the current plan. The roof could be used for additional facilities i.e. indoor bowls, ice rink etc.”*

Ensuring that the Leisure Centre is accessible for all to allow residents with health conditions to use all of the facilities.

- *“Need to ensure it is fully inclusive - Changing places changing/toilets, pool access, lifts, signage etc and look into shapemaster / power assisted equipment to enable greater access for residents with disabilities / health conditions.”*
- *“Please make sure there are some separate changing / toilet facilities for women. Must have adequate lifts / disabled access to all floors: (not marked on display drawings)”*

Residents, whilst they welcomed the new Leisure Centre proposals as outlined in their responses to previous questions, are hopeful that their costs are not drastically increased.

- *“Everyone Active is a good operator in my opinion. The costs to members needs to remain largely the same in line with it being a community leisure centre.”*
- *“I realise this will be an expensive investment but don’t price the community out of it by making it expensive like private gyms locally.”*
- *“For the end cost for attending swimming, gym etc to be a reasonable price still. The current prices are reasonable.”*
- *“I buy 12 sessions for the price of 10 for both classes and gym, and I hope this will continue.”*

Residents want an improved range of refreshments available to them with a mixture of healthy food as well as beer for the post exercise pint.

- *“Good beer and food in cafe/bar not burger and chips only”*
- *“Healthy fresh snacks”*

# Summary of Responses

The relationship with the nursery is something residents want to see considered, for instance installing a buggy park and allowing the nursery parking facilities to be expanded.

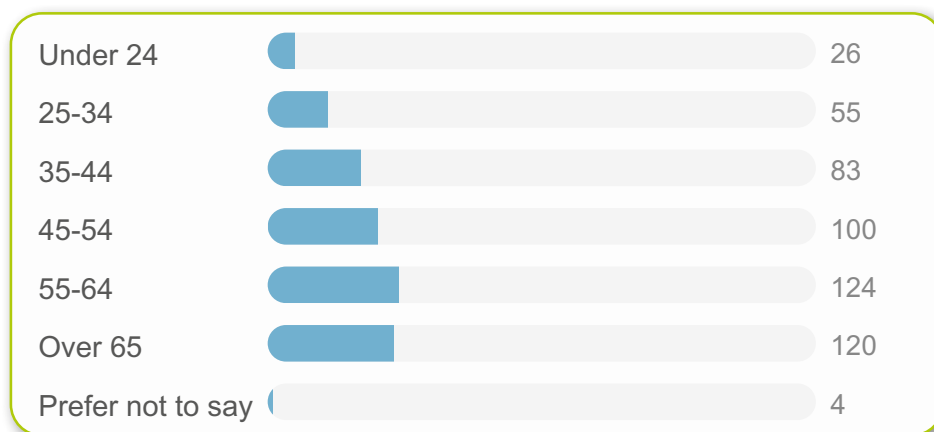
- *“A fit for purpose for Buggy Park to make use of crèche/learner pool and splash activities. The current one doesn’t support the local residents and therefore more drive/park. I would walk to/from if there was a buggy park.”*

Members are also concerned about access to the Leisure Centre, even if they just want to go to the roof garden.

- *“What will happen about access to the leisure centre? At the moment I can use a card to gain access if I have booked a class, or gym session, but it doesn’t work reliably.”*
- *“But what if I just want to go up to the roof garden?”*

## 12. Age

48% of residents who responded were either in the 55-64 bracket or over 65. 20% of those who responded were aged between 45 and 54. At the other end of the scale, 5 percent of those who replied were under the age of 24.



## 13. Postcode

The questionnaire was of most interest to those in the Staines-upon-Thames postal district with 56% of those responding coming within that boundary. Just over a quarter of respondents came from the Ashford postal area. A further 5% each came from the Sunbury, Shepperton, Stanwell and Egham postal areas. This is to be expected given the proposed location of the Leisure Centre.

## The End

A full list of FAQs and design documents for the proposed leisure centre can be found on our website at [www.spelthorne.gov.uk/leisurecentreconsultation](http://www.spelthorne.gov.uk/leisurecentreconsultation)

Thank you for being part of our consultation.

Respondent numbers may vary slightly due to some answers left blank on the hard-copy returned questionnaires.



#### **APPENDIX 4 – Proposed modifications to the design of the new leisure centre based on feedback from the second consultation process**

A number of adjustments have been made to the design of the proposed centre based on feedback from the second consultation process. These are as follows:

- (a) Concerns over studio capacity/size.
  - i) Studio 01 increased from 154m<sup>2</sup> to 205m<sup>2</sup> to cater for 40+ person occupancy;
  - ii) Dedicated spin studio created with increased capacity (size increased from 75m<sup>2</sup> to 90m<sup>2</sup>).
- (b) Wet change facilities – some respondents noted a preference for the provision of separate male and female changing zones, whilst operator preference is to maintain a wet change village.
  - i) The layout of the wet change village has however been modified to provide the potential to be divided into equal male and female changing zones if required with access to group rooms and WC facilities.
- (c) Roof pitches – some residents expressed concerns about noise and light pollution from the roof pitches.
  - i) A 1.2m high parapet wall would be provided around the perimeter of the building to the north, west and east face;
  - ii) A 2.5m transparent acoustic screen would be provided on the east elevation (a noise assessment has been undertaken which has indicated that predicted noise levels from these pitches would be lower than the existing measured ambient level and future post-COVID ambient levels);
  - iii) The impact of flood lighting would be mitigated by:
    - Use of latest LED technology and directional forward through optics which would focus light over the playing area and reduce any light spillage beyond the pitches and no direct upward lighting distribution;
    - A range of other measures would be implemented including use of shorter lighting columns, lower wattage LED lights, time clock and photocell lighting controls and a solid, low level parapet around the perimeter of the building.
- (d) Parking – concerns were raised by a number of residents over aspects of the parking provision:
  - i) Disabled parking spaces have now been repositioned to be within closer proximity to the main entrance;
  - ii) Benching has been provided along the key pedestrian route to ensure there are adequate rest stops;

- iii) An additional vehicle drop-off point has been provided to the south-west of the building which connects directly to the main entrance plaza;
  - iv) Parent toddler parking spaces and EV charging points have been integrated into the scheme and access control to the main vehicular entrance will be provide to help prevent unauthorised parking and to close off the car park at night;
  - v) Cycle shelters have been relocated to the east of the site (12 no. cycle hoops) and to the south side, near to climbing wall area (13 no. cycle hoops).
- (e) Landscaping – Perimeter trees have been maintained where possible and a soft landscaping strategy will be undertaken.

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of the Local Government Act 1972.

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