



Please reply to:

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Date: 24 September 2021

Notice of meeting

Corporate Policy and Resources Committee

Date: Monday, 4 October 2021

Time: 7.00 pm

Place: Council Offices, Knowle Green, Staines-upon-Thames

To the members of the Corporate Policy and Resources Committee

Councillors:

L. E. Nichols (Chairman)	S. Buttar	A. Brar
J.R. Sexton (Vice-Chairman)	J. McIlroy	O. Rybinski
J.R. Boughtflower	R.J. Noble	S.M. Doran
C.F. Barnard	N. Islam	I.J. Beardsmore
V.J. Leighton	S.A. Dunn	V. Siva

Substitute Members: Councillors C. Bateson, J.T.F. Doran, T. Fidler, H. Harvey, D. Saliagopoulos, R.A. Smith-Ainsley and J. Vinson

Councillors are reminded that the Gifts and Hospitality Declaration book will be available outside the meeting room for you to record any gifts or hospitality offered to you since the last Committee meeting.

Spelthorne Borough Council, Council Offices, Knowle Green

Staines-upon-Thames TW18 1XB

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Agenda

Page nos.

1. Apologies for absence

To receive apologies for absence.

2. Minutes

7 - 18

To confirm the minutes of the meeting held on 5 July 2021 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. Stadbury Meadow Car Park

19 - 24

This item relates to an access agreement at Stadbury Meadow car park.

The appendix to this report is exempt from publication in accordance with paragraph 5 of Schedule 12A of the Local Government Act 1972 (as amended), because it contains:

Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings and information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information because disclosure to the public would prejudice both the financial affairs of the company and the Council as the information results from legal proceedings.

5. Recommendations from the Development Sub-Committee

a) **Staines Library**

25 - 44

This report and its appendices are exempt from publication in accordance with paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended), because it contains:

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 being able to undertake even-handed negotiations and finalising acceptable contract terms.

- b) **Proposal to Acquire Additional Car Parking by Way of a Lease – Charter Building, Uxbridge** **45 - 52**

A recommendation from the Development Sub-Committee on 20 September 2021 is attached.

This report and its appendices are exempt from publication in accordance with paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended), because it contains:

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 any lease, contract or other type of negotiation with the tenant or developer, who could then know the position of the Council.

- c) **Acquisition of Registered Providers' Street Properties**

A recommendation will follow from the Community Wellbeing and Housing Committee on 28 September 2021.

- 6. Procurement of Mechanical Installations Service and Maintenance (for planned and responsive maintenance)** **53 - 64**

To consider the proposed procurement processes for various contracts, to commence on 1 April 2022.

The appendix to this report is exempt from publication in accordance with paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended), because it contains:

Information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption outweighs the public interest in disclosing as it could put the Council at a competitive disadvantage in the procurement of these goods and services.

- 7. Additional Short Term Funding for KGE** **65 - 68**

This report is exempt from publication in accordance with paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended), because it contains:

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 bidding process for the site/services by allowing other bidders to know the position of the Council. This in turn prejudices the Council by (i) distorting the bids process and (ii) prejudicing the opportunity for the Council to acquire a site/services to enable regeneration in the Borough.

- 8. Asset Management Plan - Annual Report** **69 - 92**
- This report reviews the asset management plan that was agreed on 23 September 2020.
- 9. Capital monitoring (Qtr. 1 April-June)** **93 - 102**
- The capital monitoring report covers the cumulative actual expenditure to date, against the cumulative council approved capital programme budget and compares this against the latest forecast outturn from officers.
- 10. Revenue monitoring (Qtr. 1 April-June)** **103 - 118**
- This report provides a summary of the forecast outturn position for the financial year 2021-22 as at 30 June 2021.
- 11. Re-procurement of Property Management Contracts** **119 - 132**
- This report seeks approval of a sourcing strategy for property management contract renewals.
- Appendix 1 to this report is exempt from publication in accordance with paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended), because it contains:
- Information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption outweighs the public interest in disclosing as it could put the Council at a competitive disadvantage in the procurement of these goods and services.
- 12. Sundry Debt Write Offs** **133 - 140**
- To consider debt write off requests in accordance with the council's standing orders.
- The appendix to this report is exempt from publication in accordance with paragraphs 1 and 2 of Schedule 12A of the Local Government Act 1972 (as amended), because it contains:
- Information relating to any individual and Information which is likely to reveal the identity of an individual. The information amounts to personal data and disclosure would not be in accordance with the Data Protection Act 2018.

13. Verbal update on the corporate plan

To receive a verbal update on Spelthorne Borough Council's corporate plan.

14. Appointments

a) Outside bodies

141 - 142

To consider an appointment to the Thames Landscape Strategy Partnership.

b) Development Sub-Committee

To consider an appointment to the Development Sub-Committee. The composition of the sub-committee is:

Group	Allocation	Appointed
Conservative	3 seats	Noble
Liberal Democrat	1 seat	Nichols
United Spelthorne	1 seat	H.Harvey
Other	2 seats	Doran – Labour Smith-Ainsley - ISG

c) Waterfront Hotel Investigation Review Group

To appoint a replacement for Councillor Sexton.

15. Forward Plan

143 - 150

To consider the forward plan for committee business.

16. Urgent Actions

151 - 152

To note those urgent actions which have been taken by the Chief Executive in consultation with the Leader since the last Corporate Policy and Resources meeting on 5 July 2021.

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**Minutes of the Corporate Policy and Resources Committee
5 July 2021**

Present:

Councillor L. E. Nichols (Chairman)
Councillor J.R. Sexton (Vice-Chairman)

Councillors:

C.F. Barnard	N. Islam	O. Rybinski
V.J. Leighton	S.A. Dunn	S.M. Doran
R.J. Noble	A. Brar	I.J. Beardsmore

Apologies: Councillors J.R. Boughtflower, J. McIlroy and V. Siva

In Attendance: Councillors C. Bateson and R.D. Dunn

209/21 Minutes of former Committees

The minutes of the Cabinet meeting held on 19 May 2021, the Ordinary meeting of the Overview and Scrutiny Committee held on 23 March 2021, and the Extraordinary meeting of the Overview and Scrutiny Committee held on 7 April 2021 were agreed as a correct record.

210/21 Disclosures of Interest

There were none.

211/21 Terms of Reference - Corporate Policy and Resources Committee

The Committee **resolved** to note its Terms of Reference.

212/21 Nominations for Development Sub-Committee

The Committee noted that since the publication of the agenda, the Environment and Sustainability Committee had resolved to nominate Councillors J. Doran (Labour) and R. Smith-Ainsley (Independent Spelthorne Group) to sit on the Development Sub-Committee.

The Committee further noted that the United Spelthorne Group had expressed their wish for Councillor Helen Harvey to take the seat allocated to the United Spelthorne Group, and Liberal Democrat Green Group had expressed their wish that Councillor Lawrence Nichols take the seat allocated to the Liberal Democrat Green Group.

The Chairman informed the Committee that the Conservative Group were entitled to three seats on the Development Sub-Committee and that no nominations had been received. The Chairman asked if the Committee had any further nominations to make and in response it was proposed by Councillor Barnard, and seconded by Councillor Islam, that Councillor Noble be nominated. Councillor Noble accepted the nomination.

The Chairman explained that the Committee had three nominations before them and, although this was two short, it would not prevent the nominations being considered by Council or the Sub-Committee from meeting, as the Sub-Committee would be quorate if one quarter (two members) were present at meetings of that Sub-Committee.

Resolved that;

1. the following three Councillors were nominated by the Corporate Policy and Resources Committee for membership of the Development Sub-Committee:

Councillor Helen Harvey
Councillor Lawrence Nichols
Councillor Robert Noble

2. the Committee's nominations, together with those from the Environment and Sustainability Committee would be determined by Council at their meeting on 15 July 2021.

213/21 Appointments to Outside Bodies for 2021-22

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

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

In response to members' questions, the Principal Committee Manager confirmed that the positions highlighted in Appendix 1 were vacant, that the Committee could take nominations for those positions should any members wish to put themselves forward, and that if those positions were not filled the Committee could consider nominations at a later date provided nominations were received and the item was added to the agenda.

There were no further nominations from Committee members.

Resolved to appoint those representatives to the Outside Bodies as shown at Appendix 1 until June 2022.

214/21 Establishment of Task Group

This Committee considered the establishment of an investigatory task and finish group, the Waterfront Inquiry Review Group.

The Committee heard from the Group Head of Corporate Governance, who summarised the report and explained the recommendations.

In response to members' questions the Group Head of Corporate Governance confirmed that the Committee would need to agree the membership of the Review Group and drew the Committees attention to Appendix A.

The Committee agreed with the proposed membership of four members from the Corporate Policy and Resources Committee, one to be the Leader of the Council and the following nominations were received:

Councillor C. Barnard

(proposed by Councillor J. Sexton, seconded by Councillor I. Beardsmore)

Councillor R. Noble

(proposed by Councillor N. Islam, seconded by Councillor V. Leighton)

Councillor I. Beardsmore

(Proposed by Councillor C. Barnard, seconded by Councillor S. Doran)

Councillor J. Sexton

(proposed by Councillor I. Beardsmore, seconded by Councillor C. Barnard)

Councillor I. Beardsmore informed the Committee that he wished to forfeit his nomination to enable Councillor J. Sexton to sit on the Review Group.

Resolved;

1. to establish the Waterfront Inquiry Review Group with the terms of reference set out in the report at Appendix A;
2. to establish the Councillor membership of the Review Group to be four members from the Corporate Policy and Resources Committee, one member to be the Leader of the Council. The members proposed, seconded and agreed were:

Councillor C. Barnard

Councillor R. Noble

Councillor J. Sexton

Councillor L. Nichols

3. in consultation with the Review Group, to authorise the Chief Executive to finalise the terms of reference for the inquiry which are to be based upon the terms of reference set out in the report at Appendix B;
4. in consultation with the Review Group, to authorise the Chief Executive to amend the terms of reference as considered appropriate as the inquiry develops or as recommended by the investigator;
5. in consultation with the review group, to authorise the Chief Executive to appoint the investigator; and

6. in consultation with the Review Group, to authorise the Chief Executive to appoint any replacement investigator if the original investigator appointed can no longer act.

215/21 Assets Portfolio Working Group

The Committee were asked to consider the establishment of an Asset Portfolio Working Group.

Before inviting the Property Development Manager to present the report the Chairman drew the Committee's attention to the membership of the Working Group as detailed in Appendix 1 at page 3 of the supplementary agenda, where the membership was suggested to be as follows:

Five members to include:

- The Chair of the Development Sub-Committee;
- The Vice Chair of the Development Sub Committee; and
- Three other members appointed by the Corporate Policy and Resources Committee, with at least one from the Development Sub Committee and the other two members to be drawn from other committees to ensure there is councillor experience and expertise covering assets, finance, and housing.

The Chairman advised that as the membership of the Development Sub-Committee would not be confirmed by Council until 15 July it would not be possible for the Committee to confirm the names of members to sit on the task group today however, if the Committee were in agreement, the Committee could agree to delegate the confirmation of the membership to the Chief Executive in consultation with the Chair and Vice Chair of this Committee.

The Property Development Manager informed the Committee that there had been a weekly rent collection review meeting every Thursday morning since the start of the pandemic, and that the meeting had evolved and became a very useful meeting where Councillors and Officers had worked well together, and that this report was seeking to continue that liaison.

The Chair advised the Committee that he and the Vice Chair had attended the rent review meetings over the last few weeks and found it extremely helpful.

Members noted that the Working Group would ensure close liaison between Councillors and Officers on all matters within the investment, development and municipal portfolios.

Resolved to;

1. agree to set up an Assets Portfolio Working Group;
2. agree the proposed Terms of Reference as detailed in Appendix 1;
3. confirm the membership of the group as detailed in Appendix 1;

4. delegate the appointment of members to sit on the Assets Portfolio Working Group to the Chief Executive in consultation with the Chair and Vice Chair of the Corporate Policy and Resources Committee;
5. confirm the frequency of the group meetings as detailed in Appendix 1.

216/21 Treasury Management Strategy Outturn report

The Chairman drew the Committee's attention to the erroneous inclusive of the word 'strategy' in the item's title. The item should have read "Treasury Management Outturn report".

The Committee considered the report and the verbal summary delivered by the Deputy Chief Accountant.

In response to members' questions, the Deputy Chief Accountant explained that funds have been provided by central government to assist the Council with its COVID response and recovery but, that at present, there was no clear indication of how long support would continue or how much would be provided.

The Deputy Chief Executive and S151 Officer confirmed that councils continued to have a good dialogue with Ministry for Housing, Communities and Local Government (MHCLG), who continued to ask for monthly returns to see if COVID-19 funding was required. He further confirmed that there would be a Government Spending Review in the Autumn.

The Chairman asked if a more graphical representation could be provided with the report in future, so that it was easier for members to understand and compare performance over time. The Committee agreed this would be helpful and the Deputy Chief Executive and S151 Officer confirmed he would be able to provide a graphical format in future.

Resolved to note the treasury outturn position for 2020/21 and the challenging context of the financial environment in global markets in the face of the COVID-19 pandemic, which pushed down both investment returns and borrowing costs.

217/21 Recovery Action Plan

The Committee reviewed the contents of the Recovery Action Plan report and Appendices. The Committee noted that the plan focussed on how the Council will lead and assist with the wider-borough recovery under five key areas:

1. Supporting Community Recovery
2. Supporting Economic Recovery
3. Supporting Green Recovery
4. Keeping People Informed, and
5. Delivering Key Services.

The Committee agreed that a lot of work had been completed but there was a lot still needed to be done and queried how outcomes would be measured. The Deputy Chief Executive explained that regular updates would be brought before this and the other Committees and members' comments and feedback would be welcomed.

The Committee queried if there was enough officer capacity to complete the recovery works and acknowledged that the Management Team kept an eye on the situation and redeployed officers where necessary. Members of the Committee acknowledged that, in some circumstances, councillors could assist officers with the recovery actions.

Resolved to note the contents of the Recovery Action Plan report and Appendices.

218/21 Corporate Plan - Update

The Committee noted that they were originally due to receive a verbal update on the status of the Corporate Plan, but that a two-page written update had been published in a supplementary agenda on 2 July.

The Deputy Chief Executive delivered a brief presentation (the slide presented is attached to these minutes) and drew the Committee's attention to the two questions the bottom of his written update which were as follows:

1. How Members wish to progress with the development of the proposed priorities and values?
2. How Members wish to work with officers on the development of a new Corporate Plan?

The Chairman stated that he had no issues with the corporate priorities (CARE) but suggested that the Committee may wish to consider adding "Service Provision" which would alter the acronym to CARES. The Committee agreed that they would like service provision to be included as it was important to ensure that service delivery was reviewed.

Members agreed having a common set of values to work with was helpful and needed to be communicated to all Councillors as soon as possible. The Committee agreed it was important to keep things simple and punchy and the proposed priorities and values achieved this.

The Chairman suggested that the Deputy Chief Executive continue to work on the recommendations required to move forward, that he would be happy to liaise with him on the Plan and that the Deputy Chief Executive report back to the Committee as soon as practicable. The Committee agreed that they would like members to work with the Deputy Chief Executive to ensure actions were completed quickly, as the Council needed a Corporate Plan in place as soon as possible.

Resolved;

1. to note the verbal update on the status of the Corporate Plan and the contents of the written updated published in the supplementary agenda;
2. the Committee agreed that the letter S be included in the corporate values so that the acronym will become CARES with the S standing for “service delivery”;
3. that the Deputy Chief Executive progress with the development of the Corporate Plan and report back to the Committee.

219/21 Urgent Actions

The Committee considered the urgent actions taken by the Chief Executive in consultation with the Leader (pre 27 May 2021) and the Chair and Vice Chair of the relevant Committee (post 27 May 2021) since the last Cabinet meeting in May 2021.

The Chairman informed the Committee that he had found the urgent actions he had been asked to comment on to be extremely well presented and informed.

Resolved to note the urgent actions taken by the Chief Executive in consultation with the Leader (pre 27 May 2021) and the Chair and Vice Chair of the relevant Committee (post 27 May 2021) since the last Cabinet meeting in May 2021.

220/21 Forward Plan

The Committee considered the Forward Plan of Committee business.

The Chairman expressed concern over the long gap between some meetings and advised the Committee that there was a possibility that additional meetings may need to be scheduled should the need arise.

Resolved to note the contents of the Forward Plan.

221/21 Exempt Report - Acquisition Report - Property AB

It was proposed by Councillor O. Rybinski and Seconded by Councillor C. Barnard and **Resolved** to move the exclusion of the Press and Public for the remaining items on the agenda 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.

The Committee considered an exempt report on the acquisition of Property AB. The Property and Development Manager presented the report and asked the Committee if they were happy to proceed as per the recommendations.

The Chairman asked the Committee to consider whether acquiring properties was something they wanted the Council to continue to do.

The Committee debated the Chairman's question and concluded that, providing any proposed acquisition was viable and any proposed development project could be completed, they would be happy for such acquisitions to be moved forward.

Members expressed the view that some of the delays in completing projects experienced in the past may not be as likely now that the Council had moved to collective decision making under the new Committee system.

Members debated the recommendations in detail, reviewing the potential risks and benefits, and concluded that they were happy to agree the recommendations as set out in the agenda.

Resolved to;

1. approve the commencement of negotiations, by officers, to agree Heads of Terms with the vendor (if possible) on the terms as set out in the main report.
2. require officers to report back to either the Corporate Policy and Resources Committee or, once established, the Development Sub Committee, once negotiations on Heads of Terms have concluded, and for that Committee to determine:
 - a) whether to recommend the acquisition
 - b) the acquisition price
 - c) the capital budget for redevelopment
 - d) all aspects of due diligence to proceed further (if approved), including legal, planning, design, construction, costing, ground conditions, environmental considerations, financial strategy, treasury management strategy, governance, statutory compliance, tenant review and any other issues that may arise during the due diligence process.
3. agree for the Committee agreed above to report to the Corporate Policy and Resources Committee and full Council as required.

222/21 Exempt Report - Ashford Victory Place - Key Decision

The Committee considered an exempt report on Ashford Victory Place.

The Committee discussed the options presented in the report in detail and agreed that it was right that the Council lead the way and ensure that developments were future proofed, as green as possible and provide much needed affordable and key worker housing.

The Committee agreed that option A was their preferred option and acknowledged that their recommendation on this item would need to be

presented to Council on 15 July 2021, due to the value of the required specification enhancements.

Resolved to;

1. agree specification changes sought by Planning Committee prior to submitting revisions to the Local Planning Authority (LPA) with option A, the preferred option, agreed by the Committee.
2. note that Assets will finalise contract terms and build-costs with the contractor. Execution of their contract is subject to planning, and Full Council approval due to the value of the specification enhancements agreed above.

223/21 Exempt Report - COVID-19 recovery support for Leisure Centre Operators- amendment to Deed of Variation - Key Decision

The Committee considered an exempt report and its appendices on financial support for the Borough's Leisure Centre operator.

The Committee noted that on 24 March, Cabinet had approved a financial support package to enable the reopening of the Council's Leisure Centres from 12 April 2021 and that at the end of a three-month period a review would be undertaken to determine what, if any, further funding would be provided and, if so, at what level.

The Committee acknowledged that at this stage additional financial support was not being sought, that the leisure centre had not drawn down on all of the funds available, and by extending the timescale for the drawing down from that support, up to the capped amount, the Council would have more time to understand the impact of any relaxation measures on social distancing rules announced by government earlier in the evening, which would come into effect from 19 July 2021.

In response to members' questions the Deputy Chief Executive and S151 Officer confirmed that the level of support provided to date was in line with what other authorities had provided. He also advised members that the Council had received government grant funding that had been specifically provided to give financial support to the Leisure Centres.

In response to further questions, the Deputy Chief Executive and S151 Officer explained that the Committee could resolve to agree to extend support further into the future if they were minded to do so, but there was the possibility that additional funds might be sought by September 2021.

The Committee queried the dividends that Sports and Leisure Management (SLM) had paid to their Directors, commenting that significant amounts had been paid prior to the pandemic. The Deputy Chief Executive and S151 Officer explained that this point had been raised by the Cabinet at their March 2021 meeting and a commitment had been sought from SLM to ensure this would

not happen during the period whilst SLM are seeking COVID-19 funding support from the Council.

The Committee agreed that the Council's Leisure Centres were important for the health and wellbeing of the Borough's residents and that it was vital they were able to remain open whilst activity levels recover from the impact of the COVID-19 pandemic.

Resolved to approve an amendment to the Deed of Variation, extending the timescale for the cap on the cash support, from the end of June to now cover until the end of September 2021.

224/21 Exempt Report - Proposed Award of Leisure Centre Contractor contract - Key Decision

The Committee received a detailed exempt report on the proposed award of the Leisure Centre construction contractor contract.

The Committee noted that a Public Contracts Regulations (PCR) 2015 compliant tender process had been undertaken inviting bids on a Joint Contracts Tribunal (JCT) two stage Design and Build basis. This process had concluded, and a preferred contractor had been identified.

In response to members' questions, the Property Development Advisor informed the Committee that there was a current market risk of materials inflation that could increase costs on completion of the first stage of the Pre-Construction Services Agreement (PCSA). However there was a 2% inflation allowance in the budget approved by Full Council in October 2020 to mitigate potential impacts. He further advised that a lot of the design detail had been completed so there were limited gaps where costs could increase.

In response to further questions the Property Development Advisor confirmed that this would be the first 'wet and dry' Passivhaus Leisure Centre in the UK but that Passivhaus was not new and was common in Europe.

The Chairman asked the Property Development Advisor about the preferred bidder's previous successes. The Property Development Advisor confirmed that the bidder had experienced some issues competing their first Passivhaus project but had learnt from that and completed two subsequent projects successfully. He confirmed that he was confident that the preferred bidder understood the process.

A member expressed concern that bidders were asked to provide social value details as part of the tender process but acknowledged that this was a requirement of the procurement regulations.

Resolved to:

1. approve the award of a Pre-Construction Services Agreement (PCSA) to the preferred bidder identified in the report as the main contractor for the construction of the proposed new leisure centre;
2. recommend to Council the approval of the expenditure for this appointment.

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Corporate Policy and Resources Committee



4 October 2021

Title	Stadbury Meadow Car Park
Purpose of the report	To note
Report Author	Heather Morgan, Group Head Regeneration and Growth
Ward(s) Affected	Shepperton Town
Exempt	No for main report but yes for Appendix 1
Exemption Reason	Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings and information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information because disclosure to the public would prejudice both the financial affairs of the company and the Council as the information results from legal proceedings.
Corporate Priority	This item is not in the current list of Corporate Priorities but still requires a report to Committee to note
Recommendations	Committee is asked to: Note the report
Reason for Recommendation	Not applicable

1. Key issues

- 1.1 This is a long outstanding matter, and relates to Stadbury Meadow car park, by Shepperton Lock. A company own the car park (Stadbury Meadow Car Park Ltd) and the users are all residents of Hamhaugh Island. It is accessed over a piece of land which the Council has a long lease on, with the Environment Agency (EA) being the freeholder.
- 1.2 Up until 2007 the Council had an agreement with SMCP Ltd which allowed them access over the Council's land into the car park at a very modest cost of £5.00 per annum. When this expired, negotiations commenced with the company on a new agreement with more commercial terms to reflect the value of the car parking spaces to those residents on the island. The suggested agreement sum was increased into the low tens of thousands each year. This approach has been endorsed by a succession of previous portfolio holders and Leaders in order to ensure that the Council achieved best value in terms of our assets (as is our duty to do so).

- 1.3 Protracted negotiations took place over a number of years around the amount to be paid without success. The EA (as landowner) were also pressing the Council to resolve the matter and threatened to take action against the Council if it continued to allow SMCP Ltd to have access without an agreement in place. From January 2019, SMCP Ltd pursued the argument that an agreement was not required, as they had a right of access over the land. This was disputed by the Council on a number of grounds, and the Council sought expert external legal advice on the matter as it is not a specific area of law which the in-house team have expertise in. Whilst there was on-going correspondence it was evident that the two parties were not going to be able to reach agreement. During this period, a bollard was erected by the Council in front of the car park to prevent access (periodically).
- 1.4 In an effort to resolve matters, a mediation session took place between SMCP Ltd and the Council in February 2020. No agreement was reached, and it was determined that some 'in principle' legal issues were to be ruled on in the first instance by the Lands Tribunal. Due to Covid -19 it took 14 months for the Judge to reach a decision on those matters.
- 1.5 The Tribunal found in favour of SMCP Ltd, and determined that the company has a statutory right of access over the land by virtue of the 1932 Thames Conservancy Act (and consequently no agreement is required). The Judge also ordered that the Council pay the company's costs in bringing the matter to the Lands Tribunal (which is standard).
- 1.6 The EA and the Council agreed it would accept the Tribunal's decision. The Tribunal only ruled on establishing a right of way and the costs of bringing this argument before it. The Council were aware that SMCP Ltd had other outstanding issues with the council. Rather than pursuing through the courts, negotiations have been undertaken between the Directors of SMCP Ltd and senior officers within the Council including the Chief Executive (with the support of internal and external legal advice).
- 1.7 A formal settlement has been reached on the matter, and agreed by both SMCP Ltd and the Council. The Chief Executive confirmed his approval on 8 September and the agreement was completed and signed under officer delegations (paragraph 2.1 Part 3 section (d) of the Scheme of Delegations to Officers) on [].
- 1.8 Aside from the financial settlement (covered in section 3 below), the Council has agreed to re-instatement works where the bollard was placed which will include resurfacing, beginning in September 2021. In addition, the Council will undertake hedge trimming works, and this will be included in the annual maintenance programme. Discussions will also take place with the Environment Agency (as freehold owner) to consider the possibility of reinstating the turning circle immediate in front of the car park at a future date. A letter has also gone out to residents on Hamhaugh Island and the Towpath to explain the position .

2. Options analysis and proposal

- 2.1 There are no options being proposed as agreement has been reach on this matter, and the report is for noting only.

3. Financial implications

3.1 The cost of the settlement agreement, expert legal advice (including external lawyers, counsel and expert's report) is set out in confidential **Appendix 1**.

4. Other considerations

4.1 All matters have been covered in the main body of the report.

5. Equality and Diversity

5.1 There are no impacts on equality and diversity.

6. Sustainability/Climate Change Implications

6.1 There are no sustainability or climate change implications.

7. Timetable for implementation

7.1 This report is for noting, and the settlement agreement has been signed. There is no further action to be taken.

Background papers: There are none.

Appendices:

1 Financial details (confidential)

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By virtue of paragraph(s) 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Acquisition of Registered Providers' Street Properties

A Report was presented to the Community Wellbeing and Housing Committee on 28 September 2021 in respect of the proposed adoption of an Acquisition of Registered Providers Street Properties Policy.

The Committee considered the report and resolved to recommend the following to the Corporate Policy and Resources Committee:

1. The Acquisition of Registered Providers Street Properties Policy be approved;
and
2. To make a Capital Programme recommendation for 2022-23 before approval by Council in February 2022.

Councillor S Dunn

Chair, Community Wellbeing and Housing Committee

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28 September 2021



Title	Adoption of Acquisition of Registered Providers Street Properties Policy
Purpose of the report	To make a Key Decision To make a Capital Programme recommendation to Corporate Policy and Resources Committee
Report Author	Marta Imig, Strategic Lead, Housing
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/a
Corporate Priority	Housing
Recommendations	Community Wellbeing and Housing Committee is asked to: Approve the adoption of the Acquisition of Registered Providers Street Properties Policy and to make Capital Programme recommendations to the Corporate Policy and Resources Committee as the Capital Programme process for 2022-23, progress leading up to approval of Capital Programme by Spelthorne Borough Council (the Council) in February 2022
Reason for Recommendation	This policy seeks to enable the Council owned housing company, Knowle Green Estates Limited (KGE), to acquire the specific type of properties to suit local housing needs, and to set up disposal protocols for Registered Providers with stock in Spelthorne, to ensure that affordable housing remains within the borough.

1. Key issues

- 1.1 The Council is dedicated to safeguarding affordable housing within the Borough for the benefit of its residents, and requests that Registered Providers (RPs) and public bodies contact the Council concerning proposals for properties they are seeking to dispose of prior to any decision being made.
- 1.2 At the time of writing, 1 September 2021, the Council has 3,072 households on its Housing Register, 637 of those are seeking transfer to an alternative property due to the existing one not meeting their housing needs, the remaining 2,435 are not currently housed by the Council and need affordable housing.
- 1.3 The Council's Housing Strategy, under priority 1, specifically focuses on delivery of more affordable accommodation, and to set up disposal protocols

for RPs with stock in Spelthorne. This Housing Strategy action indicates that the Council will work with RPs within the borough to ensure that social housing is retained within the borough, as well as to address both current and future needs. The policy is framed around the broad principles of what the Council wants to deliver as part of the property acquisition housing scheme and seeks to deliver on that commitment.

- 1.4 At present the Council has no policy in place to enable the purchase of properties for specific local needs (either from RPs or open market), where there is a shortage of stock, e.g., properties for a larger family, properties for residents not suited to place in standard developments due to anti-social behaviour (ASB) history or other specific needs.
- 1.5 At times, the Council struggles to place individual residents in standard general needs developments, due to various reasons, which can be ASB related or other specific individual needs, where the Council considers them not suitable for general housing community living. In these cases, the policy would enable the Council to identify and acquire a specific type of property for the individual needs, to enable them to settle in the wider community and thrive. The specific property for acquisition can be sourced through RPs seeking to dispose of one, or any other source on the open market.
- 1.6 The Council's acquisitions of specific type of properties as required, would be managed by Council's owned housing company – Knowle Green Estates Limited (KGE), who would require a loan from the Council to make the acquisitions. In turn it is therefore important that any acquisition is viable for KGE to be able to generate a sufficient surplus to be able to make the loan repayments to the Council.
- 1.7 The proposed policy has been drafted based on the input from a cross-section of Officers who are part of the Council's Strategic Housing Group.

2. Options analysis and proposal

Option 1: To reject the policy enclosed in Appendix A

The Council owned housing company, Knowle Green Estates Limited, will not be able to purchase properties for specific local needs where there is a shortage of stock, and the Council will have no influence on the disposal of affordable housing within the Borough.

Option 2: To adopt the proposed Acquisition of Registered Providers Street Properties Policy as enclosed in Appendix A with Option 1 of the 5-year Capital Plan (recommended)

The adoption of the policy will enable the Council owned housing company, Knowle Green Estates Limited, to acquire properties (either sourced through RPs seeking to dispose of, or from the open market) in accordance with specific local needs, as well as to control the disposal of affordable housing within the Borough.

Option 1 of the Capital Plan includes acquisition of properties for disabled clients under Mobility Group 1 and 2, and properties for larger families. Properties for residents with specific housing needs can be sourced and acquired as part of this plan. The approximate Capital Programme provision for the delivery of the plan would be in the region of £35m

Option 3: To adopt the proposed Acquisition of Registered Providers Street Properties Policy as enclosed in Appendix A with Option 2 of the 5-year Capital Plan

The adoption of the policy will enable the Council owned housing company, Knowle Green Estates Limited, to acquire properties (either sourced through RPs seeking to dispose of, or from the open market) in accordance with specific local needs, as well as to control the disposal of affordable housing within the Borough.

Option 2 of the Capital Plan includes acquisition of properties for disabled clients under Mobility Group 1, and properties for larger families.

Properties for residents with specific housing needs can be sourced and acquired as part of this plan. The approximate Capital Programme provision for the delivery of the plan would be in the region of £20m.

Option 4: To adopt an altered version of the proposed Acquisition of Registered Providers Street Properties Policy

To make changes to the proposed policy and adopt a revised version to enable the Council owned housing company, Knowle Green Estates Limited, to acquire properties in accordance with specific local needs, as well as to control the disposal of affordable housing within the Borough.

3. Financial implications

- 3.1 We currently have Capital Programme approval of £1,000,000, for affordable housing opportunities, which can be a starting point to the delivery of the programme.
- 3.2 We have proposed 2 versions of a Capital Expenditure Programme details of which are provided in Appendix D. Current rent and property purchase values are provided in Appendix E and estimated Budget calculations for the acquisitions are covered in Appendix F.
- 3.3 The calculations of the deliverability of the project have been included in Appendix G and H, based on the most expensive acquisition and the cheapest acquisition assumptions. The calculations show that the delivery of the Capital Plan and management of the assets over 50 years will not generate much of a surplus to KGE, but it is capable of covering its own cost. Over the period of 50 years our projections show that the investment may generate from circa £260,000 for the cheapest investment to circa £90,000 for the most expensive investment, per property – appendix G and H. The calculations are based on 70% of market rent affordability charge. This project is proposed with the social aspect in mind, not financial gain (for affordable properties the Council does not earn an interest margin on loans to KGE).

	Sep-21	Aug-76
Appendix G Balance Sheet based on cheapest property		
Fixed Assets		
Tangible NBV	360,000	48,270
Current Assets		

Trade Debtors	280	719
Bank account (over drawn)	7	182,259
	<u>287</u>	<u>182,978</u>
Current liabilities		
Trade Creditors	0	0
PWLB (capital only)	-386,630	29,859
	<u>-386,630</u>	<u>29,859</u>
	<u>-26,342</u>	<u>261,108</u>
Reserves		
B/fwd.	0	260,421
Surplus/(Deficit)	-26,342	687
C/fwd.	<u>-26,342</u>	<u>261,108</u>
Control	<u>0</u>	<u>0</u>

	Sep-21	Aug-76
Appendix I Balance Sheet based on the most expensive property		
Fixed Assets		
Tangible NBV	480,000.00	38,670.30
Current Assets		
Trade Debtors	293.97	754.66
Bank account (over drawn)	-286.34	10,112.86
	7.63	10,867.52
Current liabilities		
Trade Creditors	0.00	0.00
	-	-
PWLB (capital only)	515,505.93	39,812.63
	-	-
	515,505.93	39,812.63
	-35,498.30	89,350.45
Reserves		
B/fwd.	0.00	88,970.13
Surplus/(Deficit)	-35,498.05	380.57
C/fwd.	<u>-35,498.05</u>	<u>89,350.70</u>
Control	<u>0</u>	<u>0</u>

- 3.4 We investigated the options of acquisition of Houses in Multiple Occupation (HMO) and included calculations of the deliverability of those in Appendix I. While financially, it could provide a good level of income to KGE, at present we do not have a large demand amongst the applicants who could qualify for this type of accommodation. We will keep this under review and bring a detailed report for the Committee's consideration when the situation changes.
- 3.5 Management of HMO's accommodations requires specific set of skills and knowledge that would need to be considered as part of the planning of the project. In addition, the amount of capital investment required to bring these properties up to a required standard and any associated risk would need to be carefully considered.

4. Other considerations

- 4.1 Enclosed, in Appendix C, is an outline of options to access additional funding from Homes England, should KGE become a Register Provider in the future. The details of the funding options have been presented to KGE Board in August 2021. KGE Board is currently reviewing its medium-term strategy and is exploring the pros and cons of working towards becoming a Registered Provider.

5. Equality and Diversity

- 5.1 An Equality and Diversity Impact Assessment has been carried out and is provided in Appendix B.

6. Sustainability/Climate Change Implications

- 6.1 The proposed policy may have an impact on the Council's sustainability / climate change position. Any new property acquisitions would need to be reviewed for their carbon emission totals and potentially upgraded to manage their energy and water efficiency, and potentially options of renewable energy considered depending on location and orientation.
- 6.2 Cost of repair, renovation and upgrades has been considered as part of the budget calculations.

7. Timetable for implementation

- 7.1 Once approved, the policy will be submitted to the Corporate Policy and Resources Committee to consider. Once approved by both committees, Capital Plan will be incorporated into the 2022/23 budget in preparation for the commencement of the programme.
- 7.2 This policy will be comprehensively reviewed every 5 years.

Background papers: There are none.

Appendices:

Appendix A: Acquisition of Registered Providers Street Properties Policy
Appendix B: Equality Impact Assessment for Acquisition of Registered Providers Street Properties
Appendix C: Funding Streams from Homes England
Appendix D - 5-year Capital Plan - options
Appendix E - Rent and purchase average values in Spelthorne (August 2021)
Appendix F - Budget calculations
Appendix G - Street housing v2 final 250821 Staines cheapest
Appendix H - Street housing v5 Final 240821 Sunbury model most expensive
Appendix I - Street housing v3 final 250821 HMO



Acquisition of Registered Providers Street Properties Policy

September 2021

1.Introduction and aim of the Policy

1.1 Spelthorne Borough Council is dedicated to providing local affordable housing. This policy seeks to enable Knowle Green Estates Limited (KGE), a housing company owned by Spelthorne Borough Council, to acquire the specific type of properties to suit local housing needs, and to set up disposal protocols for Registered Providers (RP) with stock in Spelthorne to ensure that affordable housing remains within the borough. The property for acquisitions can be sourced either from RP's, if deemed appropriate to local housing needs, or from the open market.

1.2 This Policy document is to be followed when considering the acquisition by KGE of an interest in property or disposal of a residential property by Registered Provider (RP), or other public bodies within Spelthorne Borough. For the purpose of this policy, reference to "property" means any residential property including freeholds and leaseholds, and to disposals of all interests in residential property by a RP or other public body within the borough of Spelthorne.

1.3 The properties are to be acquired within Spelthorne Borough and allocated in accordance with the Council's Allocation Policy. Property is a corporate resource, and it can be held and acquired in accordance with the Housing Strategy 2020-25. Spelthorne's priorities are:

- Enabling the delivery of more affordable homes
- Promoting Independence and Wellbeing
- Preventing Homelessness and Rough Sleeping

1.4 This policy has been designed to ensure that affordable housing remains within the borough, and that additional specialised types of properties, can be acquired by, KGE to meet local housing needs.

2. Background

2.1 General powers to acquire land and property under the Local Government Act 1972. (Section 120) enable local authorities to acquire property for any of their functions, or for the benefit, improvement or development of their area. Local Authorities are empowered to acquire land notwithstanding that the land was not immediately required for that purpose.

2.2 In addition, The Local Government Act 2000 introduced additional 'wellbeing' powers, which provide councils with the power to do anything that they consider is likely to achieve the promotion or improvement of the economic, social or environmental wellbeing of their area. This includes the power to incur expenditure, including land acquisition.

2.3 KGE is committed to holding a portfolio of social housing properties within the borough and to setting up an acquisition delivery programme, where specific types of accommodation are identified, e.g. disabled adapted or accommodation for larger families.

2.4 Spelthorne Borough Council is committed to providing affordable housing in the borough including specialised accommodation for residents with particular needs

2.5 This policy sets out the principles by which, KGE, may acquire properties, with Council funding to meet local housing needs.

3. Approach to acquisition

3.1 KGE will only consider taking on the management of acquisitions where it:

- delivers affordable homes, which the market fails to provide, prioritising people who are on the Council's Housing Register,
- delivers much needed housing, including where the acquisition furthers the provision of services for the community by third parties.

* And where it will be viable for KGE to be able to afford to make the loan repayments to SBC

3.2 All such acquisitions by KGE will follow an agreed programme based on the specific housing needs. All acquisitions and funding will be authorised by the Council either by Committee or under the "urgent action process", where

appropriate, and by the Board of KGE. The Council may fund an acquisition through a range of options, for example, borrowing, partnership with the public or private sectors. The Council currently has £1m in Capital Programme approved which potentially could be funded by borrowing, which would be a starting point for the delivery of the programme.

3.3 Where the need for a property is identified, the Council's Property team will establish if any suitable property is available on the market with our partner organisations. Once a property is identified the Council's property team will conduct negotiations on behalf of KGE.

3.2 The following criteria can be used in the decision process to identify a suitable property:

- Price and value
- Availability of the property
- Condition of the property at purchase
- Nature of the interest offered i.e., freehold, leasehold, etc
- Any potential liabilities
- Future rental values and affordability
- Sustainability e.g., the energy performance of the property
- Does the property meet the housing need identified

4. Acquisition Process

4.1 When a property has been identified for acquisition (either an RP property or from the open market), a property valuation and a financial appraisal will be prepared to establish the financial and budgetary implications of acquiring the property at the negotiated price.

4.2 In all cases where the valuation advice suggests that the open market value of the property is below the negotiated price, the report must demonstrate there are overriding or special factors that justify the purchase at over value.

4.3 Following the appraisal process of the possibility of an acquisition, all negotiations will remain "without prejudice", "subject to contract", subject to the required authority and, appropriate surveys.

4.4 All appropriate surveys, investigations and searches must be satisfactorily completed or provided, following which the Council's Legal Services team will be instructed to carry out all necessary due diligence and complete the documentation associated with the acquisition.

5. Disposal of properties by Registered Providers (RP) or public bodies within Spelthorne Borough

5.1 The Council has two main concerns regarding the disposal (selling) of RP or public body properties within Spelthorne:

- Which properties are being disposed of;
- The reduction of affordable homes in the borough.

5.2 The Council requests that RPs and public bodies contact Spelthorne Borough Council at the earliest opportunity about which properties they are proposing to dispose of, prior to any decision being made on the disposal, as the Council may wish to:

- Acquire the property through KGE
- Discuss possible alternative options.
- Seek to influence the choice of individual properties to be disposed of.

5.3 In relation to disposals, RPs and public bodies should have regard to the policies relating to affordable housing in the Local Plan published by Spelthorne Borough Council in conjunction with this Policy. The Council wishes to work together with RPs and public bodies to explore opportunities to maximise alternatives to disposal to meet both the Council's and the RPs housing needs.

5.4 The Council requests that RPs and public bodies share details of proceeds from in borough disposals. This is for transparency reasons and to enable the Council, in conjunction with the RP and public bodies, to consider options to recycle and retain monies within the borough.

6. Nomination of acquired properties

- 6.1 KGE will enter into a nomination agreement with Spelthorne Borough Council and Spelthorne Borough Council for all properties acquired by KGE under this policy and Spelthorne Borough Council shall nominate tenants, in accordance with Spelthorne Borough Council's allocations policy.

7. Monitoring and Review

- 7.1 This policy is owned by the Strategic Lead, Housing, who is responsible for its monitoring and review.
- 7.2 This policy will be reviewed regularly to ensure that it addresses local housing needs and not less than every five years.

Equality Analysis

Directorate: Community Wellbeing	Lead Officer: Marta Imig
Service Area: Housing Strategy	Date completed: 10 May 2021
Service / Function / Policy / Procedure to be assessed: Acquisition of Registered Providers Street Properties Policy	
Is this: New / Proposed <input checked="" type="checkbox"/> Existing/Review <input type="checkbox"/> Changing <input type="checkbox"/>	Review date: Comprehensive review no later than every 5 years from the date of implementation.

Part A – Initial Equality Analysis to determine if a full Equality Analysis is required.

What are the aims and objectives/purpose of this service, function, policy or procedure?

The Housing Strategy 2020-25 sets the strategic direction for the Council in its ambition that local residents have access to suitable and affordable housing options locally.

The final strategy contains three strategic priorities, and an associated Action Plan:

1. Enabling the delivery of more affordable homes across a range of tenures.
2. Promote independence and wellbeing to enable residents to remain living independently.
3. Prevent homelessness and rough sleeping.

Within the Housing Strategy, there is an action under priority 1 that specifically focuses on delivery of more affordable accommodation and to set up disposal protocols for Registered Providers with stock in Spelthorne. This action indicates that Spelthorne Borough Council will work with Registered Providers within the borough to ensure that social housing is retained within the borough, as well as to address both current and future needs. The policy is framed around the broad principles of what Spelthorne Borough Council wants to deliver as part of the property acquisition housing scheme and forms an initial policy that will be reviewed and improved on after 5 years.

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Please indicate its relevance to any of the equality duties (below) by selecting Yes or No?

	Yes	No
Eliminating unlawful discrimination, victimisation and harassment	✓	
Advancing equality of opportunity	✓	
Fostering good community relations	✓	

If not relevant to any of the three equality duties and this is agreed by your Head of Service, the Equality Analysis is now complete - please send a copy to **NAMED OFFICER**. **If relevant**, a Full Equality Analysis will need to be undertaken (PART B below).

PART B: Full Equality Analysis.

Step 1 – Identifying outcomes and delivery mechanisms (in relation to what you are assessing)

<p>What outcomes are sought and for whom?</p>	<p>The main outcome of the policy is to ensure social housing within the borough is retained and that specialised housing is acquired for local families with specific property needs.</p> <p>Affected groups will include (not exhaustive):</p> <ul style="list-style-type: none"> • All adults (and associated dependants) who live within Spelthorne Borough; • Those who are unable to access the housing market locally due to specific housing needs; • Partners involved in the delivery of affordable housing, such as Registered Providers, property developers, private landlords, health and social care providers; • Housing Options Staff at Spelthorne Borough Council.
<p>Are there any associated policies, functions, services or procedures?</p>	<p>Corporate Plan Capital Strategy Health & Wellbeing Strategy Local Plan Economic Development Strategy Asset Management Plan Housing Act 1996 (as amended by various) Local Government Act 1972 and 2000 Housing Strategy Homelessness Strategy</p>
<p>If partners (including external partners) are involved in delivering the service, who are they?</p>	<p>n/a</p>

Step 2 – What does the information you have collected, or that you have available, tell you?

What evidence/data already exists about the service and its users? (in terms of its impact on the ‘equality strands’, i.e. race, disability, gender, gender identity, age, religion or belief, sexual orientation, maternity/pregnancy, marriage/civil partnership and other socially excluded communities or groups) and **what does the data tell you?** e.g. are there any significant gaps?

General Spelthorne context

Almost half of Surrey’s 20 most deprived super output areas are in Spelthorne. Three are in the ward of Stanwell North, two in Ashford North and Stanwell South and one in each of Ashford East and Sunbury Common. Spelthorne has the highest number of lone parent families and the highest level of child poverty in Surrey; it also has the highest under-18 conception rate in the county. That said, residents are largely healthy, with life expectancy for both males and females slightly above the national average.

Although the number of VAT and/or PAYE-registered business has fallen slightly over the past four years, Spelthorne has a low rate of unemployment: 1.4% of those economically active aged 16 to 64, compared to the South East (2.2%) and UK as a whole (3.5%). Heathrow Airport is a significant local employer, with 8.3% of Spelthorne’s working population employed there. Significantly, 21.5% of those in work in Stanwell North are in low level employment compared to an average of 11.6% in Surrey. Average wages are slightly above regional averages at £630 per week for full-time employees.

Whilst house prices remain well above the national average, most residents are owner-occupiers (73%), followed by private rented (13%) and social rented (12%).

Gender / gender identity

Census data from 2011 shows that 50.5% of residents in Spelthorne were female, with the remaining 49.5% being male. There is no data known to be held in relation of other gender identities.

Source: ONS Census, 2011 - neighbourhood statistics for residents aged 16 to 74

A White Paper published in December 2018 (Help shape our future: the 2021 Census of population and housing in England and Wales) sets out the Office for National Statistics’ (ONS) recommendations for what the census should contain and how it should operate. The White Paper recommends that the census in 2021 includes a question about gender identity, asking respondents whether their gender is the same as the sex they were registered as at birth. The question will be separate from the question about sex (i.e., whether the respondent is male or female), which will be phrased in the same way as previous years. There is currently no official data about the size of the transgender population (the word ‘transgender’ is used here to describe people whose gender identity does not match the sex they were assigned at birth). The Government Equalities Office (GEO) has said that there may be 200,000 to 500,000 transgender people in the UK, but stresses that we don’t know the true population because of the lack of robust data. The ONS has identified user need for official estimates in order to support policy-making and monitor equality duties.

Source: <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8531>

Age

Spelthorne has a slightly lower population of under-30s (34%) compared to the rest of the country (37%), and a slightly higher population of 30-69 year olds (42%) compared with the UK average of (40%), The number of 70+ is 23%, which is broadly in line with the rest of the UK (24%).

Source: <https://commonslibrary.parliament.uk/local-data/constituency-statistics-population-by-age/>

Ethnicity

The ethnic make-up of Spelthorne is largely in line with the UK average, although we have more residents who identify as Asian and fewer residents who identify as Black than the national average.

Ethnic group	Spelthorne		Region	UK
	Number	%	%	%
White	83,455	87.3%	90.7%	87.2%
Mixed	2,382	2.5%	1.9%	2.0%
Asian	7,295	7.6%	5.2%	6.9%
Black	1,545	1.6%	1.6%	3.0%
Other	921	1.0%	0.6%	0.9%
Total	95,598	100.0%	100.0%	100.0%

Source: <https://commonslibrary.parliament.uk/home-affairs/communities/demography/constituency-statistics-ethnicity/>

Disability

As of July 2019 there were around 2,020 PIP claimants in Spelthorne constituency. In comparison, there was an average of 2,500 claimants per constituency across the South East. Within Spelthorne, psychiatric disorders were the most common reason for claiming PIP. They accounted for 37% of awards, compared to 36% in Great Britain. 'Psychiatric disorders' include anxiety and depression, learning disabilities and autism. The second most common reason for awards was musculoskeletal disease (general), which accounted for 17% of awards within the constituency and 21% in Great Britain. Musculoskeletal disease (general) includes osteoarthritis, inflammatory arthritis and chronic pain syndromes.

Source: <http://data.parliament.uk/resources/constituencystatistics/personal%20independence%20payment/PIP%20claimants%20in%20Spelthorne.pdf>

Religion

Residents of Spelthorne predominately identify themselves as either Christian or having no religion. There is a smaller Muslim population compared with the national average, but a larger Hindu and Sikh population.

	Constituency		Region	UK
	Number	%	%	%
Has religion	67,392	70.5%	65.0%	66.7%
of which				
Christian	60,954	63.8%	59.8%	58.8%
Muslim	1,808	1.9%	2.3%	4.5%
Hindu	2,332	2.4%	1.1%	1.4%
Buddhist	420	0.4%	0.5%	0.4%

Jewish	206	0.2%	0.2%	0.4%
Sikh	1,325	1.4%	0.6%	0.7%
Other	347	0.4%	0.5%	0.4%
No religion	21,511	22.5%	27.7%	26.1%
Not stated	6,695	7.0%	7.4%	7.2%

Source: <https://commonslibrary.parliament.uk/home-affairs/communities/constituency-data-religion/>

Sexual orientation

There is no accurate dataset which can be used to reflect solely Spelthorne. The White Paper recommends asking a new question about sexual orientation. The ONS has identified a user need for better data on sexual orientation – particularly for small areas – to inform policy-making and service provision, as well as monitoring equality duties. The ONS has previously used the Annual Population Survey (APS) to estimate the size of the lesbian, gay and bisexual (LGB) population in the UK. According to these estimates, just over 1 million people identified as LGB in 2016 (around 2% of the population). However, the sample population used in the APS isn't big enough to provide robust estimates of the LGB population in smaller areas.

Source: <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8531>

Marriage / Civil Partnership

More people in Spelthorne are married compared to the rest of England and Wales, and fewer people identify as single.

Marital Status	Spelthorne		England and Wales	
All usual residents aged 16+	78,089		45,496,780	
Single (never married or never registered a same-sex civil partnership)	24,562	31%	15,730,275	35%
Married	38,984	50%	21,196,684	47%
In a registered same-sex civil partnership	153	0%	104,942	0%
Separated (but still legally married or still legally in a same-sex civil partnership)	2,042	3%	1,195,882	3%
Divorced or formerly in a same-sex civil partnership which is now legally dissolved	6,870	9%	4,099,330	9%
Widowed or surviving partner from a same-sex civil partnership	5,478	7%	3,169,667	7%

Has there been any consultation with, or input from, customers / service users or other stakeholders? If so, with whom, how were they consulted and what did they say? If you haven't consulted yet and are intending to do so, please list which specific groups or communities you are going to consult with and when.

A public and stakeholder consultation has not been carried out on the policy. The policy is to be comprehensively reviewed no later than every 5 years.

Are there any complaints, compliments, satisfaction surveys or customer feedback that could help inform this assessment? If yes, what do these tell you?

None

Step 3 – Identifying the negative impact.

a. Is there any negative impact on individuals or groups in the community?

Barriers:

What are the potential or known barriers/impacts for the different 'equality strands' set out below? Consider:

- **Where** you provide your service, e.g. the facilities/premises;
- **Who** provides it, e.g. are staff trained and representative of the local population/users?
- **How** it is provided, e.g. do people come to you or do you go to them? Do any rules or requirements prevent certain people accessing the service?
- **When** it is provided, e.g. opening hours?
- **What** is provided, e.g. does the service meet everyone's needs? How do you know?

* Some barriers are justified, e.g. for health or safety reasons, or might actually be designed to promote equality, e.g. single sex swimming/exercise sessions, or cannot be removed without excessive cost. If you believe any of the barriers identified to be justified then please indicate which they are and why.

Solutions:

What can be done to minimise or remove these barriers to make sure everyone has equal access to the service or to reduce adverse impact? Consider:

- Other arrangements that can be made to ensure people's diverse needs are met;
- How your actions might help to promote good relations between communities;
- How you might prevent any unintentional future discrimination.

Equality Themes	Barriers/Impacts identified	Solutions (ways in which you could mitigate the impact)
Age (including children, young people and older people)	Young people aged 16-17 cannot hold tenancies and so housing options are severely limited. Older people may be less likely to access our	Young people aged 16-17 receive enhanced services via the Surrey Joint Protocol. They have access to specialist young peoples homelessness accommodation. Older people have greater access to social housing

	<p>services when needed. This includes those that are retired from employment and will be excluded from key worker accommodation.</p> <p>Those aged 18-39 may have reduced access to social housing as a result of welfare policies as well as local landlord policies (age restrictions)</p>	<p>via age restrictions across the A2Dominion stock. This includes sheltered and extra care homes.</p>
Disability (including carers)	<p>Anecdotally we know that physically disabled people accessing settled accommodation in Spelthorne have much more limited options available to them due to property adaptation requirements.</p>	<p>This policy enables sourcing specialised housing for specific local housing needs. See action 1.3 of the Homelessness and Rough Sleeping Strategy action plan – we will review the availability of accessible accommodation options for this affected group. Spelthorne Borough Council also offers Disabled Facilities Grants and handy person services to help residents live independently in their current home.</p>
Gender (men and women)	<p>No restrictions on gender are identified</p>	<p>This policy enables equal access to housing for both male and female.</p>
Race (including Gypsies & Travellers and Asylum Seekers)	<p>Accommodation for people seeking asylum is the responsibility of the Home Office. Provision for pitches for gypsies and travelling showpeople are dealt with under the Local Plan.</p>	<p>n/a</p>
Religion or belief (including people of no religion or belief)	<p>No negative impacts have been identified.</p>	<p>n/a</p>
Gender Re-assignment (those that are going through transition: male to female or female to male)	<p>Where individuals are transitioning, they may be impacted if they are placed into accommodation with shared facilities.</p>	<p>As part of standard assessments, we would consider this issue before offering accommodation with shared facilities. This policy enables specialised housing acquisition to meet local need.</p>
Pregnancy and Maternity	<p>Under homelessness legislation, pregnant women are recognised as being in ‘priority need’ and so arguably receive preferential treatment when compared with women who aren’t pregnant, or men.</p>	<p>Those who aren’t in priority need receive a comprehensive housing needs assessment and support to access their own accommodation solutions.</p>
Sexual orientation (including gay, lesbian, bisexual and	<p>No negative impacts have been identified.</p>	<p>n/a</p>

heterosexual)		
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Step 4 – Changes or mitigating actions proposed or adopted

Having undertaken the assessment are there any changes necessary to the existing service, policy, function or procedure? What changes or mitigating actions are proposed?

No changes required.

Step 5 – Monitoring

How are you going to monitor the existing service, function, policy or procedure ?


The Housing Strategy 2020-25 including the action plan and tasks within it will be monitored by the Council's Strategic Housing Group who meet monthly. Any required changes to the policy will be recommended to elected members (where required) as a result.

Part C - Action Plan

Barrier/s or improvement/s identified	Action Required	Lead Officer	Timescale
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a

n/a	n/a	n/a	n/a
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Equality Analysis approved by:

Group Head: 	Date: 28/05/2021
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Please send an electronic copy of the Equality Analysis to the Equality & Diversity Team and ensure the document is uploaded to the EA Register which will be available to the public:

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Funding Streams from Homes England

1. Affordable Homes Programme 2021 to 2026

The provision of affordable housing is a key element of the Government's plan to end the housing crisis, tackle homelessness and provide aspiring homeowners with a step onto the housing ladder.

The Affordable Homes Programme provides grant funding to support the capital costs of developing affordable housing for rent or sale. As the Government's housing accelerator, Homes England will be making available £7.39 billion from April 2021 to deliver up to 130,000 affordable homes - outside of London - by March 2026.

2. Purpose of the funding

The funding is for the supply of new build affordable housing.

This funding supports the development of:

- **Supported Housing (10% of homes delivered)** – any housing scheme where accommodation is provided alongside care, support or supervision to help people live as independently as possible in the community. Supported housing can be developed both through new build and repurposing or improvement of existing homes.
- **Rural Housing (10% of homes delivered)** – housing delivered in settlements with a population fewer than 3,000.
- **Traveller pitches** – funding to develop new sites and to add new pitches onto existing sites, to help meet the accommodation needs of traveller communities
- **Empty homes** – affordable homes can also be created by bringing existing empty homes back into use.

This funding does not provide grants for:

- **Regeneration** – the replacement of homes demolished through regeneration work is not eligible for funding. A grant may be available to support the delivery of net additional affordable homes on those schemes.
- **Section 106** – the purchase of homes built under Section 106 agreements, where the affordable homes are secured through developer contributions, is not funded. However, Homes England will still record information on all nil-grant affordable homes for rent, and reporting requirements will be set out in the contract.
- **Major Repairs** – works to ensure homes are habitable are not eligible for funding as this is the responsibility of the provider. Funding may be provided in exceptional circumstances, for example

in the case of alms houses, where the charity is not in itself able to cover the cost of the works itself.

The funding also supports wider strategic objectives, including:

- Placing significant focus on and investing in Modern Methods of Construction.
- Encouraging uptake of the National Design Guide, which is part of the government's collection of planning practice guidance within the National Planning Policy Framework.
- Improving the energy efficiency and sustainability of new affordable housing supply.
- Encouraging the use of SME contractors.

To receive grant funding, the organisation needs to be a qualified investment partner (IP) of Homes England, or to be working with an organisation that is.

Organisations, which wish to partner with the LA as landlords of homes built with funding for Social or Affordable Rent and Rent to Buy, are required to register with the Regulator of Social Housing as a registered provider (RP). Homes England advises that ideally, to submit both applications (IP & RP) at the same time, as the RP application does take longer to process with the Regulator of Social Housing.

3. Registration as Homes England Investment Partner

All organisations delivering homes through the AHP 2021 to 2026 scheme and associated affordable housing programmes must be a qualified Homes England Investment Partner (IP).

The IP qualification verifies the identity of the applicant and includes financial due diligence. This considers the financial and technical capacity to undertake an agreed programme of new supply and the organisation's good financial standing.

Homes England also assess the organisation's capability to manage capital build projects and associated development risks through the submission of case study evidence. If a third party is used as contractors for developments, evidence of the preferred contractor's capability must be submitted.

Organisations need to either:

- apply for qualification in their own right or
- join with an existing, qualified IP – this does not need to be achieved ahead of bidding, but this does need to be achieved before any grant can be paid.

Applications should be submitted at the same time as bids for funding. All new partners accessing grant funding from the AHP 2021 to 2026 scheme must

qualify as an IP before any payment of grant can be made. The turnaround time is approximately 8 weeks from receipt of a fully completed application.

The Homes England IP Qualification application form consists of the following 4 sections:

- Section 1; Applicant organisation details
- Section 2; Statement of Good Standing
- Section 3: Financial and Commercial Standing
- Section 4: Managing Development

4. Funding for CME

There are 2 routes to access funding:

- Scheme by scheme bidding through continuous market engagement (CME).
- A multi-year strategic partnership to access grants for a longer-term development programme – only applicable to large organisations delivering over 1500 homes

CME provides access to grant throughout the duration of the programme, while funding remains available. This route allows providers to apply for funding for individual schemes. All schemes funded through CME must have started on site by 30 September 2025 and be completed by 31 March 2026.

These applications are assessed on their individual merits.

Information required for an application will cover 2 areas:

- applicant details (for example, type of organisation and location)
- scheme details (for example, geography, tenure, number of homes, costs, land, planning and grant requested)

CME applications will be assessed against the following criteria:

- **Cost minimisation** – the primary assessment metric is grant per home. This is benchmarked against national, local and scheme type averages to ensure bids are competitive on both costs and outputs.
- **Deliverability** – to ensure the scheme can be delivered within the funding timeframe, deliverability will take account of the level of planning, land ownership and progress on contracting at the point of bidding, reviewing past performance for current partners and forecasts from comparable schemes for new partners. Bids will also be tested on how they are supporting local authorities in meeting local housing needs.

CME bids grants will be paid against the achievement of delivery milestones – 40% on site acquisition, 35% on start on site and 25% on practical completion.

Homes England would not support the LA passing funding/completed grant funded homes to a third-party unregistered body, as that would be a relevant event for grant recovery, therefore SBC could not apply for funds to transfer to KGE.

5. Advantages and disadvantages of registering as a Registered Provider

Becoming a registered provider of social housing is a serious undertaking – together with advantages there are obligations that must be met.

Advantages:

- Access to capital funding via grants: Registration will provide access to capital grants making it easier to develop and own new housing. There is no set amount of grant per scheme/project, and this will vary from time to time and possibly between regions: it could be as little as 25% or even in excess of 50%. It will normally be necessary to raise the balance via loans.
- Long term ownership of assets: Ownership of assets, in the form of property, guarantees a long-term revenue stream and opens the possibility of raising loan finance against the asset base.
- Transfer of properties from other RPs: It may be possible to persuade another registered provider to transfer stock without there being any payment.

Disadvantages:

- Regulation by the Regulator of Social Housing: the activities will be subject to regulation by the Regulator of Social Housing and the terms and conditions may change from time to time.
- Rent setting: The rents charged to the tenants may be subject to variations specified by Homes England/RSH in grant agreements or the Regulator's standards.
- Right to buy: If the right to buy is rolled out in the future for the tenants of registered providers, then it may apply to all RPs in relation to Homes England funded properties
- Homes England Information Management System (IMS): This is a challenging system that it used to manage project finance, which all RPs must use.

5-year Capital Plan - options

The following property types have been identified from our Housing Register as property need where we're unable to place residents due to the lack of appropriate stock.

Property size	Number of Applications
Four bedrooms	16
7 people	12
8 people	4
Five bedrooms	9
7 people	2
8 people	6
9 people	1
Six Bedrooms	2
7 people	1
11 people	1
Grand Total	27

We group disabled households based on the level of disability and adaptations required, as follows

Mobility 1	Needs fully adapted property
Mobility 2	Cannot manage any stairs
Mobility 3	Can manage step into property but not stairs

For the purpose of the Capital Programme, those in Mobility Group 3 are not included as those can be delivered by the use of DFG or new developments.

There are 25 households that have very high needs in relation to adaptations and properties with these adaptations

Property size	Mobility
One bedroom	16
Two bedroom	5
Three Bedroom	4
Grand Total	25

There are then an additional 59 households that have high needs in relation to adaptations

Property size	Mobility 2
One bedroom	30
Two bedroom	21
Three Bedroom	5
Four bedrooms	3*
Grand Total	59

Option 1

Year 1

Type of property	Quantity	Comments
6-bedroom property	2	Properties for larger families, general needs
5-bedroom property	4	Properties for larger families, general needs
Disability high level	10	Disability adapted (Mobility 1) – 5x one bedroom and 5x two-bedroom accommodations

Year 2

Type of property	Quantity	Comments
5-bedroom property	5	Properties for larger families, general needs
Disability high level	15	Disability adapted (Mobility 1) – 11x one bedroom and 4x three-bedroom accommodations

Year 3

Type of property	Quantity	Comments
4-bedroom property	6	Properties for larger families, general needs
Disability mid-level	20	Disability adapted (Mobility 2) – 20x one bedroom

Year 4

Type of property	Quantity	Comments
4-bedroom property	5	Properties for larger families, general needs
Disability mid-level	20	Disability adapted (Mobility 2) – 10x one bedroom and 10x two-bedroom accommodations

Year 5

Type of property	Quantity	Comments
4-bedroom property	5	Properties for larger families, general needs
Disability mid-level	20	Disability adapted (Mobility 2) – 11x two- bedroom and 5x three-bedrooms and 4x four-bedrooms accommodations

Option 2

To not include mobility level 2 accommodations (in this options we would look to deliver those by new developments and adaptations using DFG)

Year 1

Type of property	Quantity	Comments
6-bedroom property	2	Properties for larger families, general needs
5-bedroom property	3	Properties for larger families, general needs
Disability high level	5	Disability adapted (Mobility 1) – 5x two-bedroom accommodations

Year 2

Type of property	Quantity	Comments
5-bedroom property	6	Properties for larger families, general needs
Disability high level	6	Disability adapted (Mobility 1) – 6x one-bedroom accommodations

Year 3

Type of property	Quantity	Comments
4-bedroom property	6	Properties for larger families, general needs
Disability high-level	5	Disability adapted (Mobility 1) – 5x one bedroom

Year 4

Type of property	Quantity	Comments
4-bedroom property	5	Properties for larger families, general needs
Disability high-level	5	Disability adapted (Mobility 1) – 5x one bedroom

Year 5

Type of property	Quantity	Comments
4-bedroom property	5	Properties for larger families, general needs
Disability high-level	4	Disability adapted (Mobility 1) – 4x three bedrooms accommodations

Under option 1, there are 111 properties to acquire within 5 years.

Under option 2, there are 52 properties to acquire within 5 years

Large properties

Property size	Number of Applications	Monthly Rental value (£)			Sale value (£)		
		Staines	Ashford	Sunbury	Staines	Ashford	Sunbury
Four bedrooms	16	2,000	2,000	2,100	360,000	450,000	480,000
Five bedrooms	9	2,350	2,350	2,800	500,000	600,000	630,000
Six Bedrooms	2	3,000	3,000	3,300	850,000	860,000	950,000
Grand Total	27						

Properties for disabled residents

Property size	Mobility 1	Monthly Rental value (£)			Sale value (£)		
		Staines	Ashford	Sunbury	Staines	Ashford	Sunbury
One bedroom	16	900	900	950	170,000	190,000	200,000
Two bedroom	5	1,200	1,200	1,250	220,000	250,000	250,000
Three Bedroom	4	1,700	1,700	1,700	270,000	300,000	330,000
Grand Total	25						

Properties for disabled residents

Property size	Mobility 2	Monthly Rental value (£)			Sale value (£)		
		Staines	Ashford	Sunbury	Staines	Ashford	Sunbury
One bedroom	30	900	900	950	170,000	190,000	200,000
Two bedroom	21	1,200	1,200	1,250	220,000	250,000	250,000
Three Bedroom	5	1,700	1,700	1,700	270,000	300,000	330,000
Four bedrooms	3*	2,000	2,000	2,100	360,000	450,000	480,000
Grand Total	59						

HMO	Number of rooms required	Monthly Rental value (£)		
		Staines	Ashford	Sunbury
Room	5	550	550	600

HMO purchase cost examples
with existing licence

9 bedroom HMO in Staines £750,000
8 bedroom HMO in Sunbury £1,200,000

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Option 1

Type of property	Quantity	Comments
6-bedroom property	2	Properties for larger families, general needs
5-bedroom property	4	Properties for larger families, general needs
Disability high level	10	Disability adapted (Mobility 1) – 5x one bedroom and 5x two-bedroom accommodations

16 TOTAL

Year 2

Type of property	Quantity	Comments
5-bedroom property	5	Properties for larger families, general needs
Disability high level	15	Disability adapted (Mobility 1) – 11x one bedroom and 4x three-bedroom accommodations

20 TOTAL

Year 3

Type of property	Quantity	Comments
4-bedroom property	6	Properties for larger families, general needs
Disability mid-level	20	Disability adapted (Mobility 2) – 20x one bedroom

26 TOTAL

Year 4

Type of property	Quantity	Comments
4-bedroom property	5	Properties for larger families, general needs
Disability mid-level	20	Disability adapted (Mobility 2) – 10x one bedroom and 10x two-bedroom accommodations

25 TOTAL

Year 5

Type of property	Quantity	Comments
4-bedroom property	5	Properties for larger families, general needs
Disability mid-level	20	Disability adapted (Mobility 2) – 11x two-bedroom and 5x three-bedrooms and 4x four-bedrooms accommodations

25 TOTAL

112 TOTAL cost of acquisition

Purchase Budget required

£1,760,000

£2,200,000

£2,100,000

£6,060,000

£2,750,000

£3,180,000

£5,930,000

£2,520,000

£3,600,000

£6,120,000

£2,100,000

£4,200,000

£6,300,000

£2,100,000

£5,820,000

£7,920,000

£32,330,000

Cost of disability adaptations £1,300,000.00

Cost of repairs (as required) £1,120,000.00

Cost of legal, surveys, etc £560,000.00

TOTAL COST OF AQUISITION - 5 YEAR PLAN £35,310,000.00

Average purchase price	
1-bedroom	£180,000
2-bedroom	£240,000
3-bedroom	£300,000
4- bedroom	£420,000
5- bedroom	£550,000
6- bedroom	£880,000

Year 1

**Purchase
Budget required**

Type of property	Quantity	Comments
6-bedroom property	2	Properties for larger families, general needs
5-bedroom property	3	Properties for larger families, general needs
Disability high level	5	Disability adapted (Mobility 1) – 5x two-bedroom accommodations

£1,760,000

£1,650,000

£1,200,000

10 TOTAL

£4,610,000

Year 2

Type of property	Quantity	Comments
5-bedroom property	6	Properties for larger families, general needs
Disability high level	6	Disability adapted (Mobility 1) – 6x one-bedroom accommodations

£3,300,000

£1,080,000

12 TOTAL

£4,380,000

Year 3

Type of property	Quantity	Comments
4-bedroom property	6	Properties for larger families, general needs
Disability high-level	5	Disability adapted (Mobility 1) – 5x one bedroom

£2,520,000

£900,000

11 TOTAL

£3,420,000

Year 4

Type of property	Quantity	Comments
4-bedroom property	5	Properties for larger families, general needs
Disability high-level	5	Disability adapted (Mobility 1) – 5x one bedroom

£2,100,000

£900,000

10 TOTAL

£3,000,000

Year 5

Type of property	Quantity	Comments
4-bedroom property	5	Properties for larger families, general needs
Disability high-level	4	Disability adapted (Mobility 1) – 4x three bedrooms accommodations

£2,100,000

£1,200,000

9 TOTAL

£3,300,000

52 TOTAL cost of acquisition

£18,710,000

Cost of disability adaptations

£500,000.00

Cost of repairs (as required)

£520,000.00

Cost of legal, surveys, etc

£45,000.00

TOTAL COST OF AQUISION - 5 YEAR PLAN

£19,775,000.00

Average purchase price	
1-bedroom	£180,000
2-bedroom	£240,000
3-bedroom	£300,000
4- bedroom	£420,000
5- bedroom	£550,000
6- bedroom	£880,000

Appendix A - Profit and loss account	Total Aug-22	Total Aug-23	Total Aug-24	Total Aug-25	Total Aug-26	Total Aug-27	Total Aug-28	Total Aug-29	Total Aug-30	Total Aug-32	Total Aug-33	Total Aug-34	Total Aug-35	Total Aug-36	Total Aug-37	Total Aug-38	Total Aug-39
Rental income	-16,798	-16,966	-17,136	-17,307	-17,480	-17,655	-17,832	-18,010	-18,190	-18,556	-18,741	-18,929	-19,118	-19,309	-19,502	-19,697	-19,894
Less direct costs	776	784	792	800	808	816	824	832	840	857	866	874	883	892	901	910	919
Savings on homeless budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross margin	-16,022	-16,183	-16,344	-16,508	-16,673	-16,840	-17,008	-17,178	-17,350	-17,699	-17,876	-18,054	-18,235	-18,417	-18,601	-18,787	-18,975
Indirect costs																	
Interest on loans	8,127	8,034	7,938	7,841	7,741	7,640	7,536	7,430	7,322	7,099	6,984	6,867	6,747	6,625	6,500	6,372	6,242
Depreciation	27,000	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051
Net (Surplus)/Deficit for the year.	19,105	2,902	2,644	2,384	2,119	1,851	1,579	1,303	1,023	451	159	-137	-437	-742	-1,051	-1,365	-1,683



Appendix A - Profit and loss account	Total Aug-40	Total Aug-41	Total Aug-42	Total Aug-43	Total Aug-44	Total Aug-45	Total Aug-46	Total Aug-47	Total Aug-48	Total Aug-49	Total Aug-50	Total Aug-51	Total Aug-52	Total Aug-53	Total Aug-54
Rental income	-20,093	-20,294	-20,497	-20,702	-20,909	-21,118	-21,329	-21,543	-21,758	-21,976	-22,195	-22,417	-22,642	-22,868	-23,097
Less direct costs	928	937	947	956	966	976	985	995	1,005	1,015	1,025	1,036	1,046	1,056	1,067
Savings on homeless budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross margin	-19,165	-19,357	-19,550	-19,746	-19,943	-20,143	-20,344	-20,548	-20,753	-20,961	-21,170	-21,382	-21,596	-21,812	-22,030
Indirect costs															
Interest on loans	6,109	5,973	5,834	5,693	5,548	5,401	5,250	5,096	4,939	4,779	4,615	4,448	4,277	4,103	3,925
Depreciation	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051
Net (Surplus)/Deficit for the year.	-2,006	-2,333	-2,666	-3,003	-3,345	-3,692	-4,044	-4,401	-4,764	-5,131	-5,505	-5,884	-6,268	-6,658	-7,055



Appendix A - Profit and loss account

	Total Aug-55	Total Aug-56	Total Aug-57	Total Aug-58	Total Aug-59	Total Aug-60	Total Aug-61	Total Aug-62	Total Aug-63	Total Aug-64	Total Aug-65	Total Aug-66	Total Aug-67	Total Aug-68	Total Aug-69	Total Aug-70	Total Aug-71
Rental income	-23,328	-23,561	-23,797	-24,035	-24,275	-24,518	-24,763	-25,010	-25,261	-25,513	-25,768	-26,026	-26,286	-26,549	-26,815	-27,083	-27,354
Less direct costs	1,078	1,088	1,099	1,110	1,121	1,133	1,144	1,155	1,167	1,179	1,190	1,202	1,214	1,226	1,239	1,251	1,264
Savings on homeless budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross margin	-22,250	-22,473	-22,697	-22,924	-23,153	-23,385	-23,619	-23,855	-24,094	-24,335	-24,578	-24,824	-25,072	-25,323	-25,576	-25,832	-26,090
Indirect costs																	
Interest on loans	3,743	3,558	3,368	3,175	2,977	2,776	2,570	2,360	2,145	1,926	1,703	1,474	1,241	1,003	760	512	259
Depreciation	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051
Net (Surplus)/Deficit for the year.	-7,456	-7,864	-8,279	-8,699	-9,126	-9,559	-9,998	-10,445	-10,898	-11,358	-11,825	-12,299	-12,780	-13,269	-13,765	-14,269	-14,781



Appendix B Balance Sheet

	Total Aug-22	Total Aug-23	Total Aug-24	Total Aug-25	Total Aug-26	Total Aug-27	Total Aug-28	Total Aug-29	Total Aug-30	Total Aug-32	Total Aug-33	Total Aug-34	Total Aug-35	Total Aug-36	Total Aug-37	Total Aug-38	Total Aug-39
Fixed Assets																	
Tangible NBV	360,000	348,949	337,899	326,848	315,798	304,747	293,697	282,646	271,596	274,495	263,444	252,393	241,343	230,292	249,242	238,191	227,141
Current Assets																	
Trade Debtors	420	424	428	433	437	441	446	450	455	464	469	473	478	483	488	492	497
Bank account (over drawn)	3,026	6,629	10,393	14,321	18,414	22,673	27,101	31,698	36,468	21,529	26,824	32,298	37,952	43,789	19,809	26,016	32,411
	3,446	7,053	10,822	14,754	18,851	23,114	27,546	32,149	36,923	21,993	27,293	32,771	38,430	44,271	20,297	26,508	32,908
Current liabilities																	
Trade Creditors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB (capital only)	-382,551	-378,009	-373,371	-368,636	-363,802	-358,866	-353,826	-348,680	-343,427	-332,586	-326,995	-321,286	-315,457	-309,505	-303,429	-297,225	-290,891
	-382,551	-378,009	-373,371	-368,636	-363,802	-358,866	-353,826	-348,680	-343,427	-332,586	-326,995	-321,286	-315,457	-309,505	-303,429	-297,225	-290,891
	-19,105	-22,007	-24,651	-27,034	-29,153	-31,004	-32,583	-33,886	-34,909	-36,099	-36,258	-36,121	-35,684	-34,942	-33,891	-32,526	-30,843
Reserves																	
B/fwd.	-19,763	-21,764	-24,430	-26,835	-28,977	-30,850	-32,451	-33,777	-34,823	-36,061	-36,245	-36,132	-35,720	-35,003	-33,978	-32,639	-30,982
Surplus/(Deficit)	658	-242	-220	-199	-177	-154	-132	-109	-85	-38	-13	11	36	62	88	114	140
C/fwd.	-19,105	-22,006	-24,651	-27,034	-29,153	-31,004	-32,583	-33,885	-34,908	-36,099	-36,258	-36,121	-35,684	-34,941	-33,890	-32,525	-30,842
Control	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix B Balance Sheet

Fixed Assets

	Total Aug-40	Total Aug-41	Total Aug-42	Total Aug-43	Total Aug-44	Total Aug-45	Total Aug-46	Total Aug-47	Total Aug-48	Total Aug-49	Total Aug-50	Total Aug-51	Total Aug-52	Total Aug-53	Total Aug-54
Tangible NBV	216,090	205,040	223,989	212,938	201,888	190,837	179,787	168,736	157,686	146,635	135,585	124,534	168,483	157,433	146,382

Current Assets

Trade Debtors	502	507	512	518	523	528	533	539	544	549	555	560	566	572	577
Bank account (over drawn)	38,995	45,771	22,740	29,905	37,267	44,828	52,591	60,558	68,729	77,109	85,697	94,498	48,512	57,742	67,190
	39,497	46,278	23,252	30,422	37,790	45,356	53,125	61,096	69,273	77,658	86,252	95,058	49,078	58,314	67,768

Current liabilities

Trade Creditors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB (capital only)	-284,424	-277,821	-271,079	-264,196	-257,168	-249,993	-242,667	-235,187	-227,550	-219,752	-211,791	-203,663	-195,364	-186,891	-178,239
	-284,424	-277,821	-271,079	-264,196	-257,168	-249,993	-242,667	-235,187	-227,550	-219,752	-211,791	-203,663	-195,364	-186,891	-178,239
	-28,837	-26,503	-23,838	-20,835	-17,491	-13,799	-9,755	-5,354	-591	4,541	10,046	15,929	22,198	28,856	35,911

Reserves

B/fwd.	-29,003	-26,697	-24,060	-21,085	-17,769	-14,106	-10,092	-5,721	-987	4,113	9,587	15,439	21,676	28,302	35,323
Surplus/(Deficit)	167	194	222	250	279	308	337	367	397	428	459	490	522	555	588
C/fwd.	-28,836	-26,503	-23,838	-20,835	-17,490	-13,799	-9,755	-5,354	-590	4,541	10,046	15,930	22,198	28,856	35,911
Control	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix B Balance Sheet

	Total Aug-55	Total Aug-56	Total Aug-57	Total Aug-58	Total Aug-59	Total Aug-60	Total Aug-61	Total Aug-62	Total Aug-63	Total Aug-64	Total Aug-65	Total Aug-66	Total Aug-67	Total Aug-68	Total Aug-69	Total Aug-70	Total Aug-71
Fixed Assets																	
Tangible NBV	135,332	124,281	113,231	102,180	91,130	80,079	69,029	147,978	136,927	125,877	114,826	103,776	122,725	111,675	100,624	89,574	78,523
Current Assets																	
Trade Debtors	583	589	595	601	607	613	619	625	632	638	644	651	657	664	670	677	684
Bank account (over drawn)	76,859	86,749	96,865	107,207	117,779	128,582	139,619	60,892	72,403	84,156	96,151	108,393	90,882	103,622	116,616	129,865	143,373
	77,442	87,338	97,460	107,808	118,386	129,195	140,238	61,517	73,035	84,793	96,795	109,043	91,539	104,286	117,286	130,542	144,057
Current liabilities																	
Trade Creditors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB (capital only)	-169,407	-160,388	-151,180	-141,779	-132,181	-122,381	-112,375	-102,159	-91,728	-81,078	-70,205	-59,104	-47,769	-36,196	-24,380	-12,316	0
	-169,407	-160,388	-151,180	-141,779	-132,181	-122,381	-112,375	-102,159	-91,728	-81,078	-70,205	-59,104	-47,769	-36,196	-24,380	-12,316	0
	43,367	51,232	59,510	68,209	77,335	86,893	96,892	107,336	118,234	129,592	141,417	153,715	166,496	179,765	193,530	207,799	222,580
Reserves																	
B/fwd.	42,746	50,576	58,821	67,484	76,575	86,097	96,059	106,466	117,326	128,646	140,432	152,691	165,431	178,659	192,383	206,610	221,348
Surplus/(Deficit)	621	655	690	725	760	797	833	870	908	946	985	1,025	1,065	1,106	1,147	1,189	1,232
C/fwd.	43,367	51,232	59,510	68,209	77,335	86,894	96,892	107,337	118,234	129,592	141,417	153,716	166,496	179,765	193,530	207,799	222,580
Control	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0



Appendix C Cash Flow Projections

	Total Aug-22	Total Aug-23	Total Aug-24	Total Aug-25	Total Aug-26	Total Aug-27	Total Aug-28	Total Aug-29	Total Aug-30	Total Aug-32	Total Aug-33	Total Aug-34	Total Aug-35	Total Aug-36	Total Aug-37	Total Aug-38	Total Aug-39
Inflows																	
Rents Received	16,378	16,962	17,132	17,303	17,476	17,651	17,827	18,006	18,186	18,551	18,737	18,924	19,113	19,304	19,498	19,692	19,889
PWLB loan received	387,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Savings on B & B Budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundry income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	403,378	16,962	17,132	17,303	17,476	17,651	17,827	18,006	18,186	18,551	18,737	18,924	19,113	19,304	19,498	19,692	19,889
Outflows																	
Suppliers	-776	-784	-792	-800	-808	-816	-824	-832	-840	-857	-866	-874	-883	-892	-901	-910	-919
Fixed Assets	-387,000	0	0	0	0	0	0	0	0	-25,000	0	0	0	0	-30,000	0	0
Sundry payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB loans repayments - gross	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	-400,352	-13,360	-13,367	-13,375	-13,383	-13,391	-13,400	-13,408	-13,416	-38,433	-13,442	-13,450	-13,459	-13,468	-43,477	-13,486	-13,495
Net monthly cash inflow/(outflow)	3,026	3,602	3,764	3,928	4,093	4,259	4,428	4,598	4,769	-19,882	5,295	5,474	5,654	5,837	-23,979	6,207	6,394
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B/bfwd	0	3,026	6,629	10,393	14,321	18,414	22,673	27,101	31,698	41,411	21,529	26,824	32,298	37,952	43,789	19,809	26,016
B/cfwd	3,026	6,629	10,393	14,321	18,414	22,673	27,101	31,698	36,468	21,529	26,824	32,298	37,952	43,789	19,809	26,016	32,411

Appendix C Cash Flow Projections

	Total Aug-40	Total Aug-41	Total Aug-42	Total Aug-43	Total Aug-44	Total Aug-45	Total Aug-46	Total Aug-47	Total Aug-48	Total Aug-49	Total Aug-50	Total Aug-51	Total Aug-52	Total Aug-53	Total Aug-54
Inflows															
Rents Received	20,088	20,289	20,492	20,697	20,904	21,113	21,324	21,537	21,753	21,970	22,190	22,412	22,636	22,862	23,091
PWLB loan received	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Savings on B & B Budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundry income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	20,088	20,289	20,492	20,697	20,904	21,113	21,324	21,537	21,753	21,970	22,190	22,412	22,636	22,862	23,091
Outflows															
Suppliers	-928	-937	-947	-956	-966	-976	-985	-995	-1,005	-1,015	-1,025	-1,036	-1,046	-1,056	-1,067
Fixed Assets	0	0	-30,000	0	0	0	0	0	0	0	0	0	-55,000	0	0
Sundry payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB loans repayments - gross	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	-13,504	-13,513	-43,523	-13,532	-13,542	-13,551	-13,561	-13,571	-13,581	-13,591	-13,601	-13,611	-68,622	-13,632	-13,643
Net monthly cash inflow/(outflow)	6,584	6,776	-23,031	7,165	7,362	7,562	7,763	7,966	8,172	8,379	8,589	8,800	-45,986	9,230	9,448
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B/bfwd	32,411	38,995	45,771	22,740	29,905	37,267	44,828	52,591	60,558	68,729	77,109	85,697	94,498	48,512	57,742
B/cfwd	38,995	45,771	22,740	29,905	37,267	44,828	52,591	60,558	68,729	77,109	85,697	94,498	48,512	57,742	67,190



Appendix C Cash Flow Projections

	Total Aug-55	Total Aug-56	Total Aug-57	Total Aug-58	Total Aug-59	Total Aug-60	Total Aug-61	Total Aug-62	Total Aug-63	Total Aug-64	Total Aug-65	Total Aug-66	Total Aug-67	Total Aug-68	Total Aug-69	Total Aug-70	Total Aug-71
Inflows																	
Rents Received	23,322	23,555	23,791	24,029	24,269	24,512	24,757	25,004	25,254	25,507	25,762	26,019	26,280	26,542	26,808	27,076	27,347
PWLB loan received	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Savings on B & B Budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundry income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	23,322	23,555	23,791	24,029	24,269	24,512	24,757	25,004	25,254	25,507	25,762	26,019	26,280	26,542	26,808	27,076	27,347
Outflows																	
Suppliers	-1,078	-1,088	-1,099	-1,110	-1,121	-1,133	-1,144	-1,155	-1,167	-1,179	-1,190	-1,202	-1,214	-1,226	-1,239	-1,251	-1,264
Fixed Assets	0	0	0	0	0	0	0	-90,000	0	0	0	0	-30,000	0	0	0	0
Sundry payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB loans repayments - gross	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576	-12,576
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	-13,654	-13,664	-13,675	-13,686	-13,697	-13,708	-13,720	-103,731	-13,743	-13,754	-13,766	-13,778	-43,790	-13,802	-13,815	-13,827	-13,838
Net monthly cash inflow/(outflow)	9,668	9,891	10,115	10,342	10,572	10,803	11,037	-78,727	11,511	11,752	11,996	12,241	-17,510	12,740	12,993	13,249	13,508
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B/bfwd	67,190	76,859	86,749	96,865	107,207	117,779	128,582	139,619	60,892	72,403	84,156	96,151	108,393	90,882	103,622	116,616	129,865
B/cfwd	76,859	86,749	96,865	107,207	117,779	128,582	139,619	60,892	72,403	84,156	96,151	108,393	90,882	103,622	116,616	129,865	143,373



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Appendix A - Profit and loss account	Total Aug-22	Total Aug-23	Total Aug-24	Total Aug-25	Total Aug-26	Total Aug-27	Total Aug-28	Total Aug-29	Total Aug-30	Total Aug-31	Total Aug-32	Total Aug-33	Total Aug-34	Total Aug-35	Total Aug-36	Total Aug-37
Rental income	-17,638	-17,815	-17,993	-18,173	-18,354	-18,538	-18,723	-18,911	-19,100	-19,291	-19,484	-19,678	-19,875	-20,074	-20,275	-20,477
Less direct costs	779	787	794	802	810	819	827	835	843	852	860	869	878	886	895	904
Savings on homeless budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross margin	-16,859	-17,028	-17,198	-17,370	-17,544	-17,719	-17,897	-18,076	-18,256	-18,439	-18,623	-18,810	-18,998	-19,188	-19,379	-19,573
Indirect costs																
Interest on loans	10,836	10,711	10,584	10,454	10,322	10,186	10,048	9,907	9,763	9,616	9,466	9,312	9,156	8,996	8,833	8,666
Depreciation	36,000	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451
Net (Surplus)/Deficit for the year.	29,977	7,134	6,836	6,535	6,228	5,918	5,602	5,282	4,957	4,628	4,293	3,953	3,609	3,259	2,904	2,543



Appendix A - Profit and loss account	Total Aug-38	Total Aug-39	Total Aug-40	Total Aug-41	Total Aug-42	Total Aug-43	Total Aug-44	Total Aug-45	Total Aug-46	Total Aug-47	Total Aug-48	Total Aug-49	Total Aug-50	Total Aug-51	Total Aug-52	Total Aug-53	Total Aug-54
Rental income	-20,682	-20,889	-21,098	-21,309	-21,522	-21,737	-21,955	-22,174	-22,396	-22,620	-22,846	-23,074	-23,305	-23,538	-23,774	-24,011	-24,252
Less direct costs	913	922	932	941	950	960	969	979	989	999	1,009	1,019	1,029	1,039	1,050	1,060	1,071
Savings on homeless budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross margin	-19,769	-19,967	-20,166	-20,368	-20,572	-20,777	-20,985	-21,195	-21,407	-21,621	-21,837	-22,056	-22,276	-22,499	-22,724	-22,951	-23,181
Indirect costs																	
Interest on loans	8,496	8,322	8,145	7,964	7,779	7,590	7,397	7,201	7,000	6,795	6,585	6,371	6,153	5,930	5,703	5,470	5,233
Depreciation	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451
Net (Surplus)/Deficit for the year.	2,178	1,806	1,429	1,046	658	263	-137	-544	-957	-1,376	-1,802	-2,234	-2,673	-3,118	-3,571	-4,031	-4,497



Appendix A - Profit and loss account	Total Aug-55	Total Aug-56	Total Aug-57	Total Aug-58	Total Aug-59	Total Aug-60	Total Aug-61	Total Aug-62	Total Aug-63	Total Aug-64	Total Aug-65	Total Aug-66	Total Aug-67	Total Aug-68	Total Aug-69	Total Aug-70	Total Aug-71
Rental income	-24,494	-24,739	-24,986	-25,236	-25,489	-25,743	-26,001	-26,261	-26,524	-26,789	-27,057	-27,327	-27,601	-27,877	-28,155	-28,437	-28,721
Less direct costs	1,082	1,092	1,103	1,114	1,125	1,137	1,148	1,160	1,171	1,183	1,195	1,207	1,219	1,231	1,243	1,256	1,268
Savings on homeless budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross margin	-23,413	-23,647	-23,883	-24,122	-24,363	-24,607	-24,853	-25,101	-25,352	-25,606	-25,862	-26,121	-26,382	-26,646	-26,912	-27,181	-27,453
Indirect costs																	
Interest on loans	4,991	4,743	4,491	4,233	3,970	3,701	3,427	3,146	2,860	2,568	2,270	1,966	1,655	1,338	1,013	683	345
Depreciation	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451	13,451
Net (Surplus)/Deficit for the year.	-4,971	-5,453	-5,942	-6,438	-6,943	-7,455	-7,976	-8,504	-9,041	-9,587	-10,141	-10,704	-11,276	-11,858	-12,448	-13,048	-13,658



Appendix B Balance Sheet

	Total Aug-22	Total Aug-23	Total Aug-24	Total Aug-25	Total Aug-26	Total Aug-27	Total Aug-28	Total Aug-29	Total Aug-30	Total Aug-31	Total Aug-32	Total Aug-33	Total Aug-34	Total Aug-35	Total Aug-36	Total Aug-37
Fixed Assets																
Tangible NBV	480,000	466,549	453,099	439,648	426,198	412,747	399,297	385,846	372,396	358,945	370,495	357,044	343,593	330,143	316,692	333,242
Current Assets																
Trade Debtors	441	445	450	454	459	463	468	473	477	482	487	492	497	502	507	512
Bank account (over drawn)	-349	-94	332	930	1,702	2,649	3,773	5,076	6,560	8,226	-14,923	-12,886	-10,661	-8,247	-5,640	-32,840
	92	352	782	1,385	2,161	3,112	4,241	5,549	7,037	8,709	-14,436	-12,394	-10,165	-7,745	-5,133	-32,328
Current liabilities																
Trade Creditors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB (capital only)	-510,068	-504,012	-497,828	-491,515	-485,069	-478,487	-471,768	-464,907	-457,902	-450,750	-443,448	-435,993	-428,381	-420,609	-412,674	-404,572
	-510,068	-504,012	-497,828	-491,515	-485,069	-478,487	-471,768	-464,907	-457,902	-450,750	-443,448	-435,993	-428,381	-420,609	-412,674	-404,572
	-29,977	-37,111	-43,947	-50,482	-56,710	-62,628	-68,230	-73,512	-78,469	-83,097	-87,390	-91,343	-94,952	-98,211	-101,115	-103,658
Reserves																
B/fwd.	-30,479	-36,516	-43,377	-49,937	-56,191	-62,134	-67,763	-73,072	-78,056	-82,711	-87,032	-91,013	-94,651	-97,939	-100,872	-103,446
Surplus/(Deficit)	502	-594	-570	-545	-519	-493	-467	-440	-413	-386	-358	-329	-301	-272	-242	-212
C/fwd.	-29,977	-37,111	-43,947	-50,482	-56,710	-62,628	-68,230	-73,512	-78,469	-83,097	-87,389	-91,343	-94,952	-98,211	-101,114	-103,658
Control																



Appendix B Balance Sheet

	Total Aug-38	Total Aug-39	Total Aug-40	Total Aug-41	Total Aug-42	Total Aug-43	Total Aug-44	Total Aug-45	Total Aug-46	Total Aug-47	Total Aug-48	Total Aug-49	Total Aug-50	Total Aug-51	Total Aug-52	Total Aug-53	Total Aug-54
Fixed Assets																	
Tangible NBV	319,791	306,341	292,890	279,440	295,989	282,538	269,088	255,637	242,187	228,736	215,286	480,000	188,385	174,934	216,483	203,033	189,582
Current Assets																	
Trade Debtors	517	522	527	533	538	543	549	554	560	565	571	441	583	588	594	600	606
Bank account (over drawn)	-29,844	-26,650	-23,257	-19,662	-45,863	-41,859	-37,647	-33,225	-28,592	-23,744	-18,680	-349	-7,895	-2,170	-51,220	-45,043	-38,636
	-29,327	-26,128	-22,729	-19,129	-45,325	-41,315	-37,098	-32,671	-28,032	-23,178	-18,109	92	-7,313	-1,582	-50,626	-44,442	-38,029
Current liabilities																	
Trade Creditors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB (capital only)	-396,300	-387,855	-379,232	-370,428	-361,439	-352,261	-342,891	-333,324	-323,555	-313,582	-303,400	-510,068	-282,388	-271,551	-260,485	-249,188	-237,653
	-396,300	-387,855	-379,232	-370,428	-361,439	-352,261	-342,891	-333,324	-323,555	-313,582	-303,400	-510,068	-282,388	-271,551	-260,485	-249,188	-237,653
	-105,835	-107,642	-109,071	-110,117	-110,775	-111,038	-110,901	-110,357	-109,400	-108,024	-106,223	-29,977	-101,317	-98,198	-94,627	-90,597	-86,100
Reserves																	
B/fwd.	-105,654	-107,491	-108,951	-110,030	-110,720	-111,016	-110,912	-110,402	-109,480	-108,139	-106,373	-30,479	-101,539	-98,458	-94,925	-90,932	-86,474
Surplus/(Deficit)	-181	-151	-119	-87	-55	-22	11	45	80	115	150	502	223	260	298	336	375
C/fwd.	-105,835	-107,641	-109,070	-110,117	-110,775	-111,038	-110,901	-110,357	-109,400	-108,024	-106,223	-29,977	-101,316	-98,198	-94,627	-90,597	-86,099
Control																	



Appendix B Balance Sheet

	Total Aug-55	Total Aug-56	Total Aug-57	Total Aug-58	Total Aug-59	Total Aug-60	Total Aug-61	Total Aug-62	Total Aug-63	Total Aug-64	Total Aug-65	Total Aug-66	Total Aug-67	Total Aug-68	Total Aug-69	Total Aug-70	Total Aug-71
Fixed Assets																	
Tangible NBV	176,132	162,681	149,231	135,780	122,330	108,879	95,429	171,978	158,527	145,077	131,626	118,176	134,725	121,275	107,824	94,374	80,923
Current Assets																	
Trade Debtors	612	618	625	631	637	644	650	657	663	670	676	683	690	697	704	711	718
Bank account (over drawn)	-31,997	-25,124	-18,015	-10,667	-3,078	4,754	12,833	-68,840	-60,262	-51,431	-42,343	-32,997	-53,390	-43,519	-33,382	-22,975	-12,296
	-31,385	-24,506	-17,391	-10,036	-2,441	5,398	13,483	-68,184	-59,599	-50,761	-41,667	-32,314	-52,700	-42,822	-32,678	-22,265	-11,578
Current liabilities																	
Trade Creditors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB (capital only)	-225,875	-213,851	-201,574	-189,039	-176,241	-163,174	-149,833	-136,212	-122,304	-108,105	-93,607	-78,805	-63,692	-48,262	-32,507	-16,422	0
	-225,875	-213,851	-201,574	-189,039	-176,241	-163,174	-149,833	-136,212	-122,304	-108,105	-93,607	-78,805	-63,692	-48,262	-32,507	-16,422	0
	-81,128	-75,676	-69,734	-63,295	-56,353	-48,897	-40,922	-32,417	-23,376	-13,789	-3,647	7,057	18,333	30,191	42,639	55,687	69,345
Reserves																	
B/fwd.	-81,542	-76,130	-70,229	-63,832	-56,931	-49,518	-41,586	-33,126	-24,129	-14,587	-4,492	6,165	17,394	29,203	41,602	54,600	68,207
Surplus/(Deficit)	414	454	495	537	579	621	665	709	753	799	845	892	940	988	1,037	1,087	1,138
C/fwd.	-81,128	-75,675	-69,734	-63,295	-56,352	-48,897	-40,921	-32,417	-23,376	-13,788	-3,647	7,057	18,334	30,191	42,639	55,687	69,345
Control																	



Appendix C Cash Flow Projections

	Total Aug-22	Total Aug-23	Total Aug-24	Total Aug-25	Total Aug-26	Total Aug-27	Total Aug-28	Total Aug-29	Total Aug-30	Total Aug-31	Total Aug-32	Total Aug-33	Total Aug-34	Total Aug-35	Total Aug-36	Total Aug-37
Inflows																
Rents Received	17,197	17,810	17,988	18,168	18,350	18,533	18,719	18,906	19,095	19,286	19,479	19,674	19,870	20,069	20,270	20,472
PWLB loan received	516,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Savings on B & B Budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundry income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<u>533,197</u>	<u>17,810</u>	<u>17,988</u>	<u>18,168</u>	<u>18,350</u>	<u>18,533</u>	<u>18,719</u>	<u>18,906</u>	<u>19,095</u>	<u>19,286</u>	<u>19,479</u>	<u>19,674</u>	<u>19,870</u>	<u>20,069</u>	<u>20,270</u>	<u>20,472</u>
Outflows																
Suppliers	-779	-787	-794	-802	-810	-819	-827	-835	-843	-852	-860	-869	-878	-886	-895	-904
Fixed Assets	-516,000	0	0	0	0	0	0	0	0	0	-25,000	0	0	0	0	-30,000
Sundry payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB loans repayments - gross	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>-533,547</u>	<u>-17,554</u>	<u>-17,562</u>	<u>-17,570</u>	<u>-17,578</u>	<u>-17,586</u>	<u>-17,595</u>	<u>-17,603</u>	<u>-17,611</u>	<u>-17,620</u>	<u>-42,628</u>	<u>-17,637</u>	<u>-17,645</u>	<u>-17,654</u>	<u>-17,663</u>	<u>-47,672</u>
Net monthly cash inflow/(outflow)	-349	256	426	598	772	947	1,124	1,303	1,484	1,666	-23,149	2,037	2,225	2,415	2,607	-27,200
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B/bfwd	0	-349	-94	332	930	1,702	2,649	3,773	5,076	6,560	8,226	-14,923	-12,886	-10,661	-8,247	-5,640
B/cfwd	-349	-94	332	930	1,702	2,649	3,773	5,076	6,560	8,226	-14,923	-12,886	-10,661	-8,247	-5,640	-32,840

Appendix C Cash Flow Projections

	Total Aug-38	Total Aug-39	Total Aug-40	Total Aug-41	Total Aug-42	Total Aug-43	Total Aug-44	Total Aug-45	Total Aug-46	Total Aug-47	Total Aug-48	Total Aug-49	Total Aug-50	Total Aug-51	Total Aug-52	Total Aug-53	Total Aug-54
Inflows																	
Rents Received	20,677	20,884	21,093	21,304	21,517	21,732	21,949	22,169	22,390	22,614	22,840	23,069	23,299	23,532	23,768	24,005	24,246
PWLB loan received	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Savings on B & B Budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundry income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	20,677	20,884	21,093	21,304	21,517	21,732	21,949	22,169	22,390	22,614	22,840	23,069	23,299	23,532	23,768	24,005	24,246
Outflows																	
Suppliers	-913	-922	-932	-941	-950	-960	-969	-979	-989	-999	-1,009	-1,019	-1,029	-1,039	-1,050	-1,060	-1,071
Fixed Assets	0	0	0	0	-30,000	0	0	0	0	0	0	0	0	0	-55,000	0	0
Sundry payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB loans repayments - gross	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	-17,681	-17,690	-17,699	-17,709	-47,718	-17,728	-17,737	-17,747	-17,757	-17,767	-17,777	-17,787	-17,797	-17,807	-72,818	-17,828	-17,839
Net monthly cash inflow/(outflow)	2,996	3,194	3,393	3,595	-26,201	4,004	4,212	4,422	4,634	4,848	5,064	5,282	5,503	5,725	-49,050	6,177	6,407
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B/bfwd	-32,840	-29,844	-26,650	-23,257	-19,662	-45,863	-41,859	-37,647	-33,225	-28,592	-23,744	-18,680	-13,398	-7,895	-2,170	-51,220	-45,043
B/cfwd	-29,844	-26,650	-23,257	-19,662	-45,863	-41,859	-37,647	-33,225	-28,592	-23,744	-18,680	-13,398	-7,895	-2,170	-51,220	-45,043	-38,636



Appendix C Cash Flow Projections

	Total Aug-55	Total Aug-56	Total Aug-57	Total Aug-58	Total Aug-59	Total Aug-60	Total Aug-61	Total Aug-62	Total Aug-63	Total Aug-64	Total Aug-65	Total Aug-66	Total Aug-67	Total Aug-68	Total Aug-69	Total Aug-70	Total Aug-71
Inflows																	
Rents Received	24,488	24,733	24,980	25,230	25,482	25,737	25,994	26,254	26,517	26,782	27,050	27,320	27,594	27,870	28,148	28,430	28,714
PWLB loan received	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Savings on B & B Budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundry income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	24,488	24,733	24,980	25,230	25,482	25,737	25,994	26,254	26,517	26,782	27,050	27,320	27,594	27,870	28,148	28,430	28,714
Outflows																	
Suppliers	-1,082	-1,092	-1,103	-1,114	-1,125	-1,137	-1,148	-1,160	-1,171	-1,183	-1,195	-1,207	-1,219	-1,231	-1,243	-1,256	-1,268
Fixed Assets	0	0	0	0	0	0	0	-90,000	0	0	0	0	-30,000	0	0	0	0
Sundry payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB loans repayments - gross	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,768	-16,767
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	-17,849	-17,860	-17,871	-17,882	-17,893	-17,905	-17,916	-107,927	-17,939	-17,951	-17,963	-17,974	-47,987	-17,999	-18,011	-18,023	-18,035
Net monthly cash inflow/(outflow)	6,639	6,873	7,109	7,348	7,589	7,833	8,079	-81,673	8,578	8,831	9,087	9,346	-20,393	9,871	10,137	10,406	10,679
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B/bfwd	-38,636	-31,997	-25,124	-18,015	-10,667	-3,078	4,754	12,833	-68,840	-60,262	-51,431	-42,343	-32,997	-53,390	-43,519	-33,382	-22,975
B/cfwd	-31,997	-25,124	-18,015	-10,667	-3,078	4,754	12,833	-68,840	-60,262	-51,431	-42,343	-32,997	-53,390	-43,519	-33,382	-22,975	-12,296

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	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/24	2034/35	2035/36	2036/37	2037/38
Appendix A - Profit and loss account																	
Rental income	-41,576	-41,992	-42,412	-42,836	-43,264	-43,697	-44,134	-44,575	-45,021	-45,471	-45,926	-46,385	-46,849	-47,317	-47,790	-48,268	-48,751
Less direct costs	859	867	876	885	893	902	911	921	930	939	948	958	967	977	987	997	1,007
Savings on homeless budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross margin	-40,717	-41,124	-41,536	-41,951	-42,371	-42,794	-43,222	-43,654	-44,091	-44,532	-44,977	-45,427	-45,881	-46,340	-46,803	-47,271	-47,744
Indirect costs																	
Interest on loans	16,931	16,737	16,538	16,335	16,128	15,916	15,700	15,480	15,255	15,025	14,790	14,551	14,306	14,056	13,801	13,541	13,275
Depreciation	56,250	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851
Net (Surplus)/Deficit for the year.	32,464	-5,537	-6,147	-6,765	-7,392	-8,027	-8,671	-9,324	-9,986	-10,656	-11,336	-12,026	-12,725	-13,433	-14,152	-14,880	-15,619



	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54
Appendix A - Profit and loss account																
Rental income	-49,238	-49,731	-50,228	-50,730	-51,238	-51,750	-52,268	-52,790	-53,318	-53,851	-54,390	-54,934	-55,483	-56,038	-56,598	-57,164
Less direct costs	1,017	1,027	1,037	1,048	1,058	1,069	1,079	1,090	1,101	1,112	1,123	1,134	1,146	1,157	1,169	1,181
Savings on homeless budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross margin	-48,222	-48,704	-49,191	-49,683	-50,180	-50,681	-51,188	-51,700	-52,217	-52,739	-53,267	-53,799	-54,337	-54,881	-55,430	-55,984
Indirect costs																
Interest on loans	13,004	12,726	12,444	12,155	11,860	11,559	11,251	10,937	10,617	10,289	9,955	9,614	9,266	8,910	8,547	8,176
Depreciation	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851
Net (Surplus)/Deficit for the year.	-16,368	-17,127	-17,897	-18,678	-19,469	-20,272	-21,087	-21,912	-22,750	-23,599	-24,461	-25,335	-26,221	-27,120	-28,032	-28,957



	2054/55	2055/56	2056/57	2057/58	2058/59	2059/60	2060/61	2061/62	2062/63	2063/64	2064/65	2065/66	2066/67	2067/68	2068/69	2069/70	2070/71
Appendix A - Profit and loss account																	
Rental income	-57,736	-58,313	-58,896	-59,485	-60,080	-60,681	-61,288	-61,901	-62,520	-63,145	-63,776	-64,414	-65,058	-65,709	-66,366	-67,030	-67,700
Less direct costs	1,192	1,204	1,216	1,228	1,241	1,253	1,266	1,278	1,291	1,304	1,317	1,330	1,344	1,357	1,371	1,384	1,398
Savings on homeless budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross margin	-56,544	-57,109	-57,680	-58,257	-58,840	-59,428	-60,022	-60,622	-61,229	-61,841	-62,459	-63,084	-63,715	-64,352	-64,995	-65,645	-66,302
Indirect costs																	
Interest on loans	7,798	7,412	7,017	6,614	6,203	5,783	5,354	4,916	4,469	4,013	3,547	3,071	2,586	2,090	1,584	1,067	539
Depreciation	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851	18,851
Net (Surplus)/Deficit for the year.	-29,895	-30,847	-31,813	-32,792	-33,786	-34,795	-35,818	-36,856	-37,909	-38,977	-40,062	-41,162	-42,278	-43,412	-44,561	-45,728	-46,912



Appendix B Balance Sheet

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/24	2034/35	2035/36	2036/37	2037/38
Fixed Assets																	
Tangible NBV	750,000	731,149	712,299	693,448	674,598	655,747	636,897	618,046	599,196	580,345	586,495	567,644	548,793	529,943	511,092	522,242	503,391
Current Assets																	
Trade Debtors	1,039	1,050	1,060	1,071	1,082	1,092	1,103	1,114	1,126	1,137	1,148	1,160	1,171	1,183	1,195	1,207	1,219
Bank account (over drawn)	13,478	28,392	43,718	59,458	75,618	92,202	109,214	126,657	144,537	162,858	156,624	175,840	195,510	215,638	236,230	227,290	248,822
	14,517	29,442	44,778	60,529	76,700	93,295	110,317	127,772	145,663	163,995	157,772	176,999	196,681	216,821	237,425	228,497	250,041
Current liabilities																	
Trade Creditors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB (capital only)	-796,982	-787,519	-777,857	-767,992	-757,920	-747,637	-737,137	-726,417	-715,472	-704,297	-692,888	-681,239	-669,345	-657,201	-644,803	-632,144	-619,219
	-796,982	-787,519	-777,857	-767,992	-757,920	-747,637	-737,137	-726,417	-715,472	-704,297	-692,888	-681,239	-669,345	-657,201	-644,803	-632,144	-619,219
	-32,464	-26,927	-20,780	-14,014	-6,622	1,405	10,077	19,401	29,386	40,043	51,379	63,405	76,129	89,563	103,714	118,594	134,213
Reserves																	
B/fwd.	-34,446	-27,388	-21,292	-14,578	-7,238	737	9,354	18,624	28,554	39,155	50,435	62,403	75,069	88,444	102,535	117,355	132,912
Surplus/(Deficit)	1,982	461	512	564	616	669	723	777	832	888	945	1,002	1,060	1,119	1,179	1,240	1,302
C/fwd.	-32,464	-26,927	-20,779	-14,014	-6,622	1,406	10,077	19,401	29,386	40,043	51,379	63,405	76,130	89,563	103,715	118,595	134,213
Control	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix B Balance Sheet

Fixed Assets

Tangible NBV	484,541	465,690	446,840	457,989	439,138	420,288	401,437	382,587	363,736	344,886	326,035	307,185	288,334	324,484	305,633	286,782
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Current Assets

Trade Debtors	1,231	1,243	1,256	1,268	1,281	1,294	1,307	1,320	1,333	1,346	1,360	1,373	1,387	1,401	1,415	1,429
Bank account (over drawn)	270,832	293,324	316,302	309,773	333,740	358,209	383,184	408,672	434,676	461,202	488,255	515,841	543,965	517,632	546,848	576,618
	272,063	294,567	317,558	311,041	335,021	359,503	384,491	409,991	436,009	462,548	489,615	517,215	545,352	519,033	548,263	578,047

Current liabilities

Trade Creditors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB (capital only)	-606,023	-592,550	-578,793	-564,748	-550,408	-535,767	-520,818	-505,556	-489,972	-474,062	-457,818	-441,232	-424,298	-407,008	-389,356	-371,332
	-606,023	-592,550	-578,793	-564,748	-550,408	-535,767	-520,818	-505,556	-489,972	-474,062	-457,818	-441,232	-424,298	-407,008	-389,356	-371,332

	150,581	167,707	185,604	204,282	223,751	244,024	265,110	287,023	309,773	333,372	357,833	383,167	409,388	436,508	464,540	493,497
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Reserves

B/fwd.	149,217	166,281	184,113	202,726	222,129	242,335	263,353	285,197	307,877	331,406	355,795	381,057	407,204	434,249	462,204	491,084
Surplus/(Deficit)	1,364	1,427	1,491	1,556	1,622	1,689	1,757	1,826	1,896	1,967	2,038	2,111	2,185	2,260	2,336	2,413
C/fwd.	150,581	167,708	185,605	204,282	223,752	244,024	265,111	287,023	309,773	333,372	357,833	383,168	409,389	436,509	464,540	493,497

Control	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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Appendix B Balance Sheet

	2054/55	2055/56	2056/57	2057/58	2058/59	2059/60	2060/61	2061/62	2062/63	2063/64	2064/65	2065/66	2066/67	2067/68	2068/69	2069/70	2070/71
Fixed Assets																	
Tangible NBV	267,932	249,081	230,231	211,380	192,530	173,679	154,829	225,978	207,127	188,277	169,426	150,576	161,725	142,875	124,024	105,174	86,323
Current Assets																	
Trade Debtors	1,443	1,458	1,472	1,487	1,502	1,517	1,532	1,548	1,563	1,579	1,594	1,610	1,626	1,643	1,659	1,676	1,692
Bank account (over drawn)	606,947	637,842	669,308	701,351	733,976	767,189	800,996	745,403	780,417	816,042	852,286	889,154	896,653	934,789	973,569	1,012,998	1,053,084
	608,391	639,300	670,781	702,838	735,478	768,706	802,528	746,951	781,980	817,621	853,881	890,765	898,280	936,432	975,228	1,014,673	1,054,776
Current liabilities																	
Trade Creditors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB (capital only)	-352,931	-334,142	-314,960	-295,374	-275,377	-254,960	-234,114	-212,831	-191,101	-168,914	-146,261	-123,133	-99,519	-75,409	-50,793	-25,660	0
	-352,931	-334,142	-314,960	-295,374	-275,377	-254,960	-234,114	-212,831	-191,101	-168,914	-146,261	-123,133	-99,519	-75,409	-50,793	-25,660	0
	523,392	554,239	586,052	618,844	652,630	687,425	723,242	760,098	798,006	836,984	877,045	918,207	960,486	1,003,897	1,048,459	1,094,187	1,141,099
Reserves																	
B/fwd.	520,901	551,669	583,401	616,112	649,815	684,526	720,258	757,027	794,848	833,736	873,707	914,778	956,963	1,000,280	1,044,746	1,090,377	1,137,190
Surplus/(Deficit)	2,491	2,571	2,651	2,733	2,816	2,900	2,985	3,071	3,159	3,248	3,338	3,430	3,523	3,618	3,713	3,811	3,909
C/fwd.	523,392	554,239	586,052	618,844	652,631	687,425	723,243	760,098	798,007	836,984	877,046	918,208	960,486	1,003,898	1,048,459	1,094,187	1,141,100
Control	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/24	2034/35	2035/36	2036/37	2037/38
Appendix C Cash Flow Projections																	
Inflows																	
Rents Received	40,536	41,981	42,401	42,825	43,253	43,686	44,123	44,564	45,010	45,460	45,914	46,373	46,837	47,305	47,779	48,256	48,739
PWLB loan received	806,250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Savings on B & B Budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundry income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	846,786	41,981	42,401	42,825	43,253	43,686	44,123	44,564	45,010	45,460	45,914	46,373	46,837	47,305	47,779	48,256	48,739
Outflows																	
Suppliers	-859	-867	-876	-885	-893	-902	-911	-921	-930	-939	-948	-958	-967	-977	-987	-997	-1,007
Fixed Assets	-806,250	0	0	0	0	0	0	0	0	0	-25,000	0	0	0	0	-30,000	0
Sundry payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB loans repayments - gross	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	-833,308	-27,067	-27,076	-27,084	-27,093	-27,102	-27,111	-27,120	-27,129	-27,139	-52,148	-27,158	-27,167	-27,177	-27,187	-57,197	-27,207
Net monthly cash inflow/(outflow)	13,478	14,914	15,325	15,741	16,160	16,584	17,011	17,444	17,880	18,321	-6,234	19,216	19,670	20,129	20,592	-8,940	21,532
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B/bfwd	0	13,478	28,392	43,718	59,458	75,618	92,202	109,214	126,657	144,537	162,858	156,624	175,840	195,510	215,638	236,230	227,290
B/cfwd	13,478	28,392	43,718	59,458	75,618	92,202	109,214	126,657	144,537	162,858	156,624	175,840	195,510	215,638	236,230	227,290	248,822



2038/39 2039/40 2040/41 2041/42 2042/43 2043/44 2044/45 2045/46 2046/47 2047/48 2048/49 2049/50 2050/51 2051/52 2052/53 2053/54

Appendix C Cash Flow Projections

	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54
Inflows																
Rents Received	49,226	49,719	50,216	50,718	51,225	51,737	52,255	52,777	53,305	53,838	54,376	54,920	55,469	56,024	56,584	57,150
PWLB loan received	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Savings on B & B Budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundry income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	49,226	49,719	50,216	50,718	51,225	51,737	52,255	52,777	53,305	53,838	54,376	54,920	55,469	56,024	56,584	57,150
Outflows																
Suppliers	-1,017	-1,027	-1,037	-1,048	-1,058	-1,069	-1,079	-1,090	-1,101	-1,112	-1,123	-1,134	-1,146	-1,157	-1,169	-1,181
Fixed Assets	0	0	0	-30,000	0	0	0	0	0	0	0	0	0	-55,000	0	0
Sundry payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB loans repayments - gross	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	-27,217	-27,227	-27,237	-57,247	-27,258	-27,268	-27,279	-27,290	-27,301	-27,312	-27,323	-27,334	-27,346	-82,357	-27,369	-27,380
Net monthly cash inflow/(outflow)	22,010	22,492	22,979	-6,530	23,967	24,469	24,976	25,487	26,004	26,526	27,053	27,586	28,124	-26,333	29,216	29,770
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B/bfwd	248,822	270,832	293,324	316,302	309,773	333,740	358,209	383,184	408,672	434,676	461,202	488,255	515,841	543,965	517,632	546,848
B/cfwd	270,832	293,324	316,302	309,773	333,740	358,209	383,184	408,672	434,676	461,202	488,255	515,841	543,965	517,632	546,848	576,618



Appendix C Cash Flow Projections

	2054/55	2055/56	2056/57	2057/58	2058/59	2059/60	2060/61	2061/62	2062/63	2063/64	2064/65	2065/66	2066/67	2067/68	2068/69	2069/70	2070/71
Inflows																	
Rents Received	57,722	58,299	58,882	59,471	60,065	60,666	61,273	61,885	62,504	63,129	63,761	64,398	65,042	65,693	66,350	67,013	67,683
PWLB loan received	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Savings on B & B Budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundry income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	57,722	58,299	58,882	59,471	60,065	60,666	61,273	61,885	62,504	63,129	63,761	64,398	65,042	65,693	66,350	67,013	67,683
Outflows																	
Suppliers	-1,192	-1,204	-1,216	-1,228	-1,241	-1,253	-1,266	-1,278	-1,291	-1,304	-1,317	-1,330	-1,344	-1,357	-1,371	-1,384	-1,398
Fixed Assets	0	0	0	0	0	0	0	-90,000	0	0	0	0	-30,000	0	0	0	0
Sundry payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PWLB loans repayments - gross	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,200	-26,199
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	-27,392	-27,404	-27,416	-27,428	-27,440	-27,453	-27,465	-117,478	-27,491	-27,504	-27,517	-27,530	-57,543	-27,557	-27,570	-27,584	-27,597
Net monthly cash inflow/(outflow)	30,330	30,895	31,466	32,042	32,625	33,213	33,807	-55,593	35,013	35,626	36,244	36,868	7,499	38,136	38,779	39,429	40,086
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B/bfwd	576,618	606,947	637,842	669,308	701,351	733,976	767,189	800,996	745,403	780,417	816,042	852,286	889,154	896,653	934,789	973,569	1,012,998
B/cfwd	606,947	637,842	669,308	701,351	733,976	767,189	800,996	745,403	780,417	816,042	852,286	889,154	896,653	934,789	973,569	1,012,998	1,053,084

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Corporate Policy and Resources Committee

Date of meeting: 04 October 2021



Title	Procurement of Mechanical, Electrical Maintenance Services and General Building Reactive Works (for Planned and Responsive Maintenance)
Purpose of the report	To make a decision
Report Author	Alfred Osawe; Senior Building Manager
Ward(s) Affected	All Wards
Exempt	Yes - Appendix 1 only
Exemption Reason	Appendix 1 of the report contains exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972 paragraph 3 Information relating to to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption outweighs the public interest in disclosing as it could put the Council at a competitive disadvantage in the procurement of these goods and services.
Corporate Priority	<p>Community – refers to the repair and maintenance of municipal properties.</p> <p>Affordable Housing – refers to the repair and maintenance of residential properties</p> <p>Recovery – requires social value benefits to be delivered via the new contracts</p> <p>Environmental – requires consideration of reduced environmental impact into the repairs and maintenance contracts</p>
Recommendations	<p>Committee is recommended to:</p> <p>Note and approve the terms and procurement processes for the following new contracts which are scheduled to commence on 01 April 2022 for an initial contract terms to be for a period of three (3) years, with the option to extend annually for a further two (2) 12-month periods, in the Council’s sole discretion, and taking into account the contractor’s performance on the contract.</p> <ul style="list-style-type: none"> i. Mechanical installations maintenance services for Council’s municipal and residential properties ii. Electrical installations maintenance services for Council’s municipal and residential properties iii. General Building Reactive works for Council’s municipal and residential properties <p>The Committee is also recommended to:</p>

	<ul style="list-style-type: none"> i. delegate the approval of appointment of the contractors to the Group Head of Regeneration and Growth in consultation with the Chair and Vice Chair of the Corporate Policy and Resources Committee. ii. Authorise the Head of Corporate Governance to enter into any legal documentation necessary to implement the new contracts.
<p>Reason for Recommendation</p>	<p>The recommendations are based on:</p> <ul style="list-style-type: none"> i. The existing contracts for the maintenance services of mechanical, electrical installations and general building reactive works will expire on 31 March 2022 having been negotiated to run for another 12 months to allow enough time for Building Services Team (BST) to retender each contract. ii. The need for continuous maintenance services of installations and components of Council's municipal and residential properties. iii. Approval of the procurement process of the three contracts will enable the Council to ensure that a competitive tendering exercise is undertaken, best value is achieved and that there is compliance with Council's Contract Standing Orders. iv. The procurement processes will follow a Public Contracts Regulations (PCR) 2015-compliant Restricted (two-stage) procurement procedure commencing with advertising the contracts on Find a Tender Services (FTS), shortlisting of tenders expressing an interest via a Selection Questionnaire, and the invitation to tender of shortlisted providers.

1. Key issues

- 1.1 The previous contracts were let by Runnymede Borough Council under Spelthorne BC / Runnymede BC Asset Management Partnership for respective terms of five years. The contracts expired on 31 March 2021, the same date the asset management partnership with Runnymede BC ended which led to the creation of inhouse Building Services Team (BST). It was agreed that the contracts be negotiated to run for another 12 months to 31 March 2022 to allow enough time for BST to retender.
- 1.2 The contract duration within the respective maximum contract periods will be based on the event that the contract(s) prove to be successful, and there are no pressing reasons to terminate the contract(s).

- 1.3 Whilst these contracts could be negotiated with current contractors for a further tenure beyond 31 March 2022, it is considered that the Council could achieve better value for money, reduced risk of contractor underperformance and increased social value and community benefits if new contracts are let through a competitive tendering exercise by 31 March 2022.
- 1.4 BST manages the three maintenance service contracts (mechanical, electrical installations maintenance services and general building reactive works) for municipal and residential properties.
- 1.5 The Residential properties include those under Knowle Green Estate (KGE) Ltd management portfolio which are The Bugle, Benwell House, Knowle Green West Wing, and five other houses. The other Council's residential properties include Harper House, White House Hostel, Long Lane pavilion and Staines Park pavilion. Maintenance of Harper House and White House Hostel will be partly carried out by Metropolitan Thames Valley Housing (MTVH) under the supervision of BST.
- 1.6 Construction of Benwell House was completed in April 2021. Knowle Green West Wing, Harper House and White House Hostel will be practically complete in September 2021. Maintenance activities will increase over the course of the contracts as warranties on installations in these properties will expire in 2022.
- 1.7 The three contracts are for the provision of maintenance services and works to components and installations in the Council's municipal and residential properties. The current contractors are BTU Ltd, Osborne & Collins Ltd and Thamesway Contractors Ltd for mechanical, electrical and general building works respectively. The current contractual arrangements have worked well with no need for any changes to be made to the respective work specifications.
- 1.8 The contracts for mechanical and electrical installation maintenance services will together provide for annual visits to service the air conditioning systems, boiler servicing, periodic electrical inspections and tests, yearly portable appliance testing (PAT), and provision of around-the-clock reactive and emergency call out services to attend to any mechanical and electrical installation breakdowns in the municipal and residential properties.
- 1.9 The general building reactive works contract provides responsive day to day repairs and maintenance works including Emergency Work that is required by its very nature to be undertaken immediately to safeguard the well-being of occupiers, the structural stability and integrity of the property, the health and safety of the general public and works of a similar nature, and which arise at any time of the day.
- 1.10 It is the intention to tender each of the contracts separately to three specialist contractors in order to better manage and maximise employment opportunities for the local community, including the creation of apprenticeships. This requirement will be included within the specification of requirements in the tender documents.
- 1.11 The initial contract terms will be for a period of three (3) years, with the option to extend annually for a further two (2) 12-month periods, in the Council's sole discretion, and taking into account the contractor's performance on the contract. This is the normal contract period set for the provision of these types

of services. It is sufficiently long to allow contractors to deliver the expected contract deliverables but not too long that the Council cannot be sure of achieving value for money by further competitive market testing. The Council can also achieve further efficiencies with the contractor as part of the contract extension negotiations.

- 1.12 The price element of each tender is likely to comprise of 60% of the total tender score, and weighting of quality – at 40% - representative of the significant health and safety risk inherent in these contracts. The specification will include highly detailed health and safety requirements.
- 1.13 The scoring of the quality element will be based on Method Statements submitted by each contractor. Given that the contracts are significantly based on reactive works in terms of frequency of attendance, the proportion of 60/40 price/quality will deliver the right level of quality at the best possible price.
- 1.14 Where TUPE may apply, this will be at the secondary level (i.e. contractor to contractor). The project manager will ascertain from the incumbent contractors and include such information in the tender documents to allow bidders to cost their tender responses accordingly.

2. Options analysis and proposal

- 2.1 There are three main options that need to be considered in relation to this procurement. These are:
 - i) **Option 1** – negotiate each of the existing contracts to run beyond 31/03/22 up to a further one year, then undertake a full PCR 2015 compliant tender exercise or procurement via a Framework Agreement. This option will delay the delivery of further contractual benefits which is against our corporate priorities.
 - ii) **Option 2** - undertake a mini-competition using either the Council's Framework Agreements (which may not have all of the required specialisms) or another suitable framework open to the Council to use for a contract start date of 01 April 2022. This approach would help to mitigate the risk of procuring the works in time for April 01, 2022 but would not necessarily open the opportunity to local contractors.
 - iii) **Option 3** - (preferred option) to retender the contracts by carrying out a full PCR 2015-compliant tender, advertising the contracts with contract start dates of 01 April 2022, to ensure the participation of sufficient suitably qualified contractors. This will allow us to fully test the market, using a detailed Specification of Requirements, tailored towards obtaining contract deliverables which align to our Corporate Priorities, specifically Recovery and Environment.

3. Financial implications

- 3.1 Based on average expenditure during the past three years, estimated contract values for mechanical, electrical and general building works over the one year and five years periods are stated in Appendix 1. The respective contract values are above UK procurement (sterling) threshold for service contracts.

- 3.2 In respect of mechanical and electrical installations maintenance service contracts, detailed rates will be submitted relating to the need for programmed servicing and maintenance. The three contracts will include rates for time spent on site (on an hourly basis) together with a percentage adjustment against materials and sub-contractors.
- 3.3 To ensure value for money in appointing the most suitable supplier, it is proposed that the procurement will be based on:
- a. An open tender procedure (1st stage of restricted tender) which allows greatest competition and has the advantage of allowing local contractors to try to secure work.
 - b. Execute the contracts by exercising all options to maximise contract durations within the respective maximum contract periods based on the event that the contract(s) prove to be successful, and there are no pressing reasons to terminate the contract(s).
- 3.4 In the current financial year, a sum of £1,111,900 has been allocated for the maintenance services of municipal properties and an extra budgetary allocation of £85,000 is provided for other Council's residential properties (Harper House and White House Hostel). There is a separate budget for KGE owned residential properties. The three contracts (Mechanical, Electrical and General Building Works) which are £412,000 for the first year along with other service contracts are within the maintenance budgets.
- 3.5 It is anticipated that more residential properties will come on stream and be added to KGE portfolio during the contract periods. The prospective properties will be included in the respective contracts based on tendered rates submitted by the successful contractors. Full budget / contract implications will be evaluated once any property is added to the contracts and budget variations sought if required.
- 3.6 In line with current financial arrangements, maintenance services carried out on KGE properties will be paid from budgets held by KGE while maintenance services carried out on other properties are paid from the Assets Management budget.
- 3.7 The new contracts will allow for annual fluctuations based on the Consumer Price Index (CPI). With effect from the second year of the contract, CPI uplift shall be applied cumulatively on an annual basis until the end of the Contract Period.

4. Other considerations

- 4.1 BST will work with Corporate Procurement throughout contract duration to ensure that contract deliverables are achieved.

BST has consulted with managers responsible for the Council's municipal and residential properties. The new contracts will be drafted in such a way as to improve the service standards to ensure Spelthorne residents, staff and tenants continue to receive high service standard.

5. Equality and Diversity

- 5.1 The procurement process will be carried out in accordance with the Council's Contract Standing Orders. The selected contractors will be required to comply with relevant Equality and Diversity laws, accessibility standards and Health and Safety regulations. The Specification will detail the social value benefits which providers will be required to demonstrate.
- 6. Sustainability/Climate Change Implications**
- 6.1 As part of the procurement selection criteria, contractors will be required to demonstrate processes which minimise the environmental impact of their services.
- 7. Timetable for implementation**
- 7.1 Indicative timetable for procurement of the three contracts are stated in Appendix 2.

Appendix 1: Contract Estimates

Procurement of Mechanical, Electrical Maintenance Services and General Building Reactive Works (for Planned and Responsive Maintenance)

Please refer to separate attachment

Appendix 2: Contracts Procurement Timetable

Procurement of Mechanical, Electrical Maintenance Services and General Building Reactive Works (for Planned and Responsive Maintenance)

	Mechanical Installation Services Contract	Electrical Installation Services Contract	General Building Reactive Works Contract
Event	Date	Date	Date
Publication of the Contract Notice, Selection Questionnaire (SQ) and other documents relating to this opportunity	11 October 2021	25 October 2021	22 November 2021
Period for expressions of interest (SQ responses)	11 October – 05 November 2021	25 October – 15 November 2021	22 November – 14 December 2021
SQ submission deadline	12 noon on 10 November 2021	12 noon on 23 November 2021	12 noon on 22 December 2021
Evaluation of SQs	11 – 18 November 2021	24 – 30 November 2021	10 – 17 January 2022
Notification of outcome of SQ evaluation and Bidders invited to tender (Tenderers)	19 November 2021	01 December 2021	18 January 2022
Deadline for receipt of clarifications	12 noon on 10 December 2021	05 January 2022	07 February 2022
Deadline for receipt of Tenders	12 noon on 17 December 2021	12 noon on 12 January 2022	12 noon on 14 February 2022
Site visits	19 November – 10 December 2021	02 December 2021 – 04 January 2022	19 January – 07 February 2022
Evaluation of Tenders	20 December – 10 January 2022	14 – 28 January 2022	15 – 22 February 2022
Preferred Bidder(s) identified	10 January 2022	28 January 2022	22 February 2022
Internal Approval Process	10 – 17 January 2022	28 January – 07 February	22 February – 01 March 2022

		2022	
Notification to bidders of contract award decision	17 January 2022	08 February 2022	01 March 2022
"Standstill" period	17 – 28 January 2022 (midnight)	08 – 19 February 2022 (midnight)	01 – 12 March 2022 (midnight)
Confirm contract award	31 January 2022	21 February 2022	14 March 2022
Mobilisation period	February – March 2022	February – March 2022	14 – 31 March 2022
Contract commencement date	01 April 2022	01 April 2022	01 April 2022

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Corporate Policy and Resources Committee



Date of meeting: 4th October 2021

Title	<i>Asset Management Plan Year 1 Review August 2020/2021</i>
Purpose of the report	For decision
Report Author	<i>Asha Hunjan, Property Manager. Nick Cummings, Property and Development Manager</i>
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	Community Affordable Housing Recovery Environment Service Delivery
Recommendations	Committee is asked to: <i>Note the update on Actions for Year 1 (Appendix 2) Approve the New Actions for Year 2 for inclusion within the overall Action Plan (Appendix 3)</i>
Reason for Recommendation	<i>The Committee is being asked to agree the new Actions to ensure that as a Council we look at improving how we manage our assets year on year.</i>

1. Key issues

The Asset Management Plan (AMP) was adopted by Cabinet on 23 September 2020 (**Appendix 4**)

<https://democracy.spelthorne.gov.uk/documents/s28885/Asset%20Management%20Plan%20-%20report.pdf> and 'sits' underneath the Capital Strategy as a delivery plan.

Appendix 1 sets out in Executive Summary form the AMP including the Councils Priorities, the Estate, Strategic Objectives and the Action Plan. The Summary and the update on the action plan, either being in progress, completed or ongoing becomes **Appendix 1 - Asset Management Plan Year 1 Review**.

- 1.1 It has a 5 year lifespan and sets out the principles for ongoing ownership and management of the Council's Investment and Municipal portfolio as well as its development programme. The Action Plan at the back of the document sets out what practical measures the team will be undertaking to ensure those high

level principles translate into measurable and practical outcomes 'on the ground'.

1.2 The Asset Management team use this document to focus on the most critical aspects of their work (but by no means covers everything that the team do). Considerable time and effort have been invested over the last year to ensure those actions due to be completed with the first year are delivered. The vast majority have been.

1.3 Where the team have not managed to do so, it has either been as a result of political decision making (e.g. the moratorium which has prevented schemes within Staines town centre from progressing) or where additional resource was required. Additional capacity has been brought in during the last 12 months to address some of those gaps (e.g. property finance and municipal) which has meant that whilst actions may not have been completed, work is nevertheless progressing.

2. Options analysis and proposal

2.1 The majority of the actions within the Asset Management Plan (AMP) have been completed for Year 1, and those few that have not will be carried over and form part of the new Action Plan for Year 2. These are covered in **Appendix 2**, which the Committee is asked to note.

2.2 There is the option to leave the AMP as is and simply continue with the outstanding actions. This is not recommended, as it does not recognise the fact that the AMP needs to be dynamic and has to react to changing circumstances.

2.3 Alternatively, the Committee could agree a number of new actions that the team have identified to ensure that the Councils asset management becomes more effective and efficient over time. Some of the actions reflect additional work on our investment portfolio, others cover procurement, whilst another focuses on sustainability and our green credentials. These are included in **Appendix 3**.

It is recommended that the Committee approve these new actions which have been identified for delivery in 2021/22.

3. Financial implications

3.1 We do not anticipate that the new actions set out in **Appendix 3** will result in any additional revenue or capital requirements. The team will continue to work within existing agreed budgets.

4. Other considerations

4.1 The AMP is one of the main delivery vehicles for the Capital Strategy, and effectively sets out the work plan for the asset management team. 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.

4.2 Members of the committee are reminded that the AMP covers risk mitigation. Section 5.1 of the Plan covers strategy, policy and risk management around our investment assets in particular. It highlights mitigation measures such as annual risk assessment, annual stress tests, ad hoc investment reviews and annual performance reports.

5. Equality and Diversity

5.1 The Council ensures that its assets either fully comply with the relevant legislation, or that reasonable measures are taken to ensure or buildings are accessible for use to everyone in the community.

6. Sustainability/Climate Change Implications

6.1 Spelthorne declared a Climate Change Emergency in October 2020. A Climate Change Task Group has been set up by the Environment and Sustainability Committee, and it is possible that that this group may come up with further actions to improve the long term sustainability of our assets. These will be fed into further annual updates of the Asset Management Plan as required.

7. Timetable for implementation

7.1 This an annual Asset Management Plan with an aim to deliver in Year 2; however it is a working document and expected to be flexible to allow for unexpected changes.

Background papers: There are none.

Please note, Appendix 2 refers to 'Cabinet' and 'Portfolio Holders' as these actions were completed under the 'Cabinet System'.

Appendices:

Appendix 1 – Executive Summary of Asset Management Plan

Appendix 2 - updated Action Plan

Appendix 3 – new Action Plan 2021/2022

Appendix 4 – Asset Management Executive Summary

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Asset Management Plan

Year 1 Review

August 2020/2021

for Spelthorne Borough Council





Benwell House (Housing)



Spelthorne Leisure Centre (community services)



Five Swimmers Fountain (water feature)



Swan Arches (Public art)



Walled Gardens (Parks)



Stanwell Green War Memorial



The White House (Hostel)

Lammas mini-Golf, (awaiting pic)

SUMMARY

The Asset Management (AMP) plan document has been produced to highlight how the Council's assets support our corporate objectives and the services we provide. It sets out principles, priorities, and action to ensure our assets are used and managed as efficiently and effectively as possible.

The Asset Management Plan focuses on:

- Spelthorne Priorities
- The Estate and Strategic Objectives

The priorities are Community, Affordable Housing, Recovery, Environment, and Service Delivery.

The Estate and Strategic Objectives are: Strategic, Investment, Municipal Portfolio, Governance, and Knowle Green Estates.

The Council's overall property portfolio as of 31st March 2021 has:

- A capital value of more than £0.96bn.
- Investment portfolio, an emerging housing company and a significant municipal asset base with some £75m of operational plant and equipment.

Due principally to Covid, the portfolio capital value reduced by c £50m since the March 2020 valuation. However, rental income has remained stable during this period.

The above clearly highlights the 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.

To be able to deliver these priorities, the AMP has further set out 4 key areas of work under 'Action Plan and Resourcing' to facilitate the Asset Management team to support the overall SBC Corporate objectives.

The 4 key areas of work are:

- 1) Management of AMP processes
 - 2) Management and consolidation of investment Portfolio
 - 3) Management of the municipal portfolio
 - 4) Regeneration /development projects
- Covid 19 has brought a significant decrease of customers in paid car parks, with a significant

increase of customers in car parks with a free or heavily discounted tariff in recreation grounds.

- Tothill MSCP was closed down and car park spaces were temporarily relocated to Riverside Surface Car Park due to the decrease in numbers of customers using this car park. Income generated through car parking charges significantly decreased.
- Sunbury Leisure Centre – During Covid 19, the pool was drained down which highlighted major works needed to be carried out before re-opening. The unexpected cost of this project was approx. £375k and had to be completed in order to re-open the Leisure Centre.

The Asset team continued to operate during the pandemic and are able to report on some of the team successes:

- 99% of rent invoiced for 2020-21 collected on the commercial investment portfolio.
- Progress made with 5 construction projects, Fordbridge, White House (31 flats), Harper House, West Wing and Benwell House Phase One to be delivered by 2021/2022.
- In discussion with Runnymede to TUPE 3 members of staff by April 2021 to provide an in-house Facilities Management team. This will maintain consistency and service delivery of SBC properties. Staff successfully TUPEd over.
- Property Information Management System (PIMs). The system has been implemented and it has been fully populated with all properties that SBC currently own. The properties have been created, all units have been populated and the data has been reviewed.
- Dedicated banking account for rent collection implemented
- Strengthening the team with the addition of new resources in areas such as Development Management, Residential Management/Lettings and Administration.

During the COVID-19 pandemic, the team maintained good communication whilst working remotely not only to ensure they are able to continue to deliver the SBC priorities and objectives but also to be able to support each other during these very challenging times.

To allow for some flexibility with new procedures and processes being implemented; and the addition of new resource, some of the deadlines in the action plan extend to 2023.

Please note, the action plan is a working document and is expected to be flexible to allow for unexpected changes. The Asset Management Plan Executive provides an update on the action plan, either being in progress, completed or ongoing.



Appendix 2 – Updated Action Plan

Please note, Appendix 2 refers to ‘Cabinet’ and ‘Portfolio Holders’ as these actions were completed under the ‘Cabinet System’.

SPELTHORNE BOROUGH COUNCIL ASSET MANAGEMENT PLAN 2019-2024				ACTION PLAN	UPDATE ON ACTION
Area of work	Action	Objectives/outcomes	Timetable	Reporting	Tasks
Management of AMP processes	Formalise the role of KGE Ltd.	Development of independent company to maximise benefit to Spelthorne Reduce and actively manage risk	2020	To Project Sponsors Board, and update to Cabinet as required	Completed KGE has been formalised with a full board of directors. KGE has been set up as a wholly owned subsidiary with its own policies and procedures to manage residential property. Projects developed on behalf of KG by SBC are compliantly procured and project managed with the intent of ensuring best value and to maximise returns to the council.
Page 145		Demonstrate value for money During 2020-21 Council clarified its policy steer with respect to delivery of affordable rental making clear it is looking for at least 50% affordable/keyworker on all its schemes. Maximise sustainable financial return to the Council Develop beneficial commercial relationships Secure sustainable supply of housing particularly affordable and key worker for residents of borough			Ongoing SBC continue to deliver sustainable housing with ongoing developments to provide housing to meet the affordable housing, clean and safety environmental key corporate objectives. We are working with key contractors and consultants to deliver these projects in 2021/2022 which will benefit SBC financially. Benwell phase 1 – 55 flats Benwell phase 2 – 36 flats Harper House – 20 rooms White House – 31 bed spaces West Wing Knowle Green Offices – 25 units
	Continue to develop an appropriately resourced Asset Management Skills team	To support ongoing 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 Sub-Committee and CPRC.	Ongoing

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)	<p>Completed</p> <p>3 members of Runnymede Borough Council maintenance staff TUPEd over to SBC to maintain effective service delivery exclusively focusing on assets at Spelthorne.</p>
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	<p>Completed and Ongoing</p> <p>We have implemented the system and it has been fully populated with all properties that SBC currently own. The properties have been created, all units have been populated and the data has been reviewed. We have 4 portfolios currently and the status of each is below:</p> <p>Investment – All properties, units and leases have been entered. All leases have been reviewed and amendments made accordingly. There have been a number of lease amendments etc, that have not yet been updated in Bluebox for these properties. We are using Bluebox to bill some of our major investment rents and collecting these through the system. The September quarter is the second quarter for these billings.</p> <p>Municipal – All properties and units have been entered. These have been reviewed and amendments made accordingly. Some of the leases have been entered for these properties but the remaining ones are currently being worked on and should be entered by the end of this calendar year, hopefully.</p> <p>Retail – All properties, units and leases have been entered. All leases have been reviewed and amendments made accordingly. There have also been a number of lease amendments etc here that have not yet been updated in Bluebox for these properties.</p> <p>Residential – All properties, units and leases have been entered. All leases have been reviewed and amendments made accordingly. We are using Bluebox for the full accounting function for KGE, including budgeting, expenditure, VAT returns, rent billing and collection, etc. This went live in April 2020.</p> <p>There are a number of projects within Bluebox that are ongoing or in testing/planning including automating the BACS run process, automating the cash receipting process. Invoice approvals and validation, automated chasing letters, automated statements, automated reporting, to name a few of these.</p>

Appendix 2 – Updated Action Plan

Please note, Appendix 2 refers to ‘Cabinet’ and ‘Portfolio Holders’ as these actions were completed under the ‘Cabinet System’.

SPELTHORNE BOROUGH COUNCIL ASSET MANAGEMENT PLAN 2019-2024				ACTION PLAN	UPDATE ON ACTION
Area of work	Action	Objectives/outcomes	Timetable	Reporting	Tasks
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 and annual reporting to Committee. Fortnightly reporting to officer Development Investment Group (DIG) and Fortnightly reporting to Assets Portfolio Working Group.	Completed and Ongoing The Asset Managers receive on a quarterly basis, market commentary on the SE office sector from external advisors. This is supplemented by regular presentations on market activity with time for Q&A
	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		Completed and Ongoing Sinking fund analysis completed and regularly updated following changes to the tenancy position. Worst case and expected case, 10 year scenarios reviewed Fortnightly reporting to officer Development Investment Group (DIG) and Fortnightly reporting to Assets Portfolio Working Group Access to D&B and Experian monitoring reports to assess covenant risk and the financial stability of our tenants.
	Initiate annual reporting process and formally adopt appropriate pro-forma	To actively manage and monitor performance and risk To inform decision making	2020		Completed and Ongoing Annual report provided for the year ending 31 March 2020 and 2021 on the performance of the commercial property fund. Quarterly reports published to report on property transactions, rental performance and the commercial property market. Business Plans will provide an annual forward looking view of asset management tasks and risk mitigation (on-going task). Template for the Business Plans has been agreed with the Development Sub-Committee. Regular meetings (bi-monthly) with the Asset Portfolio Working Group to report and take instructions on transactional activity outside the remit of the officers’ delegation. Bi-monthly internal Development and Investment meetings (DIG). Development Sub-Committee for all decision-making outside the scope of officer delegation.

<p>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</p>	<p>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</p>	<p>2020</p>		<p>Completed and Ongoing Sinking fund analysis completed, regularly updated and reported to the Asset Portfolio Working Group. Expanded to include expected & worst case scenarios for 10 year period, soon to be further expanded to 20 years (Sep 2021).</p>
<p>Progress investment acquisitions programme</p>	<p>Generate additional secure revenue, contributing to securing financial sustainability, and to secure economic, environmental and social wellbeing of residents</p>	<p>Ongoing for the life of the plan</p>	<p>In accordance with reporting processes and investment criteria set out in AMP</p>	<p>In line with the Council's evolving Capital Strategy the Council ceased acquiring investment assets in 2018-19. Action no longer being pursued No new acquisitions to be acquired for investment return only and must be regeneration-led and within CIPFA regulations.</p>

Appendix 2 – Updated Action Plan

Please note, Appendix 2 refers to ‘Cabinet’ and ‘Portfolio Holders’ as these actions were completed under the ‘Cabinet System’.

SPELTHORNE BOROUGH COUNCIL ASSET MANAGEMENT PLAN 2019-2024				ACTION PLAN		UPDATE ON ACTION
Area of work	Action	Objectives/outcomes	Timetable	Reporting	Tasks	
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 property management review 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.	<p>Ongoing</p> <p>Populating the property management system with tenancy information and cross referencing with sales ledger to enable billing and rent collection by the Assets team in due course. – ongoing.</p> <p>A Property and Finance Assistant has been recruited to add resilience to the Asset Finance Team.</p> <p>Implementation of property management system – ongoing.</p>	
	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.				
	A process to be established to communicate the outcome of the review process.	Once the review process has been completed, to establish which officer team to report outcomes and make recommendations to.			Not yet started	
	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	<p>Completed</p> <p>Community Asset Policy now known as Community Letting Policy has been developed, approved by Cabinet and now actively in use.</p>	
	Complete specific review of Council owned car parks	To maximise use of space to its full potential and reduce cost/liability to the Council. Overall contributing to the delivery of key priorities.	2020	In accordance with existing project management arrangements	<p>Underway</p> <p>The following car parks have been identified as opportunities to the delivery of key priorities. Ashford MSCP, Bridge Street CP, and Tothill MSCP. If approved, redevelopment of these assets will generate additional income, support the affordable housing objective and reduce operational costs.</p> <p>There are 10 locations outside of Staines where charges are not applicable for the first hour i.e., free parking. A report was submitted to the Cabinet for approval to start charging for the first hour which wasn't supported at the time. The loss of income to the council is approx. £30k. This does not include the cost for resource patrolling and managing the enforcement of the car parks. This item will be resubmitted to committee to be reviewed.</p>	

Review land holdings and develop action plan based on outcomes	To carry out review of all land holdings with feedback from service users to assess suitability of space with a financial assessment using a scoring method. Aim to maximise value and reduce cost/liability to the Council and for contribution to the delivery of key priorities	By Dec 2022	In accordance with AMP. Annual performance report for operational estate once initial reviews completed.	In progress A summary of all assets with key information being compiled to be able to carry out this review.
Review infrastructure assets held by the Council in accordance with AMP	To carry out review infrastructure assets with the aim to maximise value and reducing cost/liability to the Council and for contribution to the delivery of key priorities	By Dec 2023	In accordance with AMP. Annual performance report for operational estate once initial reviews completed.	Not yet started Action to be planned with relevant teams to be able to progress and deliver.

Appendix 2 – Updated Action Plan

Please note, Appendix 2 refers to ‘Cabinet’ and ‘Portfolio Holders’ as these actions were completed under the ‘Cabinet System’.

SPELTHORNE BOROUGH COUNCIL ASSET MANAGEMENT PLAN 2019-2024				ACTION PLAN		UPDATE ON ACTION
Area of work	Action	Objectives/outcomes	Timetable	Reporting	Tasks	
Regeneration/ development projects	Progress development/ regeneration acquisitions programme	Meet Council’s Affordable Housing and Economic Development objectives 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 criteriaset out in AMP	Ongoing Secure planning and construct projects to deliver housing in the borough.	
	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 affordable housing objectives	Ongoing during life of AMP	In accordance with existing project management and development reporting arrangements	Underway and ongoing Following the completion of Project Lima work commenced on the redevelopment of the West Wing at the Council offices to provide 25 affordable units. Target completion end of September 2021.	
	Fordbridge extension to the day centre	To support Health and Wellbeing of local residents	2020		Complete Successfully completed May 2021.	
	Ashford MSCP	Redevelopment to provide PRS housing accommodation Support affordable housing and economic development objectives	2020/21		Underway On hold during pandemic and to be progressed with approval from Development Sub Committee on 26 July 2021.	
	Benwell House (previously Ceaser Court)	Complete redevelopment to provide 91 units to support affordable housing objectives.	Phase 1: 2020/21 Phase 2: 2021/22		Underway Benwell Phase 1 – Practical Completion in April/May 2021. 90% occupied at August 2021. Phase 2 delayed due to internal changes. Development Sub-Committee on 9 Aug authorised scheme may go to next available planning committee (October 21). Demolition is to start late Q4/21. Start on site late Q1/22.	
	Waterfront Development Opportunity	Complete JV with preferred delivery partner To enable planning and delivery to be progressed by JV partner Support affordable housing and economic and environmental development objectives Providing much needed hotel and conference facilities for the Borough and the local business community	2020/21		Underway Submission of planning application delayed due to Covid 19 impact. Target submission now late Q4/21.	

	White House site (single persons homeless hostel)	Deliver 27 beds to support affordable housing objectives 4 move on plus Develop project delivery plan for implementation Support affordable housing and economic development objectives	2020/21		Underway Practical Completion achieved 9 th September 2021. Handover to Metropolitan Thames Valley Housing and occupations from October 2021.
	Laleham Park Pavilion	Progress planning for redevelopment to provide toilets and catering concession Develop project delivery plan for implementation.	2020/21		Underway Demolition of WC and Pavilion approved at Development Sub Committee on 9th August 2021. Works to commence October 2021. Further design work being undertaken on proposed new C block to reduce costs.
	Harper House (emergency accommodation)	Deliver 20 residential emergency accommodation units for families to support affordable housing objectives To support Health and Wellbeing of local residents.	2020/2021		Underway Practical Completion delayed due to Covid 19/Brexit led impacts. Practical Completion anticipated for mid October 2021. Handover to Metropolitan Thames Valley Housing and occupations + 6 weeks from the clearance of the last pre-occupation condition relating to contamination.
	Spelthorne Leisure Centre	Delivery of new Leisure Centre Health and Wellbeing of local residents.	2021/22		Underway Planning consent granted 23 June 21. Main contractor appointed August 2021 on 2 stage Design & Build basis. Pre-Construction Services Agreement commenced and full contract sum anticipated by January 2022. Start on site Q1/22.
	Thameside House	Progress planning to enable work to start on delivery phase Deliver 140 residential units to support affordable housing objectives	2021–2023		On hold Planning application submitted March 2020. Determination on hold due to political influence and moratorium. Resolution required to progress. Build cost inflationary pressures an increasing risk.
	Victory Place (Ashford Hospital car park)	Deliver 115 residential keyworker units to support affordable housing objectives contributing to KGE's financial sustainability	2021–2023		Underway Approval to progress to planning determination given by Development Sub Committee and Full Council. Target date October 2021. Demolition to start late Q4/21. Main contractor start late Q1/22. Political delay has increased risks of adverse build cost inflation impacts.
	The Oast House	Progress planning to enable work to start on delivery phase Deliver residential units to support housing objectives Contributing to KGE financial sustainability	2021–2023		On hold Progress in abeyance due to politically imposed moratorium imposed on Spelthorne developments. Potential for up to 216 units. 100% affordable. Potential interest for additional medical/cultural uses. Moratorium continues to impose adverse build cost inflation risks.

Appendix 2 – Updated Action Plan

Please note, Appendix 2 refers to ‘Cabinet’ and ‘Portfolio Holders’ as these actions were completed under the ‘Cabinet System’.

	Tothill MSCP	Initial concept design has been prepared.			On hold Progress in abeyance due to politically imposed moratorium imposed on Spelthorne developments. Potential for up to 300 units, commercial offices, retail and community uses. Potential for the provision of affordable, senior living and hostel facilities. Moratorium continues to impose adverse build cost inflation risks.
	The Elmsleigh Centre	91-93 High Street Initial concept design has been prepared			Not yet started A report is to be submitted to the Development Sub Committee for the expenditure of professional fees to progress concept design to planning application stage.

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APPENDIX 3 – ACTION PLAN 2021/2022

SPELTHORNE BOROUGH COUNCIL ASSET MANAGEMENT PLAN 2021/2022				ACTION PLAN
Area of work	Action	Objectives/ outcomes	Timetable	Reporting
Management and consolidation of Investment Portfolio	<p>Procurement Procurement of Property Management contracts for the Investment portfolio and the Elmsleigh shopping centre.</p> <p>Specifications to be sent out to framework suppliers which will be followed by an evaluation process. Contracts will be awarded based on the right level of service and value for money for the portfolio.</p>	<p>Consistency of service provision through simultaneous re-tendering of management contract across entire whole portfolio</p> <p>Establishing best value for the Council through competitive tender process</p> <p>Ensuring that the portfolio is managed in accordance with industry best practice, and to meet the needs of SBC reporting processes.</p>	March 2022	To the asset portfolio working group and development sub committee
	The re-tendering of the insurance contracts for the investment portfolio will allow us to award the contract to an insurance broker who can meet the needs of our portfolio.	<p>Establishing best value for the Council and its tenants through a competitive retendering process managed by SBC's insurance brokers</p> <p>Ensuring highest quality service provision by testing the market using established Commercial property insurers</p>	September 2021	To the asset portfolio working group and development sub committee
	Valuation Contract re-tender of the investment and regeneration portfolio via the Councils Professional Services Framework	<p>Consistency of service provision through simultaneous re-tendering of valuation contract across entire whole portfolio</p> <p>Establishing best value for the Council through competitive tender process</p> <p>Ensuring that the portfolio is valued in accordance with industry best practice, and to meet the needs of SBC reporting processes.</p>	December 2021	To the asset portfolio working group and development sub committee

APPENDIX 3 – ACTION PLAN 2021/2022

SPELTHORNE BOROUGH COUNCIL ASSET MANAGEMENT PLAN 2019-2024				ACTION PLAN
Area of work	Action	Objectives/outcomes	Timetable	Reporting
Management and consolidation of Investment Portfolio	Sustainability/Wellness/Energy Efficiency – to review and identify opportunities to improve sustainability profile of the portfolio, e.g.	To ensure that the Council's property portfolio meets and exceeds the Minimum Energy Efficiency Standards which is required on lettings and disposals.	March 2023	To the asset portfolio working group and development sub committee
	<ul style="list-style-type: none"> • Energy Performance Certificates • WELL Certification • Carbon reduction (BUBL/Sentinel temperature control successfully trialled at Charter and to be rolled out) 		August 2022	
	<ul style="list-style-type: none"> • • Review EPC ratings on all assets and set targets for improvement during the lifetime of the AMP with annual reviews of performance 	Target WELL certification on Thames Tower, Charter Building and 12 Hammersmith Grove (Porter Building has been certified)	August 2022	
		See above	March 2023	

APPENDIX 3 – ACTION PLAN 2021/2022

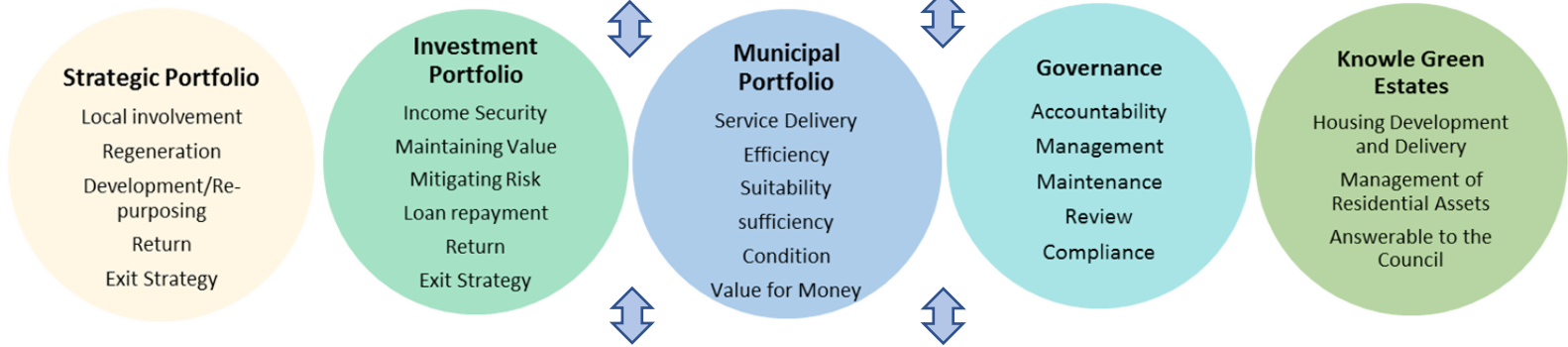
SPELTHORNE BOROUGH COUNCIL ASSET MANAGEMENT PLAN 2019-2024				ACTION PLAN
Area of work	Action	Objectives/outcomes	Timetable	Reporting
Management of the municipal portfolio	Clarification of maintenance responsibilities	To ensure more effective management of the maintenance budget	March 2022	To the asset portfolio working group and development sub-committee or the appropriate delegated authority where applicable.
	Standard compliance letter – annual reminder to all tenants (FWT, Pat testing, legionella, H&S, Fire alarm, fire extinguishers) etc	An annual reminder to all Tenants will assist in making sure our tenants are complying with statutory regulations minimising the risk to SBC	March 2022	To the asset portfolio working group and development sub-committee or the appropriate delegated authority where applicable.
	Identify utility services in leased properties	To ensure effective management of the properties and establish further works required working with FM Building Services and Sustainability team.	December 2022	To the asset portfolio working group and development sub-committee or the appropriate delegated authority where applicable.
	Mooring Project Identify new and outstanding agreements. 'Others' with no agreements.	To ensure all residents using SBC assets to install landing stages are on an agreement. Residents are invoiced and SBC benefit from income stream	March 2022	To the asset portfolio working group and development sub-committee or the appropriate delegated authority where applicable
	Develop a policy to cover how the Council will deal with licences (like that already adopted for lettings)	Standard practice for all interested parties and a transparent policy. Standard advert with key questions to ensure interested parties are aware of the criteria before applying.	March 2022	To the asset portfolio working group and development sub-committee or the appropriate delegated authority where applicable
	Best use of existing land within SBC.	Land – SBC have vast amount of land/car parks across the borough which has the potential to benefit from advertising income. To explore the possibility of identifying suitable assets for advertising.	December 2022	To the asset portfolio working group and development sub-committee or the appropriate delegated authority where applicable
	Insurance responsibilities for damages to be established between SBC and tenants	To minimise the financial costs to SBC where Tenants are responsible for damages occurred. Work with Building Services and relevant teams.	March 2023	To the asset portfolio working group and development sub-committee or the appropriate delegated authority where applicable
	Review EPC ratings on all assets and set targets for improvement during the lifetime of the AMP with annual reviews of performance	To ensure that the Council's property portfolio meets and exceeds the Minimum Energy Efficiency Standards which is required on lettings and disposals.	March 2023	To the asset portfolio working group and development sub-committee or the appropriate delegated authority where applicable.

SPELTHORNE BOROUGH COUNCIL ASSET MANAGEMENT PLAN 2020 - 2025

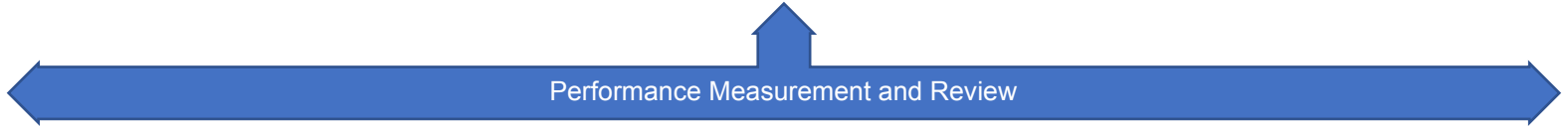
Spelthorne
Priorities

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"> Enables direct involvement in regeneration Enables direct development Provides strategic control of change Contributes to the delivery of the Council's priorities Does not put the Council at significant risk 	<ul style="list-style-type: none"> Provides a net revenue return to the Council Maintains its long-term value Contributes to the Council's objectives and economic and social wellbeing of Spelthorne residents Does not put the Council at unquantified risk 	<ul style="list-style-type: none"> 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 Does not harm the Council's reputation 	<ul style="list-style-type: none"> Act in the interests of the Council Operate as a commercial entity Progress delivery of the Council's Key Priorities Represent value for money Be fully accountable and transparent



Action Plan

Strategic portfolio	Investment portfolio	Municipal portfolio	Knowle Green Estates
<ul style="list-style-type: none"> Progress strategic acquisitions Progress town centre regeneration plans Identify further opportunities from within existing assets Deliver identified pipeline of projects 	<ul style="list-style-type: none"> Manage and review to maximise income, long term value and mitigate risk Continue to invest prudently Review sinking fund 	<ul style="list-style-type: none"> Instigate new property Management information System Review Portfolio to improve efficiency, value for money and identify opportunities Re-purpose any under-used assets Review maintenance and compliance arrangements 	<ul style="list-style-type: none"> Establish KGE Estates Group Ltd to manage and maintain Council development projects Manage occupational risks Develop Skills Base

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Corporate Policy & Resource Committee



4 October 2021

Title	Capital Monitoring Report 2021/22 – Q1 June 2021
Purpose of the report	To note
Report Author	Paul Taylor Chief Accountant
Ward(s) Affected	All Wards
Corporate Priority	Financial Sustainability
Recommendations	<p>The Committee is asked to note the current level of underspend on capital expenditure against its Capital Programme provision as at 30 June 2021 for the Council and the Corporate Policy & Resources Committee.</p> <p>(please note that individual committees will receive the relevant section of this report at their next meeting, noting that some will receive it before and some after this committee formally meets).</p> <p>Also, it has not been possible to disaggregate the housing element of the Elmsleigh project for 91/92 High Street for this report., therefore, the whole scheme is shown under Economic Development.</p>

1. Key issues

- 1.1 The Capital Monitoring report covers the cumulative actual expenditure to date, against the cumulative Council approved capital programme budget and compares this against the latest forecast outturn from Officers.
- 1.2 For the quarter ended 30 June 2021 our approved capital expenditure programme was £323,452k. The latest forecast outturn position is £323,246k, giving a projected aggregate underspend of (£206k) as per appendix A
- 1.3 The projected aggregate underspend by Committee as per Appendix B is as follows:
 - (a) Administrative – projected overspend £2k
 - (b) Community Wellbeing & Housing – projected underspend (£291k)
 - (c) Environment & Sustainability – projected overspend £83k
- 1.4 In arriving at the cumulative expenditure to date, the Finance Team account for capitalised borrowing costs, salaries, and all costs of acquisition on each development project.

1.5 The ongoing delays in the overall progress of a couple of our development projects, due to the Council moratorium is likely to put additional pressure on our revenue budgets, as the CIPFA Code indicates that the Council should suspend capitalisation of borrowing costs during extended periods in which it suspends active development of qualifying assets.

1.6 It is anticipated that any continued delay will cost approximately £40k per month (i.e., approximately £480k per annum).

2. Variance analysis

2.1 We report on any significant projected variance over £50k or 20% of budget, whichever is the highest, by committee as follows:

2.2 Administrative – the projected overspend of £2k is below the reporting limit.

2.3 Community Wellbeing & Housing – projected net underspend (£291k)

- (a) Benwell 1 (£2,700k) projected underspend with project almost completed, noting that this was offset by a £623k overspend on the purchase of the land and building for Benwell 1 and 2
- (b) Bugle (£672k) projected underspend negotiations are still ongoing between the Administrator and our Legal department to close the project.
- (c) Victory Place (Ashford Hospital) £1,470k projected overspend due to changes in initial scheme, with a revised specification for heat pumps, PV's, green roof, and future proofed electric car chargers. Noting that a revised budget of £27,505k was submitted for approval to the Development Subcommittee to cover these changes to the original proposal.
- (d) Whitehouse Hostel £356k overspend due to the pandemic, updated specification, with (£308k) of additional funding obtained from S106 and Better Care to meet the majority of the additional costs incurred.
- (e) Whitehouse Land £299k overspend from July 2017, noting that the land has been split 50:50 between the residential and hostel elements of this project.
- (f) Ashford MSCP £233k projected overspend to allow for the basement scheme to be included in the design phase.
- (g) Community Centre Projects £60k projected overspend to be funded by revenue underspend in the repairs and maintenance budget.
- (h) Thameside House the net project underspend between the land and construction costs is below the reporting limit. However, final scheme spend will depend on what is agreed after reviewing the viability of reducing the height of the scheme.
- (i) West Wing the projected overspend is below the reporting limit.

2.4 Environment & Sustainability – projected overspend £83k

- (a) Laleham Park Upgrade £88k projected overspend due to delays cause by bats, adapting our initial design to comply with new regulations from the Environment Agency, and the pandemic.

3. Financial implications

- 3.1 Once a project is completed, any underspend on the approved Capital Programme enables the Council to invest the monies to gain additional treasury management investment income or to fund additional schemes.
- 3.2 Working closely with our Treasury Management advisors, officers are currently saving the Council more than £1,300k per annum in interest charges, through prudent use of short-term interest rates to fund regeneration development projects.
- 3.3 Upon completion of each project, officers obtain fixed rate interest loans to significantly reduce the Council's exposure to risk of future interest rate rises over the next 50 years.

4. Other considerations

- 4.1 None.

5. Equality and Diversity

- 5.1 Not Applicable.

6. Sustainability/Climate Change Implications

- 6.1 Not Applicable.

7. Timetable for implementation

- 7.1 Not Applicable.

Background papers: There are none.

Appendices:

Appendix A – Summary Capital Monitoring Report by Committee at 30 June 2021.

Appendix B – Detailed Capital Monitoring Report by Committee at 30 June 2021.

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CAPITAL MONITORING REPORT AT 30 JUNE 2021

Committee	REVISED BUDGET	ACTUALS YTD	MANAGER'S PROJECTED OUTTURN	PROJECTED VARIANCE
Administrative	1,136,200	16,801	1,138,000	1,800
Community Wellbeing & Housing- DFG	972,800	164,760	972,800	-
Community Wellbeing & Housing	301,998,600	79,044,896	301,708,100	(290,500)
Corporate Policy & Resources	55,600	15,434	55,600	-
Economic Development	18,111,200	412,575	18,111,200	-
Environment & Sustainability	1,177,800	182,843	1,260,780	82,980
	323,452,200	79,837,309	323,246,480	(205,720)

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CAPITAL MONITORING REPORT AT 30 JUNE 2021

Portfolio / Service Head	Cost Centre	Description	Revised Cumulative Budget 2017-25	Actuals Cumulative 2017-22	Managers Projected Outturn at 30 June	Budget vs Outturn Variance	Comments
<u>Housing Investment Programme</u>							
<u>Community Wellbeing & Housing- DFG</u>							
Karen Sinclair & De	40203	Disabled Facilities Mandatory	943,200	164,760	943,200	-	Unspent Grant c/f from previous year 2020-21
Karen Sinclair & De	40204	Disabled Facilities Discretion	29,600	-	29,600	-	Will be spent later in the financial year
Net Cost of Disabled Facilities Grants			972,800	164,760	972,800	-	
Total For HIP			972,800	164,760	972,800	-	
<u>Other Capital Programme</u>							
<u>Environment & Sustainability</u>							
Jackie Taylor	41502	Refuse/Recycling Vehicles	129,000	123,639	123,700	(5,300)	Budget spent and vehicles received
Jackie Taylor	41508	Waste Vehicle	300,000	-	300,000	-	Vehicle has been delivered but there are some technical issue with the vehicle and so the payment has been held in suspense until issues are resolved
Jackie Taylor	41604	Laleham Nursery - Solar PV	15,000	-	15,000	-	New Project. The officer responsible is getting quotes for this work and the project will be completed by the summer
Terry Collier	41606	County Transit Site	127,000	-	127,000	-	New Project. Contribution payment is expected to be made to Surrey County Council on receipt of an invoice.
Jackie Taylor	41608	Laleham Park- Portacabins	116,000	-	116,000	-	New Project. Estimates are being sought and it is anticipated that the budget will be fully spent by the end of this year
Jackie Taylor	41609	Replacement Spelride Bus	100,000	-	100,000	-	New Project. The procurement exercise is underway and awaiting tender submissions for evaluation which will also provide details of delivery timescales
Jackie Taylor	41611	Staines Park- Play Equip Upgrade	60,000	-	60,000	-	New Project. Specifications are being drawn up and a procurement exercise will be undertaken to award a contract before the end of 2021
Jackie Taylor	41620	Wheelie Bins	50,000	28,557	50,000	-	Rolling Project. This budget is spent over the year and will be fully spent by the end of the financial year
Jackie Taylor	42027	Domestic Home Energy	8,000	-	8,000	-	Rolling Project. This budget has been reduced this year to a reasonable level and it is anticipated that it will be spent by end of this financial year
Total			905,000	152,196	899,700	(5,300)	
Lee O'Neil	41314	Air Quality	24,500	-	24,500	-	Work is in progress but has slowed down due to pressures from other high priority work which needs immediate attention.
Total			24,500	-	24,500	-	
Heather Morgan	41026	Laleham Park Upgrade	248,300	30,647	336,580	88,280	Delays to the projects caused by roosting bats and a change of regulations from the environment Agency that have significantly increased costs on this project, which was approved by the Development Sub Committee in July.
Total			248,300	30,647	336,580	88,280	
Grand Total			1,177,800	182,843	1,260,780	82,980	

CAPITAL MONITORING REPORT AT 30 JUNE 2021

Portfolio / Service Head	Cost Centre	Description	Revised Cumulative Budget 2017-25	Actuals Cumulative 2017-22	Managers Projected Outturn at 30 June	Budget vs Outturn Variance	Comments
<u>Community Wellbeing & Housing</u>							
Heather Morgan	41024	SpelthorneLeisurCenDevelopment	40,420,000	2,065,235	40,420,000	-	Planning consent granted 23 June 21. Contractor appointment to be confirmed by Full Council on 15 July 21.
Karen Sinclair & De	41622	Affordable Housing Opportunity	1,000,000	-	1,000,000	-	To be used towards Affordable Housing purchases by Knowle Green Estates
Heather Morgan	42034	Community Centre Projects	230,000	260,542	290,000	60,000	Fordbridge refurbishment work started 4 January 2021 and has been now completed. Awaiting final invoices and project retention. Overspend to be funded from Repairs & Maintenance budget as a revenue contribution to capital.
Heather Morgan	41328	Ashford MSCP	15,267,000	40,005	15,500,000	233,000	Fee budget paper for £267k to be submitted in July for consideration by Dev Subcommittee. This is for non basement scheme. Forecast is total cost to complete basement scheme.
Heather Morgan	42039	Bugle	2,400,000	1,688,093	1,728,100	(671,900)	Project has been completed, subject to final negotiations with the firm of administrators and our legal department.
Heather Morgan	42042	Benwell House I	13,800,000	10,934,611	11,100,000	(2,700,000)	Phase 1 completed with 41 out of 56 units now occupied. Programme board approval required to take P2 scheme to planning committee. Forecast is for completion of P1.
		Benwell Land & Building cost Phase 1	10,123,100	10,746,000	10,746,000	622,900	Land acquired on 30/09/17.
		Whitehouse Hostel - Land Acquisition					
	Memorandum Item	Phase A	750,750	900,000	900,000	149,250	Land acquired on 31/07/17
		Whitehouse (Residential) - Land					
	Memorandum Item	Acquisition Phase B	750,750	900,000	900,000	149,250	Same parcel of Land as Phase A above
		Whitehouse - Design Fees & Construction					The proposed residential scheme will not proceed until the Local Plan is adopted. Forecast does not show current scheme completion estimate prior to Council approval.
Heather Morgan	42052	Phase B	2,990,000	378,484	2,990,000	-	
Heather Morgan	42054	Thameside House	54,430,000	1,250,405	54,500,000	70,000	Planning application submitted in March 20. Planning decision in abeyance until moratorium lifted. Demolition in delay until planning approval. Demolition and construction budgets at risk due to ongoing delays. Forecast based on current design which is subject to change depending on the viability evaluation of reducing the number of stories
	Memorandum Item	Thameside House Land & Building cost	9,860,000	9,700,000	9,700,000	(160,000)	£9.7m including acquisition costs.
Heather Morgan	42055	West Wing	5,780,000	5,341,608	5,850,000	70,000	Project due for completion early August. The making good for water damaged units progressing well. £21.3k Housing funded expenditure & £47.4k additional funding required to fund overspend.
Heather Morgan	42056	Whitehouse Hostel - Phase A	4,417,000	4,261,532	4,773,000	356,000	Construction started Q1 2020 with project completion early Aug. Delay due to COVID-19, upgrade of specifications to include sprinklers and delay by utility providers. S106 funding provided and applied in 2020-21 (£2m). Better Care funding of £116k, £56.7k from housing & £135k additional funding required to fund overspend.
		Victory Place (Ashford Hospital car park site)	25,930,000	1,292,769	27,400,000	1,470,000	Assumes Full Council approval, following Sub-Committee approval for Air Source Heat Pumps, PV's, green roof and future proofed electric car chargers. Approved scheme cost of £27.505m 15/7/21 at full Council.
	Memorandum Item	Victory Place - Land & Building Costs	5,260,000	5,260,000	5,260,000	-	Phase 1 complete.
Heather Morgan	42060	Oast House	105,200,000	21,265,432	105,200,000	-	At the feasibility stage and costs likely to remain within original budget and will be reassessed once the optimal scheme has been established as part of the planning process
Heather Morgan	42062	Harper House Redevelopment	3,390,000	2,760,180	3,451,000	61,000	Over spend caused by the pandemic and additional costs of furnishings and internet services required by Metropolitan Thames Valley Housing, which was substantially covered by the additional funding from both Better Care contributing £23.4k & a from Housing for £27.8k, making a total contribution toward the over spend of £51.2k.
Total			301,998,600	79,044,896	301,708,100	(290,500)	
<u>Corporate Policy & Resources</u>							
Heather Morgan	41015	Capitalised Planned Works (formerly Runnymede Estates)	55,600	15,434	55,600	-	No change since Q4 2020/21
Total			55,600	15,434	55,600	-	

CAPITAL MONITORING REPORT AT 30 JUNE 2021

Portfolio / Service Head	Cost Centre	Description	Revised Cumulative Budget 2017-25	Actuals Cumulative 2017-22	Managers Projected Outturn at 30 June	Budget vs Outturn Variance	Comments
<u>Economic Development</u>							
Heather Morgan	42063	Elmsleigh Centre	18,000,000	381,707	18,000,000	-	For the regeneration of the Elmsleigh Centre, including Tothill car park & 91 to 93, The High Street, Staines Town Centre. Current forecast includes fee spend for designs and feasibility. Progressing mixed use scheme of 12 units for 91-93 High Street and design concept prepared for mixed use scheme comprising ad circa 290 residential units, retail and commercial uses. The progression of development plans linked with car parking expansion within the town centre.
		Total	18,111,200	412,575	18,111,200	-	
<u>Administrative</u>							
Heather Morgan	42010	KG Car Park Improvements	100,000	60,219	100,000	-	Scope of works agreed with Leader, Deputy and MAT in 2020. Phase 1 works to the front of the Council Offices are now complete. Phase 2 (resurfacing of car park area) of works have been suspended by MAT. Phase 3 (new barriers and ANPR) will be going ahead and tender work to be complete in January. New barriers and ANPR system was installed in April 2021, and partial reconfiguration of the front visitors is complete. Further expenditure expected to come from Surveyor looking at Car Park and providing schedule of works to be undertaken (previously suspended phase 2).
Jodie Hawkes	43601	SCP Portal	15,000	16,801	16,800	1,800	
Jodie Hawkes	43602	Centro Upgrade - Integra	30,000	-	30,000	-	- This is just for the Capita implementation, it has been put off until May 22.
Lisa Stonehouse	43604	Leisure Board	15,000	-	15,000	-	- Exploring options for location of board
Alistair Corkish	43506	Scan Digital Rollout	20,000	-	20,000	-	- Further investigations are being undertaken. Project is expected to be completed by end of the financial year
Alistair Corkish	43607	Recabling	200,000	-	200,000	-	- Initial work is being undertaken with the contractor and an inspection of the site will also take place thereafter. Also awaiting MAT input into way forward
Roy Tilbury	43625	Customer Portal	10,000	-	10,000	-	- Please see below
Roy Tilbury	43626	Customer Services Contact Cent	40,000	-	40,000	-	- Majority of work has been undertaken in the previous financial year and has been charged against Revenue budget
Roy Tilbury	43629	SharePoint Upgrade	35,000	-	35,000	-	- Please see above against 'Customer Services Contact Centre'
Alistair Corkish	43632	General ICT Equipment	65,000	-	65,000	-	- Expected to be spent over the course of this financial year (may be required for the terminals)
Alistair Corkish	43635	Storage Area Network	250,000	-	250,000	-	- Talks have begun with suppliers and the procurement team
		Total	680,000	16,801	681,800	1,800	
Sandy Muirhead	43501	Forward Scanning	20,000	-	20,000	-	- Utilise towards minimising paper and becoming more efficient
Sandy Muirhead	43502	Digital Spelthorne	50,000	-	50,000	-	- New Project. Digital Strategy is being relaunched after COVID-19
Sandy Muirhead	43512	SharePoint redesign & Relaunch	155,000	-	155,000	-	- spend
Sandy Muirhead	43515	Corporate EDMS Project	231,200	-	231,200	-	- Towards infrastructure
		Total	456,200	-	456,200	-	
		Grand Total	1,136,200	16,801	1,138,000	1,800	
Total For Other			322,479,400	79,672,549	322,273,680	(205,720)	
Total Expenditure			323,452,200	79,837,309	323,246,480	(205,720)	
Total Funding			-	-	-	-	
GRAND TOTAL			323,452,200	79,837,309	323,246,480	(205,720)	

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Corporate Policy & Resources Committee



4 October 2021

Title	Q1 Revenue Monitoring Report as at 30 June 2021
Purpose of the report	To note
Report Author	Paul Taylor Chief Accountant
Ward(s) Affected	All Wards
Exempt	No
Corporate Priority	Financial Sustainability
Recommendations	<p>Committee is asked to note the forecast outturn for 2021/22 as at 30 June 2021 for the Council and review their own Committees report in appendix C below.</p> <p>(Please note that individual committees will receive the relevant section of this report at their next meeting, noting that some will receive it before and some after this committee formally meets).</p>
Reason for Recommendation	Not applicable

1. Key issues

- 1.1 This report provides a summary of the forecast outturn position for the financial year 2021-22 as at 30 June, which is showing a projected net underspend of (£408k) or 0.63% based on the planned gross expenditure of £64,988k
- 1.2 This net underspend is broken down as follows:
- (a) Cost of Services – a projected overspend of £843k (see section 3 below)
 - (b) Net Asset Income – a projected breakeven position, (see section 4 below)
 - (c) Other movements – projected underspend of (£1,251K) (see section 5 below)
- 1.3 The net underspend of (£408k) is further broken down to show the impact of COVID-19 on the Council forecast outturn position
- (a) COVID-19 – a projected net underspend of (£39k)
 - (b) Non COVID-19 a projected net underspend of (£369k)
- The forecast outturn shows the projected impact of COVID-19 on Cost of Services is mainly an under recovery of fees, charges, and income

particularly with our Car Parks, Staines Town Centre Management and Day Centres, together with the ongoing support for our leisure centres (further details are shown in section 3 below)

Despite the continued impact of COVID-19 the Council anticipates that the request for support from Government to offset our lost fees and charges will come to an end on 30 June. Therefore, as shown in Appendix A the Council is only forecasting (£200k) of support, which means that we anticipate having to use the (£1,000k) COVID-19 Contingency brought forward from last year.

2. Uncertainties

- 2.1 COVID-19 will continue to impact on the Council's finances over the coming months and years, whilst officers have spent a great deal of time considering the impact on their Cost of Services and net budget position, there are still several major uncertainties that could dramatically change the forecast outturn position for 2022/23, they include and are not limited to the following main items:
- (a) When will our aggregate fees and charges return to pre pandemic levels?
 - (b) How much additional Government support will be received?
 - (c) Will the Government continue to aid with the shortfall in the council's fees, charges, and invoices due to COVID-19, as mentioned we do not anticipate receiving further funding in respect of our fees, charges and income that are projected to be significantly lower than budget, based on the last lockdown period, which was not foreseen when the budget was agreed by Council in February 2021.
 - (d) Moratorium, as highlighted in 3.3(c) below the Council is projected to incur an additional; £531k in business rates and service charges because of the Council approved Moratorium which has delayed the start of both demolition and construction work at a few key development projects in the Borough.
 - (e) 2021/22 National Pay Award, the Council agreed a 0.75% and the government have indicated a national offer of 1.75%, which if accepted will result in the Council reviewing its original offer.

3. Significant Forecast Budget (under)/Overspends at year end by Committee, to Cost of Service level.

- 3.1 The net projected overspend/under recovery of income is £843k represents 1.3% of gross budget expenditure. Shown below by Committee are all the variances in excess of £20k.
- 3.2 **Regulatory & Administration Committee** – a projected net underspend of (£128k) and the significant net variances are as follows:
- (a) Corporate Management – a net projected overspend of £12k, made up of:
 - i) A projected underspend of (£95k) due to unfilled vacancies
 - ii) A projected overspend of £107k due to additional consultant's fees for the High Street Recovery Plan and reaching a settlement with KPMG for the 2016/17 audit and value for money fees, which were under provided for.

- iii) Additional staff recharges to KGE, a projected over recovery of income of (£25k) and adjusted from the Recharge of Central Support costs to KGE
 - (b) Democratic Rep & Management – a net underspend of (£41K) due to savings in members allowances, whilst meeting virtually due to COVID-19.
 - (c) ICT – a projected net underspend of (£20k) due to a vacant post, offset by additional overtime payments to existing staff who are maintaining the departments service levels.
 - (d) Land Charges – a net underspend of (£70k), consisting mainly of a projected over recovery of income of (£60k) following the transfer for Land Charges to HM Land Registry, for a one-off receipt.
 - (e) Legal – a net underspend of (£12k) made up as follows:
 - i) A net underspend of (£25k) due to maternity cover, being partially covered by temporary staff.
- 3.3 **Corporate Policy & Resources Committee** – a projected net overspend of £116k and the significant net variances are as follows:
- (a) Asset Management – a net projected overspend of £40k, made up as follows:
 - i) A projected underspend of (£122k) due to strategic decision to reduce the use of contractors.
 - ii) A projected under recovery of income £166k due to a contract not being renewed
 - (b) Development Properties – a net projected overspend of £531k due to delays caused by the moratorium in respect of business rates and services charges incurred on empty units, awaiting demolition.
 - (c) General Property Expenses – a net projected underspend of (£63k) due to work being completed by in house members of the team, rather than contractors.
 - (d) Facilities management – a net underspend of (£52k) due mainly to a
 - i) Projected underspend of (£15k) in business rates as we have moved out of the West Wing.
 - ii) Projected underspend of (£25k) in printer leases rentals.
 - (e) Planned Maintenance Program – a projected underspend of (£22k) due to a
 - i) A projected underspend of (31k) due to a staff vacancy being used to fund a new post in Asset Management.
 - (f) Project Management – a projected underspend of (£45k) due to unfilled staff vacancies.
 - (g) Unapportioned Overheads – a projected underspend of (£272k) due mainly to lower than planned contributions to Surrey County Pension fund
- 3.4 **Community Wellbeing & Housing Committee** – a projected net under recovery of income of £271k. and the significant net variances are as follows:

- (a) Day Centres - a net projected overspend of £117k, which was due to the following
 - i) £279k under recovery of income due to the pandemic, offset by
 - ii) (£76k) underspend in costs due to the pandemic and
 - iii) (£86k) underspend due to unfilled vacancies, caused by the pandemic.
- (b) People & Partnerships – a net overspend of £24k which was due to the following:
 - i) (£15k) underspend due to an unfilled vacancy
- (c) Housing Needs – a projected net overspend of £23k due mainly to the approved increased hours worked by the Group Heads during the pandemic, which have now ceased.
- (d) Homelessness – a net projected overspend of £19k which was due to the following:
 - i) A net projected under spend of (£617k) due to a temporary halt to the Rent Assured Scheme following excess work pressure in the department.
 - ii) A net projected under recovery of income of £6464k in forecast Rent Assured income, due to a temporary halt in services.
- (e) Housing Benefit Admin – an under spend and over recovery of income of (£121k) mainly due to:
 - i) A projected underspend of (£81k) which we are aiming to fill in the autumn.
 - ii) A projected over recovery of income due of (47k) because of two new burdens received.
- (f) Leisure Administration – projected underspend of (£44k) due to unfilled vacancies and a new staffing structure being considered.
- (g) Spelthorne Leisure Centre – net projected overspend of £297k which is due to the following
 - i) A projected net overspend of £444k, which includes the Sport England Grant paid over to the operator and additional support provided to the operator.
 - ii) (£127k) projected over recovery of income following a successful application for grant funding from Sport England.
 - iii) A projected over recovery of income of (£20K) due to an increase in nurse income.

3.5 **Neighbourhood Services Committee** – a projected net overspend and under recovery of income of £724k and the significant net variances are as follows:

- (a) Car parks – an under recovery of income of £740k due to the pandemic.
- (b) Building control – a net overspend of £3k due to the following:
 - i) (£20k) underspend due to unfilled vacancies

- ii) £41k under recovery of income due to the pandemic
 - (c) Cemeteries – a projected over recovery of income of (£49k) due to the pandemic
 - (d) Environmental Protection Act – a projected net underspend of (£25k) due to the following
 - i) (£41k) underspend in Pollution Control assessment costs
 - ii) £16k under recovery of Pollution Control Assessment income
 - iii) The under spend and under recover of income in respect of the electrical vehicle (EV) taxi project, broadly cancel each other out.
 - (e) SAT – a net projected under recovery of income of £50k due to the pandemic.
- 3.6 **Economic Development Committee** – a projected net overspend of £177k and the significant net variances are as follows:
- (a) Economic development – a net overspend of £81k due to setting up the Incubator, which will be funded from NNDR retention, (see section 5).
 - (b) Staines Market – a net under recovery of income of £115k due mainly to the £100k under recovery of income because of the pandemic.
- 3.7 **Environment & Sustainability Committee** – a projected net underspend of (£316k) and the significant net variances are as follows:
- (a) Planning Development Control – a projected net underspend of (£114k) which is made up as follows
 - i) (£60k) due to planning appeals budget and a further (£25k) in software costs.
 - (b) Planning Policy – a net underspend of (£120k) which is made up mainly from
 - i) (£125k) for the Local Plan which is now scheduled to complete in 2022/23
 - (c) Refuse Collection – a net over recovery of income of (£122k) which is made up as follows due to the pandemic
 - i) (£140K) over recovery of green waste income

4. Net Asset Income

- 4.1 The table below shows that the Council is forecasting a projected net overspend of £226k for the year ended 31 March 2022.

Commercial and Regeneration Assets (Net Income)	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Rental Income	-51,339	-51,782	-443
Loan Interest Payable	24,498	24,498	0
Minimum Revenue Provision	12,327	12,327	0
Sinking Funds - net movement	4,189	4,632	443
Set Asides for specific revenue purposes	1,030	1,030	0
Net Income (used to fund Revenue budget)	-9,295	-9,295	0

- 4.2 The forecast net income position of (£9,295k) will be used to fund our regeneration programme and contribute to our cost of services because of reduced government grants, and Surrey County Council Funding.
- 4.3 We forecast that our reserves will increase by an additional £443k, in accordance with the council approve policy, to ensure that we put sufficient funds aside to reduce the risk exposure to the council and provide additional funds to fund any future deficits.
- 4.4 With interest rates so low on the short-term money markets and as most of the Council's loans have been taken out on fixed low interest rates, we are not forecasting any significant variances in loan interest.
- 4.5 The uplift in rental payments from BP have been included in the above forecast and the additional funds have been paid into the sinking fund for future use.

5. Other Movements

- 5.1 The table below highlights the other movements amounting to (£1,282k) used to fund the items mention in section 3 from reserves and other grant income.

Details	Amount
Use of the COVID contingency	(£1,000k)
Use of the NNDR Business rates retention reserve	(£82k)
Use of recharge central support costs shown in cost of services to KGE – Finance and Corporate Management	£31k
Government support for the loss of fees and charges	(£200k)
Total	(£1,251)

5.2 As mentioned in section 3, our fees, and charges, particularly in respect of car parks, Staines Town Centre Management and day centres have been adversely affected, and together with the additional support for our Leisure Centres, we anticipate having to utilise the COVID-19 contingency and the estimate government support amounting to (£1,200k) as shown above.

6. Subsidiary companies

6.1 Knowle Green Estates

- (a) The Budget for the year was £159k overspend and the forecast outturn at 30 June was unchanged.
- (b) The first phase of Benwell House was handed over in the first quarter of the year, 31 out of 33 units now fully let.
- (c) The West Wing was handed over in September at 80% Affordable Rent and is fully let.
- (d) On plan to achieve its contribution to central overheads.

6.2 Spelthorne Direct Services

- (a) The budgeted outturn for the year is (£143k) and they are forecasting an outturn of (£140k), which represents a projected favourable variance of £3k
- (b) Sales continue to grow following the pandemic, with July 2021, being 47% up on the previous month and a strong pipeline of sales leads established.

7. Other considerations

7.1 None.

8. Equality and Diversity

8.1 Not applicable.

9. Sustainability/Climate Change Implications

9.1 Not applicable.

10. Timetable for implementation

10.1 Not applicable

Background papers: There are none.

Appendices:

Appendix A – Net Revenue Budget Monitoring in aggregate at 30 June 2021

Appendix B – Net Revenue Budget Monitoring by expenditure and income at 30 June 2021

Appendix C2 – Net Revenue Budget Monitoring for the Corporate Policy & Resources Committee at 30 June 2021.

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APPENDIX A

2021/22 Net Revenue Budget Monitoring As at end of 30 JUNE 2021

	2021/22 Budget Revised £	2021/22 Forecast Outturn £	2021/22 Variance Covid	2021/22 Variance Non-Covid	2021/22 Variance to Revised £
Gross Expenditure	64,987,700	64,557,910	366,986	(796,776)	(429,790)
Less Housing Benefit grant	(28,621,000)	(28,621,000)	-	-	-
Less Specific fees and charges income	(13,624,400)	(12,351,185)	794,430	478,785	1,273,215
Net Expenditure - broken down as below	22,742,300	23,585,725	1,161,416	(317,990)	843,425
Regulatory / Administrative Committees	4,930,900	4,803,050	(19,150)	(108,700)	(127,850)
Corporate Policy & Resources	6,687,300	6,802,830	10,236	105,294	115,530
Community Wellbeing & Housing	3,959,500	4,230,335	398,859	(128,023)	270,835
Neighbourhood Services	3,020,800	3,744,900	794,191	(70,091)	724,100
Economic Development	(165,700)	11,190	100,000	76,890	176,890
Environment & Sustainability	4,309,500	3,993,420	(122,720)	(193,360)	(316,080)
NET EXPENDITURE AT SERVICE LEVEL	22,742,300	23,585,725	1,161,416	(317,990)	843,425
Salary expenditure - Vacancy monitoring	(300,000)	(300,000)	-	-	-
2021/22 Pay Award Settlement	-	-	-	-	-
NET EXPENDITURE	22,442,300	23,285,725	1,161,416	(317,990)	843,425
NET EXPENDITURE	22,442,300	23,285,725	1,161,416	(317,990)	843,425
Asset Acquisition Income	(51,339,200)	(51,782,153)	-	(442,953)	(442,953)
Interest Payable	24,498,300	24,498,300	-	-	-
Minimum Revenue Provision	12,327,200	12,327,200	-	-	-
Refurbishments Reserve Contributions	6,814,000	7,647,333	-	833,333	833,333
Asset Supervision Costs	1,030,000	1,030,000	-	-	-
Capitalisation of Interest on Development Properties	(1,221,100)	(1,221,100)	-	-	-
Contingency Provision for Covid	1,000,000	-	(1,000,000)	-	(1,000,000)
Green Initiatives fund	250,000	250,000	-	-	-
Recharge of central support costs to KGE	(130,000)	(99,100)	-	30,900	30,900
Interest Receivable	(1,249,300)	(1,249,300)	-	-	-
Revenue Contributions to Capital Outlay	835,100	835,100	-	-	-
BUDGET REQUIREMENT	15,257,300	15,522,005	161,416	103,290	264,705
COVID-19 Sales Fees & Charges support	-	(200,000)	(200,000)	-	(200,000)
Baseline NNDR Funding	(1,929,000)	(1,929,000)	-	-	-
Non Ring-fenced Grants	(800,000)	(800,000)	-	-	-
Covid-19 Support Grant	(506,400)	(506,400)	-	-	-
New Homes Bonus	(252,000)	(252,000)	-	-	-
Release of funding from sinking funds	(2,625,200)	(3,015,580)	-	(390,380)	(390,380)
Lower Tier Services grant re core spending power	(82,100)	(82,100)	-	-	-
Business Rates - Economic Development Set Aside	(800,000)	(882,300)	-	(82,300)	(82,300)
Use of General Fund Reserves (Unused Covid Allocation)	73,700	73,700	-	-	-
NET BUDGET REQUIREMENT	8,336,300	7,928,325	(38,584)	(369,390)	(407,975)
2020/21 Revenue carry forward	(453,000)	(453,000)	-	-	-
General Fund Reserves- Supplementary Estimate	-	-	-	-	-
Collection Fund Surplus/(deficit)	117,000	117,000	-	-	-
Income from Council Tax	(8,000,300)	(8,000,300)	-	-	-
Net Position	-	(407,975)	(38,584)	(369,390)	(407,975)

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REVENUE MONITORING 2021/22					
EXPENDITURE AND INCOME SUMMARY 30 JUNE 2021					
Results to 30-Jun-21	Budget	Forecast	Covid-19 Variance £	Non-Covid-19 Variance £	Total Variance to Revised £
	Revised	Outturn			
	£	£			
Regulatory / Administrative Committees					
Employees	3,071,000	2,931,720	3,367	(142,647)	(139,280)
Other Expenditure	2,508,400	2,607,430	3,583	95,447	99,030
Income	(648,500)	(736,100)	(26,100)	(61,500)	(87,600)
	4,930,900	4,803,050	(19,150)	(108,700)	(127,850)
Corporate Policy & Resources					
Employees	4,845,800	4,501,770	1,682	(345,712)	(344,030)
Other Expenditure	3,071,400	3,370,810	8,503	290,907	299,410
Income	(1,229,900)	(1,069,750)	50	160,100	160,150
	6,687,300	6,802,830	10,236	105,294	115,530
Community Wellbeing & Housing					
Employees	4,443,400	4,214,400	(103,105)	(125,895)	(229,000)
Other Expenditure	33,852,900	33,618,500	369,764	(604,164)	(234,400)
Housing Benefit grant income	(28,621,000)	(28,621,000)	0	0	0
Income	(5,715,800)	(4,981,565)	132,200	602,035	734,235
	3,959,500	4,230,335	398,859	(128,023)	270,835
Neighbourhood Services					
Employees	4,213,700	4,272,300	83,191	(24,591)	58,600
Other Expenditure	1,881,800	2,076,200	0	194,400	194,400
Income	(3,074,700)	(2,603,600)	711,000	(239,900)	471,100
	3,020,800	3,744,900	794,191	(70,091)	724,100
Economic Development					
Employees	215,000	211,440	0	(3,560)	(3,560)
Other Expenditure	171,300	251,750	0	80,450	80,450
Income	(552,000)	(452,000)	100,000	0	100,000
	(165,700)	11,190	100,000	76,890	176,890
Environment & Sustainability					
Employees	4,185,800	4,171,190	0	(14,610)	(14,610)
Other Expenditure	2,527,200	2,330,400	0	(196,800)	(196,800)
Income	(2,403,500)	(2,508,170)	(122,720)	18,050	(104,670)
	4,309,500	3,993,420	(122,720)	(193,360)	(316,080)
NET EXPENDITURE AT SERVICE LEVEL					
	22,742,300	23,585,725	1,161,416	(317,990)	843,425
Total Employees	20,974,700	20,302,820	(14,864)	(657,016)	(671,880)
Total Other Expenditure	44,013,000	44,255,090	381,850	(139,760)	242,090
Housing Benefit grant income	(28,621,000)	(28,621,000)	0	0	0
Total Income	(13,624,400)	(12,351,185)	794,430	478,785	1,273,215
NET EXPENDITURE	22,742,300	23,585,725	1,161,416	(317,990)	843,425
Total Expenditure					
	64,987,700	64,557,910	366,986	(796,776)	(429,790)
Total Income					
	(42,245,400)	(40,972,185)	794,430	478,785	1,273,215
Net	22,742,300	23,585,725	1,161,416	(317,990)	843,425

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Corporate Policy & Resources

Results to 30-Jun-21	Budget Revised	Forecast Outturn	COVID-19 Variance	Non-COVID-19 Variance	Total Variance to Revised	Comments
	£	£	£	£	£	
Employees	680,600	696,500	0	15,900	15,900	
Other Expenditure	46,900	46,900	77	(77)	0	
Income	(69,000)	(74,700)	0	(5,700)	(5,700)	
Accountancy	658,500	668,700	77	10,124	10,200	
Employees	795,000	791,240	0	(3,760)	(3,760)	Additional employee costs incurred following a change in staff structure with less emphasis on consultants, offset by 4 vacancies unfilled at 30 June
Other Expenditure	450,900	329,030	1,559	(123,429)	(121,870)	Strategic decision made to reduce payments to contractors.
Income	(765,600)	(599,800)	0	165,800	165,800	Historic 'Landid' saving not removed from budget in 21-22
Asset Mgn Administration	480,300	520,470	1,559	38,612	40,170	
Employees	213,800	214,000	0	200	200	
Other Expenditure	8,400	6,400	0	(2,000)	(2,000)	
Income	0	0	0	0	0	
Chief Executive	222,200	220,400	0	(1,800)	(1,800)	
Employees	0	0	0	0	0	
Other Expenditure	0	0	0	0	0	
Income	0	0	0	0	0	
Corporate Savings	0	0	0	0	0	

Appendix C2						
<u>Corporate Policy & Resources</u>						
Employees	1,003,300	1,003,300	0	0	0	
Other Expenditure	453,600	453,600	0	0	0	
Income	(311,500)	(311,500)	0	0	0	
CServ Management & Support	1,145,400	1,145,400	0	0	0	
Employees	283,700	284,400	0	700	700	
Other Expenditure	2,400	2,000	0	(400)	(400)	
Income	0	0	0	0	0	
Deputy Chief Executives	286,100	286,400	0	300	300	
Employees	0		0	0	0	
Other Expenditure	0	531,120	0	531,120	531,120	Forecast based on previous year actuals. Main variances relate to various vacant properties such as Thameside House, Oast House and Hanover House.
Income	0		0	0	0	
Development Properties	0	531,120	0	531,120	531,120	
Employees	0	0	0	0	0	
Other Expenditure	82,400	19,500	0	(62,900)	(62,900)	Underspends on Consultants, Surveyors and Valuers as more work undertaken by staff in-house.
Income	(83,800)	(83,750)	50	0	50	
General Property Expenses	(1,400)	(64,250)	50	(62,900)	(62,850)	
Employees	178,900	179,680	1,373	(593)	780	
Other Expenditure	519,200	466,380	6,868	(59,688)	(52,820)	Business rates £15k below budget due to split of West Wing. Budget for £25k budget for printer leasing no longer needed as the printer is owned.
Income	0	0	0	0	0	
Facilities Management	698,100	646,060	8,242	(60,282)	(52,040)	

Corporate Policy & Resources

Employees	131,100	121,100	309	(10,309)	(10,000)	
Other Expenditure	4,800	4,300	0	(500)	(500)	
Income	0	0	0	0	0	
MaT Secretariat & Support	135,900	125,400	309	(10,809)	(10,500)	
Employees	187,400	156,550	0	(30,850)	(30,850)	Vacant post at 0.5 FTE - being used to offset a new post in Asset Mgt. Vierment to be actioned
Other Expenditure	1,335,000	1,343,480	0	8,480	8,480	
Income	0	0	0	0	0	
Planned Maintenance Programm	1,522,400	1,500,030	0	(22,370)	(22,370)	
Employees	561,000	516,000	0	(45,000)	(45,000)	Savings expected due to vacant posts
Other Expenditure	41,500	41,500	0	0	0	
Income	0	0	0	0	0	
Project Management	602,500	557,500	0	(45,000)	(45,000)	
Employees	0	0	0	0	0	
Other Expenditure	0	300	0	300	300	
Income	0	0	0	0	0	
Sea Cadets	0	300	0	300	300	
Employees	811,000	539,000	0	(272,000)	(272,000)	lower than planned contributions to Surrey County Pension
Other Expenditure	126,300	126,300	0	0	0	
Income	0	0	0	0	0	
Unapportionable Central/Heads	937,300	665,300	0	(272,000)	(272,000)	
Total Employees	4,845,800	4,501,770	1,682	(345,712)	(344,030)	
Total Other Expenditure	3,071,400	3,370,810	8,503	290,907	299,410	
Total Income	(1,229,900)	(1,069,750)	50	160,100	160,150	
	6,687,300	6,802,830	10,236	105,294	115,530	

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Corporate Policy & Resources Committee



4 October 2021

Introduction

Title	Retendering of Property Management Contracts (Commercial & Retail properties)
Purpose of the report	To make a decision
Report Author	Melanie Ager
Ward(s) Affected	All Wards
Exempt	Appendix 1
Exemption Reason	Appendix 1 of the report contains exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972 paragraph 3 Information relating to to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption outweighs the public interest in disclosing as it could put the Council at a competitive disadvantage in the procurement of these goods and services.
Corporate Priority	Financial Sustainability
Recommendations	<p>Committee is asked to</p> <ul style="list-style-type: none"> • approve the proposed sourcing strategy for property management contract renewals, i.e. a mini-tender with the Property Management consultancies on Lot 5 of SBC's Professional Services Framework Agreement; • note the proposed timetable for the procurement of the Commercial and Retail property management contracts.
Reason for Recommendation	<p>SBC requires the services of a Property Management Consultant(s) to ensure the effective management of the Commercial & Retail property portfolios.</p> <p>The current Property Management contracts expire on 31 March 2022. Procurement of the new contracts - via the Framework Agreement and on the proposed timetable – will ensure contract continuity.</p> <p>Value for Money will also be tested via a mini-competition using the 6 Property Management consultants on the Framework Agreement.</p>

The current Commercial and Retail property management contracts, which are let to Cushman & Wakefield and Jones Lang LaSalle respectively, have been extended until the end of March 2022 with no further options to extend.

The imminent contract expiry has given us the opportunity to consider the scope and specification for the new contracts, and to give due regard to the additional challenges presented by Covid-19 to the property management market.

Briefly, the current contracts consist of the following:

COMMERCIAL	Property	Fee £ pa	Expiry
	12 Hammersmith Grove	£107,000	Mar-22
	Stockley Park	£26,500	Mar-22
	Communications House	£37,000	Mar-22
	The Charter Building	£90,000	Mar-22
	Thames Tower	£90,000	Mar-22
	Porter Building	£50,000	Mar-22
	WBC4	£8,000	Mar-22
	Summit Centre	£7,800	Mar-22
	Annual contract value	£416,300	

RETAIL	Property	Fee £ pa	Expiry
	Elmsleigh Centre, Staines		
	105-107 High St. Staines		
	77-93 High Street, Staines		
	1-6 Friends Walk, Staines		
	Annual contract value, combined	£90,000	Mar-22

The Professional Services framework agreement (approved by Cabinet in December 2020) included 6 Property Management Consultants (in Lot 5). The Assets team proposes the use of this Lot to re-procure consultants for our Commercial and Retail properties as two separate contracts, or to one provider, where further value can be demonstrated in doing so.

1. Key issues

- 1.1 Some of the separate property management contracts within the portfolios had previously been extended to allow for contract co-termination and enable a consolidated retendering process. It is therefore important we move to re-tender the contracts in a timely fashion to obviate need for further extension.
- 1.2 We are mindful of the challenges currently facing the property sector, particularly those issues thrown up by the Covid-19 pandemic that require property management consultants to demonstrate innovation, flexibility and agility in the service provided. We will be looking for providers to demonstrate this.
- 1.3 By progressing the retender process swiftly now, there remains adequate time for the framework consultants to properly consider our requirements and their

own tender submissions accordingly, optimising our chances of achieving a strong return from a wider number of tenderers. This also allows for sufficient time for SBC to evaluate the tenderers thoroughly.

2. Options analysis and proposal

2.1 The options are:

Option 1 - Do Nothing

This is not a viable option. Based on the contract values and the required contract lengths, the Council's own Contract Standing Orders and the Public Contracts Regulations 2015 require us to re-tender these contracts to ensure contract compliance, to test the market and to be able to demonstrate the achievement of value for money.

Option 2 - Undertake a full tender exercise across the wider market place, open to all service providers in the sector, for the new contracts.

Whilst this approach would fully test the market, it would miss the benefits achieved by the establishment of the Professional Services Framework Agreement – a demonstration of high quality standards of delivery and value for money.

The Framework Agreement is comprised of some strong market leaders, including the current contract providers, but also includes some smaller providers. It was intended that this Lot 5 would intentionally meet the requirements of re-tendering this contract in particular.

Option 3 – Bring the property management service in-house Although this option has the appearance of a potentially seamless answer to our property management needs, in reality it would be more costly than outsourcing and less effective. Here are a few of the main considerations to bear in mind:-

- The companies on the framework agreement are professional property firms providing surveyor-led expertise and specialist teams in fields of, for example: management surveying, commercial rent collection & credit control, accredited facilities management (plus associated ongoing training), commercial service charge budgeting and accounting/auditing (again plus associated ongoing training or cpd).
- To bring the specialisms in-house seamlessly, ensuring continuity, would necessitate a significant staff transfer exercise by way of TUPE. In itself this would give rise to not only a large staffing bill but also a largescale immediate burden on our legal and HR resources.
- If we were to direct-employ all of the staff who are currently working on our assets, they would be insufficient in number to provide the same robust service delivery that we are currently receiving: in that scenario if one of those key members of staff were to take leave or fall sick we would not be in a position to provide effective cover, because of the absence of a wider team with similar specialist knowledge. Within a

short period of time, the individuals concerned would be overwhelmed. To achieve a similar service level, would require additional staff over and above those currently providing the service via managing agents.

- Of the outsourced managing agents on the framework agreement, even the smaller ones have the scale and therefore the strength, breadth and robustness to provide continuity of service at a level and quality required and warranted by the value and type of assets owned by Spelthorne. This can be evidenced by the excellent rent collection results achieved by our current managing agents throughout the pandemic, particularly having regard to the commercial assets or offices; also in the retail assets better collection results than the national average have been consistently achieved.
- Additionally is the matter of added value. The firms on the framework agreement are all looking after a number of clients with similar needs (eg to collect rents) and interests (eg the state of the market, trends affecting commercial/retail property, etc) and therefore have access to a wide portfolio of data. Secondly, again because of their scale, they have access to a broad body of multi faceted surveyor knowledge and experience (not just in management surveying). Their immersion in these bodies of shared knowledge help inform how they approach the task of property management and how they advise us on a daily basis.

Option 4 - Proceed with a mini-competition with the Property Management consultants on Lot 5 of the Professional Services Framework Agreement, and in sufficient time to allow the new contract commencement of 1 April 2022, for a main contract term of three years to 31 March 2025, with two optional extension periods each of 12 months in the sole discretion of SBC, and with the consultants' agreement.

This option:

- allows the providers on the framework lot 5 sufficient time to fully consider their responses and provide the most competitive service at the appropriate quality and price;
- is fully compliant with SBC's CSO's and with the Public Contracts Regulations 2015;
- Is a relatively quick route to market (one of the key objectives of setting up the framework);
- Is believed to demonstrate value for money
- acknowledges the interest expressed by the consultants in bidding for inclusion on the framework agreement.

See Appendix 1 for a list of Framework Providers on the appropriate Lot.

Recommended option: Option 4 is our recommended approach.

3. Financial implications

- 3.1 The current contract costs tabled above, are deemed to represent good value for money for the work involved, and in the current market conditions, when managing agents have had to redouble their efforts in the past 18 months to meet the challenges related to Covid-19, many of which will be with us for some time to come.
- 3.2 Collection of rents, management of payment plans, a propensity towards turnover rents (particularly retail) and additional site level health/safety protocols have increased the responsibilities on our managing agents, with no additional fees having been sought.
- 3.3 Several tenants (most notably in retail but also some in the commercial assets) have moved from quarterly to monthly payments, effectively tripling the agents' work in collecting the rents in those cases; many in retail have moved on to turnover based rental agreements, which again requires additional management work to regularly monitor turnover data and reflect that in the rents being levied, as compared to levying fixed rents.
- 3.4 If management fees take full account of the additional workload we might expect them to go up rather than down.
- 3.6 The use of the framework agreement to conduct a mini competition maintains a sufficiently competitive tender process, but also reduces the market to increase the chances for bidders successfully winning a contract.
- 3.7 The framework fees are the starting point at which bidders' commercial proposals should be offered; this provides strong potential for the demonstration of improved value for money, albeit against a revised specification and in less certain market conditions.
- 3.8 The approximate value of the contracts are anticipated to be as below (based on current costs):

	3 years	5 years
Commercial Portfolio	£1.250m	£2.083m
Retail Portfolio	£270k	£450k

- 3.9 Bidders will be required to submit in their tenders a proposed percentage fee discount, in the event that they bid for, and are evaluated as the successful bidder for, both contracts.

4. Other considerations

- 4.1 Value for Money / Contract Price: this is a highly competitive property management market. Due to the current economic challenges, landlords are naturally looking at service providers to offer increasingly attractive pricing, which in turn has the tendency to drive down prices and fees.
- 4.2 There has been some early interest from the framework providers in the imminent contract renewal opportunities. As such, it is believed that this will deliver competitive market proposals and pricing from those invited to tender.

5. Equality and Diversity

- 5.1 Bidders will be required to demonstrate their capability in providing a service which gives full consideration to Equality and Diversity issues. This will be tested and evaluated via Method Statement Questions put to bidders via the mini-competition.

6. Sustainability/Climate Change Implications

- 6.1 Bidders will be required to demonstrate their capability in providing a service which gives full consideration to climate change and other environmental sustainability factors associated with the new contracts.
- 6.2 The Specification has been drafted to require high levels of sustainability in the delivery of the property management service.
- 6.3 Bidders will be asked to propose high levels of Social Value contribution in these contracts.
- 6.4 These requirements will all be tested and evaluated via Method Statement Questions put to bidders via the mini-competition.

7. Timetable for implementation

- 7.1 The table below indicates the timeframes required to achieve the letting of the new contracts to commence on 1 April 2022.

Background papers: There are none.

Appendices:

- Appendix 1 – Framework Agreement Lot 5 (Property Managers) providers & Fee Structures
- Appendix 2 – Retail Properties
- Appendix 3 – Commercial Properties
- Appendix 4 – Timetable

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Appendix 2 – Retail Properties in Scope

RETAIL	Property
	Elmsleigh Centre, Staines
	105-107 High St. Staines
	77-93 High Street, Staines
	1-6 Friends Walk, Staines

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Appendix 3 – Commercial Properties in Scope

COMMERCIAL	Property
	12 Hammersmith Grove
	Stockley Park
	Communications House
	The Charter Building
	Thames Tower
	Porter Building
	WBC4
	Summit Centre

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Corporate Policy and Resources Committee



Date of meeting 4th October 2021

Title	Sundry Debt Write Offs
Purpose of the report	To make a decision
Report Author	<i>Martyn Forward</i>
Ward(s) Affected	<i>Not Applicable</i>
Exempt	Yes (appendix only)
Exemption Reason	The appendix to this report is exempt because it contains information relating to any individual and Information which is likely to reveal the identity of an individual. The information amounts to personal data and disclosure would not be in accordance with the Data Protection Act 2018.
Corporate Priority	Financial Sustainability
Recommendations	Committee is asked to: Approve the Sundry Debt write offs set out amounting to £81,332.76
Reason for Recommendation	Irrecoverable debt

1. Key issues

- 1.1 Recovery and write off procedures for non-payment are set out in the Council's Standing Orders. The write off requests included in this report are for amounts above the delegated limit contained in the Council's Standing Orders.
- 1.2 The debts referred to in this report have reached a point where their recovery is no longer possible for reasons stated in each case.

2. Options analysis and proposal

- 2.1 No further action can be taken to recover these debts and it is good accounting practice in such cases to write them off and as such, no other options are available.
- 2.2 Listed in Appendix 1 are the details of debts of £81,332.76 relating to Sundry Debts that remain unpaid and not possible to collect for the Service Area Housing Options, it is proposed that these are to be written off.

3. Financial implications

- 3.1 The proposed write offs are covered by the bad debt provision made in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Accounting code of Practice.

4. Other considerations

- 4.1 A balance needs to be achieved between not incurring expenditure chasing debts which are not going to be recovered and overstating the debtor assets of the authority; and ensuring that the Council is seen as robustly pursuing debtors. The Council has a robust recovery policy, which was recently reviewed and approved, and process in place.

5. Equality and Diversity

- 5.1 We follow the corporate debt policy which takes into consideration a customer's vulnerability. We are not aware of any adverse impact on groups with protected characteristics.

6. Sustainability/Climate Change Implications

- 6.1 There are no sustainability issues.

7. Timetable for implementation

- 7.1 The agreed write offs should be actioned as soon as practicable.

Background papers:

There are none.

Appendices:

List as **Appendix 1** *Details of Sundry Debt customer and action taken*

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Corporate Policy and Resources Committee



4 October 2021

Title	Appointment to the Thames Landscape Strategy Partnership
Purpose of the report	To make a decision
Report Author	Gillian Scott, Committee Services Support Officer
Ward(s) Affected	Shepperton Town, Riverside and Laleham, Laleham and Shepperton Green, Staines and Sunbury East.
Exempt	No
Exemption Reason	Not applicable
Corporate Priority	This item is not in the current list of Corporate Priorities but still requires a Committee decision.
Recommendations	<p>Committee is asked to:</p> <p>Agree the appointment of Councillor Vivienne Leighton as the Council's representative on the Thames Landscape Strategy Partnership</p>
Reason for Recommendation	Cllr Leighton has been actively engaged with the Partnership in an informal capacity for two years and meets their preferred criteria for membership.

1. Key issues

- 1.1 The Council has been requested to appoint a councillor representative to serve on the Thames Landscape Strategy Partnership.
- 1.2 The Thames Landscape Strategy (TLS) brings together a partnership of organisations, individuals and local groups to provide strategic guidance for the Thames corridor between Weybridge, Hampton and Kew in West London. The partnership acts as a catalyst to implement project work on the ground, and as a day-to-day link between the authorities, the local communities and the vision of the Strategy.
- 1.3 The Corporate Policy and Resources Committee is delegated by Council to make appointments of representatives on outside bodies.
- 1.4 A spokesperson for the Thames Landscape Strategy Partnership has advised that the representative should ideally be someone with an interest in and/or authority regarding riverside issues and be a river ward councillor within the TLS area.

- 1.5 Councillor Vivienne Leighton, ward councillor for Shepperton Town which includes parts of the river, has attended meetings of the Board on an informal basis for the past two years.
- 1.6 As a result of her active engagement with the Partnership over the past two years and to maintain consistency, the Leader has nominated Councillor Leighton to be formally appointed the Council's representative on the TLS Partnership.
- 1.7 All Group Leaders were notified of the position and invited to propose nominations. None were received – deadline 23/9.

2. Options analysis and proposal

- 2.1 Option 1 – to appoint Councillor Leighton as the Council's representative. This is the preferred option as she has been serving on the Partnership in an informal capacity for the past two years and meets their preferred criteria for membership.
- 2.2 Option 2 – to appoint another councillor as the Council's representative. (Comment on any other nominations received – deadline 23/9)

3. Financial implications

- 3.1 There are no financial implications arising from this report.

4. Other considerations

- 4.1 There are none.

5. Equality and Diversity

- 5.1 There are no equality and diversity implications arising from this report.

6. Sustainability/Climate Change Implications

- 6.1 There are no sustainability or climate change implications arising from this appointment.

7. Timetable for implementation

- 7.1 This appointment will be effective immediately until June 2022, to align with all the Council's outside bodies appointments.

Background papers: There are none.



Spelthorne Borough Council Services Committees Forward Plan and Key Decisions

This Forward Plan sets out the decisions which the Service Committees expect to take over the forthcoming months, and identifies those which are **Key Decisions**.

A **Key Decision** is a decision to be taken by the Service Committee, which is either likely to result in significant expenditure or savings or to have significant effects on those living or working in an area comprising two or more wards in the Borough.

Please direct any enquiries about this Plan to CommitteeServices@spelthorne.gov.uk.



Spelthorne Borough Council

Service Committees Forward Plan and Key Decisions for 1 October 2021 to 31 January 2022

Anticipated earliest (or next) date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 19 10 2021	Staines Health and Wellbeing Centre	Non-Key Decision	Private	Heather Morgan, Group Head - Regeneration and Growth
Corporate Policy and Resources Committee 15 11 2021	Corporate Health and Safety Policy To adopt a Corporate Health and Safety Policy	Non-Key Decision	Public	Stuart Mann, Health & Safety Officer
Corporate Policy and Resources Committee 15 11 2021	Recovery Action Plan To receive an update on the COVID-19 Recovery Action Plan	Non-Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Lee O'Neil, Deputy Chief Executive
Corporate Policy and Resources Committee 15 11 2021	Procurement of Fire Alarms Systems and Emergency Lighting Installations Maintenance Services - Residential and Municipal Properties	Non-Key Decision	Public	Alfred Osawe, Senior Building Manager
Corporate Policy and Resources Committee 15 11 2021	Ashford Multi-Storey Car Park To consider an exempt report requesting approval of consultant's fees to progress the project.	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £250,000	Private	Richard Mortimer, Asset Management Contractor

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 29 11 2021	Determination of the 2022/23 Council Tax base for tax setting	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 29 11 2021	Treasury Management Mid Year Report	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive
Corporate Policy and Resources Committee 29 11 2021	Capital monitoring (Qtr. 2 July-Sept) To note the current level of Capital spend.	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 29 11 2021	Draft Capital Strategy 2022-2027	Non-Key Decision	Public	Nick Cummings, Property and Development Manager
Corporate Policy and Resources Committee 29 11 2021	Outline Budget 2022-2023 To consider the Outline Budget for 2022-2023	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive, Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 29 11 2021	Recovery Action Plan To receive an update on the COVID-19 Recovery Action Plan	Non-Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Lee O'Neil, Deputy Chief Executive
Corporate Policy and Resources Committee 29 11 2021	Revenue monitoring (Qtr. 2 July-Sept) To note the current level of revenue spend.	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive, Paul Taylor, Chief Accountant

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 29 11 2021	Treasury Management Strategy - half yearly report To consider the Treasury Management Strategy - half yearly report.	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive, Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 07 02 2022 Council 24 02 2022	Capital Programme 2022/23 To consider the Capital Programme and Prudential Indicators for 2022/23 and make a recommendation to Council.	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive, Heather Morgan, Group Head - Regeneration and Growth
Corporate Policy and Resources Committee 07 02 2022 Council 24 02 2022	Capital Strategy 2022 to 2027 Committee is asked to recommend to Council that the Capital Strategy for 2022 to 2027 be approved.	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive, Heather Morgan, Group Head - Regeneration and Growth
Corporate Policy and Resources Committee 07 02 2022 Council 24 02 2022	Detailed Revenue Budget 2022/23 To consider the detailed Revenue Budget for 2022/23 and make recommendations to Council.	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Terry Collier, Deputy Chief Executive, Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 07 02 2022	Fees and Charges To consider the Fees and Charges for 2022/23.	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive, Paul Taylor, Chief Accountant

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 07 02 2022 Council 24 02 2022	Members Allowances Scheme 2022-23 To consider the Members Allowances Scheme for 2022-23.	Non-Key Decision	Public	Victoria Statham, Group Head of Corporate Governance
Corporate Policy and Resources Committee 07 02 2022 Council 24 02 2022	Pay Award 2022-23 To consider the Pay Award for 2022-23 and make a recommendation to Council.	Non-Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Debbie O'Sullivan, HR Manager, Angela Tooth, Human Resources Officer
Corporate Policy and Resources Committee 07 02 2022 Council 24 02 2022	Pay Policy Statement 2022/23 To consider the proposed Pay Policy Statement and make a recommendation to Council.	Non-Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Debbie O'Sullivan, HR Manager, Angela Tooth, Human Resources Officer
Corporate Policy and Resources Committee 07 02 2022	Recovery Action Plan To receive an update on the COVID-19 Recovery Action Plan	Non-Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Lee O'Neil, Deputy Chief Executive
Corporate Policy and Resources Committee 07 02 2022	Reserves Policy To consider the Reserves Policy.	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive, Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 07 02 2022	Treasury Management Outturn report To consider the Treasury Management Outturn report.	Non-Key Decision	Public	

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 07 02 2022	Treasury Management Strategy Report	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £250,000	Public	Terry Collier, Deputy Chief Executive
Corporate Policy and Resources Committee 07 02 2022	Treasury Management Strategy Statement To consider the Treasury Management Strategy for 2022/23 and make a recommendation to Council.	Non-Key Decision	Public	Anna Russell, Deputy Chief Accountant
Corporate Policy and Resources Committee 07 02 2022	Proposed Extension and Retendering of Property Management Contracts	Non-Key Decision		
Corporate Policy and Resources Committee 14 03 2022	Capital Monitoring Report Q3 (Oct-Dec 2021)	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 14 03 2022	Revenue Monitoring Report Q3 (Oct-Dec 2021)	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 19 04 2022	Annual Review of Community Lettings Policy	Non-Key Decision	Public	Deborah Ashman, (Joint) Group Head - Community Wellbeing, Nick Cummings, Property and Development Manager

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 19 04 2022	Recovery Action Plan To receive an update on the COVID-19 Recovery Action Plan	Non-Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Lee O'Neil, Deputy Chief Executive

Urgent actions

Corporate Policy and Resources 4 October 2021

These are the urgent actions which have been taken since the Corporate Policy and Resources Committee on 5 July 2021.

The following urgent actions were agreed by the Chief Executive in consultation with the Leader, on the following dates and for the reasons stated.

DATE	ACTION	REASON FOR URGENCY
28 July 2021	Renewal Lease to HSBC at Part 7th Floor, Thames Tower	To secure the transaction and best value for money before the outgoing lease expired on 8 May 2022
10 August 2021	Agree the simultaneous Part 4th floor, Charter Building: Proposed letting to Intellian Limited	To secure the transaction and permit sufficient time for office configuration works.
12 August 2021	Part 1st floor, Charter Building: Proposed letting to Tempur Sealy International	To secure the transaction and permit sufficient time for office configuration works.

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