



Please reply to:

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Date: 21 July 2023

Notice of meeting

Development Sub-Committee

Date: Monday, 31 July 2023

Time: 7.00 pm

Place: Council Chamber, Council Offices, Knowle Green, Staines-upon-Thames TW18 1XB

To the members of the Development Sub-Committee

Councillors:

H.R.D. Williams (Chair)
S.N. Beatty (Vice-Chair)
M. Beecher
M. Bing Dong

T. Burrell
R. Chandler
M. Gibson
K. Howkins

N. Islam
L. E. Nichols
J.R. Sexton

Substitute Members: Councillors C. Bateson, J.T.F. Doran, S.M. Doran, S.A. Dunn, A. Gale, M. Arnold and K. Rutherford

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 & Substitutions

To receive any apologies for non-attendance and details of Member substitutions.

2. Minutes

5 - 14

To confirm as a correct record the minutes of the meeting held on 03 July 2023.

3. Disclosures of Interest

To receive any disclosures of interest from members in accordance with the Members' Code of Conduct.

4. Questions from members of the Public

The Chair, or his nominee, to answer any questions raised by members of the public in accordance with Standing Order 40.

At the time of publication of this agenda no questions were received.

5. Ward Issues

To consider any issues raised by ward councillors in accordance with Standing Order 34.2

At the time of publication of this agenda no ward issues were received.

6. Urgent Actions

To consider any urgent action that have arisen since last meeting.

7. Forward Plan

15 - 18

The Committee noted the Forward Plan for Development Sub-Committee business.

8. Asset Management Strategy Workshop

To nominate up to four members of the Development Sub-Committee to attend the Asset Management Strategy Workshop in September

9. Commercial Assets Sub-Committee

19 - 28

To consider and agree the terms of reference for the Commercial Assets Sub-Committee, and to agree to make changes to the terms of

reference for the Development Sub-Committee.

10. Exclusion of Public and Press (Exempt Business)

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

11. Local Authority Housing Fund Property Acquisition

29 - 42

To consider a report on a Local Authority Housing Fund Residential Acquisition.

12. White House Residential - Verbal update

To receive a verbal update on White House Residential from the Development Management Consultant

13. Ashford multi Storey Car Park - Verbal Update

To receive a verbal update on the Ashford Multi Storey Car Park from the Development Management Consultant

14. Thameside House - Verbal Update

To receive a verbal update on Thameside House from the Development Management Consultant

15. Leisure Centre - Verbal Update

To receive a verbal update on the new Leisure Centre from the Development Management Consultant

16. Refurbishment Projects Update

43 - 54

To receive an update from the Principal Asset Manager on the refurbishment projects.

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**Minutes of the Development Sub-Committee
3 July 2023**

Present:

Councillors:

S.N. Beatty	T. Burrell	H.R.D. Williams
M. Beecher	R. Chandler	
M. Bing Dong	K. Howkins	

Substitutions: Councillors C. Bateson (In place of L. E. Nichols)
S.A. Dunn (In place of M. Gibson)
K. Rutherford (In place of J.R. Sexton)

Apologies: Councillors M. Gibson, N. Islam, L.E. Nichols and J.R. Sexton

77/23 Nominations for Chair and Vice-Chair

It was proposed by Councillor Beecher, seconded by Councillor Rutherford and **resolved** that Councillor Williams be appointed as Chair for the meeting.

It was proposed by Councillor Beecher, seconded by Councillor Rutherford and **resolved** that Councillor Williams be nominated as Chair of the Development Sub-Committee for the remainder of the municipal year 2023/24.

It was proposed by Councillor Burrell, seconded by Councillor Williams and **resolved** that Councillor Beatty be nominated as Vice-Chair of the Development Sub-Committee for the remainder of the municipal year 2023/24.

The appointments would be considered at Council on 13 July 2024.

78/23 Apologies for absence & Substitutions

Apologies were received from Councillor Gibson, Councillor Islam, Councillor Nichols and Councillor Sexton.

Councillor Dunn attended as substitute for Councillor Gibson, Councillor Bateson attended as substitute for Councillor Nichols, and Councillor Rutherford attended as substitute for Councillor Sexton.

79/23 Minutes

The minutes of the meeting held on 19 June 2023 were agreed as a correct record of proceedings.

80/23 Disclosures of Interest

Councillors Beatty, Beecher, Burrell, Howkins and Williams advised the Committee that they were members of the Planning Committee and therefore would not be making comment on any applications due to come before the Planning Committee.

81/23 Questions from members of the Public

There were none.

82/23 Ward Issues

There were none.

83/23 Urgent Actions

Committee were informed of an urgent action at Thames Tower.

84/23 Forward Plan

The Committee noted the forward plan.

85/23 Frequency of Development Sub-Committee meetings

The Committee discussed the frequency of the Development Sub-Committee meetings.

The Committee **resolved** to agree that the next meeting would be held on Monday 31 July 2023 and subsequent meetings would take place once a month starting from 4 September 2023.

86/23 Terms of Reference

The Committee discussed the Terms of Reference for the Development Sub-Committee.

87/23 PIR Action Plan

The Committee received a report from the Group Head – Assets on the proposed action plan to address the recommendations of the Public Interest Report.

The Group Head – Assets advised the Committee that it had been agreed with members of the Audit Committee that an action plan would be presented to that Committee in July 2023. The Action plan was presented to members of the Development Sub-Committee first for further feedback. The Committee were advised that the action plan would work alongside the proposed Asset Management Strategy. The Group Head – Assets requested that three or four members of Development Sub-Committee were nominated to provide further feedback on the Asset Management Strategy. These members would be agreed at the next Development Sub-Committee on 31 July 2023.

The Committee advised that they wanted members to have involvement in the final version of the document. The Chair advised the Committee that the Financial Reporting Working Group would be working with Finance and Assets in order to make reports more accessible to members.

The Committee queried who was on the Financial Reporting Working Group and were advised that at present it was Councillors Boughtflower, Islam, Nichols, and Williams.

The Committee **resolved** to amend the recommendation in the report.

The Committee **resolved** to note the proposed actions to address the recommendations in the Public Interest Report and to ask the Group Head – Assets to further refine the proposed actions in consultation with the Financial Reporting Working Group.

88/23 Exclusion of Public and Press (Exempt Business)

It was proposed by Councillor Bateson, seconded by Councillor Beecher and **resolved** that the public and press be excluded during the remainder of the agenda items, in accordance with paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) because it was likely to disclose 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

89/23 Local Authority Housing Fund (LAHF) Property Acquisitions

The Committee received a report from the Group Head – Assets on the acquisition of further properties from the Local Authority Housing Fund.

The Committee **resolved** to agree to the recommendations set out in the report.

90/23 2nd Floor, Charter Building - Separation Works

The Committee received a verbal update from the Asset Management Consultant on the separation works for 2nd Floor, Charter Building and 3 Roundwood Avenue.

The Committee **noted** the updates.

91/23 Oast House Update

The Committee received a verbal update from the Development Management Consultant on the Oast House.

The Committee **noted** the update.

92/23 Urgent Item - Thames Tower

The Committee received a report from the Principal Asset Manager, on a tenant at Thames Tower.

The Committee **resolved** to agree to the recommendation as set out in the report.



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 21 July 2023 to 6 November 2023

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
Development Sub-Committee 31 07 2023	Commercial Assets Sub-Committee	Non-Key Decision	Public	Coralie Holman, Group Head Assets
Development Sub-Committee 31 07 2023	LAHF Property Acquisition	Non-Key Decision	Private	Sonia Hazlehurst, Buisness Support Manager, Coralie Holman, Group Head Assets
Development Sub-Committee 31 07 2023	White House Residential	Non-Key Decision	Private	Richard Galland, Development Management Consultant
Development Sub-Committee 31 07 2023	Ashford multi Storey Car Park - Verbal Update	Non-Key Decision	Private	Richard Galland, Development Management Consultant
Development Sub-Committee 31 07 2023	Thameside House - Verbal Update	Non-Key Decision	Private	Richard Mortimer, Development Management Consultant
Development Sub-Committee 31 07 2023	Leisure Centre - Verbal Update	Non-Key Decision	Private	Richard Mortimer, Development Management Consultant
Development Sub-Committee 31 07 2023	Refurbishment Projects Update	Non-Key Decision	Private	Sian Bowen, Principal Asset Manager
Development Sub-Committee 04 09 2023	12 Hammersmith Grove - Annual Business Plan	Non-Key Decision	Private	Jeremy Gidman, Asset Management Consultant

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Development Sub-Committee 04 09 2023	Ashford Victory Place	Non-Key Decision	Private	Richard Mortimer, Development Management Consultant
Development Sub-Committee 04 09 2023	Benwell Phase 2 - Verbal Update	Non-Key Decision	Private	Richard Galland, Development Management Consultant
Development Sub-Committee 04 09 2023	Tothill Development Options - Verbal Update	Non-Key Decision	Private	Richard Mortimer, Development Management Consultant
Development Sub-Committee 02 10 2023	Asset Management Strategy	Non-Key Decision	Private	Coralie Holman, Group Head Assets
Development Sub-Committee 02 10 2023	Oast House Full Update	Non-Key Decision	Private	Richard Mortimer, Development Management Consultant
Development Sub-Committee 02 10 2023	Summit Centre	Non-Key Decision	Private	Jeremy Gidman, Asset Management Consultant
Development Sub-Committee 06 11 2023	Leisure Centre - Verbal Update	Non-Key Decision	Private	Richard Mortimer, Development Management Consultant

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Development Sub Committee



31 July 2023

Title	Terms of Reference for the proposed Commercial Assets Sub-Committee and existing Development Sub-Committee
Purpose of the report	To make a decision
Report Author	Coralie Holman, Group Head of Assets
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	
Corporate Priority	Economic Development, Community, Recovery
Recommendations	<p>Committee is asked to agree:</p> <ol style="list-style-type: none"> 1. Terms of reference for the new Commercial Assets Sub-Committee as set out in this report; and 2. To make changes to the terms of reference to the Development Sub-Committee 3. To note that any constitutional changes required as a result of the recommendations in this report will be considered by the Standards Committee on 4th October 2023.
Reason for Recommendation	To ensure the remit of each Sub-Committee is properly defined in terms of the purpose and structure of its role.

1. Summary of the report

- 1.1 The Leader and Deputy Leader have expressed a desire to create a new sub-committee to consider commercial investment properties only. At the Corporate Policy & Resources Committee meeting on 17th July, agreement was obtained for the creation of the Sub committee. This agreement was subject to determination of the Terms of Reference (ToR) for the new sub committee and amendments needed to the ToR for the existing Development Sub Committee, being approved by the existing Development Sub Committee.
- 1.2 The attached draft ToRs have been prepared to reflect the roles of each of these committees, following approval in October 2023, by the Standards Committee and then at the Full Council meeting also in October this year.

2. Background

- 2.1 Following the issue of the Public Interest Report in December 2022, members have requested greater scrutiny over commercial investment assets.
- 2.2 The creation of a new sub-committee will solely determine matters relating to commercial assets, providing the forum for greater focus on these assets.

3. Key issues

- 3.1 The suggested ToR for the new sub-committee are attached as Appendix A. Once the new sub committee is operational, changes will be required to the current ToR to the Development Sub-Committee to provide clarification and avoid duplication with the remit of the new Commercial Assets Sub-Committee (“CASC”) as shown at Appendix B.
- 3.2 The ToR of the new sub-committee and amendments to the terms of reference to the Development Sub-Committee will require changes to the Constitution.
- 3.3 Changes to the Council’s Constitution have to be considered by Standards Committee first before final approval by Council.
- 3.4 The Committee may also consider if the Development Sub-Committee should be given another name to better reflect the amended remit.

4. Options

Option 1

- 4.1 Do nothing – make no changes to the current Development Sub-Committee.

Option 2 (Recommended)

- 4.2 Agree to adopt the terms of reference attached at Appendix A and agree to the changes to the terms of reference to Development Sub-Committee as shown at Appendix B.

5. Financial implications

- 5.1 As the new sub committee has been approved in principle and this report relates solely to the ToR, there are no direct financial implications.

6. Procurement considerations

- 6.1 There are none.

7. Legal considerations

- 7.1 There are no direct legal implications however any changes to sub-committees will need to be reflected in the Constitution as noted in the report.

8. Other considerations

- 8.1 None.

9. Timetable for implementation

Changes to the Constitution to be considered by Standards Committee on 4th October 2023 with referral to Council on 19th October 2023. Meeting of the Independent Remuneration Panel to be confirmed.

10. Contact

Coralie Holman

c.holman@spelthorne.gov.uk

Background papers: There are none.

Appendices:

Appendix A	Terms of reference - Commercial Assets Sub-Committee
Appendix B	Amended terms of reference – Development Sub-Committee

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APPENDIX A

Commercial Assets Sub-Committee

Objective:

Within the overall policies and strategies set by the Council, to provide leadership, decision making and accountability for the management of the Council's Investment properties and commercial assets within the Council's regeneration programme.

Membership

A minimum of 7 Members reflecting political balance, with at least 1 member from each political party.

Functions

1. Acquisitions relating directly to Regeneration purposes only (acquiring assets for alternative purposes is not covered via the Objectives of this Sub-Committee)
 - (a) To receive recommendations from officers (where officer/member delegation financial limits are exceeded) as to possible new strategic property acquisitions for regeneration purposes only.
 - (b) Following (a) above, to give an initial steer on whether to investigate further those potential acquisitions.
 - (c) Following (b) above and any subsequent reports from officers, to make recommendations to the Corporate Policy & Resources Committee to proceed with acquisitions in accordance with relevant Council procedure rules.
2. Disposals
 - (a) To receive recommendations from officers (where officer/member delegation financial limits are exceeded) as to the potential freehold (or long leasehold) disposal of investment assets and/or commercial assets within the regeneration programme.
 - (b) To receive recommendations from officers (where officer/member delegation financial limits are exceeded) as to the potential joint venture initiative involving investments assets and/or commercial assets within the regeneration programme.
 - (c) Following (a) or (b) above to give an initial steer on whether to investigate further those potential disposals or joint venture initiatives.
 - (d) Following (c) above and any subsequent reports from officers, to make recommendations to the Corporate Policy & Resources Committee to proceed with the particular freehold (or long leasehold) disposal or joint venture initiative in accordance with the relevant Council procedure rules.
 - (e) To receive recommendations from officers and approve (or otherwise) any proposals for the granting of a new or reversionary lease at an aggregated rent over the term which exceeds officer delegation levels.
2. Management of Investment Assets and Commercial Assets within the Regeneration Programme
 - (a) To approve leasehold disposals (lettings) in investment assets (where officer/member delegation financial limits are exceeded)
 - (b) To approve the change of use of investment assets and commercial assets with the regeneration programme including recommendations to the Corporate

Policy and Resources Committee and the Development Sub Committee regarding alternative use or classification of the asset.

- (c) To receive monthly update reports on the management of the investment assets in accordance with the adopted Asset Management Strategy, including rental income, potential letting opportunities, pending break option and lease expiries over the next 12-month period, significant assignments and any other estate management issues based on officer recommendations.
- (d) To approve the exercise of a break option under the terms of lease of land or property where officer/member delegation financial limits are exceeded.
- (e) To approve or agree to the surrender of a lease of land or property where officer/member delegation financial limits are exceeded.
- (f) To receive monthly arrears reports on each individual asset/tenant within the investment portfolio by rent quarters.
- (g) To be notified of any potential arrears and issues being faced by individual tenants (including taking decisions on tenant requests to change from quarterly to monthly payments or rent deferment requests) where the rental income exceeds £100,000pa and to be advised of steps being taken by officers to mitigate that risk.
- (h) To receive quarterly reports on the Investment Sinking Funds and to be notified of any change of adverse impact and mitigation measures which are being taken to address.
- (i) To receive notification of and authorize any non-budgeted capital expenditure or any capital expenditure over £50,000. on the investment portfolio.
- (j) To approve, the settlement of rent reviews, lease renewals or lease re-structuring negotiations in respect of the Investment assets where officer/member delegation financial limits are exceeded.
- (k) To review, advise on and approve formal reporting of the investment portfolio to CPRC and/or full council to include Asset Investment Strategies, Business Plans, Key Performance Indicators, Risk Registers, and half yearly update reports.

3. Frequency

Monthly day time meetings. Where meetings are not necessary for lack of business they will be cancelled.

APPENDIX B

Non-Commercial Development Sub-Committee

Objective:

Within the overall policies and strategies set by the Council, to provide leadership, decision making and accountability for the implementation of the Council's planned programme of capital works, both housing and large - scale municipal schemes, as well as decision making in respect of the management of the non-commercial Council's Assets.

Membership

7 Members reflecting political balance.

Functions

1. Acquisitions
 - (a) To receive recommendations from officers (where officer/member delegation financial limits are exceeded) as to possible new property acquisitions excluding strategic property acquisitions for regeneration purposes.
 - (b) Following (a) above, to give an initial steer on whether to investigate further those potential acquisitions
 - (c) Following (b) above and any subsequent reports from officers, to make recommendations to the Corporate Policy & Resources Committee to proceed with particular acquisitions in accordance with relevant Council procedure rules.

2. Disposals
 - (a) To receive recommendations from officers (where officer/member delegation financial limits are exceeded) as to the potential freehold (or long leasehold) disposal of property assets
 - (b) Following (a) above, to give an initial steer on whether to investigate further those potential disposals
 - (c) Following (b) above and any subsequent reports from officers, to make recommendations to the Corporate Policy & Resources Committee to proceed with particular freehold (or long leasehold) disposals in accordance with relevant Council procedure rules.

3. Management of Non-Commercial Strategic Investments and residential developments
 - (a) To approve leasehold disposals (lettings) in residential developments and municipal properties (where officer/member delegation financial limits are exceeded)
 - (b) To approve the transfer of residential property assets from and to Knowle Green Estates Ltd if deemed necessary for the appropriate and effective management of the estate
 - (c) To receive quarterly reports on the management of the non-commercial investment assets, including rental income, potential letting opportunities, significant assignments and any other estate management issues based on officer recommendations.
 - (d) To approve the exercise of a break option under the terms of lease of land or property where officer/member delegation financial limits are exceeded.
 - (e) To approve or agree to the surrender of a lease of land or property where officer/member delegation financial limits are exceeded.

4. Management of Municipal Portfolio

- (a) To approve leasehold disposal (lettings) of municipal properties which exceed officer/member financial delegation limits
- (b) To approve the exercise of a break option under the terms of lease of land or property where officer/member delegation financial limits are exceeded.
- (c) To approve or agree to the surrender of a lease of land or property where officer/member delegation financial limits are exceeded.

5. Non-Commercial Development

- (a) To fully review the business case for all potential development projects including scheme detail, build costs, risks and issues and financial performance including viability
- (b) To oversee the budget for each approved project and the effective implementation of the council’s development programme
- (c) To approve the award of development contracts over the Public Contracts Regulations threshold or where the requirement is strategic/critical in accordance contract standing orders
- (d) To receive reports from officers and make decisions as set out on the Development-Gateway stages - Appendix A to this document. This includes instances (at any point in the Gateway stage process) where there has been any variance of projected costs over and above the agreed budget (whether the budget was set by the P&R Committee in a specific report, or in the Capital Programme).
- (e) To receive bi-monthly “Red, Amber and Green’ rating reports on all approved development projects. To include high-level finance projections, risk registers and project timeline.
- (f) To receive bi-annual presentations of the longer-term expenditure plan across the development portfolio which is to indicate future funding streams and expectations.
- (g) To receive an annual report on progress and success, setting out performance against any targets (including projected expenditure and costs).

Appendix A – Development-Gateway stages

Five stages of sign off:

1. Acquisition/Feasibility
2. Outline design
3. Detailed design prior to planning permission application
4. Construction
5. Transfer to business as usual

Stage	Decision	Reference back to CP&R	Documentation required
Acquisition/feasibility	To undertake initial design development	For actual purchase if appropriate.	Project brief

Part 3 section (b)

	up to feasibility stage. Appointment of consultants if decision at committee level is under contract standing orders.		
Outline design	To progress to Concept design (RIBA stage 2) up to planning submission	If supplementary expenditure required	Outline design and project progress report
Detailed design	To sign off detailed design (RIBA stage 3-4) post grant of planning permission. Sign off tender for contractor if required under CSOs.	If supplementary expenditure required	Detailed design and project progress documentation
Construction	To award the contract for the contractor if required under CSOs. To progress to construction	If supplementary expenditure required	Tender report and project progression documentation
Transfer to business as usual	To make any transfer to KGE. Project sign off	Report to note on outcome	Project completion documentation.

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