



Please reply to:

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Date: 27 November 2024

Notice of meeting

Business, Infrastructure and Growth Committee

Date: Thursday, 5 December 2024

Time: 7.00 pm

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

To the members of the Business, Infrastructure and Growth Committee

Councillors:

H.R.D. Williams (Chair)	M. Beecher	S. Gyawali
J.R. Boughtflower (Vice-Chair)	T. Burrell	N. Islam
C. Bateson	D.C. Clarke	A. Mathur
S.N. Beatty	M. Gibson	

Substitute Members: Councillors J. Button, J.P. Caplin, A. Gale, D.L. Geraci,
L. E. Nichols and D. Saliagopoulos

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 and Substitutes**

To received any apologies for non-attendance and details of Member substitutions.
- 2. Minutes** **5 - 16**

To confirm as a correct record the minutes of the meeting held on 12 September 2024 and the Extraordinary meeting on 16 September 2024.
- 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. Forward Plan** **17 - 20**

To note the Forward Plan for future business.
- 6. Business, Infrastructure & Growth Budget, Fees and charges, and Revenue Growth Bids for 2025/26** **21 - 28**

To consider and recommend to Corporate Policy & Resources Committee that they approve the proposed Budget, Fees and Charges, and Growth Bids for the Business, Infrastructure and Growth Committee.
- 7. Council Land and Property Disposals** **29 - 46**

To consider and make a recommendation to Council in relation to the proposed initial disposal of the Freehold Interest of Ashford Victory Place, Ashford
- 8. HSR/SLR Working Group Terms of Reference** **47 - 48**

To consider and approve the Terms of Reference for the HSR/SLR Working Group.

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**Minutes of the Business, Infrastructure and Growth Committee
12 September 2024**

Present:

Councillor H.R.D. Williams (Chair)

Councillors:

C. Bateson

T. Burrell

S. Gyawali

S.N. Beatty

D.C. Clarke

A. Mathur

M. Beecher

M. Gibson

Apologies: Councillors J.R. Boughtflower and N. Islam

9 Apologies and Substitutes

Apologies were received from Councillor Boughtflower and Councillor Islam.

10 Minutes

The minutes of the meeting held on 06 June 2024 were agreed as a correct record.

11 Disclosures of interest

There were none.

12 Questions from members of the Public

There were none.

13 Forward Plan

The Sub-Committee resolved to note the Forward Plan.

14 Development Site, Delivery Prioritisation

The Committee considered a report on the Development Delivery Strategy and the prioritisation list of development sites. The Group Head Assets advised that following Councillor led workshops in March and April the

Development Delivery Strategy was recommended for approval by the Development Sub-Committee in May 2024. The Committee were advised that the Development Sub-Committee had requested that a site prioritisation list be included.

The Committee asked how the prioritisation list had been created and were advised that it was based on the social value of the development and the cost of holding on to the site.

The Committee queried at which stage residents would be consulted. The Group Head Assets advised that the strategy is intended as a high level look at the process and does not contain that level of detail however it was intended that resident consultation would happen in parallel with ward councillor consultation.

The Committee asked for clarification as to what infrastructure would be included with the development sites and were advised that the infrastructure would vary and be site dependent.

The Committee asked if there could be a template for ward councillors to use when providing feedback at consultations however it was felt that it was better to take a less restrictive approach allowing more freeform feedback. The Group Head Assets stated that there could be a standard template for how the results of consultations were fed back to the Committee.

The Committee noted that the Development Delivery Strategy was to be reviewed annually and suggested periodic review may be more appropriate. The Committee queried what would happen if an opportunity came available to progress one of the sites outside the scheduled prioritisation timescales. The Group Head Assets advised that they were continually considering all options for the sites and if a viable opportunity arose it would be presented to the Committee for a decision.

It was proposed by Councillor Clarke, seconded by Councillor Bateson and **resolved** to exclude the public and press be excluded for the remainder of the item, 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 finalizing acceptable contract terms.

The meeting returned to open session.

The Committee **resolved** to recommend to Council to:

1. Approve the introduction of a Development Delivery Strategy.
2. Approve the form and content of the draft Development Delivery Strategy attached to this report.

3. Approve the prioritisation list of development site delivery.
4. Approve that the prioritisation list of development site delivery shall form part of the Development Delivery Strategy.

15 Urgent Action

The Committee were informed of an Urgent Action in relation to Ashford Cemetery Lodge.

The meeting ended at 19:38

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**Minutes of the Extraordinary
Business, Infrastructure and Growth Committee
16 September 2024**

Present:

Councillor H.R.D. Williams (Chair)
Councillor J.R. Boughtflower (Vice-Chair)

Councillors:

C. Bateson	T. Burrell	S. Gyawali
S.N. Beatty	D.C. Clarke	N. Islam
M. Beecher	M. Gibson	

Substitutions: Councillors K. Howkins

Apologies: Councillors A. Mathur

16 Apologies and Substitutes

Apologies were received from Councillor Mathur. Councillor Howkins attended as their substitute.

17 Disclosures of interest

There were none.

18 Southern Access to Heathrow - rail proposals

The Committee considered a report on rail proposals for Southern access to Heathrow. The Group Head for Place, Protection and Prosperity outlined the schemes and their key objectives, and set out the three options available for consideration.

It was proposed by Councillor Williams, seconded by Councillor Boughtflower and **resolved** that the recommendation in the report be amended to the following:

Option 1 – To recommend to Council that Council fully support Heathrow Southern Rail (HSR).

Option 2 – To recommend to Council that Council fully support Southern Light Rail (SLR).

Option 3 – The Committee agree to defer any indicative decision of support for either scheme due to the lack of definitive information: instead to set up an all-party working group to examine all options in detail and report back to this Committee. Any final decision to be referred for a vote to full Council.

The Committee queried if either scheme was dependent on a third runway at Heathrow or a hotel development within Staines and were assured that they were not.

The Committee suggested that if a decision was taken to form a Working Group that part of their remit should be to consider wider implications including how best to get people to the train station in Staines and suggested talking with Surrey County Council regarding buses.

The Committee queried whether there was any urgency for a decision to be made on which scheme the Council would support. The Group Head for Place, Protection and Prosperity advised that much of the missing detail for the schemes may not be available until either scheme reaches the development consent order phase. The Committee were advised that conversations would need to be had with HSR and SLR as to what additional information could be provided to members to aid in decision making. The Committee were informed that there was probably no need for a decision this year.

The Committee referred to the ARUP report which stated that fare revenues would be complimented by parking revenues and queried where the parking revenues would come from. The Group for Head Place, Protection and Prosperity advised that when the report was put together it was pre-Covid and when a third runway was being considered. At that time a car park at Hithermore was also considered.

The Committee queried the projected cost estimate from 2019 for the SLR scheme of £400m and asked whether there was an updated figure. The Committee were advised that no further forecasting had been done but this could be an area to be considered should a Working Group be set up. The Committee were further informed that the light rail solution would cost around a third of the heavy rail solution.

The Committee reflected on a comment made by Heathrow Airport Limited that there was no physical infrastructure in place to accommodate SLR at Terminal 5. The Committee were advised that there had been previous significant discussions with Heathrow on options to provide SLR access. One of the recommendations from the ARUP scheme was for the SLR to review the connection of the light rail to Terminal 5.

The Committee requested that whoever is developing the scheme could provide information on the estimate of the carbon emissions their project would produce, including the downstream carbon emissions of Heathrow expanding.

The Committee observed that many of the documents they had been presented with had been created in 2016 – 2019 and needed to be refreshed. The Chief Executive advised that up to date figures for both schemes needed to be updated and that while much of the context may have changed, the basic premise of the SLR scheme was still to serve a Heathrow with two runways.

Councillor Gibson requested a named vote.

Option 1	0
Option 2	0
Option 3	Councillors Bateson, Beatty, Beecher, Boughtflower, Burrell, Clarke, Gibson, Gyawali, Howkins, Islam and Williams - 11

The Committee **resolved** to defer any indicative decision of support for either scheme due to the lack of definitive information: instead to set up an all-party Working Group to examine all options in detail and report back to this Committee. Any final decision to be referred for a vote to full Council.

Councillors Bateson, Beecher, Boughtflower, Burrell, Clarke, Gibson, Howkins and Williams expressed an interest in joining the Working Group once the Terms of Reference had been established.

The meeting ended at 21:20

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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 20 November 2024 to 1 April 2025

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
Business, Infrastructure and Growth Committee 05 12 2024	Business, Infrastructure and Growth - Budget, Fees and Charges, and Revenue Growth Bids for 2025/26	Non-Key Decision	Public	Mahmud Rogers, Joint Financial Services Manager
Business, Infrastructure and Growth Committee 05 12 2024 Corporate Policy and Resources Committee 09 12 2024 Council 12 12 2024	Council Land and Property Disposals	Key Decision	Part-exempt	Coralie Holman, Group Head - Assets
Business, Infrastructure and Growth Committee 05 12 2024	HSR/SLR Working Group Terms of Reference	Non-Key Decision	Public	Councillor Howard Williams, Chair of Business, Infrastructure & Growth Committee
Business, Infrastructure and Growth Committee 16 01 2025	Ashford Multi Storey Car Park Development Proposal	Key Decision	Public	Coralie Holman, Group Head - Assets
Business, Infrastructure and Growth Committee 16 01 2025	Partnership Working to Deliver Infrastructure to support new homes	Non-Key Decision	Public	Heather Morgan, Group Head - Place, Protection and Prosperity

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Business, Infrastructure and Growth Committee 16 01 2025	Town Centre Infrastructure to Prevent Antisocial Behaviour	Non-Key Decision	Public	Chris Norrington, Economic Development Manager
Business, Infrastructure and Growth Committee 13 03 2025	Oast House Listed Building Options Update	Non-Key Decision	Public	Kamal Mehmood, Strategic Lead for Leisure and Community Development, Heather Morgan, Group Head - Place, Protection and Prosperity

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Business Infrastructure and Growth Committee

5 December 2024



Title	<i>Business, Infrastructure & Growth - Budget, Fees and Charges, and Revenue Growth Bids for 2025/26</i>
Purpose of the report	To make a decision and recommendation to Corporate Policy and Resources Committee
Report Author	<i>Mahmud Rogers Joint Financial Services Manager</i>
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	<i>n/a</i>
Corporate Priority	Resilience
Recommendations	<p>Committee is asked to:</p> <ol style="list-style-type: none"> 1. Review the Budget, <i>Fees and Charges, and Revenue Growth Bids for Business, Infrastructure & Growth Committee</i> 2. Approve the Budget, Fees and Charges, and Growth Bid proposals for Business, Infrastructure and Growth Committee. 3. Recommend to Corporate Policy & Resources Committee that the approve the proposed Budget, Fees and Charges, and Growth Bid proposals for Business, Infrastructure and Growth Committee.
Reason for Recommendation	<i>Councils have a statutory duty to balance their budgets. It is important that we take a medium-term approach in ensuring that we can take action sufficiently early to ensure the Council's Revenue Budget remains financially sustainable.</i>

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> • A robust budget planning process helps organisations to manage their resources with economy, efficiency and effectiveness • Once the Outline Budget has been considered by Corporate Policy and Resources Committee in December, it is anticipated that further savings across the Committee will need to be 	<ul style="list-style-type: none"> • To have a robust and sustainable 2025/26 budget that meets the needs of the service and provides a resilient financial position to the Council as a whole. • The 2025/26 Budget planning process commenced in May 2024 and must be completed and approved by Council in February 2025.

identified, and that Committees will be asked to address this in the January/February cycle	
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> • Committee reviews and agrees revenue growth bids and fees & charges 	<ul style="list-style-type: none"> • That this Committee review the proposed Budget, Fees and Charges and Growth Bid proposals • Approve the proposed Budget, Fees and Charges, and Growth Bids • Recommend that Corporate Policy & Resources Committee approve the proposed Fees and Charges, and Growth Bids for 2025-2026.

1.1 This report seeks to present the Budget, Fees and charges, Capital, and Savings plan for Business, Infrastructure & Growth. The purpose is to give the Committee an early opportunity to comment and shape the Budget before it is further refined after Christmas

2. Key issues

2.1 The attached appendixes give full detail of the Budget, Fees and Charges, Capital bids, Revenue Growth and Savings proposed.

Fees and Charges

2.2 A general uplift in discretionary fees and charges of 4% has been applied as the default, except where managers have undertaken benchmarking and provided a rationale for a different uplift, with figures rounded as per the direction from February 2023 Corporate Policy and Resources. Of particular note property fees are increasing, market pitching fees are frozen.

Revenue Growth and savings bids

2.3 No revenue savings proposed. The Jobs & Skills Hub and the Innovation Centre have carried out a zero-based budget exercise (branded within Spelthorne Delivery Based Budgeting) and present the whole of their budgets as a revenue growth request. Of note is the one-off £40k revenue growth bid for a potential Ashford Business Improvement District.

Capital Bids

2.4 No capital growth bids requested.

2.5 The Committee has the opportunity to comment on any of the fees and charges, savings or growth items.

3. Options analysis and proposal

3.1 The Committee has the opportunity to comment on any of the fees and charges, savings or growth items.

4. Financial management comments

4.1 The higher the proportion of growth items accepted at this stage and the lower the proportion of savings items accepted at this initial stage of the Budget the more savings are likely to be asked of the Committee in the January cycle. Equally if the proposed fees and charges are trimmed back more income or savings will need to be found elsewhere.

5. Risk management comments

5.1 When considering savings proposals, we need to consider the risk of any adverse impact on service delivery capacity.

6. Procurement comments

6.1 n/a

7. Legal comments

7.1 n/a

8. Other considerations

8.1 n/a

9. Equality and Diversity

9.1 When savings involve reductions to service appropriate Equality Impact Assessments need to be undertaken

10. Sustainability/Climate Change Implications

10.1 n/a

11. Timetable for implementation

11.1 An aggregated report of all the Committees approved Budget, Fees and Charges, Revenue Growth and Savings will be sent to Corporate Policy and Resources Committee for final approval, before a report recommending the 2025-26 Budget, Fees and Charges, Revenue Growth and Savings is sent to Council for their approval at the 27 February 2025 Council meeting.

11.2 Once agreed by Council, the fees and charges proposed are to be implemented from 1 April 2025.

12. Contact

12.1 Mahmud Rogers, Joint Financial Services Manager
m.rogers@spelthorne.gov.uk

Background papers: There are none.

Appendices:

Appendix 1 – Business, Infrastructure & Growth - Revenue Growth at 15.11.24

Appendix 2 – Business, Infrastructure & Growth - Fees and Charges 8.11.24

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Details of Growth Bid	FTE	FTE / Statutory / Discretionary / Funding	Reason for Growth Bid	Service Area	Committee	Amount £	Funding £	Full / Part Year	Ongoing or one off	General Fund Net Cost 2025/26 £	General Fund Net Cost 2026/27 £	General Fund Net Cost 2027/28 £	General Fund Net Cost 2028/29 £
Jobs & Skills Hub		Discretionary	Zero based budget exercise - DWP funding confirmed at £42K. SCC funding. The budget was reset to zero, due to zero based budgeting, and this is the net service cost of running the service. Budget has increased by £117,200 from 24-25 to 25-26.	Economic Development	Business Infrastructure Committee	117,200		Full		117,200			
Innovation Centre		Discretionary	Zero based budget exercise - estimates for running the Business Hub. The budget was reset to zero, due to zero based budgeting, and this is the net service cost of running the service. Budget has increased by £27,100 from 24-25 to 25-26.	Economic Development	Business Infrastructure Committee	18,500		Full		18,500			
Ashford BID		Discretionary	Following on from the Staines BID, proposal to submit a business case for a similar BID for Ashford.	Economic Development	Business Infrastructure Committee	40,000		Full	One off	40,000			
	0.00					175,700	0			175,700	0	0	0

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Fees and Charges

2025/26



Printed Date: 08/11/2024

Last modified: 08/11/2024

A full schedule of the fees and charges for all Council services for the coming year

Business Infrastructure-Growth

Asset Management

Property Fees

Work charges (general fees)

	Record	2024/25 Charge	2025/26 Charge	VAT	Statute
Consent under Lease (assignment, alterations etc.)	1,493	£464.00	£485.00	S	Discretionary
Disposal of Council land (at third party's request)	1,496	£871.00	£905.00	S	Discretionary
Entering into a new Lease	1,487	£871.00	£905.00	S	Discretionary
Entering into a new Licence	1,488	£464.00	£485.00	S	Discretionary
Lease Renewal (substantially new terms)	1,489	£697.00	£725.00	S	Discretionary
Lease Renewal (substantially same terms as before)	1,490	£523.00	£545.00	S	Discretionary
Licence Renewal (substantially new terms)	1,491	£377.00	£390.00	S	Discretionary
Licence Renewal (substantially same terms as before)	1,492	£290.00	£300.00	S	Discretionary
New Wayleave, Easement etc.	1,494	£581.00	£605.00	S	Discretionary
Regularisation of encroachment	1,495	£581.00	£605.00	S	Discretionary

Work charges (third sector fees)

	Record	2024/25 Charge	2025/26 Charge	VAT	Statute
Consent under Lease (assignment, alterations etc.)	1,503	£233.00	£240.00	S	Discretionary
Disposal of Council land (at third party's request)	1,506	£871.00	£905.00	S	Discretionary
Entering into a new Lease	1,497	£435.00	£450.00	S	Discretionary
Entering into a new Licence	1,498	£233.00	£240.00	S	Discretionary
Lease Renewal (substantially new terms)	1,499	£348.00	£360.00	S	Discretionary
Lease Renewal (substantially same terms as before)	1,500	£261.00	£270.00	S	Discretionary

Fees and Charges

Printed Date: 08/11/2024

Last modified: 08/11/2024

				VATII	
Licence Renewal (substantially new terms)	1,501	£185.00	£190.00	S	Discretionary
Licence Renewal (substantially same terms as before)	1,502	£144.00	£150.00	S	Discretionary
New Wayleave, Easement etc.	1,504	£290.00	£300.00	S	Discretionary
Regularisation of encroachment	1,505	£290.00	£300.00	S	Discretionary

Staines Market

Markets

Staines High Street

	Record	2024/25 Charge	2025/26 Charge	VAT	Statute
Ad Hoc Rentals (Price on Application)	1,425			S	Discretionary
Casual Pitch (Friday)	1,252	£52.00	£52.00	S	Discretionary
Casual Pitch (Saturday)	109	£59.00	£59.00	S	Discretionary
Causal Pitch (Wednesday)	108	£52.00	£52.00	S	Discretionary
Permanent Pitch (Friday)	111	£47.00	£47.00	S	Discretionary
Permanent Pitch (Saturday)	110	£52.00	£52.00	S	Discretionary
Permanent Pitch (Wednesday)	1,253	£47.00	£47.00	S	Discretionary

Business Infrastructure & Growth Committee -

5 December 2024

Corporate Policy & Resources Committee -

9 December 2024



Title	<i>Council Land and Property Disposals</i>
Purpose of the report	To seek approval to progress a disposals programme and to recommend to full Council an initial disposal of the Freehold Interest of Ashford Victory Place, Ashford
Report Author	<i>Coralie Holman – Group Head Assets</i>
Ward(s) Affected	All
Exempt	<i>Main Report – No Appendix 1 and 4 - No Appendices 2 and 3 – Yes</i>
Exemption Reason	As to Appendices 2 and 3. The Appendices contains exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in any contract or other type of negotiation with a prospective purchaser who could then know the position of the Council.
Corporate Priority	Resilience and Addressing Housing Need
Recommendations	<p>Corporate Policy and Resources Committee is asked to: Recommend to Full Council to:</p> <p>1) Approve progression of an assets’ disposals programme of Council owned land and property in order to generate capital receipts</p> <p>Business Infrastructure and Growth Committee is asked to: 1) Recommend to Full Council to:</p> <p>a) Approve the disposal of Ashford Victory place in Ashford to the preferred bidders as set out in more detail in the confidential Appendices attached to this report.</p> <p>b) Delegate authority to the Group Head of Assets in consultation with the Chair and Vice Chair of Business</p>

	<p>Infrastructure and Growth Committee to agree any variations to the terms of the disposals relating to Ashford Victory Place.</p> <p>c) Delegate authority to the Group Head of Corporate Governance to enter into transfers to complete the disposals and any ancillary legal documentation required in relation to Ashford Victory Place.</p> <p>2) Note the current marketing approach and offers received in relation to Thameside House, Staines which will form the basis of a further report to be brought to the Business Infrastructure and Growth Committee in the early part of calendar year 2025.</p>
Reason for Recommendation	<p>The disposals will contribute towards the Financial Resilience of the Council, by generating capital receipts. The disposal of Ashford Victory Place will end on-going borrowing and holding costs in respect of this site, which will relieve pressure on the Council's Revenue Budget and Medium-Term Financial Plan. The Council has a statutory obligation to achieve best consideration from its land and property disposals.</p>

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> The Council owns a large portfolio of land and assets, which are held for a variety of purposes and has a statutory responsibility to achieve best value from all its property holdings. A list of proposed sites to be considered for disposal is contained within the appendices of this report together with the anticipated financial receipt a sale may generate. The Council is no longer undertaking direct delivery of regeneration and residential development on its land and property, and this has highlighted 1 development sites which could be sold now and 	<ul style="list-style-type: none"> The Council has statutory obligations to achieve best consideration in relation to its land and property disposals and this directs the Council to focus on financial resilience within its decision making, including disposing of assets, when possible, to relieve pressure on the annual revenue budget resultant from financing and holding costs from vacant sites. A number of the Council's land and property sites are currently not delivering best value in their existing use and are therefore proposed for sale to generate capital receipts that contribute to the financial resilience of the Council. The Council has recently marketed 2 development sites in

<p>generate capital receipts plus bring other benefits.</p> <ul style="list-style-type: none"> • Sites purchased for development using borrowing are now adding pressure to the Council’s revenue budgets through ongoing financing and holding costs. • The Council’s recently adopted Development Delivery Strategy makes provision for progression of the development on specified sites via partnership working which may take the form of disposal or joint venture style agreements. 	<p>the short-term priority delivery list and have received a number of bids for each site.</p>
<p>This is what we want to do about it</p>	<p>These are the next steps</p>
<ul style="list-style-type: none"> • Form an agreed list of sites following a review of all Council owned land and property assets to commence managed disposals of Council land and property over the coming years, which can be demonstrated as not achieving best value in their current form in order to generate capital receipts. • Progress a disposal of Ashford Victory place to the preferred bidder on a freehold sale basis to allow third party developers to build out /convert the site to provide housing within the Borough. • Note the offers received on Thameside following the marketing that has been undertaken to assist with decision making around disposal options connected with the site and allow further evaluation and due diligence to be undertaken in respect of the disposal interest. 	<ul style="list-style-type: none"> • Working with Councillors, agree a list of sites to be included within a disposals programme as set out/ categorised within Appendix 1 of this report, with disposals commencing in the 2025/26 financial year. • Consider offers received for Ashford Victory Place, assess the benefits and disadvantages of each offer in order to select the preferred bidder for each site to achieve ‘best consideration’. • Consider whether to extend the marketing of Thameside House to a full unencumbered marketing exercise. • Take reports to the relevant Council committee making recommendations regarding the sale of each site at the appropriate time. • Take a recommendation to full Council on 12th December 2024 to dispose of the site known as Ashford Victory Place to the preferred bidder on a freehold sale basis to allow the Council to

	<p>address and end all financial costs attached to each site.</p> <ul style="list-style-type: none"> • Instruct solicitors to complete the disposal.
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2. Key issues

- 2.1 The Council owns a large portfolio of land and assets, which are held for a variety of purposes. The Council has a statutory responsibility to achieve best consideration from all its property holdings.
- 2.2 Disposals of sites will enable the Council to obtain capital receipts and where applicable offset purchase and other holding costs and will end the borrowing associated with each site being ended. This will longer term relieve pressure on the Council's revenue budget. In the short-term disposals may result in any costs that exceed the disposal prices being offset against Council reserves, if a) if the Council has financed the purchase of the sites and b) is incurring holding costs (for those sites included within Appendix 1, this predominantly applies to the 3 development sites only).
- 2.3 The overall borrowing costs are accumulating year on year and are currently being funded from the Council's annual revenue budget. Incurring these costs on a long-term basis place greater strain on the Council's financial resources. So, whilst market values are currently low, it is not prudent to retain ownership of the assets longer term and continue to incur annual holding costs.
- 2.4 Should the Council decide not to progress with the recommendations within this report, this may breach the Council's statutory requirements under section 3 of the Local Government Act 1999 to comply with Best Value Duty. Where a local authority is failing to comply with the Best Value Duty, the Secretary of State has wide powers of intervention, including appointment of commissioners to exercise the authority's functions and making a direction to take a specified action. In addition, section 123 of the Local Government Act 1972 obliges the Council to secure best consideration reasonably obtainable on disposal of land; any disposal at undervalue requires prior consent of the Secretary of State.
- 2.5 The Council agreed to end direct delivery of its development sites in the Autumn 2023, due to on-going financial viability challenges resultant from higher borrowing and construction costs. In October 2024, Full Council agreed adoption of a Development Delivery Strategy, which provides for developments on Council owned sites specified in the strategy, to be progressed via disposals or joint venture style partnerships. This aligns with corporate plan objectives in relation to provision of housing, regeneration and financial resilience.
- 2.6 Those sites specified within the Development Delivery Strategy were prioritised over a 10-year period. The initial focus being sites with the highest financial holding costs and are not income generating. Ashford Victory Place, Ashford and Thameside House, Staines are both subject to high financing and holding costs are in the immediate priority classification for disposal.

3. Current position

- 3.1 Following a review of the Council's assets a number of sites have been identified as possible disposal options and may generate financial receipts to contribute towards the Council's longer term financial resilience, which may offer better value than current uses as well as offering revenue savings. A list of sites can be found in Appendix 1 and includes sites that were already being progressed as part of the development delivery strategy. This is an indicative list of possible sites. Many of the proposals included from 2027/28 onwards will need significant due diligence to be undertaken prior to any individual site being confirmed as suitable for disposal. Due diligence will include planning, legal and other considerations to inform recommendations about the suitability of any individual asset.
- 3.2 At the appropriate time as site disposals are progressed, reports will be taken to the relevant Council Committee with specific terms for each sale, seeking approval for the committee to support a recommendation being made to Full Council to agree the disposal. In addition to approval to progress a disposals programme, this report seeks approval to dispose of the 1 specified development sites only.
- 3.3 Both Ashford Victory Place and Thameside House have recently been independently marketed, using a well-known regional commercial surveying practice Vail Williams. Utilising the expertise of Vail Williams has ensured comprehensive marketing and demonstrates best consideration avoiding the need for an independent valuation.
- 3.4 Ashford Victory Place has been marketed on the basis of the current planning permission for the development of 127 residential units on the site. Six offers were received and are set out in more detail in Exempt Appendix 2 of this report. The ranking of bids has been based on professional judgement around conditionality, complexity and price in order to achieve what is evaluated as the order of best consideration.
- 3.5 Marketing for Thameside House has been focussed on conversion of the existing building rather than demolition. A number of late offers have been received for this site, which demonstrates wider consideration should be given to the disposal. If the marketing was extended to a full unrestricted marketing exercise, this may result in higher offers for the site but would potentially focus on demolition of the existing building and a new development. An unencumbered sale is highly likely to yield a higher capital receipt.
- 3.6 The recent marketing was based on a decision approved by the Council's Business Infrastructure and Growth (BIG) Committee in June 2024, which addressed resident concerns about the height, mass and parking provision connected to a new build development and focused on conversion of the existing building. Offers received for the site are detailed in the Exempt Appendix 3 of this report and demonstrate even with the marketing focused on conversion of the existing building, there is strong interest in the site producing a range of financial offers and proposed uses.
- 3.7 The more recent offers for Thameside House focus on a Freehold disposal of Thameside House, rather than the originally proposed grant of a long leasehold interest (c.250 years) to allow the Council to end any asset-based remit.

4. Ashford Victory Place

- 4.1 All offers received for Ashford Victory are for residential development as anticipated. Two offers received (one for affordable housing and the other extra care), require the Council to underwrite between 40% and 100% of the rental costs of the developer. This would create a financial liability of several million pounds each year over a 40+ year period, that would have to be included within the Council's financial statements.
- 4.2 The Council would be obliged to fund any financial shortfall in the developer's income up to the agreed percentage, in the event 'lettings' did not materialise creating an income shortfall. Progressing with an offer on this basis may result in even greater financial pressures for the Council. It is not considered prudent to progress any offers on this basis, instead focusing on bids that allow a freehold disposal that upon completion results in the Council having no further involvement with the site in a property owner capacity.
- 4.3 A thorough review of all offers for both sites has been undertaken and the following conclusions reached, a disposal to a market housing developer seems to be the most straight forward and deliverable offer based on:
- Being immediately proceedable if Council approve the recommendations
 - Minimal or no conditionality connected to the terms of the sale
 - No onerous conditions
 - No on-going financial or other obligations to the Council in respect of the site
 - Produces a market value financial receipt on completion of the sale, which is not based on the Council underwriting future income for the developer/owner
 - Provides much needed affordable housing provision via the planning approval conditions

5. Thameside House

- 5.1 As outlined above, marketing of Thameside House focused on conversion of the existing building not a demolition and new build scheme, to align with the decision taken by BIG committee in June 2024. Interest has been received for the site for a variety of uses, but all are based on conversion of the existing building. Due to the range of offers and prices received, further consideration should now be given to the marketing of the site in order to determine whether the statutory requirement to achieve best value can be demonstrated or whether wider and/or unencumbered marketing is desirable.
- 5.2 A disposal to achieve best value should evaluate the following in respect of determining how straight forward and deliverable the offer is:
- Risk resulting from conditionality and lengthy timescales prior to completion of a sale and receiving the capital receipt i.e. whether the disposal is immediately proceedable
 - Complexity of conditions attached to a disposal offer e.g. planning consent for alternative use, for a new building to be constructed, for a new use to become operational

- Any on-going financial or other obligations to the Council in respect of the site e.g. underwriting future income for the developer/owner
 - Due diligence on the proposed purchaser re funding and track record e.g. do they have funds readily available, are they reliant on partners/ third-party for funding or other agreements to progress to completion.
- 5.3 A disposal of the site with restrictions around use and alterations could be progressed but is unlikely to deliver best consideration. Full marketing of the site on an unencumbered basis, without restriction is likely to generate a higher capital receipt. Therefore a 'restricted' disposal may result in sale at an undervalue and depending on the level of undervalue could need prior approval from the secretary of state as outlined within section 2.4 of this report.
- 5.4 This Committee are asked to consider the current marketing that has been undertaken and whether there would be merit in extending the marketing to attract offers on an unincumbered basis. This would ensure there was full awareness of the highest price that could be achieved for the site and associated conditionality. Following this a detailed evaluation of a full range of offers could be undertaken to rank interest and would highlight a preferred bidder. In turn this would determine whether the Council's preferred disposal option constituted a disposal at an undervalue and the need for Secretary of State approval or whether best value statutory requirements could be demonstrated.

6. Next Steps

- 6.1 Progressing a disposal of surplus Council owned sites addresses Corporate Plan priorities in respect of resilience and for Ashford Victory Place provision of affordable housing (via the provision of 22 affordable units required under the planning approval).
- 6.2 Whilst the original intention for the disposals was to provide a greater provision of affordable housing, economic factors since the sites were acquired have now changed the parameters of the decision making. Best value requirements place the greatest priority for any Council on financial resilience and this is main focus driving the Officer recommendations contained within this report.
- 6.3 If the Council opts not to approve the disposal of Ashford Victory Place, the site will remain in its existing condition and continue to place financial pressure on the Council's revenue budget through on-going financing and holding costs at c. £153,000 pa.
- 6.4 Holding costs for Thameside House would be reduced if demolition of the building is progressed at a capital cost of c. £600,000 as approved by Corporate Policy & Resources Committee in December 2023, however the financing costs from the loan would continue at c. £216,000 pa.
- 6.5 If the recommended disposal option for Ashford Victory Place is progressed the cost of £3.23m will be met from the Council's Capital and Revenue reserves to clear all outstanding financial liabilities in relation to the site. A breakdown of this figure can be found in the financial implications section of this report. It should be noted even if the site is not progressed for disposal the abortive project costs may still have to be written off to reserves.

- 6.6 If committee approves the Officer recommendation to progress the matter to Full Council, final approval to progress the disposals will be sought at the next Full Council meeting on 12th December. If approved solicitors will be instructed and the sales will be progressed as quickly as possible with anticipated completion in early 2025/26.

7. Options

Corporate Policy and Resources Committee

- 7.1 Option 1 agree to support a disposals programme of surplus Council owned land and property. **This is the recommended option** as it will generate financial receipts and demonstrate the Council is adhering to its Best Value statutory requirements.
- 7.2 Option 2 Do not support a disposals programme of surplus sites and retain all sites within their current configuration/use. **This is not the recommended option** as surplus sites are placing a strain on the Council's revenue budget in terms of vacant holding costs. In addition, some sites are subject to financing costs. This option does not demonstrate 'Best Value'.

Business Infrastructure and Growth Committee

- 7.3 Option 1 agree to progress a disposal of Ashford Victory Place to bidder ranked no.1 as set out in Appendix 2 of this report. **This is the recommended option** as it ensures the Council achieves best consideration from its land and property assets, meeting statutory best value requirements.
- 7.4 Option 2 – do not progress a disposal to the preferred bidder, ranked no. 1 in Appendix 2. Instead, re-market the site to seek a disposal that would deliver 100% affordable housing provision. **This is not the recommended option** as it would require the Council to dispose of its land and property for less than best consideration and is likely to require consent of the Secretary of State. This goes against the requirement to achieve best value and may be construed that the Council does not consider financial resilience as its greatest priority.

8. Financial Implications

- 8.1 At the point of disposal of a site, this will extinguish the Council's previous development proposals, with any losses being met by capital and/or revenue reserves. The Council cannot continue to incur these holding costs and needs to resolve the situation. The Chief Finance Officer strongly advises that the proposed approach is pursued. Capital reserves will address any surplus/deficit from the actual financial receipt of a sale once the cost the council incurred, in respect of the site acquisition has been deducted.
- 8.2 The total current level of costs to offset from capital and revenue reserves equals £3.23m, as shown in the table below:

Property	Purchase Price	Disposal Price	Capital Reserves w/down	Revenue Reserves w/down	Surplus or Deficit (w/down)
Ashford Victory Place	£5.24m	£6m	£0.76m (surplus)	£3.99m (deficit)	£3.23m (deficit)

8.3 The write down of capital costs relating to the disposal of Ashford Victory Place will in part be offset by other potential capital receipts from the disposal of other Assets identified in Appendix 1 during 2025/26. This use of revenue reserves is being addressed in the Council's reserves strategy report for Corporate Policy and Resources Committee on 9th December 2024.

8.4 It should be noted that it is anticipated that the Council will achieve higher capital receipts and reduce capital losses if disposals are made on an unencumbered basis.

9. Risk Management

9.1 Once the Council disposes of its interest in the site it loses control of any future change in proposals by the owner of the building, other than via the Planning Committee and any legal mechanisms (e.g. restrictive covenants or overage) that may be negotiated between the parties. With Thameside House there will be a restriction preventing any external development on site for 10 years, without Council consent.

9.2 All reasonable due diligence will be undertaken on the preferred bidder i.e. to check funding availability as well as other regular financial checks. However, until contracts are exchanged, as with any disposal the legal process proceeds at risk of an abortive completion.

10. Procurement comments

10.1 As this is a disposal, there are no direct procurement implications, which typically relate to purchasing. However, by marketing the sites the Council has ensured they have been exposed to any interested parties to allow bids to be submitted.

11. Legal comments

11.1 Further to sections 120-123 of the Local Government Act 1972, the Council has the powers to acquire and dispose of land for the purpose of any of its functions. Any disposal will need to satisfy the valuation requirements of section 123 of this Act, and disposal for less than best consideration reasonably obtainable will require consent of the Secretary of State.

11.2 Any disposal will be subject to the terms of the contract, transfer and any other necessary legal documentation. The Council's in house Legal Services will support and external legal advice will be obtained if required.

11.3 Any disposal must meet the requirements of Best Duty Value under the provisions of the Local Government Act 1999.

11.4 Failure to obtain best consideration from the proposed disposals may expose the Council to risk of legal challenge by way of a judicial review which will result in substantial legal costs and reputational damage

12. Other considerations

- 12.1 Meeting best value requirements and achieving the best consideration must be a key part of the Council's decision-making process.

13 Equality and Diversity

- 13.1 There are no direct equality issues arising from a property disposal.

14 Sustainability/Climate Change Implications

- 14.1 Requirements relating to the sustainability of any development will be a developer responsibility.

15 Timetable for implementation

- 15.1 Immediately if approved.

16 Contact

- 16.1 Coralie Holman Group Head Assets c.holman@spelthorne.gov.uk

Background papers: Appendix 1: Draft disposals programme
Appendix 2: Schedule of Offers - Ashford Victory Place
Appendix 3: Schedule of Offers Thameside House
Appendix 4: Financial costs of each development site

Appendix 1 – Possible Disposals List

Asset Classification	Portfolio Classification	Income producing	Operational Asset	Revenue Savings	Community Use	Currently tenanted	Anticipated Disposal	Comments
Summit Centre, Sunbury	Investment	Y	Y	Y	N	Y	2025/26	Business Incubator would need to be relocated
Ashford Victory Place	Development	N	N	Y	N	N	2025/26	Has been marketed for disposal and bids received
Thameside House, Staines	Development	N	N	Y	N	N	2025/26	Has been marketed for disposal and bids received
Revelstoke land, Shepperton	Municipal	N	N	N	N	N	2025/26	Vacant land possibly suitable for residential development subject to due diligence around planning concerns ie flooding and green belt designation
Knowle Green Nursery	Municipal	Y	N	N	See comments	Y	2025/26	This is a commercially run nursery that provides childcare to the local community
Ashford Multi Storey Car Park	Development	N	N	N	N	N	2026/27	Disposal via FH sale, long lease or joint Venture for residential development once planning obtained
Kingston Road Car Park (part of Oast House site)	Development	Part (Bridge St CP)	Y	Y	N	Y	2027/28	Timescales to allow a development strategy /use to be agreed and for property values to improve to reduce written off costs
Waterfront (Bridge Street Car Park & Hanover House)	Development	Y	Y	Y	N	N	2027/28	Site will be more valuable with planning consent for a hotel development
Knowle Green Council Offices, Staines	Municipal	N	Y	Y	N	N	2027/28 onwards	Future use and need to be considered as part of transformation programme
Laleham Nursery, Laleham	Municipal	N	Y	Y	N	N	2027/28 onwards	Future use and operational need to be considered as part of transformation programme. Possible constraints may render not viable for development. Need to consider any legal restrictions on the title as site obtained from SCC.
Amenity land	Municipal	N	N	N	Y	N	TBC	Several pieces of land have been highlighted further work needed to

Appendix 1 – Possible Disposals List

								ascertain suitability for sale i.e. as residential development land – due diligence will be needed to understand viability i.e. planning approval, green belt designations etc
Voluntary Organisation	Municipal	N	N	Minimal, if any	Y	Y	TBC	Several sites identified where current occupier may be interested in purchasing
Car Parks	Municipal	Y	N	Y	Y	N	TBC	Potential to dispose where surplus provision
Allotments	Municipal	N	N	Y	Y	Y	TBC	Potential to dispose of non-statutory sites, where surplus provision – identification of sites will be subject to extensive due diligence for a variety of matters including green belt, planning etc.
Grazing land	Municipal	Y	N	N	Y	Varies	TBC	Several pieces of land have been highlighted further work needed to ascertain suitability for sale i.e. as residential development land which will include due diligence around planning, green belt status etc.

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It should be noted sites listed after Waterfront have not had any due diligence undertaken to understand planning, legal or any other restrictions that may prevent development. This is an indicative list, that has been prepared as a starting point of sites to consider and investigate any development potential further. It is anticipated once due diligence is undertaken many of the sites included within this list will be determined as unsuitable for alternative use.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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of the Local Government Act 1972.

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Appendix 4 – Financial Costs of each Development site

Site	Purchase Date	Revenue Costs since acquisition as at 31 st March 2024	Annual Interest on Financing Costs	Cumulative abortive project costs as at 31 st March 2024	Acquisition costs inc Stamp Duty & Fees	Site Value as at 31 st March 2024	Comments
Ashford Victory Place	4 th March 2019	NIL (all costs previously capitalised)	£115,700	£3,986,933	£5,241,879	£7,704,000	March 2024 valuation was based on new build residential development scheme. The revenue costs from 1 st April till 30 th October 2024 are £31,000 and the projection for the 24/25 financial year is £40,000 if not sold
Thameside House	2 nd May 2018 (long LH interest, FH was already owned)	£1,882,384	£216,700	£4,725,872	£9,064,583	£11,950,000	March 2024 valuation based on new build residential development scheme. The revenue costs from 1 st April till 30 th October 2024 are £621,000 and the projection for the 24/25 financial year is £723,000 if not sold

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HSR/SLR WORKING GROUP

REMIT

Within twelve months to evaluate both options and determine which, if any, are suitable and take the recommendation back to the BIG Committee.

Due to potential a conflict of interest (council officers support the SLR proposal), the working group shall consist only of councillors who are impartial from the outset, assessing objectively and equally each proposal.

MEMBERSHIP

Membership shall comprise of those on the BIG Committee, broken down as follows: all-party (2 Conservatives, 2 LibDems, 2 Labour, 1 Green and 1). Substitutes are permissible in accordance with Council meeting practice.

The Chair will be nominated by members of the working group.

MEETINGS

The group will meet as often as is necessary with due notice of such meetings given to all as far in advance as possible. In addition, external visits to look at existing infrastructure at Heathrow and an example of an existing light railway (Luton Airport) will be arranged.

OBJECTIVES

To examine in detail each option, the method by which each are financed and the impact on the environment and the resident population. The group will consult with local residents' groups and other stakeholders as appropriate.

MINUTES

A record of each meeting and site visit shall be kept for members' reference and for transparency.

OUTCOME

At the end of this process, the working group is to give a clear recommendation as to which option, if any, they recommend back to the BIG Committee.

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