

Corporate Policy & Resources



19 January 2021

Title	Moratorium on the development of 'high rise' Council projects in Staines-upon-Thames
Purpose of the report	To make a decision
Report Author	Victoria Statham, Group Head Corporate Governance
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	Not applicable
Corporate Priority	Affordable housing Service provision
Recommendations	Committee is asked to: 1. Note that the moratorium is no longer in place; and 2. Not impose a further moratorium
Reason for Recommendation	It has been requested by Councillors that the removal of the moratorium is discussed and noted by the Corporate Policy and Resources Committee. The recommendation is not to impose a further moratorium due the substantial financial impact on the Council which would have a direct impact on the services that the Council could deliver for residents and the ability to deliver the corporate priorities.

1. Summary of the report

- 1.1 This report seeks to highlight the process of the imposition and the ending of the moratorium and to provide advice on why a further moratorium should not be imposed.
- 1.2 Under the committee system of governance, it is within the terms of reference of this committee to make a decision on whether to impose a further moratorium.

2. Key issues

Imposition of the moratorium

- 2.1 The decision to impose a moratorium and the terms of it was solely a Councillor decision.
- 2.2 At the time the moratorium was imposed the Council was operating a Cabinet model of governance and therefore it was only the Cabinet who was able to make the executive decision to impose that restriction on Council developments.
- 2.3 As with all reports to Cabinet, and now Committees, officers provide a recommendation, and it is then for Councillors to debate and decide how to proceed. Officers then action that decision.
- 2.4 At the Cabinet meeting on the 25 January 2021, the officer recommendation, which flowed from the motion at Council on the 10 December 2020, was:
 - (a) Cabinet is asked to make a decision on:
 - i) Whether any proposed development of Staines Town Centre by Spelthorne Borough Council should be kept on hold until the Staines Development Framework has been adopted;
 - ii) Whether Developers of Major applications proposed in the Staines Town Centre should be requested to defer their applications until the Staines Development Framework is adopted.
- 2.5 It was then the Cabinet who debated and resolved:
 - (a) That a Moratorium on Council schemes in Staines-Upon-Thames should take place until such time as three things take place, with the intention that these will be completed prior to the Annual Council meeting in May 2021;
 - i) That the Strategic Planning team undertake an Issues and Options consultation exercise for the Staines Development Framework.
 - ii) That a sub-committee, which was agreed at Extraordinary Council on 21 January 2021, is included in the recommendations of the Committee System Working Group to be reported to Extraordinary Council, currently scheduled for 25 March 2021.
 - iii) That the viability of all the developments are reviewed by the assets team.
- 2.6 The resolution by the Cabinet was clear and unambiguous in its terms that the moratorium is in place **UNTIL** these three requirements were fulfilled. Cabinet did not specify any requirement for this to come back to Cabinet or Council and on the basis of how the decision is constructed, there was no legal or constitutional requirement for this to be referred back to end it.
- 2.7 All three requirements have been fulfilled and therefore under the terms of that Cabinet resolution the moratorium ceased to exist without further requirements.
- 2.8 The three limbs have been fulfilled as followed:
 - (a) The Issues and Options consultation has been completed, the results of which were reported to Councillors at the Environment and Sustainability

Committee on the 6 October 2021 and the Councillor decision was *‘to agree publication of the consultation response document by the Strategic Planning Manager subject to minor amendments as discussed during the meeting and the provision of a summary document by the Staines Development Task Group, agreed by the Chair and Vice Chair of the Local Plan Task Group and Chair and Vice Chair of the Staines Development Task Group’*.

- (b) The Sub-Committee (called the ‘Development Sub-Committee’) was established at the Annual Council meeting on the 27 May 2021 and sits on a fortnightly basis.
- (c) The Assets Team have reviewed the viability of the developments. These reviews have been presented to Councillors on the following occasions:
 - i) February 2021 – Full Council in the Capital programme
 - ii) February 2021 – Cabinet briefing development update
 - iii) March 2021 – Cabinet briefing development update
 - iv) May 2021 – Cabinet briefing development update
 - v) July 2021 onwards – Development Sub-Committee (DSC) development update every 2 weeks
 - vi) 6 September 2021 – DSC 12 storey Thameside House presented and Oast House reported
 - vii) 20 September 2021 – DSC 12 storey Thameside House presented.
 - viii) 25 October and 9 November 2021 – Thameside House presentation to Staines Councillors
 - ix) 15 November 2021 – DSC decision on Thameside House.

Since legal advice has been given on the status of the moratorium the developments have been presented to Councillors on the following occasions:

- x) 29 November 2021 – DSC - Oast House
- xi) 9 December 2021 – Council - Thameside House referral. This was referred it back to DSC
- xii) 5 January 2021 – DSC - Oast House
- xiii) 10 January 2021 – DSC - Thameside House

A further moratorium

2.9 If a further moratorium was imposed this will fundamentally affect the future of the Council through:

- (a) Reduction and delay in development activity
- (b) Increased budgetary and financial pressures

- (c) Lower levels of affordable housing delivered for the Borough's residents and not achieving the objective's of the Council approved Housing Strategy
- (d) An increased risk the Local Plan cannot deliver the required housing numbers and is found 'unsound'

- 2.10 The report to Cabinet on the 25 January 2021 ("the Moratorium Report") comprehensively set out all of the implications for the imposition of a moratorium. This position has not changed, those implications remain. The up-to-date financial implications are set out in more detail below.
- 2.11 If a further moratorium is imposed this would have a significant impact on the financial position of the Council potentially leading to larger budget gaps over the outline budget period and the need to make significant savings which could in turn lead to some very difficult decisions having to be made with a reduction in services to residents.
- 2.12 Not developing affordable homes that the borough so desperately needs would mean the Council failing against the second element of the adopted Corporate Plan ("Affordable Housing") and the Council's Housing Strategy. Both Councillors and officers are acutely aware of the real need for decent affordable housing being provided in the borough and a further moratorium will prevent this. The Council cannot rely on private developers to bring forward this need.
- 2.13 There would be a wider economic impact on the borough in delaying these developments. Staines town centre will not start to benefit from additional residents who generate footfall and spend in the shops and restaurants. As soon as the Council units are completed there will be residents ready to move in and bring greater vibrancy to the town. They will contribute to the economic recovery following the pandemic. The empty buildings are a blight on the town. Derelict buildings do not attract people to visit the town.
- 2.14 Build inflationary costs continue to spiral and the longer it takes to start developing, the higher the price will be to do so.
- 2.15 Councillors have to consider whether with it would be a reasonable decision to impose a further moratorium with the impacts on the borough as a whole. There are proper governance procedures in place for decisions on these developments to take place with full consideration and scrutiny.
- 2.16 The Moratorium Report detailed the timetable for the adoption of the Local Plan and the Staines Development Framework in spring 2022 but acknowledged that the process would not be complete until at least March 2023. The current timetable is for adoption in March 2023.
- 2.17 It has been noted by some Councillors that there should be a moratorium in place until the Local Plan and Staines Development Framework are at regulation 19 stage. This would be of no practical effect. At reg 19 stage emerging policies still hold very little weight and do not have any significant or even substantial weight until the emerging local plan has successfully emerged from the examination stage.

3. Options analysis and proposal

- 3.1 Corporate Policy and Resources are asked to note that the moratorium is no longer in place as the requirements set by Cabinet have been fulfilled. Without the moratorium in place, Council developments will be considered and decided upon by the Development Sub-Committee (appointed by the Council) in line with the terms of reference of that Sub-Committee which were set by the Council.
- 3.2 It is not recommended that a further moratorium is put in place for any period of time due to the significant impact this would have on the Council and there are robust governance procedures in place with the committee system for the Development Sub-Committee to make the decisions delegated to them by the Council knowing that decisions can always (any have been) referred to Council for consideration.

4. Financial implications

- 4.1 The delays due to the moratorium and the Planning Committee process in approving the Council's plans has had a significant impact on the Council's finances, both revenue (security, business rates etc) costs by approximately £105k per month made up of revenue costs and £75k for capital (finance, capitalisation of asset management costs etc.) costs. This monthly figure is just over the equivalent of running our homelessness, housing benefits and leisure administration teams for a year. Furthermore, delays in delivering additional affordable housing adds to pressures on the Council's revenue budget for homelessness.
- 4.2 The breakdown of the impacts on a site-by-site basis is attached at **Appendix A**.
- 4.3 A delay until the adoption of the Local Plan which could be some 14 months away would impact the Council by approximately £1,470,000. This equates to 12% of the current (2021/22) net Revenue Budget.
- 4.4 The Council could not sustain such an impact on its budget with making difficult saving decisions.

5. Other considerations

- 5.1 The imposition of the moratorium has impacted on the timescale for the delivery of the Council's corporate priority of providing affordable housing for its residents. At the time of the Moratorium Report it was reported that there were 2,100 households on the housing register. This has now increased to over 3,000. There is increasing need, which the Council would not be able to address if restrictions on council developments remain in place. **Appendix A** sets out the SLAHH housing allocation.

6. Equality and Diversity

- 6.1 There are no direct impacts of this report, but this will be considered for each development.

7. Sustainability/Climate Change Implications

- 7.1 There are no direct impacts of this report, but this will be considered for each development. Any schemes developed by the Council will be built in high environmental design standards.

8. Timetable for implementation

- 8.1 Not applicable.

9. Contact

9.1 Victoria Statham – Group Head Corporate Governance

Background papers: Cabinet report of the 25 January 2021

Appendices:

Appendix A – Breakdown of costs per scheme and SLAA allocations