

# Business, Infrastructure & Growth



12<sup>th</sup> September 2024

<b>Title</b>	<i>Development Site, Delivery Prioritisation</i>
<b>Purpose of the report</b>	To make a decision
<b>Report Author</b>	<i>Coralie Holman, Group Head Assets</i>
<b>Ward(s) Affected</b>	All
<b>Exempt</b>	<i>Appendix 2 only</i>
<b>Exemption Reason</b>	<p>This report contains exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in any contract or other type of negotiation with the proposed provider who could then know the position of the Council.</p>
<b>Corporate Priority</b>	Community, Addressing Housing Need and Resilience
<b>Recommendations</b>	<p><b>Committee is asked to recommend to Full Council to:</b></p> <ol style="list-style-type: none"><li><b>1. Approve the introduction of a Development Delivery Strategy.</b></li><li><b>2. Approve the form and content of the draft Development Delivery Strategy attached to this Report.</b></li><li><b>3. Approve the prioritisation list of development site delivery.</b></li><li><b>4. Approve that the prioritisation list of development site delivery shall form part of the Development Delivery Strategy.</b></li></ol>

Reason for Recommendation	In May 2024 the Council’s Development Sub Committee agreed to 1) approve recommendation to Full Council adoption of a Development Delivery Strategy and 2) a Councillor led working party would produce a development site prioritisation list to be considered at this September meeting of the Business, Infrastructure and Growth Committee, which subject to this committee’s approval would also be referred to Full Council for adoption. The Councillor led working party met in June, and this report sets out the conclusions reached and the priority order of site delivery recommended by the working party.
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## 1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> <li>• Whilst the Council will no longer be directly developing any of its sites, there is a desire to progress development on these sites via partnership arrangements or unconditional disposals.</li> <li>• In May 2024 the Council’s Development Sub Committee agreed to recommend adoption of a Development Delivery Strategy and for a Councillor led working party to produce a development site prioritisation list.</li> </ul>	<ul style="list-style-type: none"> <li>• A Development Delivery Strategy will provide the decision-making Committee(s) with agreed criteria against which to appraise offers for future development on Council owned sites.</li> <li>• Without agreed criteria it is likely there will not be any consistent decision making resulting in further delays to the progression of sites and continued financial pressure from the holding costs</li> <li>• Ensure the outcomes from the progression of sites achieves maximum benefits and is consistent with the Corporate Plan 2024-2028 priorities.</li> </ul>
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> <li>• Implement a strategy to set key principles but allow sufficient flexibility in order that the Council can take bespoke decisions in relation to each site.</li> <li>• Retain the ability to input into and direct schemes developed on Council owned sites whilst not retaining the construction cost and risk associated with direct development.</li> <li>• Agree the order of priority in respect of progressing delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Agree the proposal to implement the draft Development Delivery Strategy including a site prioritisation schedule.</li> <li>• Referral to Full Council for adoption</li> <li>• Commence bringing forward development on Council owned sites via partnership working or disposal.</li> </ul>

<p>of development on Council owned development sites</p>	<ul style="list-style-type: none"> <li>• Develop a detailed programme with key milestone for the short-term sites</li> <li>• For medium- and long-term sites develop a business plan and exit strategy outlining alternative uses, financial costs and short-term letting opportunities.</li> </ul>
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## 2. Key Issues

- 2.1 The Council owns several pieces of land and property that sit within the Development & Regeneration Portfolio, being one of 3 strategic Asset Portfolios as set out in the Council's Asset Management Plan. The strategic purpose of the Development & Regeneration Portfolio is to *'ensure the Borough remains an attractive place to live, work and undertake leisure activities through the delivery of high-quality affordable housing, social infrastructure and commercial property that meets the needs and requirements of residents and local businesses.*
- 2.2 The sites within this portfolio focus on achieving the objectives of the Council's Corporate Plan. Many of the sites are proposed for residential development schemes with some ancillary uses to provide affordable housing for the residents of Spelthorne, whereas others are being progressed as part of a wider regeneration of Staines-upon-Thames Town Centre, to build on the current strength of the town as a retail and economic centre.
- 2.3 In Autumn 2023 the Council took a decision to cease any direct development delivery and financing, instead progressing partnership arrangements to ensure new housing and other regeneration uses would be delivered on the sites.
- 2.4 The Council's Development Sub Committee agreed in May 2024 to recommend to Full Council a Development Delivery Strategy be adopted and a Councillor led working group agree a priority order of development site delivery.
- 2.5 Prior to the Committee restructure in June 2024 the Development Sub Committee recommendation would have been referred to the Corporate Policy and Resources Committee. However, the changes now require the recommendation to be approved by this Committee prior to being referred to Full Council.
- 2.6 The type of partnership working the Council opts for in respect of each site will determine the level of detailed involvement the Council will participate in with respect to scheme design. However any agreement will require the scheme design to achieve planning approval which will be subject to addressing flooding and other current and emerging Local Plan and general planning policies.

## 3. Current position

- 3.1 Member working group sessions were held in March and April 2024 consisting of Members of the Council's Development Sub Committee, (who are also Ward Councillor representatives from the locations of the development sites),

to consider a) the need and scope of a Development Delivery Strategy that will support decision making for these sites and assist the decision-making Committees to benchmark future options for each site and b) the benefits of and criteria for a development site prioritisation list.

- 3.2 The draft Strategy is set out in Appendix 1 attached to this Report. The Strategy in summary sets the following principles and objectives:
- Spelthorne Borough Council (SBC) will not undertake any direct development but will deliver its objectives for each site via partnerships with external organisations and partners.
  - Each project will have its own project plan and objectives, which will be determined on the specifics of the site i.e. size, location, surrounding buildings, demographics.
  - All development proposals will comply with the Council's public procurement obligations and to the extent possible will be 'joined up' with the Local Plan objectives, policies, and delivered in accordance with design codes.
  - Consultation will be undertaken with local Councillors, and other key stakeholders where new development proposals are being progressed.
  - All decisions will be taken by Councillors, who will be involved at key stages of the project, which will be set out as milestones in the project plans.
  - Officers will prepare information on all feasible options to include financial analysis of each option against budget and recorded site values and all other key information to assist Member decision making.
  - All sites will be openly marketed and/or partners procured in accordance with the Council's public procurement obligations to ensure full transparency within decision making around delivery options and to see to obtain best value for money for the Council.
  - The Council has a statutory obligation to achieve 'best value' from its sites, which will be considered in terms of financial returns as this in turn relates to the financial resilience of the Council.
  - When considering the options for each site, consideration will also be given to on-going holding costs of not proactively progressing delivery options.
- 3.3 The Strategy has intentionally been drafted as a guide to set key principles but allow sufficient flexibility in order that the Council can take bespoke decisions in relation to each site when deciding whether it wishes to partner with external organisations. This flexibility will retain the ability to input into and direct schemes developed on Council owned sites whilst not retaining the construction cost and risk associated with direct development.
- 3.4 It was agreed at the April Member Working Group that a site prioritisation list should be produced that would be based on criteria around a) the ability of the site to meet the Corporate Plan 2024-2028 priority of addressing housing need; b) wider economic benefits i.e. job creation and increased 'spend' within the Borough; c) financial viability and impact on the Council's Medium Term Financial Plan and d) ease of progressing schemes in relation to planning policies and market conditions.
- 3.5 A further Member Working Group session was held in June 2024 consisting of Members of the Council's Development Sub Committee, who had been

involved in earlier workshops and who are also Ward Councillor representatives from the locations of the development sites, plus Members of this Committee were also invited.

- 3.6 There were 2 key drivers for considering the level of priority of each site. These were 1) the ability of each site to meet the Corporate Plan 2024-2028 priorities in respect of addressing housing need; b) wider economic benefits i.e. job creation and increased 'spend' within the Borough; c) financial viability and impact on the Council's Medium Term Financial Plan and d) ease of progressing schemes in relation to planning policies and market conditions, and 2) the objectives of the Development Delivery strategy, set out below.
- 3.7 Based on the draft development strategy, the Member Working Group specifically focussed on the financial costs associated with each site; the social value achieved bringing each site forward plus other matters that were considered relevant. The PowerPoint slide deck for the workshop can be found in the confidential and exempt Appendix 2, attached to this Report. This also sets out the financial costs attached to each site.
- 3.8 Discussion in the workshop concluded short, medium- and long-term categorisations would be appropriate, which could also tie in with current work streams and emerging Local Plan timescales. Short term categorisation would see sites being progressed initially over a 3-year period (years 0-3 of the strategy period), medium term being years 3-8 and long-term being year 8 onwards.
- 3.9 The Working Group agreed to recommend to this Committee that the following delivery schedule be put to this Committee, which if approved would then be recommend to Full Council for adoption and be included as part of the Development Delivery Strategy. The list is proposed to be subject to annual review.

Short term (years 0-3)	Ashford - Victory Place
	Ashford - Multi Storey Car Park
	Staines - Thameside House
	Staines - Waterfront
Medium Term (years 3-8)	Sunbury - Summit Centre
	Ashford – Whitehouse open land
	Sunbury – Benwell Phase 2
	Staines – Oast House Listed Building
Long Term (year 8+)	Staines – Kingston Road Car Park
	Staines, Town Centre Development to include Elmsleigh Surface Car Park, Tothill Multistorey Car Park, Communications House, 91-93 High Street and Elmsleigh Shopping Centre

#### 4. Next Steps

- 4.1 If this Committee 1) supports the former Development Sub Committee decision, to recommend the adoption of the draft Development Delivery

Strategy to Full Council and 2) agrees the proposed site prioritisation as identified above, both will be referred to Full Council for adoption. Site prioritisation will be subject to annual review and used as the basis to bring forward development on Council owned sites via partnership working or disposal.

- 4.2 The paper does not refer to any new projects being created. If this prioritisation list is agreed a more detailed programme will be pulled together in respect of the short-term sites over years 0-3, together with consideration of any infrastructure pre-requisites needed to enable physical delivery. The progression of each site will form an individual project, which will be brought to committee at a future point for approval of both the project scope and required budget.
- 4.3 For medium- and long-term sites, a form of Business Plan and Exit Strategy will also be produced for each site within this portfolio, which will outline alternative uses, holding costs, letting potential and income opportunities during the period the assets are anticipated to be retained for.

## 5. Options

- 5.1 Approval of a Development Delivery Strategy in the form attached to this report and the site prioritisation list as set out in section 3.9 of this report. **This is the recommended option.** The adoption of this Development Delivery Strategy including site delivery prioritisation, will provide the decision-making committee(s) with agreed criteria against which to appraise offers for future development on Council owned sites within the Development and Regeneration Portfolio. In addition, the site prioritisation has been determined against the financial implications and social value attached to each site.
- 5.2 Approval of a Development Delivery Strategy and site prioritisation in principle, but in a different form. **This is not the recommended option** as this draft Development Delivery Strategy and site prioritisation has been produced in line with the discussions at the Councillor working groups, which included Members of this Committee and relevant Ward Member representation.
- 5.3 Do not approve the implementation of a Development Delivery Strategy in any form. **This is not the recommended option.** Without agreed criteria against which offers for future development on Council owned sites can be appraised it is likely there will not be any consistent decision making resulting in further delays to the progression of sites and continued financial pressure from the holding costs the Council incurs whilst the sites remain in their current configuration.

## 6. Financial Implications

- 6.1 Whilst the introduction of this Strategy has no direct financial implications in isolation, the implementation of this Strategy sets out the Council's statutory obligations to achieve best value in terms of financial returns which in turn relates to the financial resilience of the Council.
- 6.2 This site prioritisation has no direct financial implications in isolation, however in a wider context takes account of the on-going costs attached to each site, which has informed the site priority categorisation.

6.3 The Council's statutory obligations pursuant to the Local Government Act 1972 to achieve best value in terms of financial returns, relate also to the financial resilience of the Council.

## **7. Risk Management**

7.1 Without the Council having an agreed Development Delivery Strategy there would be no agreed mechanism to support decision making and benchmarking future options for each site.

7.2 The Development Delivery Strategy sets out how the Council will approach decision making in relation to all its Development and Regeneration portfolio. This will ensure there are an agreed set of parameters within which the Council can be assured the portfolio will deliver best value, deliver Corporate Plan priorities and be aligned with its Medium-Term Financial strategy hence supporting the future financial resilience of the Council.

7.3 Without the Council having agreed priorities in respect of development site delivery there is no clarity for officers to ensure they are progressing those sites which offer the greatest all round benefits to the Borough of Spelthorne, it's communities, businesses and residents.

7.4 Prioritisation of site delivery will ensure there are an agreed set of parameters within which the Council can be assured the portfolio will deliver best value, deliver Corporate Plan priorities and be aligned with its Medium-Term Financial strategy hence supporting the future financial resilience of the Council.

## **8. Legal & Procurement comments**

8.1 Any disposals or development projects will be in accordance with the Council's public procurement obligations under the Public Contracts Regulations 2015 and the Procurement Act 2023 after 28 October 2024.

8.2 The Council has the power to acquire and dispose of land for the purpose of any of its functions in accordance with sections 120 to 123 of the Local Government Act 1972.

8.3 Any disposal will need to satisfy the valuation requirements of section 123 of the Local Government Act 1972.

8.4 Any agreements required in connection with the development on Council owned sites within the Development and Regeneration Portfolio shall have to comply with the Contract Standing Orders, the Procurement Act 2023 and the Council's duty to deliver best value under the Local Government Act 1999.

8.5 Legal Services will provide advice and assistance with any associated agreements and documentation.

## **9. Other considerations**

9.1 None

## **10 Equality and Diversity**

10.1 None

## **11 Sustainability/Climate Change Implications**

11.1 All development on Council owned sites will need to meet sustainability criteria as set out in the draft strategy document

## **12. Timetable for implementation**

12.1 Immediately if approved.

**13 Contact**

13.1 Coralie Holman Group Head Assets [c.holman@spelthorne.gov.uk](mailto:c.holman@spelthorne.gov.uk)

**Background papers:**

**Appendix 1 Draft Development Delivery Strategy**

**Appendix 2 Councillor Led working group PowerPoint slides (Part 2, Exempt)**