

Notice of Meeting



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Executive

Thursday, 3rd September, 2020 at 5.00 pm

This meeting will be held in a virtual format in accordance with The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panels Meetings) (England and Wales) Regulations 2020

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Date of despatch of Agenda: Thursday, 27 August 2020

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Democratic Services Team on (01635) 519462

e-mail: executivecycle@westberks.gov.uk

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To:	Councillors Steve Ardagh-Walter, Dominic Boeck, Graham Bridgman, Hilary Cole, Lynne Doherty, Ross Mackinnon, Richard Somner, Joanne Stewart and Howard Woollaston
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Agenda

Part I

Pages

1. **Apologies for Absence**

To receive apologies for inability to attend the meeting (if any).

2. **Minutes**

To approve as a correct record the Minutes of the meeting of the Executive held on 16 July 2020.

3. **Declarations of Interest**

To remind Members of the need to record the existence and nature of any personal, disclosable pecuniary or other registrable interests in items on the agenda, in accordance with the Members' [Code of Conduct](#).

4. **Public Questions**

Members of the Executive to answer questions submitted by members of the public in accordance with the Executive Procedure Rules contained in the Council's Constitution.

(a) **Question submitted by Mr Ian Hall to the Portfolio Holder for Planning and Housing**

"In any future redevelopment of the London Road Industrial Estate what measures will be taken to ensure that any case-officer reports are accurate and protect the rights of property owners (be it freeholders or leaseholders) and that councillors have access to full and unfiltered information?"

(b) **Question submitted by Mr Ian Hall to the Portfolio Holder for Planning and Housing**

"In any future redevelopment of the London Road Industrial Estate will all case officer reports be double checked and if so by whom?"

(c) **Question submitted by Mr Ian Hall to the Portfolio Holder for Planning and Housing**

"In any future redevelopment of the London Road Industrial Estate what measures are being taken to protect any property owners' rights in the event of the Council envisaging or considering Compulsory Purchase Orders?"



(d) **Question submitted by Mr Ian Hall to the Portfolio Holder for Planning and Housing**

“In any future redevelopment of the London Road Industrial Estate what measures are the Council taking to ensure that businesses who may lose their premises have access to replacement premises?”

(e) **Question submitted by Mr John Gotelee to the Portfolio Holder for Planning and Housing**

“What past experience or qualifications in planning and housing does the executive portfolio holder for planning and housing have?”

(f) **Question submitted by Mr Peter Gower to the Portfolio Holder for Planning and Housing**

“With the Council's Homelessness Prevention strategy on page 9 recognising a problem with funding challenges and workloads before the Covid pandemic, what steps (beyond the strategy) are the Council taking to prevent people becoming homeless?”

(g) **Question submitted by Mr Simon Pike to the Portfolio Holder for Transport and Countryside**

“What steps will the Council take to bring the Mandatory Cycle Lane that is currently being implemented through Thatcham into compliance with the Government's recently published minimum standards and guidance?”

5. Petitions

Councillors or Members of the public may present any petition which they have received. These will normally be referred to the appropriate Committee without discussion.

Items as timetabled in the Forward Plan

	Page(s)
<hr/> <p>6. London Road Industrial Estate - Draft Development Brief (EX3946) Purpose: For the Executive to consider the draft Development Brief as submitted by Avison Young and start the process to consult on the draft Development Brief in bringing forward regeneration on the London Road Industrial Estate (LRIE).</p> <hr/>	9 - 154
<p>7. West Berkshire Ultra Low Emission Vehicle Strategy (EX3944) Purpose: To present the proposed Ultra Low Emission Vehicle Strategy to the Executive for approval. This Strategy sits underneath the Environment Strategy and sets out the Council's current direction to promote and develop low emission vehicles and charging infrastructure in West Berkshire.</p> <hr/>	155 - 200



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8. **2020/21 Performance Report Quarter One (EX3883)** 201 - 236
Purpose:
To provide assurance that the core business and council priorities for improvement measures (Council Strategy 2019-2023) are being managed effectively.
To highlight successes and where performance has fallen below the expected level, present information on the remedial action taken, and the impact of that action.
-
9. **Treasury Management Annual Report 2019/20 (EX3947)** 237 - 254
Purpose: This report summarises the results of the Council's management of cash-flow, borrowing and investments in the financial year 2019/20.
-
10. **2020/21 Revenue Financial Performance Report Quarter One (EX3905)** 255 - 268
Purpose: To report on the in-year financial performance of the Council's revenue budgets.
-
11. **2020/21 Capital Financial Performance Report Quarter One (EX3906)** 269 - 276
Purpose: The financial performance report provided to Members on a quarterly basis reports on the under or over spends against the Council's approved capital budget. This report presents the Quarter One financial position.
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12. **Members' Questions**
Members of the Executive to answer questions submitted by Councillors in accordance with the Executive Procedure Rules contained in the Council's Constitution.
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- (a) **Question submitted by Councillor Carolyne Culver to the Portfolio Holder for Finance and Economic Development**
"Does the Council or any of its pension funds invest in fossil fuels or the animal agriculture industry?"
-
- (b) **Question submitted by Councillor Carolyne Culver to the Portfolio Holder for Environment**
"Will the Portfolio Holder for the Environment consider creating a working group of local environmental experts and campaigners – for example Friends of the Earth, Climate Action Network and Green Exchange – to help deliver the environment strategy delivery plan?"
-
- (c) **Question submitted by Councillor Carolyne Culver to the Leader of the Council**
"Following the announcement by the Leader at Executive on 16 July that the way meetings are being run (via Zoom rather than in the Council Chamber) will



Agenda - Executive to be held on Thursday, 3 September 2020 (continued)

be reviewed, is there an update about when meetings can return to the Council Chamber or be run on a hybrid basis?"

(d) Question submitted by Councillor Carlyne Culver to the Portfolio Holder for Environment

"Will training/briefings be provided for all members about the council's mission to become carbon neutral by 2030, so that all councillors can be effective ambassadors for the objectives of the Environment Strategy and Delivery Plan in their communities?"

(e) Question submitted by Councillor Carlyne Culver to the Portfolio Holder for Planning and Housing

"Regarding the Joint Venture for Local Housing mentioned in response to questions at the Executive on the 16th July, how much funding is in place for investment in social housing, for how many homes?"

(f) Question submitted by Councillor David Marsh to the Portfolio Holder for Transport and Countryside

"As the 24-hour traffic-free zone in Bartholomew Street, Northbrook Street, Mansion House Street and the Market Place, Newbury, has made social distancing easier, improved air quality and road safety, and is popular with shoppers, should it not, therefore, be extended beyond September?"

(g) Question submitted by Councillor David Marsh to the Portfolio Holder for Planning and Housing

"With regard to Sandford Park, can you confirm that it remains West Berkshire Council policy to consider any proposed development for the site as a whole, and not as separate applications for different parts?"

(h) Question submitted by Councillor Steve Masters to the Portfolio Holder for Internal Governance

"In relation to the Overview and Scrutiny Management Commission Task Group report following its review of the London Road Industrial Estate, the report states "where that [Faraday Development Limited's (FDL's)] submission went beyond the terms of reference of this review, comments have been disregarded." Please list, by using the enumeration adopted by FDL, which of FDL's twelve questions fell outside the Terms of Reference and why?"

(i) Question submitted by Councillor Erik Pattenden to the Portfolio Holder for Children, Young People and Education

"What have the impacts of the 'A' level/GCSE/Btech exam fiasco been on schools and colleges in West Berkshire?"

(j) Question submitted by Councillor Erik Pattenden to the Portfolio Holder for Children, Young People and Education

"Now WBC have received £375K from a youth charity for the community asset of the Waterside Centre, how are you going to use that money for the benefit of



local youth services?”

(k) Question submitted by Councillor Tony Vickers to the Portfolio Holder for Planning and Housing

“How many households in West Berkshire are at risk of losing their homes if the Government ban on evictions by private landlords is not extended?”

(l) Question submitted by Councillor Tony Vickers to the Portfolio Holder for Planning and Housing

“Why has the Council been treating the master planning of LRIE different to the way it treated Market Street & Parkway, where Master Plans were prepared by us as Local Planning Authority, not by the Executive?”

(m) Question submitted by Councillor Martha Vickers to the Portfolio Holder for Public Health & Community Wellbeing, Leisure & Culture

“What will the impact of dismantling Public Health England be on West Berkshire, given that we are still in the middle of a pandemic?”

(n) Question submitted by Councillor Tony Vickers to the Portfolio Holder for Finance and Economic Development

“How many people in West Berkshire will be impacted by the end of the furloughing scheme and resulting loss of income?”

(o) Question submitted by Councillor Jeff Brooks to the Portfolio Holder for Transport and Countryside

“What parking incentives does the council intend to introduce to assist the retail and hospitality sector in West Berkshire?”

(p) Question submitted by Councillor Rick Jones to the Leader of the Council

“Given that in my opinion there has been a great coming together of the community in response to Covid-19, as evidenced by local engagement with the council’s Community Support Hub, what does the Leader propose to do with the Hub going forward?”

(q) Question submitted by Councillor Tom Marino to the Portfolio Holder for Finance and Economic Development

“Has the Community Municipal Investment vehicle to raise money to fund environmental projects been a success?”

(r) Question submitted by Councillor Claire Rowles to the Portfolio Holder for Adult Social Care

“As the Local Government Association recently launched “The legacy of COVID-19 - Seven principles for reform of adult social care and support” what is the view of the portfolio holder on whether those are the right principles on



Agenda - Executive to be held on Thursday, 3 September 2020 (continued)

which to focus and if not, what other principles should in his view be considered?"

13. Questions and Answers

Sarah Clarke
Service Director: Strategy and Governance

West Berkshire Council Strategy Priorities

Council Strategy Priorities:

PC1: Ensure our vulnerable children and adults achieve better outcomes

PC2: Support everyone to reach their full potential

OFB1: Support businesses to start, develop and thrive in West Berkshire

GP1: Develop local infrastructure to support and grow the local economy

GP2: Maintain a green district

SIT1: Ensure sustainable services through innovation and partnerships

If you require this information in a different format or translation, please contact
Moira Fraser on telephone (01635) 519045.



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London Road Industrial Estate – Draft Development Brief

Committee considering report:	Executive on 3 September 2020
Portfolio Member:	Councillor Ross Mackinnon
Date Portfolio Member agreed report:	24 August 2020
Report Author:	Bill Bagnell
Forward Plan Ref:	EX3946

1 Purpose of the Report

- 1.1 For the Executive to consider the draft Development Brief as submitted by Avison Young and start the process to consult on the draft Development Brief in bringing forward regeneration on the London Road Industrial Estate (LRIE).

2 Recommendations

- 2.1 That the Executive approves publication of the draft Development Brief and resolves to launch public consultation on the draft Development Brief in order to bring forward regeneration on the London Road Industrial Estate (LRIE).

3 Implications and Impact Assessment

Implication	Commentary
Financial:	There are no immediate costs that the Executive is being asked to approve at this stage. The primary purpose of the report is to ask the Executive’s permission to publish the Avison Young draft Development Brief and to initiate wider public consultation which will be managed by the Council. Consultant input will be limited to reflecting within the final Development Brief appropriate points raised via wider consultation. It is hoped to publish the Development Brief in its final form in November of this year. Republishing the Development Brief in November will be the point at which the Council considers the next technical steps to be taken in bringing forward regeneration. Those potential next steps will need to have set against them

	a clear scope of service and related costs which can be considered by the Executive in November this year.
Human Resource:	N/A
Legal:	N/A
Risk Management:	If the Executive are minded to take further steps in bringing forward regeneration on the LRIE after further consultation, a piece of work that could be undertaken is a soft marketing exercise to test continuing market interest in the LRIE. This process must be handled carefully so that it is not deemed to be an 'Expressions of Interest' process that could have procurement implications. Property Services will need to work closely with Legal Services. This issue will be considered in more detail in November and after wider public consultation.
Property:	N/A.
Policy:	<p>The Council has to be clear with regards its role as Property Owner and its role as the Local Planning Authority and the two should be clearly separate.</p> <p>The current Planning Policy for the London Road Industrial Estate has a general policy about supporting the opportunity for regeneration. The Local Plan Review to 2036 will have further policies protecting employment areas and encouraging economic growth. It also remains part of the corporate vision for Newbury and the Council.</p> <p>The work done on the draft Development Brief could then be submitted by the Council as landowner to the Local Planning Authority to support any detailed proposals for the estate, which the Local Planning Authority could use as evidence to support and justify any new policies in the Local Plan regarding the estate if the proposals were acceptable.</p>

	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		N/A
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		N/A
Environmental Impact:		X		The southern quarter of the London Road Industrial Estate is adjacent to open green space, the river and canal. Development should not compromise this area of good quality amenity space and should use it generally to enhance regeneration by maintaining and incorporating it within development proposals. It is probable that any outline application or individual applications will require a full Environmental Impact Assessment.
Health Impact:		X		N/A
ICT Impact:		X		N/A
Digital Services Impact:		X		N/A

Council Strategy Priorities:	X			To bring forward regeneration on the London Road Industrial Estate will be to realise a key strategic aim of the Council which has been publicly known since 2003
Core Business:	X			Wherever possible the Council should facilitate and help bring forward development that is in accordance with policy and helps create vibrant sustainable communities. Thoughtful regeneration of the LRIE will achieve that.
Data Impact:		X		N/A
Consultation and Engagement:	Internal: Property Services, Planning Policy & Legal Services External: To date LRIE leaseholders, tenants, sub-tenants (where they have agreed to engage) and Newbury Town Council			

4 Executive Summary

- 4.1 The regeneration of the London Road Industrial Estate (LRIE) has been a publicly known Council aspiration since publication of the 2003 Newbury Vision. It has remained a fixed item within all subsequent publications of the Newbury Vision.
- 4.2 Between 2011 and 2015 the Council, working with independent property consultants and internal and external solicitors, commissioned a feasibility study and ran a formal selection process to secure a development partner and then entered into contract with that development partner.
- 4.3 Between 2015 and 2018 court action was brought against the Council which was ultimately lost and by that the agreement entered into by the Council and chosen development partner collapsed.
- 4.4 Despite setbacks the Council in 2019 reiterated its commitment to redeveloping the LRIE and to that end set in train a tender process to secure consultants to produce an up to date development brief which would inform the Council whether redevelopment of the LRIE remained feasible. This report presents the new development brief in draft form and which demonstrates that regeneration of the LRIE remains a viable proposition.
- 4.5 The Avison Young draft development brief considers key issues such as planning policy, the current economic climate, different delivery options and issues of viability generally.
- 4.6 The draft development brief demonstrates regeneration remains a practical proposition. Once the draft development brief has been approved by the Executive for public

consultation, the Council can then proceed with meaningful engagement with wider stakeholders including businesses and wider community. This will be a key step in bringing forward regeneration. At this stage Avison Young's input will be limited to reflecting where appropriate consultation points within the final Development Brief.

5 Supporting Information

Introduction

- 5.1 In 2018 the Council learnt it had lost a Court of Appeal action, as a result of which a development agreement between St.Modwen Plc and the Council to redevelop the London Road Industrial Estate (LRIE) fell away.
- 5.2 Despite this substantial setback, the Council reconfirmed in early 2019 its continued commitment to regenerate the London Road Industrial Estate, a publicly known aspiration since 2003, and where the Council declared it would seek consultants to produce a new development appraisal in order to once again review the possibility of the Council bringing forward regeneration on the LRIE. That process and background to it is set out below.

Background

- 5.3 In 2010 the Council appointed Strutt & Parker to produce the London Road Industrial Estate (LRIE) Strategic Feasibility Study (SFS). The document was designed to demonstrate whether redevelopment was a practical proposition and if so, how might it be delivered and where the Council had little appetite for risk. The SFS was a document produced for the Council as a landowner and where the focus was commercial as opposed to a document being driven by Planning Policy.
- 5.4 The SFS was published in 2011 and demonstrated the LRIE could be redeveloped to the Council's financial benefit and set out how the Council might deliver development without exposing itself to risk. The SFS proposed, as a means of bringing forward regeneration, that the Council ideally enter into a development agreement with a single developer of national size and financial strength that would undertake a full land assembly exercise and where the Council's control would be as much by that as landowner as it would as local planning authority.
- 5.5 In 2012 Strutt & Parker carried out a soft marketing exercise to test developer interest in the LRIE and where the development opportunity was advertised in nationally appropriate journals. That exercise proved positive and where it was decided by the Council to run a formal selection process to see if an appropriate development partner could be secured.
- 5.6 After an extensive selection process involving cross party membership, the Council had by 2013 secured St.Modwen as its development partner, subject to contract. During 2014 heads of terms and the subsequent development agreement were negotiated and agreed. That process was overseen by Strutt & Parker and where the Council used external specialist legal advice to determine the contract terms and conditions. LRIE Development Agreement was presented to the Executive in Nov 2014 and where permission was sought to formally enter into the development agreement subject to any outstanding contract terms and where the CEO, S151 Officer and the Head of Legal

Services had delegated authority to agree any remaining terms provided those outstanding issues did not effect the key terms of the agreement.

- 5.7 During 2015 the LRIE Development Agreement was signed, but triggered a legal challenge brought against the Council by a party to one of the unsuccessful bids to be the Council's development partner. That challenge eventually resulted in the Council fighting an action in the High Court on five grounds, which it won in all cases, and where the challenging party successfully sought leave to go to the Appeal Court and where subsequently in 2018 the Council lost on the one ground allowed to be heard in the Court of Appeal. By that process the agreement with St.Modwen fell away.
- 5.8 In early 2019 the Council reconfirmed its commitment to regenerate the LRIE and as a result drew up a detailed scope of service in order to competitively tender the services of a consultancy firm to produce an up to date Development Brief, again a document to be drafted for the Council as a landowner but also where landowner needs are set in the present context of national and local planning policy thereby fully setting out the challenges of redevelopment and where policy and commercial realities will not always neatly align.
- 5.9 During October and November 2019 a competitive tender process was run via Crown Commercial Services, a framework upon which sits consultancy practices of regional and national size with the ability and experience to review the development options on a complex land holding such as the London Road Industrial Estate. Using a project board pre-agreed detailed scope of service, the tender process required consultants to comment on different delivery mechanisms on the understanding the Council has not made any decisions on how it might proceed and on what basis of risk if any. The selection process was run on scoring technical submissions and answers to pre-published questions with declared scores and weighting and where the overall weighting of scores was split 60% in favour of technical answers and 40% in favour of fee quotations.
- 5.10 Tenders went out to all 12 consultants on the Crown Commercial Services Framework 'Estates Professional Services' and where, prior to posting tender documents on the framework, all consultancies were individually contacted by the Council to express the Council's hope that individual consultancy firms would respond. Two consultancy practices returned tenders and where Avison Young put in a strong tender bid over Carter Jonas. Avison Young became the Council's preferred bidder in December 2019 and were formally appointed in January 2020.

Summary of Avison Young Draft Development Brief

- 5.11 The draft Development Brief is a document created for the Council as a landowner and where commercial outcomes, based on improved income and / or capital receipts, are as important as good quality regeneration if redevelopment proceeds in the years ahead. The brief has no formal status as a planning document but nonetheless puts forward proposals that are fully set out in the context of both local and national planning policy and where environmental constraints are likewise fully analysed.
- 5.12 Similarly the draft brief is set out in the context of the economy both locally and nationally and where some key factors have to be acknowledged; that residential elements of development will have to support redevelopment of land for employment uses and

especially in the context of any office build for which there is low demand and pre-lets unlikely to be secured.

- 5.13 The draft brief offers two masterplan approaches; a ‘Baseline Masterplan’ which presumes a progressive plot by plot development where to an extent plots will act as stand-alone developments; and a ‘Comprehensive Masterplan’ that is holistic and where all elements are interrelated thereby maximising the efficient use of available development land. The Comprehensive Plan has potential to deliver greater financial returns than the Baseline Plan. However, the Comprehensive Plan is far more challenging to deliver, and the financial and other risks associated with a major land assembly exercise under the Comprehensive Plan option are far greater than those posed by delivering under the Baseline Plan
- 5.14 In terms of delivery the Baseline Masterplan assumes a high level of on-going co-operation between the Council as land owner and leaseholders and where, working with leaseholders, the Council and / or its partners drives redevelopment acting where possible in unison with leaseholders. The Comprehensive Masterplan assumes redevelopment via a land assembly which involves taking back control of existing leases and creating effectively a clear site for the most efficient use of land as development progresses. This would be a large, highly complex and financially risky undertaking for the Council and where, if minded to undertake the challenge, the Council has neither the resource nor expertise to undertake it alone. Delivery would have to be in collaboration with a major development partner; self-delivery of the Comprehensive Masterplan is not practical.
- 5.15 In terms of risk and reward the brief summarises the different development delivery mechanisms ranging from the simplest option with the least risk and reward - straight asset disposal and allow new owners to deliver change - to the most challenging option with the greatest potential financial return but the greatest corresponding financial risk if undertaken via self-delivery as set out in para 5.15 above. There are also intermediate options involving joint venture partnerships based on redevelopment on a plot by plot basis or a comprehensive land assembly and where the Council, according to its appetite for risk, can share to a greater or lesser extent the rewards and risks in bringing forward development, either with a single over-arching partner or a number of partners.
- 5.16 In terms of viability the brief looks at potential financial returns based on residential, office, light industrial and or retail and considers the trigger points at which viability becomes marginal. Both masterplan options will be financially reliant on residential development on a proportion of land which is currently protected employment. Until the LRIE is formally adopted as a site for residential lead mixed use development, proposals as they stand are not fully aligned with current policy. This is not unexpected. Looking to future housing targets, the number of residential units proposed in the Baseline Masterplan is better aligned with future planning policy than the numbers quoted in the Comprehensive Masterplan.
- 5.17 The Draft Development Brief summarises the fundamental differences between the Baseline Masterplan and Comprehensive Masterplan:

- a) Baseline Masterplan

This works on the basis of existing LRIE plots, where regeneration can be brought forward working with existing leaseholders and as a result the Council is unlikely to have to exercise its powers of compulsory purchase and will not, during redevelopment, require proposals to move substantial amounts of already identified below ground services which would, along with other matters, represent a large avoidable development cost. This approach allows the Council, by whatever chosen partnership or not, to tackle redevelopment in relatively easy packages and where one development plot is not necessarily dependent on another. However, this approach will not maximise the efficient use of developable land and where financial returns, risk aside, will not be as great as a comprehensive redevelopment. Finally the Baseline Masterplan approach is still likely to require an estate wide Environmental Impact Assessment, a piece of expensive work that will have to be conducted under the Comprehensive Masterplan approach.

b) Comprehensive Masterplan

This works on the basis that, where possible, existing leases are bought out and where necessary existing businesses are relocated or more likely extinguished. This approach would allow the existing road network within the estate to be moved and which in turn would allow for the most efficient use of development land. However, this approach is most likely to cause the Council to exercise its powers of compulsory purchase and where that process will be long, challenging and outcomes not guaranteed.

5.18 Both masterplan options take note of existing third party planning applications within the LRIE redline where the Council is freeholder. Current third party proposals on both sites do not interfere with or limit the Council's ability to redevelop the rest of the estate and where the 'grain' of proposals are largely sympathetic to those set out in the development brief; in principle the Council as a landowner has no objections to current proposals being built out and where that can only happen after successful negotiations between leaseholders and the Council as freeholder. In effect the third party development proposals are potential early examples of plot delivery as set out in the Baseline Masterplan approach, but where the leaseholder has put forward a planning application as opposed to the Council.

Proposals

5.19 That the Executive approves publication of the draft Development Brief.

5.20 That the Executive launches public consultation on the draft Development Brief in order to bring forward regeneration on the London Road Industrial Estate (LRIE) and which should include key stakeholders such as the Local Enterprise Partnership, Chamber of Commerce and Newbury Business Improvement District.

6 Other options considered

6.1 The Council should sell its freehold interest in the LRIE. Existing ground rents are fixed at a good yield and where ground rents are paid to the Council by the leaseholder regardless of occupational rents received by leaseholders. Any capital receipt could be

invested in assets generating similar returns but would only maintain existing income levels and at the same time remove the Council's ability to bring forward regeneration on this run down part of Newbury. Moreover new owners might sit on existing LRIE freeholds, leaving the estate to further deteriorate and where the Council's control would be limited to that of planning authority.

- 6.2 To note the contents of the Avison Young draft Development Brief and for the Council to decide not to initiate and drive forward regeneration on the LRIE, leave the estate as it is and deal with change if and when it happens in the years ahead. This approach is likely to be overtaken by events where the Council has to engage and negotiate with leaseholders who will progressively bring forward their own schemes on Council freehold land in the same way FDL and NWN already have. It is preferable for the Council to be in control of events rather than react to them.

7 Conclusions

- 7.1 The Council has a new draft Development Brief that confirms regeneration of the LRIE remains a viable proposition. The process will be long, challenging and potentially risky depending on whether the Council considers any element of self-delivery. Nonetheless bringing forward regeneration is within the Council's capability.
- 7.2 The draft Development Brief sets out a number of delivery options that represent different balances between financial risk and reward and corresponding levels of control. This level of information should give the Council confidence to now present the draft Development Brief to the public for comment and where the aim should be to appropriately acknowledge feedback on the draft Development Brief and publish it in its final form later in the year. At that point the Council can review matters again and consider in detail the next technical steps to be taken should the Council decide to proceed further in the process of bringing forward regeneration on the LRIE.
- 7.3 The Council can choose to do nothing and leave the estate in its present state and rely on existing ground rents for the foreseeable future. However, this would be to turn its back on a long held Council aspiration, where the estate will further deteriorate and in the context of a Council that is already well informed about what it might seek from its earlier experience in the abortive process to secure St.Modwen as a development partner.
- 7.4 On the basis that doing nothing or selling the Council's freehold interest are unacceptable options, the Council will be acting reasonably if it approves publication of the draft Avison Young Development Brief for public consultation and where appropriate reflect comments in a final version of the Development Brief to be published later in the year.

8 Appendices

- 8.1 Appendix A – Equality Impact Assessment – Stage One
- 8.2 Appendix B – Data Protection Impact Assessment – Stage Two
- 8.3 Appendix C – Avison Young Draft LRIE Development Brief

Background Papers:

None

Subject to Call-In:

Yes: X No:

- The item is due to be referred to Council for final approval
- Delays in implementation could have serious financial implications for the Council
- Delays in implementation could compromise the Council’s position
- Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months
- Item is Urgent Key Decision
- Report is to note only

Wards affected: Victoria Ward

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Document Control

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Author:	Bill Bagnell		
Owning Service	Property Services		

Change History

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1			
2			

Appendix A

Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- (1) A public authority must, in the exercise of its functions, have due regard to the need to:***
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;***
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:***
 - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;***
 - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;***
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.***
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.***
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.***

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

What is the proposed decision that you are asking the Executive to make:	To note the contents of the Avison Young Development Brief and to consider what steps to take, if any, in further bringing forward regeneration on the London Road Industrial Estate.
Summary of relevant legislation:	N/A
Does the proposed decision conflict with any of the Council’s key strategy priorities?	No
Name of assessor:	Bill Bagnell
Date of assessment:	14 th July 2020

Is this a:		Is this:	
Policy	No	Proposed	Yes
Strategy	No	Already exists and is being reviewed	Yes
Function	No	Is changing	No
Service	No		

What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?	
Aims:	To agree the next steps in bringing forward regeneration of the LRIE.
Objectives:	To secure again a partner or partners who will manage the regeneration of Council freehold assets on the LRIE and where necessary and in support of that process for the Council to exercise its powers of compulsory purchase.
Outcomes:	Provision of BREEAM Excellent residential accommodation, new fit for purpose office accommodation and / or employment spaces and retail opportunities.
Benefits:	Secure and enhanced LRIE income, town centre affordable housing, improved employment opportunities and generally raise the run down profile of an important town centre location.

Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.

(Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
Group Affected	What might be the effect?	Information to support this
Age	None	
Disability	None	
Gender Reassignment	None	
Marriage and Civil Partnership	None	
Pregnancy and Maternity	None	
Race	None	
Religion or Belief	None	
Sex	None	
Sexual Orientation	None	
Further Comments relating to the item:		
Regenerating the LRIE through redevelopment will be of benefit to the wider Newbury community.		

Result	
Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?	No
Please provide an explanation for your answer: Regenerating the LRIE through redevelopment will be of benefit to the wider Newbury community.	
Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?	No
Please provide an explanation for your answer: Regenerating the LRIE through redevelopment will be of benefit to the wider Newbury community.	

If your answers to question 2 have identified potential adverse impacts and you have answered ‘yes’ to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area.

You will also need to refer to the Equality Impact Assessment guidance and Stage Two template.

Identify next steps as appropriate:	
Stage Two required	Not required
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	

Name: **Bill Bagnell**

Date: **14th July 2020**

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) (rachel.craggs@westberks.gov.uk), for publication on the WBC website.

Appendix B

Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via dp@westberks.gov.uk

Directorate:	Resources
Service:	Finance & Property
Team:	Property Services
Lead Officer:	Bill Bagnell
Title of Project/System:	LRIE Redevelopment
Date of Assessment:	14 th July 2020

Do you need to do a Data Protection Impact Assessment (DPIA)?

	Yes	No
<p>Will you be processing SENSITIVE or “special category” personal data?</p> <p><i>Note – sensitive personal data is described as “data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation”</i></p>	<input type="checkbox"/>	X
<p>Will you be processing data on a large scale?</p> <p><i>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</i></p>	<input type="checkbox"/>	X
<p>Will your project or system have a “social media” dimension?</p> <p><i>Note – will it have an interactive element which allows users to communicate directly with one another?</i></p>	<input type="checkbox"/>	X
<p>Will any decisions be automated?</p> <p><i>Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?</i></p>	<input type="checkbox"/>	X

	Yes	No
Will your project/system involve CCTV or monitoring of an area accessible to the public?	<input type="checkbox"/>	X
Will you be using the data you collect to match or cross-reference against another existing set of data?	<input type="checkbox"/>	X
Will you be using any novel, or technologically advanced systems or processes?	<input type="checkbox"/>	X
<p>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</p>		

If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.

London Road Industrial Estate: Development Brief Newbury, West Berkshire

DRAFT

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Appendices

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- Appendix II - Masterplan (WSP)
- Appendix III - WBDC Policy Map
- Appendix IV - Parking Review (Aecom)
- Appendix V - Market Commentary
- Appendix VI - Use of CPO
- Appendix VII - Appraisal Assumptions
- Appendix VIII - Further Information on Delivery Routes

Prepared By: Gardiner Hanson, Simon Zargar and Alexandra Bonnett

Status: **DRAFT Rev_03**

Draft Date: **21st August 2020**

For and on behalf of Avison Young (UK) Limited

1. Introduction

- 1.1 This Development Brief has been prepared on behalf of West Berkshire District Council (as landowner) to outline the planning potential and inform bids from potential development partners to bring forward redevelopment of the London Road Industrial Estate (LRIE) (henceforth referred to as 'the Site'). The Site Location Plan for the Site is provided at **Appendix I**.
- 1.2 The Site is located on the edge of Newbury Town Centre and is currently occupied by a mixture of single and two storey light industrial, retail and office buildings, a former football club and its associated clubhouse. The Site is under freehold ownership of West Berkshire District Council (WBDC) and totals 9.5 hectares (23.46 acres).
- 1.3 Regeneration of the Site is a key objective for the Council and supported by the Development Plan. This report has been commissioned by the Council as landowner, rather than in its capacity as Local Planning Authority, to understand its redevelopment options and the ability to maximize possible development receipts either in the form of improved long-term revenues and/or capital receipts.
- 1.4 The purpose of this Development Brief is to consider the planning and market potential for redevelopment of the Site for residential-led mixed use development, having regard to relevant planning policies of the adopted development plan as well as other relevant planning guidance, and other material considerations.
- 1.5 The Development Brief includes two development scenarios for consideration; the first option outlines a 'comprehensive' long-term masterplan for the entire Site which assumes there are no existing or future leaseholder constraints across the Site; the second 'baseline' masterplan option takes into account the existing leaseholds across the Site and proposes a more strategic phased delivery for the masterplan. The masterplans are designed to be flexible and to adapt to changes both on the Estate and in the wider market over time. Any future detailed development proposals would be subject to any updated policy, planning guidance and material considerations relevant at the time of application.
- 1.6 Both the 'baseline' masterplan and 'comprehensive' masterplan options for the Site have been prepared by WSP (**Appendix II**), informed by transportation advice prepared by Aecom, environmental considerations prepared by Avison Young's Environmental Planning Team and market/delivery advice from Avison Young's Planning, Development and Regeneration Team.
- 1.7 The structure of the report is as follows:
- **Section 2 - Vision and Key Objectives:** summarises the landowner's objectives both for the Site and for any future development partner to deliver the Site
 - **Section 3 - Site Context:** outlines the existing site context and its surrounds;
 - **Section 4 - Site Analysis:** identifies opportunities and constraints to development;
 - **Section 5 - Planning History:** summarises the planning history for the Site;

- **Section 6 - Policy Framework:** provides a summary of the existing and emerging policy framework relevant to the Site;
- **Section 7 - Development Principles:** outlines the development principles for the Site such as appropriate residential and employment land uses, urban design, open space, transport, and environmental/technical considerations. This section also highlights other key development management type matters which will need to be considered in any redevelopment;
- **Section 8 - Masterplan:** presents the indicative high-level masterplan outlining two key development scenarios that could be applied to the Site;
- **Section 9 - Delivery and Appraisal:** outlines advice in relation to existing tenants and neighbouring landowners. This includes land assembly advice to assist in the possible relocation of existing LRIE businesses and in respect of land acquisitions and disposals. This section also identifies any 'in kind' infrastructure requirements, likely CIL/S106 contributions and phasing considerations. The appraisal section provides an options appraisal addressing the balance of risk and reward to inform the possible delivery strategy and assesses the delivery options available and other relevant commercial property advice to sit alongside and support work on the development and planning elements of this project;
- **Section 10 - Application Submission Requirements:** provides a summary of likely documentation which will be expected to be submitted as part of any future planning application; and
- **Section 11 - Conclusions/Next Steps:** summarises the Development Brief and sets out next steps.

Purpose and Status of the Document

- 1.8 The purpose of this Document is to provide greater planning certainty to any future purchaser about the Site's planning and development potential based on a conceptual masterplan, as well as to provide advice to the Council (as landowner) in respect of the constraints associated with disposing of the Site(s) in lieu of the various existing leaseholds.
- 1.9 While this Development Brief is not intended to have any formal planning policy status, it should assist in informing the planning approach to future specific proposals on the Site and its disposal.

2. The Opportunity & Vision

Opportunity

2.1 The opportunity for redeveloping London Road Industrial Estate is as follows:

- Consolidate employment land across the Site to provide purpose-built, high quality modern accommodation to meet occupier needs and attract new businesses to Newbury;
- Help meet WBDC housing needs through the creation of a new residential neighbourhood accommodating a mix of unit sizes and types;
- Greatly enhance the character of the area, creating high quality architecture befitting of the Site's location as a gateway to Newbury Town Centre, and enhancing the relationship with its surroundings, including Victoria Park and the River Kennet; and
- Increase permeability through the Site to better connect the Town Centre with communities to the north.

Vision

2.2 The Vision for London Road Industrial Estate is as follows:

By 2030 London Road Industrial Estate will be transformed into a vibrant, successful and diverse neighbourhood where people will want to live, work and visit. It will accommodate high quality sustainable developments which will better integrate the Site into its surroundings, and meet the needs of existing and future residents and businesses.

2.3 For the London Road Industrial Estate this means:

- Regeneration of an existing employment/light-industrial area into a sustainable mixed-use neighbourhood, comprising a mix of housing and various employment uses across a range of tenure types;
- A new urban district that positively contributes to Newbury's reputation for sustainable development focused around the nearby town centre and accessible transportation links;
- Enhanced connectivity through the Site, both to the Town Centre and to the wider area; and
- An environmentally sustainable neighbourhood, with access to open spaces.

3. Site Context

3.1 The Site is approximately 11.13ha in area and is shown outlined in red below in **Figure 1** (and **Appendix I**). The Site comprises a mixture of single and two storey light industrial, retail and office buildings, associated yard spaces, a former football club and its associated clubhouse. The Site also contains several adopted highways including Fleming Road, Faraday Road, Ampere Road, Kelvin Road and Marconi Road.



Figure 1 - LRIE Site Location

3.2 The surrounding context of the Site comprises the following:

- West – the Site is bounded by the dual-carriageway A339, beyond which lies Victoria Park with small areas of residential uses north of the park and Newbury Town Centre located further to the west;
- South – the Site is bounded to the south by the River Kennet and the Kennet & Avon Canal, and to the south east by the Dairy Farm allotments. On the opposite side of the River Kennet is an area predominantly in residential use and several light industrial sheds located further south east of the Site;
- East – the Site is bounded by several light industrial sheds that are accessed from within the Site via Ampere Road. Directly south of these industrial units is the Greenham Lock Marina located along the bank of the River Kennet;
- North – the Site is bounded by several big-box retail units that front onto the dual-carriageway A4 London Road. On the opposite side of the A4 are areas predominantly in residential use.

3.3 The Site contains areas within Flood Zones 1, 2 and 3 and so has varying degrees of flood risk.

3.4 The Newbury Conservation Area, which predominantly comprises the Newbury Town Centre plus surrounding areas, also partially encroaches on the southernmost edge of the Site along the edges of the River Kennet &

Avon Canal towpath. The majority of the Conservation Area is visually and physically separated from the Site by the presence of the A339 dual carriageway. There are no listed heritage assets on the Site, but there is an existing Thames Water pumping station towards the centre of the Site which is understood to date from the Victorian period.

- 3.5 A more detailed review of the sub-parcels that comprise the broader Site is provided in Section 4.
- 3.6 The Site includes several plots which are subject to extant planning permissions, including a 2016 planning permission (as subsequently varied) for the Faraday Plaza mixed-use redevelopment scheme. These applications are detailed in Section 5 of this report.
- 3.7 For the purposes of this Development Brief we have included the relevant extant permissions within the proposed masterplan so it reflects the emerging context of the area and how such proposals could be appropriately integrated.
- 3.8 Applications have been made for redevelopment of two sites outside of the Council's red line ownership but immediately adjacent to the Site: a scheme for 35 flats with 1,700sqm office at 115 London Road and 92 flats with 2,358 sqm office on part of the Newbury House site. These are discussed in detail within this report.

4. Site Analysis

Site Layout

4.1 The Site comprises a potential developable area of approximately 11.13 hectares and consists of a total of 26 parcels (labeled from 13A – 13Z), as shown on the Site Plan provided below in **Figure 2**.

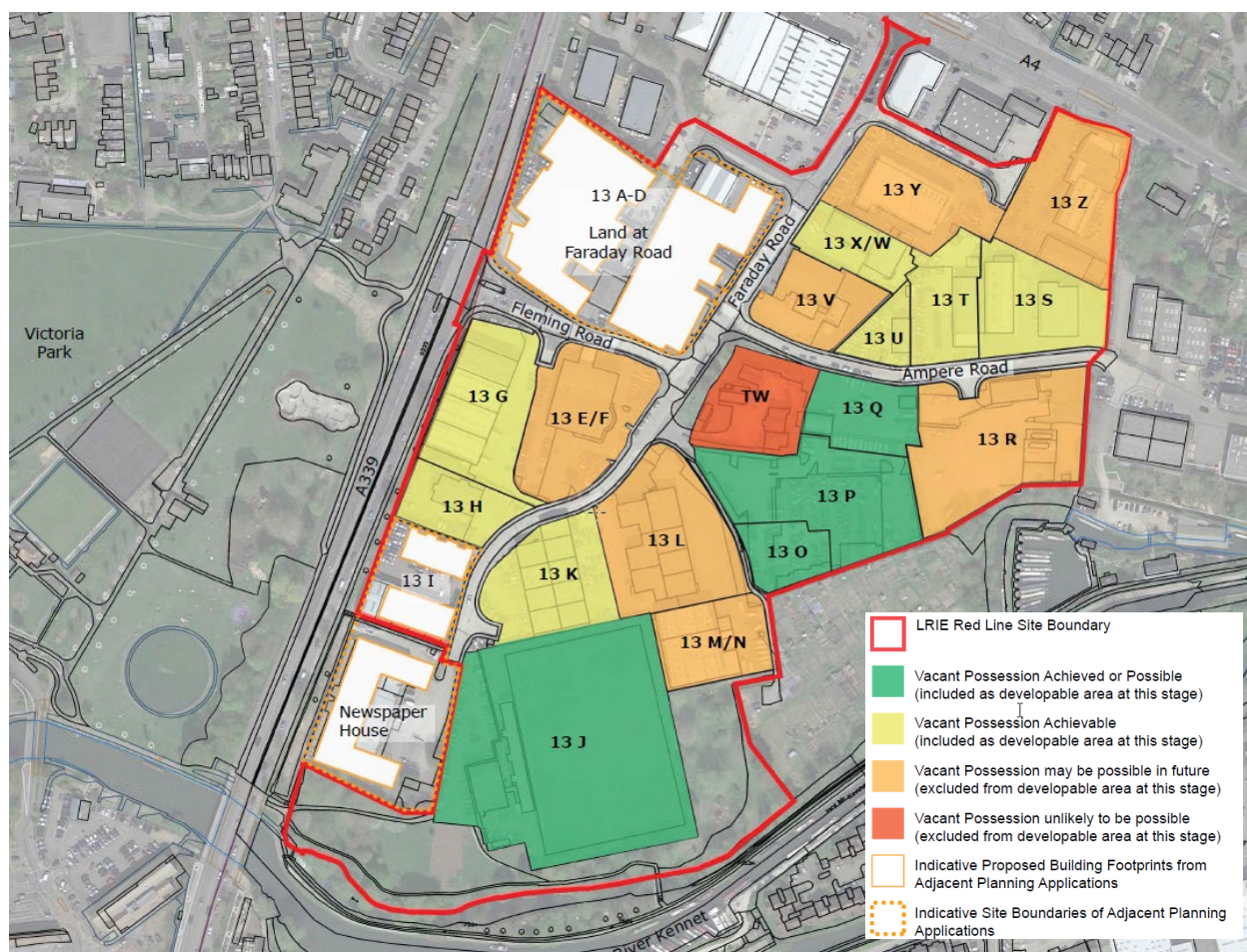


Figure 2 - LRIE - Sub-Parcel Site Plan

4.2 Many of these sub-parcels are currently tenanted under various short and long-term leaseholds albeit it is noted that the Council is the freeholder of all these parcels. This is discussed in greater detail in Section 9. We have tabulated the various parcels by parcel reference number, tenant, site area, approximate existing gross floor area, land use and Use Class below in **Table 1**.

Table 1- Schedule of Lessees across LRIE site

Parcel Ref. No.	Leaseholder	Approximate Site Area (Ha)	Gross Floor Area (SQM)	Land Use
13A	Faraday Investments	0.20	1,416	Dealership
13B	Faraday Investments	0.50	153.3	Light Industry
13C	Faraday Investments	0.15	846.2	Light Industry
13D	Faraday Investments	0.42	2,380	Light Industry
13E	Eden Vauxhall	0.29	2,719	Dealership
13F	Eden Vauxhall	0.16	1,161	Dealership

Parcel Ref. No.	Leaseholder	Approximate Site Area (Ha)	Gross Floor Area (SQM)	Land Use
13G	Mr. Lacey	0.40	1,732	Light Industry
13H	Greenmeadow	0.19	411	Light Industry
13i	Newbury Weekly News	0.27	1,122	Office
13J	Vacant Football Ground	1.41	-	Sui Generis
13K	Newbury Weekly News	0.36	1,520	Office
13L	Eggar, Forrester (Holdings) Ltd	0.51	1,570	B1
13M/N	Elis	0.25	1,461	B1
13O	Crown Motors	0.15	553	Dealership
13P	Vacant	0.52	-	-
13Q	CB Hire Ltd	0.22	127	Light Industry
13R	Calor Gas Ltd	0.61	417	Light Industry
TW	Thames Water	0.28	-	-
13S	Wilky Investments Ltd	0.33	1,453	Light Industry
13T	Mr. Toomey	0.24	404.	Dealership
13U	Mrs. Sivier	0.11	219	Dealership
13V	Newbury Electronics Ltd	0.25	717	Light Industry
13W	Malone Roofing	0.17	326	Light Industry
13Y	Marshall Motor Holdings Plc.	0.38	1,065	Dealership
13Z	Syntner Properties (Mercedes)	0.42	1,164	Dealership

4.3 Overall, we estimate that the Site currently accommodates an estimated 23,000sqm (GFA) of employment uses across the site, comprising circa:

- 5,700sqm of B1 office space;
- 8,600sqm of B2 light industrial space; and
- 8,700sqm of Sui Generis uses.

4.4 Detailed building records were not available for the sub-parcels across the Site and therefore the above referenced floor area figures have been estimated utilising building footprint measurements from aerial photography of building footprints across the site.

4.5 The following parcels are of particular note to the above-referenced sub-parcel plan:

- Plots 13A-13D: which comprise the Faraday Plaza development site which currently has a live planning application for mixed-use redevelopment comprising approximately 26,554sqm (gross external) of floor space providing offices (B1), retail (A1), Financial and Professional Services (A2), hotel (C1), restaurant (A3), hot food takeaways (A5) motor dealership and residential apartments (160 units including 48 affordable) together with 330 car parking spaces, new junction on to A339, site access and ancillary development (See Section 5);
- Plot 13I: this plot forms part of the Newbury News development site which is currently being determined under an appeal against non-determination for the demolition of the existing

Newspaper House and commercial buildings and redevelopment of the site for 71 flats and office accommodation together with parking and associated works (See Section 5);

- Parcel 13J: comprises the Newbury Football Club site which is currently vacant; and
- Parcel 13R: is tenanted by Calor Gas which is a Lower Tier site regulated by the Control of Major Accident Hazard (COMAH) Regulations.

4.6 It is also noted that there is a Thames Water Pumping Station located near the centre of the site (at the southern corner of Faraday Road and Ampere Road) and labeled as sub-parcel 'TW'. This site does not form part of the site-wide masterplan as this use is assumed to be retained by the utility provider.

Opportunities/Constraints

Transportation/Access

Opportunities

4.7 The Site is in a highly sustainable location within 400 metres of Newbury Town Centre, and is easily accessible by a variety of transport options. Newbury Rail Station and Newbury Bus Station are located to the south within Newbury Town Centre approximately 800 metres from the centre of the Site where users can access regular Network Rail and National Express bus services to other Berkshire villages, Reading and mainline rail services to London Paddington. There are also several bus stops within a short walking distance from the Site.

4.8 The transportation site profile for the Site is shown below in **Figure 3**. London Road Industrial Estate is bound by two dual carriageways. The A4 London Road to the north and the A339 to the west which provide excellent vehicular access to the Site.

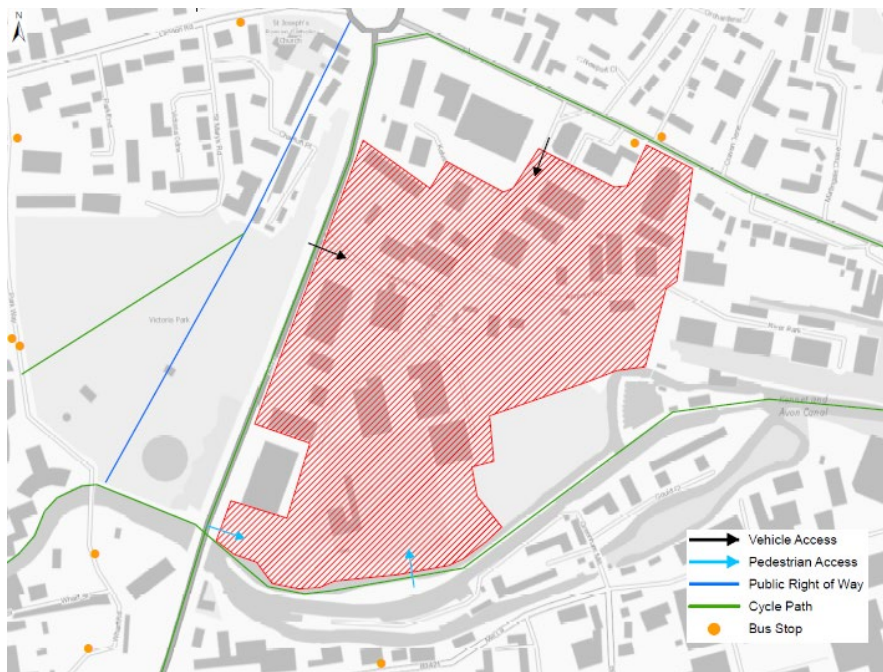


Figure 3 - Transportation Site Analysis (courtesy: AECOM)

4.9 The A4 provides key access to conurbations east and west of the Site, including Thatcham and Reading to the east, and Hungerford to the west. The A339, adjacent to the Site is a dual carriageway, which provides access to Basingstoke and Hampshire in the south, and converges with the A34 to the north, providing

access to Oxford and the Midlands. Junction 13 of the M4 is located approximately four miles to the north of the Site.

- 4.10 The 'Robin Hood' Roundabout, where the A339/A4 meet, is located to the north west of the Site. This is a key junction within the Newbury Town road network, along with the A339/Bear Lane junction to the south of the Site, which is currently undergoing highway improvement works, to improve vehicular and pedestrian access to Newbury Town Centre which will overall benefit the future development of the Site.
- 4.11 Although there are no dedicated cycle facilities within the industrial estate (except for an Advanced Cycle Stop Line on the Fleming Road signalised junction), the nature of Faraday Road with low vehicular speeds is beneficial to cyclists. Adjacent to the Site dedicated cycle provision is well-provided with a dedicated on carriageway cycle lane on the A4 to the east, which then transfers to a shared use foot/cycle way to the west of Faraday Road and continues south along the A339. A Toucan crossing enables pedestrians and cyclists to cross the A4/Faraday Road junction providing a connection between the industrial estate and north of the A4. There is also a Toucan Crossing on the A339 north of Fleming Road providing a connection to the residential area on the south side of London Road (west) and onwards towards the Town Centre. Providing direct connections to these already-established movement corridors would enhance connectivity through the Site and to surrounding areas.
- 4.12 In addition, the southern end of the industrial estate connects with the Canal Towpath and National Cycle Network Route 4 (NCN4), which provides direct pedestrian and cycle connections to Newbury Town Centre and its facilities along with the Rail and Bus Stations, as shown in Figure 2. Further afield NCN4 travels through several Berkshire towns, providing a key leisure and commuter route.

Constraints

- 4.13 Notwithstanding the location near the town centre and nearby public transportation links, the presence of the A339 and A4 dual carriageways that bound the Site can generate significant noise and air quality impacts generated from vehicular traffic which could contribute to health impacts for residents and an overall poor urban environment for residents, pedestrians and cyclists.
- 4.14 The road network surrounding the Site, including the Robin Hood roundabout and A339/Bear Lane, has historically been congested and consideration needs to be given to the masterplan to ensure that development on the Site does not have a detrimental impact at these two key junctions.
- 4.15 The hierarchy, and existing construction, of the surrounding highway network limits the potential for any further junction improvements or alternative vehicular access points.
- 4.16 The connections to both the A4 London Road and the A339 may encourage 'rat-running' traffic movements through the development if proper consideration is not given to prevent this through the development of the masterplan.
- 4.17 The change of use of the Site from commercial to residential is likely to bring about an increase in overall vehicle movements and in particular the movement of commercial vehicles, resulting in a detrimental impact on the surrounding transport network.

- 4.18 Potential for a mixture of commercial vehicle traffic with pedestrian/cycle movements could lead to safety issues if proper consideration is not given to prevent this through development of the masterplan.
- 4.19 Consideration will need to be given to how to ensure that the development does not encourage or facilitate 'fly parking' either by residents, employees, commuters and on race days.
- 4.20 Internally, the road network is already established, and we understand contains several underground utilities that would be costly to re-route should an alternative site layout be desired. This limits the layout options for the future redevelopment of the Site and suggests the current layout of the Site will likely need to be maintained.

Physical and Environmental Constraints

Opportunities

- 4.21 Along the southern boundary of the Site where it interfaces with the River Kennet & Avon Canal, there are existing areas of public open space and established vegetation.
- 4.22 There is the opportunity to use existing vegetation along the southern boundary of the Site to provide enhanced nature conservation features including notable species identified and this should be incorporated into the masterplan.
- 4.23 Due to the largely industrial nature of the estate, there is a good opportunity to introduce new open spaces and habitat enhancements within the masterplan which can provide aesthetic and biodiversity enhancement where possible. This could be in the form of SuDS sustainable drainage features, new street trees, or new parks and leisure facilities.

Constraints

- 4.24 The Site is mostly within Flood Zone 2 (land having between a 1 in 100 and 1 in 1,000 annual probability of river flooding) and Flood Zone 3 (land having a 1 in 100 or greater annual probability of river flooding) and so has a Medium to High risk of flooding. There is however a large area indicated to be in Flood Zone 1 (land having a less than 1 in 1,000 annual probability of river flooding). This comprises most of the former football pitch site (parcel 13J) and the industrial building to the east currently used by a laundry service provider (parcel 13M/N) along with smaller areas to the north-west and north of the former football pitch site. It is also considered to be at a medium risk of canal flooding. However, the Site is within an area that benefits from flood defences. The current level of service of these defences is not known or whether they are sufficient for the lifetime of the development of the Site allowing for climate change. The extent of fluvial flooding across the site is shown in **Figure 4**.

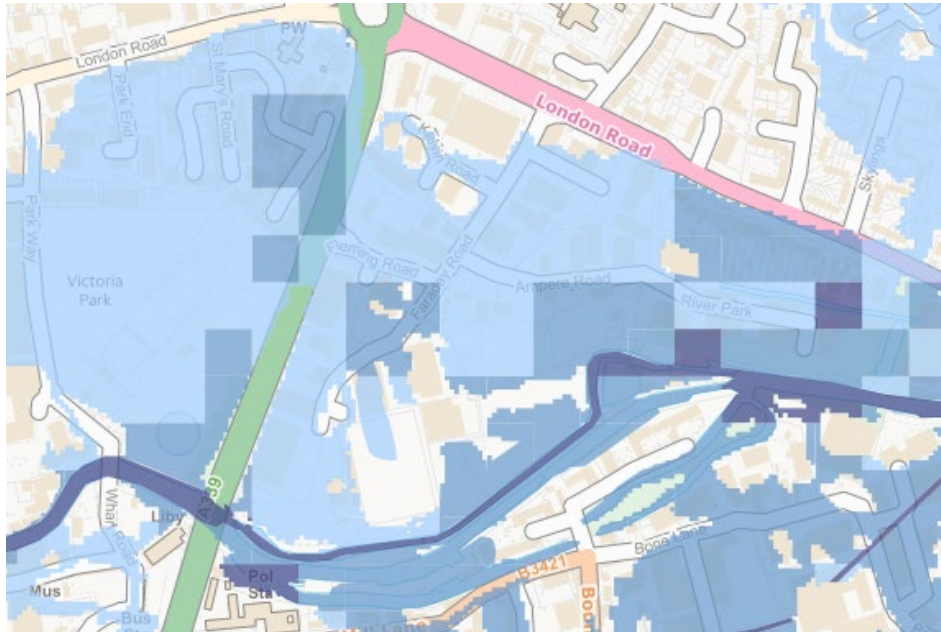


Figure 4 - Extent of fluvial flooding¹

- 4.25 The West Berkshire SFRA confirms that the Site is located in a groundwater emergence zone and therefore an area considered at high risk from raised groundwater levels. This may influence the ability to use infiltration drainage to attenuate surface water drainage in extended wet periods and add to basement/ undercroft costs. There is also a critical drainage area to the west of the Site suggesting the Site would need significant attenuation of flows if draining into this area. The masterplan will need to respond to this by incorporating an extensive SuDS area at the southern end of the site adjacent to the river. This area would be sufficient in size to accommodate ground level changes as part of a flood management strategy, if considered appropriate, but would be subject to detailed design.

- 4.26 The FRA accompanying application 19/01281/OUTMAJ (see Section 5) notes that the SFRA advises that finished floor levels should be at least 300mm above the 1:100 +70% flood level (75.70m AOD). Therefore, finished first floor levels were proposed to be set at between 76.30-77.30m AOD, and the scheme has residential at first floor level and above. Rainwater harvesting, green roofs, pervious paving and attenuation storage for surface water management are proposed. This indicates that while the Site is at varying degrees of flood risk from various sources appropriate mitigation measures can be designed into proposals to enable the Site to be redeveloped.

- 4.27 A review of historic OS maps and review of planning applications on the Site indicate a history of a wide range of potentially contaminative uses on the Site including an abattoir, landfill accepting industrial and domestic waste, a range of engineering works, and a sewage pumping station. While it is evident that some of the planning permissions reviewed required remediation of contamination it can be expected that this will only have addressed part of the Site and can be expected to be to a standard suitable for the proposed use of the land in the relevant permission. The remediation undertaken can be expected to have been to a standard suitable for the proposed use and therefore the standard of remediation will need to be reviewed in the context of the uses proposed in the masterplan particularly where soft landscaped areas / gardens are proposed.

¹<https://flood-warning-information.service.gov.uk/long-term-flood-risk/map?easting=447115&northing=167544&address=100081305196&map=SurfaceWater>

- 4.28 A web-based search identified a historical landfill site (deposited Waste including Inert, Industrial, Commercial and Household waste...). The presence of filled areas was noted in the submission documentation for planning application 19/01281/OUTMAJ (see below). The application noted information from the Environment Agency identifying a 'four hectare landfill filled with biodegradable waste in the 50-60s. No licence and no info on capping. No site investigations /remediation documented for the site.' The Envirocheck Report includes a plan (see **Figure 5**) that shows the extent of the landfill according to Environment Agency records along with other historic landfills in the surrounding area. A plan extract from the Envirocheck Report indicating the likely extent of the landfill is below. This landfill is indicated to extend beneath most of Parcel 13K, 13L, 13M/N, 13O, 13P, 13Q and the Thames Water pumping station.

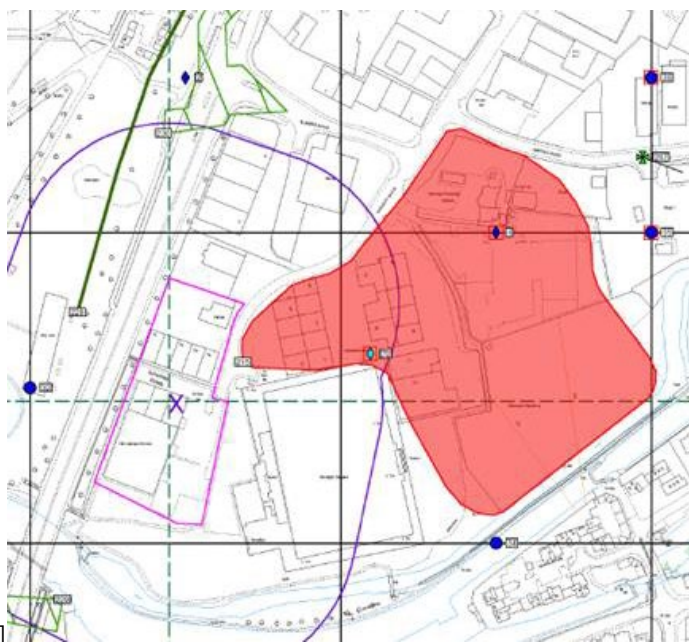


Figure 5 – Indicative extent of historic landfill²

- 4.29 Online data sources indicate the Site has soils of high leaching potential which can possibly transmit a wide range of pollutants. The Site is located within the Source Protection Zone III (total catchment area) of a potable water abstraction point located 1km west. Therefore, remediation works will need to be carefully planned to reduce the risk of mobilisation of contamination during site works.
- 4.30 The River Kennet to the south of the Site is a designated SSSI so is sensitive to development and discharges from development adjacent to it. Therefore, site drainage solutions should include measures to prevent the discharge of contaminants to the river.
- 4.31 The Site is within an area subject to a Noise Action Plan in accordance with Directive 2002/49/EC. This indicates that noise sensitive land uses should be located away from the A339 to the west of the Site. The masterplan incorporates a buffer zone in which noise attenuation measures could be located and which also serves to provide a separation distance between the residential areas and the A339.
- 4.32 The Site is located 525m north of the Newbury Air Quality Management Area (AQMA) located at the intersection of the A339 and St John's Road. Traffic generated by the development may have an effect on this AQMA, but this will need to be addressed at the application stage when traffic generation and assignment to the road network and likely vehicle composition is known.

² Planning application 19/01281/OUTMAJ

- 4.33 The area has considerable Mesolithic archaeology and evidence of medieval and post medieval activity. The Archaeologist's response to planning application 19/00278/RESMAJ (see Section 5) noted that an evaluation of this application site indicated much relatively modern made ground, and previous advice for 12/00772/XOUTMAJ was that there will be no significant impact on the archaeological resource from this proposal. However, given the large-scale redevelopment of the Site the need for further archaeological investigations should be considered likely.
- 4.34 Victoria Park is located on the west side of the A339 to the west of the Site and the park itself lies at the eastern portion of the Newbury Conservation Area. This Conservation Area also includes part of the River Kennett river valley and includes the southern fringes of the Site adjacent to the river. The set back of the residential area from the A339 also serves to protect the setting of the park although the provision of housing along this frontage provides the opportunity to improve the park setting through sensitive massing and façade design.
- 4.35 The Site is not located within the North Wessex Downs Area of Outstanding Natural Beauty. The Site is unencumbered by Tree Preservation Orders or Public Rights of Way and so these features are not a constraint on the masterplan.
- 4.36 The Site is within a consultation zone of an HSE registered facility as shown in **Figure 6**. This facility is the Calor Gas Limited, Newbury Calor Depot Ampere Road (parcel 13R). This is a Lower Tier facility but still requires the masterplan to respond to the risks associated with this facility. A number of parcels are located within the 'Inner' and 'Middle' zones and the HSE guidance on the types and density of development within these zones has been taken into account in the masterplan though further liaison with the HSE is recommended to fully understand the extent of the constraints as a result of this facility.

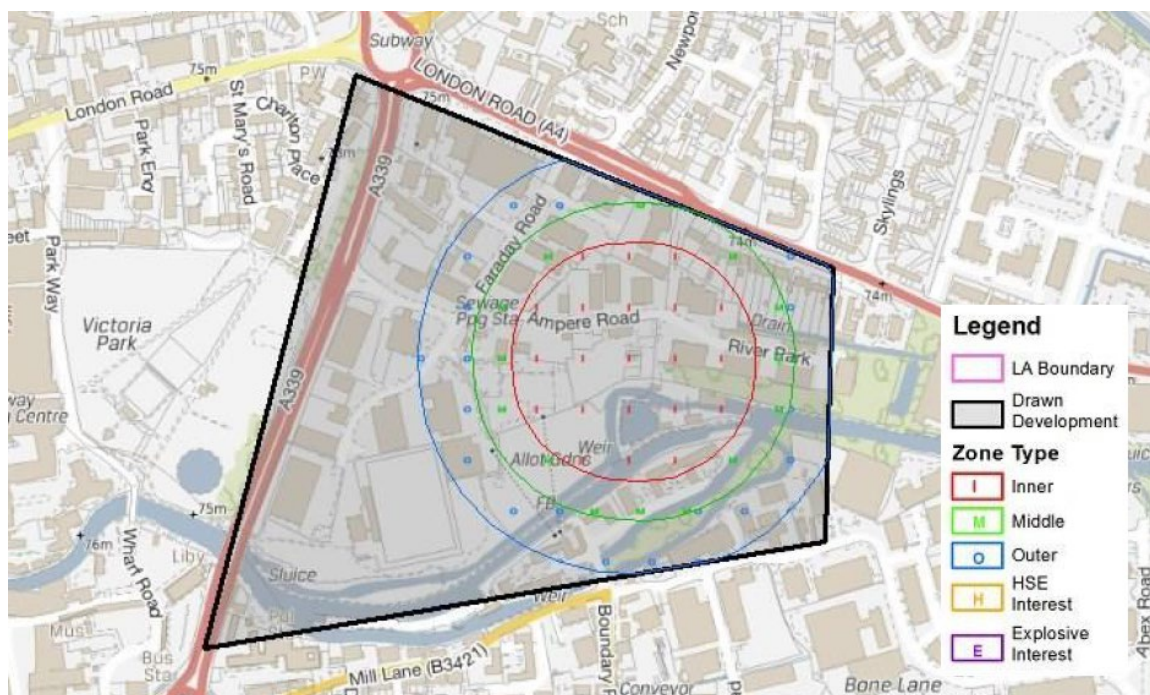


Figure 6 - HSE Consultation Zone Plan (courtesy: Health and Safety Executive)

- 4.37 It is also partly within an area with elevated radon potential, though this can be addressed through more detailed investigations and through detailed design if required.

5. Planning History

- 5.1 As noted previously, the Site comprises a total of 26 sub-parcels (labeled from 13A – 13Z) and as such has a broad planning history.
- 5.2 This section provides a summary of significant applications within the LRIE, and notable recent planning applications in the immediate vicinity. It is not intended to be a comprehensive review of planning history for the Site. Full details regarding the wider site history, including historic records which are not available online, are available through WBDC's Planning Department.

Relevant Planning Applications

5.3 **Table 2** below provides a summary of the most relevant applications on the site within the past circa 10 years. A brief summary of each is provided, as well as their current status. The information below was correct as of 3rd July 2020 and is based on the available information contained on WBDC's planning portal. This section is intended for background only and is not intended as a commentary on the appropriateness, deliverability or suitability of these proposals. A number of these proposals are particularly relevant to the formulation of a masterplan for the estate and are therefore discussed in further detail in later Sections of this document. The following planning history review has been arranged in accordance with the sub-parcel plan shown below in **Figure 7**.

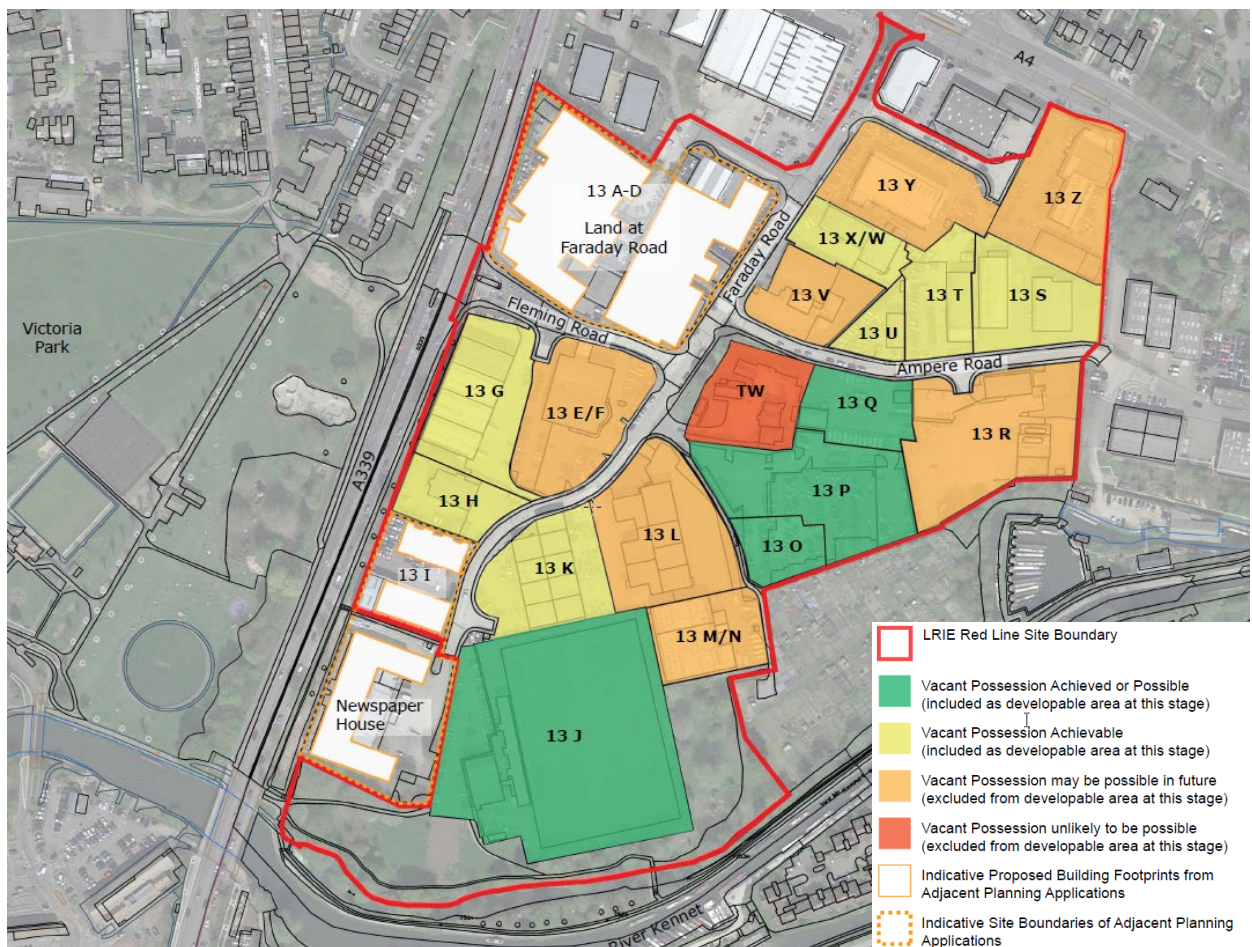




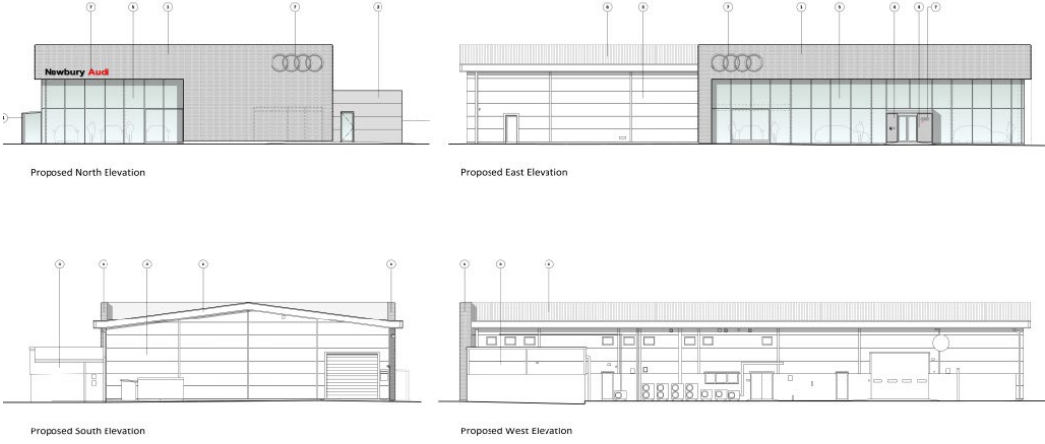

Figure 7 - LRIE - Sub-Parcel Site Plan

Table 2 - Relevant Planning Applications with LRIE

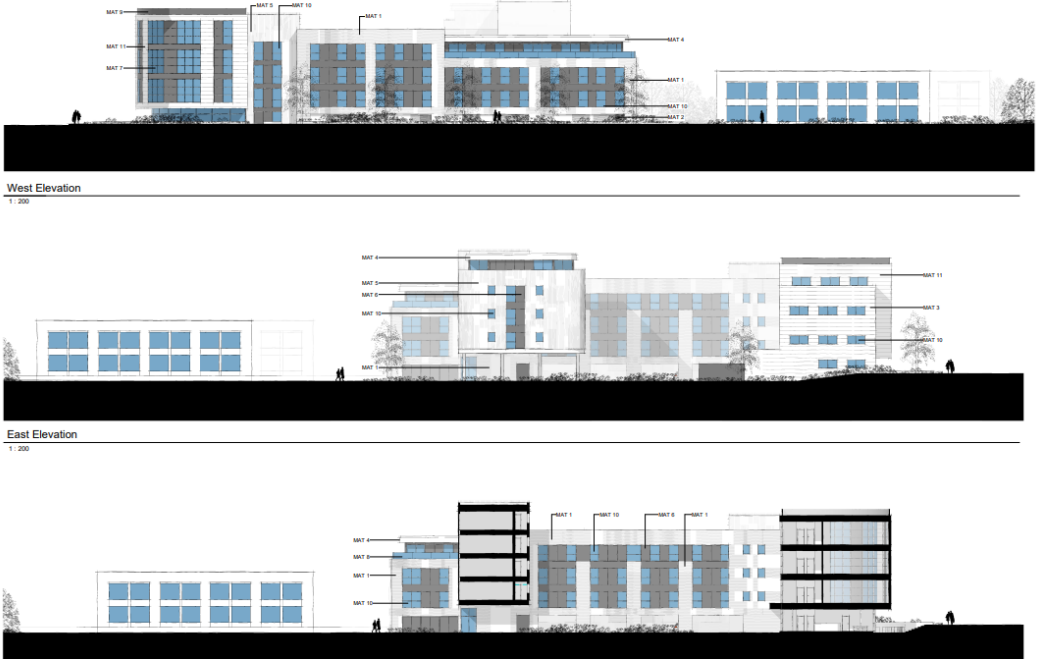
Parcel Ref. No	Application Summary
<p>13 A-D (Land Off Faraday and Kelvin Road):</p>	<p><u>12/00772/XOUTMA</u></p> <p>Mixed use redevelopment comprising approximately 26,554sqm (gross external) of floor space providing offices (B1), retail (A1), Financial and Professional Services (A2), hotel (C1), restaurant (A3), hot food takeaways (A5) motor dealership and residential apartments (160 units including 48 affordable) together with 330 car parking spaces, new junction on to A339, site access and ancillary development.</p> <p>Refused 28 August 2014 and allowed at appeal (ref: APP/W0340/W/14/3002040) February 2016</p>
	<p><u>18/01553/OUTMAJ</u></p> <p>Variation of conditions for phasing of the above outline development. This required, inter alia, submission of the reserved matters and submission of a phasing plan for approval within 3 months.</p> <p>Approved 14 December 2018</p>
	<p><u>19/00278/RESMAJ</u></p> <p>Reserved matters following outline application allowed on appeal 12/00772/XOUTM as varied by 18/01553/OUTMAJ.</p> <p>Approved 31 May 2019.</p>
	 <p>Faraday Road Elevation 1 : 250</p> <p>A339 Elevation 1 : 250</p> <p>Fleming Road Elevation 1 : 250</p>

Parcel Ref. No	Application Summary
	<p><u>19/00891/OUTMAJ</u></p> <p>S73 application for the variation of Condition 6 - Phasing of previously approved application 18/01553/OUTMAJ: to allow for the development to be phased as detailed in the submitted schedule. As per Condition 1 the development must be begun on or before the 31 May 2021 (that being two years from the date of approval of the reserved matters).</p> <p>Approved 11 July 2019</p>
	<p><u>19/02095/NONMAT</u></p> <p>Non-material amendment to add a condition listing all approved drawings</p> <p>Approved 16 September 2019</p>
13 I & Newspaper House	<p><u>18/00797/OUTMAJ</u></p> <p>Outline permission for demolition of existing Newspaper House and industrial units and redevelopment of the site for 82 flats and office accommodation together with parking and associated works. Matters to be considered: Access, Appearance, Layout and Scale.</p> <p>Withdrawn 30 January 2020</p>
	<p><u>19/01281/OUTMAJ</u></p> <p>Outline permission for demolition of existing Newspaper House and commercial buildings and redevelopment of the site for 71 flats and office accommodation together with parking and associated works. Matters to be considered: Access, Appearance, Layout and Scale.</p> <p>Committee Resolution to Refuse: 5 February 2020 – Appeal started 2 July 2020</p>
	 <p>The top image is a site section drawing of an existing long, low industrial building with a green roof and a central entrance. The bottom image is a perspective architectural rendering of a proposed modern building complex with multiple stories, featuring red brickwork and grey panels, set against a blue sky with trees.</p>
	<p><u>18/01234/FUL</u></p> <p>Partial change of use from B1 to A3 (46sq.m). Conversion of existing loading bay to create shop front with canopy behind shutter and outside cafe seating area. Vent for extraction system.</p> <p>Approved 28 June 2018</p>
<p><u>18/00792/FUL</u></p> <p>Change of use of existing motor dealership Unit 6 (Sui Generis) to Offices (B1 (a)) with associated parking.</p> <p>Approved 9 July 2018</p>	

Parcel Ref. No	Application Summary
<p>13 J (Newbury Football Club)</p>	<p><u>19/00814/FUL</u> Creation of 4 x multi-use games areas with replacement gates and new fencing; 8 x new floodlights (replacing existing 6 x floodlights). Application by West Berkshire Council Withdrawn 27 February 2020</p> 
	<p><u>18/00603/COMIND</u> Renewal and expansion of existing football pitch including artificial pitches. Application by Newbury Community Football Group CIC. Appeal against non-determination withdrawn 25 February 2020</p> 
	<p><u>18/00604/OUT</u> Outline permission for replacement of clubhouse and stand at Newbury Football Ground. Matters to be considered: Access and Layout. Application by Newbury Community Football Group CIC. Appeal against non-determination withdrawn 25 February 2020</p>
	<p><u>18/02046/DEMO</u> Application for prior notification for demolition of spectator stand Prior Approval not Required – 14 September 2018</p>

Parcel Ref. No	Application Summary
<p>13 Y (Ridgeway Audi)</p>	<p><u>19/01420/FUL</u></p> <p>Refurbishment of existing showroom through the revision and re-configuration of ground and first floor accommodation, along with the rationalisation of the elevations. Proposals also include new external lighting.</p> <p>Approved – 7 August 2019</p> 
<p>13 P (Former Council Offices Site)</p>	<p><u>18/03417/FUL</u></p> <p>Change of use of former Council Offices site from B1 use to Sui Generis (Car Sales)</p> <p>Withdrawn 7 February 2019</p>
<p>13 P (Former Council Offices Site)</p>	<p><u>19/00463/FUL</u></p> <p>Change of use of former Council Offices site from B1 use to Sui Generis (Car Sales). The application proposed a car sales area, with space for customer parking, deliveries and car washing</p> <p>Approved 24 October 2019</p> 

Notable nearby Applications

Parcel Ref. No	Application Summary
115 London Road	<p><u>16/00924/OUTMAJ</u></p> <p>Erection of 35 flats [10 affordable] with 1700m2 of office space and associated access and parking on the application site which is the north west section of the LRIE. This was an outline planning application with matters of access, scale and layout included.</p> <p>Approved on 1 November 2016</p>
	<p><u>17/01892/RESMAJ</u></p> <p>The appearance and landscaping reserved matters.</p> <p>Approved 31 October 2017</p>
	<p><u>19/02006/REM</u></p> <p>Amended reserved matters for appearance only were approved in September 2019.</p> <p>Approved 30 September 2019</p>
 <p>The image contains three architectural elevation drawings of a building. The top drawing is labeled 'West Elevation' and shows a long, multi-story building with several wings. Labels include MAT 1, MAT 2, MAT 3, MAT 4, MAT 5, MAT 6, MAT 7, MAT 8, MAT 9, MAT 10, MAT 11, SECT 1, SECT 2, SECT 3, SECT 4, SECT 5, SECT 6, SECT 7, SECT 8, SECT 9, SECT 10, and SECT 11. The middle drawing is labeled 'East Elevation' and shows a similar view from the opposite side. The bottom drawing is another elevation view, possibly a side elevation, showing a different profile of the building. All drawings include a scale of 1:200 and show the building on a ground level with some landscaping and human figures for scale.</p>	

6. Policy Framework

6.1 The planning policy framework affecting the sites comprises the following:

- The National Planning Policy Framework; and
- The WBDC Development Plan.

National Policy Context

6.2 The NPPF is a material consideration in the determination of planning applications. It sets out the Government's planning policies for England and how they are to be applied. The core message of the NPPF is a 'presumption in favour of sustainable development'.

6.3 The NPPF supports a plan-led approach and places great emphasis on the need for Authorities to have up to date plans in place. Development proposals that accord with an up to date development plan should be approved without delay. Where the development plan is absent, silent, or out-of-date, the default position is for permission to be granted, unless any adverse impacts of granting permission would significantly and demonstrably outweigh the benefits or where specific NPPF policies indicate that development should be restricted.

The NPPF requires that due weight should be given to relevant policies in adopted plans according to their degree of consistency with the NPPF (the closer the policies in the plan to the policies in the framework, the greater the weight they should be given). Limited weight may also be afforded to emerging planning policies according to their stage of preparation and consistency with NPPF policies.

Emerging Government Guidance

Use Classes Order

6.4 Coming into force on 1st September 2020, the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 (2020 No. 757) will generate significant changes to the way the Use Classes Order will be applied in future. In short, the regulations seek to 'amend and simplify' the system of 'town centre' use classes in England by creating a new broad Use Class E 'Commercial, Business and Service' which incorporates:

- Retail (previously A1)
- Restaurant (previously A3)
- Financial and professional services (previously A2)
- Offices (previously B1(a))

6.5 Along with other uses previously in Class D1 & D2 and other uses which are 'suitable for a town centre area' Class E will soon include:

- Indoors sport, recreation and fitness facilities (previously D2)
- Medical and health facilities (previously D1)
- Creches and day nurseries (previously D1)
- Research and development facilities (previously B1 (b))
- Light industrial uses (previously B1 (c))

6.6 The implications of the forthcoming changes to the Use Class Order will likely provide additional future flexibility for developers and/or leasees as buildings or sites which were restricted to a particular lawful use may potentially be able to change the use of land or a building without the need for planning permission. It is still unclear how or if Local Planning Authorities will choose to seek ways to control land use where a new E Use Class is present and this will need to be monitored as updated Guidance is provided by Government. It is also important to note that whilst changes within a singular Use Class do not constitute development (and thus will not require Planning Permission), existing planning condition/S106 restrictions are likely to still be enforceable on existing developments and uses. As such, this would need to be reviewed for each given case.

Government's Planning for the future Consultation

6.7 It should be noted that on the 6th of August the Ministry of Housing, Community & Local Government released the 'Planning for the future' White Paper for consultation. The consultation proposes reforms of the planning system to streamline and modernise the planning process, bring a new focus to design and sustainability, improve the system of developer contributions to infrastructure, and ensure more land is available for development where it is needed. Consultations on the Government's reforms to the England Planning System will carry through the 29th October 2020 and therefore the impacts on any future redevelopment of the Site are still unclear, albeit noting they would not be expected to impact the future redevelopment potential of the Site in the short or long-term.

WBDC Development Plan

6.8 The WBDC Development Plan is currently made up of the following documents:

- Core Strategy Development Plan Document (2006 - 2026) adopted July 2012;
- Housing Site Allocations Development Plan Document adopted May 2017; and
- West Berkshire District Local Plan 1991 - 2006 (Saved Policies 2007) as amended in July 2012 and May 2017.

6.9 The Council also has several adopted Supplementary Planning Documents and Guidance which would be material considerations in the determination of future planning applications:

- Sustainable Drainage Systems SPD (Dec 2018)
- Planning Obligations SPD (Dec 2014)

- Quality Design - West Berkshire SPD (June 2006)

Emerging Policy Context

- 6.10 WBDC is currently undertaking their Regulation 18 consultation on the 'West Berkshire Local Plan Review to 2036'. As per the Council's current Local Development Scheme (April 2020), the Council is expected to complete the Regulation 18 consultation in September 2021, with the Regulation 19 publication of the proposed submission documents in May 2021. Following Regulation 19 consultation, the Council is expecting to submit their Draft Local Plan to the Secretary of State for Examination in Public in October 2021, with adoption of the updated Local Plan to be completed in December 2022.

Adopted Policy Context

- 6.11 The following policy designations apply to the Site (as per the WBDC Core Strategy Proposals Map as shown in **Appendix III**):
- Newbury Settlement Boundary (Policy C1);
 - Protected Employment Area;
 - Flood Zone 2; and
 - Flood Zone 3.
- 6.12 The redevelopment of the London Road Industrial Estate is a long-held vision of the Council, as originally set out in the Newbury Vision 2025 document (2003) and taken forward to the end of the current Plan period in the Newbury Vision 2026 document (2014). This envisions mixed-use redevelopment of the Site for the regeneration of existing employment uses and high-quality town centre residential units to make better use of this important gateway site. The Adopted Core Strategy is informed by this Vision.
- 6.13 Core Strategy Area Delivery Plan Policy 2 (Newbury) states that Newbury will deliver approximately 5,400 new homes over the plan period, contributing to its role and function as the largest urban area in WBDC. It recognises that there is significant development potential on previously developed land, particularly in the town centre and periphery. Newbury will be the main focus for business development over the plan period.
- 6.14 Protected Employment Areas, especially those in more accessible locations, will play a vital role in meeting the existing and future economic demands of the District. Regeneration of the Site immediately to the east of the town centre for mixed use and office developments is envisioned to create additional jobs and improve the environment of this part of the town. The appearance of key gateways to the town will be improved providing an enhanced identity for the town.

London Road Industrial Estate

- 6.15 Core Strategy Policy CS9 (Location and Type of Business Development) states that the Council will seek to facilitate and promote the growth of employment uses in the District by managing the growth of B1 floorspace to meet future requirements; managing the reduction of land for B2 uses whilst ensuring a sufficient supply is maintained; and the retaining suitably located sites for B8 uses. Any such B class uses will generally be directed to the District's Protected Employment Areas and assessed against their compatibility

with surrounding land uses, and the capacity and impact that proposals would have on the surrounding road network. A range of types and sizes of employment sites and premises will be encouraged. Proposals for business development should be in keeping with the surrounding environment, not conflict with existing uses, and promote sustainable transport. The Council will also promote the intensification, redevelopment, and upgrade of existing, vacant employment sites and premises for business development.

- 6.16 Core Strategy Policy CS9 also seeks to direct B1 office uses towards town and district centres. If no suitable sites are available for B1 uses within existing centres, then the sequential approach should be utilised, with the next preferable location being in edge of centre locations, or Protected Employment Areas.
- 6.17 Core Strategy Policy CS9 states that Protected Employment Areas are designated for B Use Classes. Proposals for employment-generating uses other than B class uses within Protected Employment Areas will be favorably considered where these would be complementary to the existing business uses in that location, and consistent with the integrity and function of the location for employment purposes. The supporting text recognises that the Site has the potential for redevelopment and the ability to deliver a greater employment base for the District (para. 5.53).
- 6.18 Within the Council's Housing and Site Allocation DPD (2017), the LRIE was not allocated but rather identified as an 'Area of Regeneration'. The supporting text further highlights the Council's vision for the redevelopment of the LRIE. The Site was described as not being efficiently laid out and that it did not provide an attractive environment for modern day use. It is not entirely clear why the Site was not allocated as part of the Site Allocation DPD, however, it was stated that the Site was included as an 'Area of Regeneration' within the DPD in order to make clear the Council's intentions and to add further potential flexibility into the housing provision.
- 6.19 The Housing and Site Allocation DPD states a key aspiration of the regeneration is to increase the type and level of employment opportunities on the Site, including the potential to provide a high quality office environment to supplement current office provision in Newbury Town Centre and to attract inward investment. This approach was considered to positively respond to the imbalance in employment uses identified within the adopted Core Strategy (para 2.11). The wider LRIE site, both that within the protected employment area and that beyond, was stated to have potential for mixed-use development, including a mix of employment-generating uses and other appropriate commercial uses, and opportunities to provide residential development which could deliver additional homes in an attractive and sustainable environment within walking distance of Newbury town centre.
- 6.20 Core Strategy Policy CS1 (Delivering New Homes and Retaining the Housing Stock) highlights that new homes are to be primarily developed on sites which meet the following criteria:
- Suitable previously developed land within settlement boundaries;
 - Other suitable land within settlement boundaries;
 - Strategic sites and broad locations identified on the Core Strategy Key Diagram; and
 - Land allocated for residential development in subsequent Development Plan Documents.

- 6.21 Although the Site is not currently allocated for redevelopment, the Housing and Site Allocation DPD identifies it as an 'Area of Regeneration'. It recognises that the Site has scope for comprehensive regeneration in order to maximise its potential (para 2.6). The key aspiration of regeneration of the Site is to increase the type and level of employment opportunities on the Site, including the potential to provide a high-quality office environment to supplement current office provision in Newbury Town Centre and to attract inward investment (para 2.11). The DPD recognises that the Site has potential for mixed-use development, including a mix of employment-generating uses and other appropriate commercial uses, and opportunities to provide residential development which could deliver additional homes in an attractive and sustainable environment within walking distance of Newbury town centre (para 2.12).
- 6.22 The adopted policy context for the Site is outlined within Section 7 (Development Principles), including how these will inform the masterplanning for the Site.

Housing Need and Supply

- 6.23 The NPPF expects plan-making authorities to follow the standard approach for assessing local housing need, unless there are exceptional circumstances that justify an alternative. The methodology has been published as part of the PPG on housing and economic needs assessment.
- 6.24 As per the adopted Core Strategy, there is an objective to deliver 10,500 homes across West Berkshire between 2006-2026 (525 homes per annum), of which 5,400 (270 per annum) are envisioned to be located in Newbury (as per Core Strategy Area Delivery Plan Policy 2 - Newbury).
- 6.25 As per the Council's recently released Housing and Employment Land Availability Assessment (HELAA) (February 2020) and based on utilising Government's new standard methodology, the updated Local Housing Need (LHN) as of December 2019 for West Berkshire is 520 dwellings per annum (9,360 homes over the 2018 to 2036 plan period).
- 6.26 As a cautious approach, WBDC are utilising an LHN range of between 551 to 631 dwellings per annum (9,981 – 11,358 over the Local Plan Review period to 2036) which needs to be planned for as part of the Local Plan Review. The Council has also clarified that the lower end of this range will be the LHN figure, calculated using the standard approach at the date of the submission of the draft Local Plan for Examination in Public, so the 551 homes per annum figure is likely to be updated prior to the indicative Local Plan Review submission date of October 2021.
- 6.27 As of March 2018, the housing supply position for WBDC is as follows:

Housing Supply Position – March 2018	No. of dwellings
Outstanding dwellings with permission	
Allocated sites	1,395
Non-allocated sites	2,793
Allocations without permission (March 2018)	2,570 – 2,625 approx.
Windfall allowance	1,600 approx.
Total (incl. windfall allowance)	8,358 - 8,413

6.28 With a LHN requirement of 9,918 - 11,358 dwellings and taking account of the current supply position, the initial indication is that the Local Plan Review will need to identify sites or broad locations to meet an additional requirement of 1,560 - 2,945 dwellings (87 – 163 dwellings per annum) over the period to 2036, which the allocation of the Site for residential-led mixed-use development would make a significant contribution towards.

Employment Need

6.29 The Western Berkshire Economic Development Needs Assessment (WBEDNA) (October 2016) identified various levels of need for new offices up to 2036 under different employment growth scenarios. Given more recently published government policy and planning guidance, and the publication of more up to date economic forecasts, the Council has commissioned consultants to prepare an Employment Land Review (ELR) to inform the review of economic development and employment land policies. The ELR is nearing completion and will be published later this year. It will assess the future demand and need for office floorspace. Until such time as this work is completed, the Council cannot yet say what the identified need is. The HELAA will be updated to reflect the need for office floorspace once known.

6.30 The Western Berkshire EDNA also calculated need for industrial and warehouse floorspace to 2036. The ELR will also update this work and assess the future need and demand for industrial floorspace. Until such time as this work is completed, the Council cannot yet say what the identified need is, nor identify preferred locations for accommodating potential new employment land to meet defined needs. The HELAA will be updated to reflect the need for office, industrial and warehouse floorspace once known.

Housing and Economic Land Availability Assessment

6.31 All local planning authorities are required by national planning policy and guidance to maintain an up-to-date picture of the amount of land that is available for new development, including land for housing and economic development. The Call for Sites process provides promoted sites to be assessed by the Council as part of its Housing and Economic Land Availability Assessment (HELAA). The HELAA assesses potential development sites against a set of specific criteria to help determine if a given site should be allocated for a particular type of future development.

6.32 The LRIE site was submitted as part of the WBDC Call for Sites and has been reviewed by WBDC policy officers to inform the HELAA. The Council's initial findings related to Development Potential, Suitability, Availability and Achievability are summarised as follows:

HELAA Guidance	Topic	HELAA Comments
Development Potential	Residential Uses	Site Area/Land Take: 3.1 hectares Developable Area: 60% Developable Area: 1.86 hectares Density Ranges: 35 (houses); 70-90 (flats); 50 (mix) Site Issues: Fluvial flood risk, high groundwater levels, surface water flow paths, SSSI along southern boundary. Development Capacity: 30 houses OR 130-167 flats OR 93 dwellings

HELAA Guidance	Topic	HELAA Comments
		(mix of flats and houses) but highlight there are known issues exist which may reduce these numbers
	Non-Residential Uses	Plot Ratio (Industrial B1c/B2/B8): 0.4 Development Capacity (Industrial B1c/B2/B8): 12,400sqm Plot Ratio (Office B1a): 0.6 Development Capacity (Office B1a): 18,600sqm
Suitability	Highways/ Access	Highways England has advised that individually the site would unlikely materially impact the operation of the strategic road network.
	Flood Risk	Low to high probability of flooding on the site. <ul style="list-style-type: none"> - Flood Zone 3b (1.1% of site) Residential development should not be permitted in the functional floodplain. - Flood Zone 3a (67.5% of site) High probability of flooding. Sequential test and exception test required. - Flood Zone 2: (13% of site) Medium probability of flooding. Sequential test required. - Flood zone 1: (18.4% of site). Low probability of flooding. Officers comments: Partially developable but due to very high ground water levels over whole site and the risk of some surface water flood flow paths, infiltration Sustainable Drainage Systems and below ground attenuation storage will not be acceptable. Therefore, significant space will be needed for at-ground level Sustainable Drainage Systems. Green Sustainable Drainage Systems would be most appropriate.
	Air Quality, Pollution & Contamination	The A4, A339, and Newbury Air Quality Management Area are nearby. Significant risk of Particulate Matter and Nitrogen Dioxide. High risk of contamination. High risk of noise and vibration problems to future occupants from road and commercial uses, and high risk to current neighbours from commercial uses.
	Environmental	Site may be suitable if appropriate mitigation and avoidance measures are provided. Due to proximity of site to Site of Special Scientific Interest along southern boundary, buffer will be required. Site is within 0.5km of River Lambourn Special Area of Conservation. There is a risk of harmful impacts on Special Area of Conservation if adequate mitigation measures are not implemented. Up to date ecological surveys will therefore be needed to establish current site conditions, the presence of any protected species at the site, and if there are mitigation and avoidance measures. Net-gain in biodiversity should be delivered.
Heritage	A very small section of the southern part of the site lies within Newbury Conservation Area. The Conservation Area lies adjacent to the western and part of the eastern site boundaries. There is the potential for harm, although given the mature trees along eastern boundary of Victoria Park and the intervening A339, the impact is likely to be minimal.	

HELAA Guidance	Topic	HELAA Comments
	Archaeology	<p>Numerous prehistoric finds suggestive of settlement. Very significant for the Mesolithic period. Desk-based assessment to better understand archaeological potential and survival. Fieldwork techniques to better understand the Mesolithic potential may be necessary.</p>
Availability	-	<p>Confirmation that site is available subject to Council resolution as landowner.</p> <p>Redevelopment may involve the relocation of existing businesses, which may affect viability. Existing high value lease businesses (car showrooms) will remain unaffected by development both due to the cost of relocation and the positive contribution they make to the Estate. Further information required on details of leases.</p> <p>1-5-year timeframe for site being brought forward for development. 10 year for build-out of site.</p>
Achievability	-	<p>The site is not owned by a developer, but officers are aware that a development brief is being prepared.</p> <p>Suggestions that potential cost factors and high risk of contamination on site could constrain delivery of the site.</p>

7. Development Principles

- 7.1 This section outlines the development principles that have been utilised to inform the baseline and comprehensive masterplans for the Site which are presented in detail within Section 8 and Appendix II of this report.
- 7.2 The development principles are based on the currently adopted national and local policy framework for WBDC. As referenced in Section 6 of this report, WBDC are currently reviewing their local plan and therefore the following development principles would need to be reviewed as the WBDC Local Plan Review progresses towards adoption, which we note is currently projected to be in late 2022.
- 7.3 Redevelopment should realise the Council's long-term strategic vision of creating a new urban quarter within the LRIE Site. The WBDC Core Strategy sets out the NPPF objective for sustainable development and states that the Core Strategy Vision aims to build upon the existing settlement pattern and direct most development to those urban areas which have the infrastructure and facilities to support sustainable growth. Core Strategy Area Delivery Plan Policy 2 identifies Newbury as a focus for this growth. Saved Local Plan Policy OVS.1 states that 'The Council will follow the existing settlement pattern and hierarchy found within the district area in seeking sustainable locations for development which minimise the need to travel and with appropriate access to public transport services and other community facilities. In this context the Council would prefer to see the redevelopment of brownfield sites (land previously developed) than the use of 'greenfield' (undeveloped) land. The baseline and comprehensive masterplans for the Site can be seen to accord with the broad sustainable development objectives of Council and national policy.
- 7.4 Redevelopment of the Site should comprise the following:
- Phased redevelopment of all existing plots once vacated.
 - Residential uses are to include a mix of unit types, sizes and tenures that respond to local needs/requirements, complement existing and pipeline local supply, and contribute to achieving a mixed and balanced new sustainable community in Newbury.
 - An acceptable level of reprovided employment uses across the Site, which could include associated retail/service uses and residential uses on upper floors, where practical.
 - Appropriate parking for the proposed uses.
 - New sustainable transportation infrastructure that provides connections to the Town Centre and nearby public transportation hubs.
 - Provision of public open space for new residents which complements and contributes to Newbury's network of linked green infrastructure.
 - Sustainable design/construction and energy as set out in the Core Strategy and other pertinent Planning Guidance.

Housing

- 7.5 The vision for the Site is that residential uses can be incorporated across the Site alongside employment-generating uses as part of a comprehensive regeneration of the estate.

Housing Quantum

Relevant Considerations

- 7.6 The relevant considerations for determining the appropriate amount of housing are as follows:
- The NPPF requirement to boost significantly the supply of housing (para. 59) which includes a requirement on local planning authorities to meet local housing needs in their area and maintain a supply of deliverable sites to meet five-years' worth of housing requirements.
 - The currently stated WBDC target is to deliver between 551 to 631 new homes per annum within the District – noting this range is subject to being updated prior to submission of Local Plan to 2036 for Examination in Public in October 2021.
 - Highway infrastructure capacity.
 - Policy requirements associated with high-quality design; residential density; mix of housing sizes, types and tenures; land required for other land uses; and transport/highway infrastructure capacity.

Development Principles

- 7.7 Subject to the Council allocating the site for housing development as part of the Local Plan Review to 2036, the Council may expect housing to be the principal future land use on the Site. The Site is currently designated a Protected Employment Land, and therefore the principle of residential development at the Site is not yet supported in policy terms.
- 7.8 Should the policy designation for the Site change from Protected Employment Land to enable a mixed-use approach across the site, then a design-led approach should be taken to establish the appropriate amount of housing on the sites having regard to policy requirements associated with high quality design; density; mix of housing sizes, types and tenures; land required for other land uses; and infrastructure capacity (particularly highway). The provision of new housing should significantly contribute to the current Local Housing Need target of 551 to 631 homes per annum across the District.

Mix of Housing Types, Tenures and Sizes

Relevant Considerations

- 7.9 The relevant considerations in determining the appropriate tenure mix are as follows:
- The NPPF requires planning authorities to ensure that their local plan meets their local housing needs for different groups in the community and be reflected in planning policies, including but not limited to affordable housing, families with children, older people, students, people with disabilities, service families and people who rent their homes (para 61). Policies and proposals should therefore include

the delivery of a wide choice of high-quality homes to ensure the delivery of inclusive and mixed communities.

- Core Strategy Policy CS4 (Housing Type and Mix) does not provide specific policy requirements for housing type and unit mix, but rather states that housing development will be expected to deliver an appropriate mix of dwelling types and sizes to meet the identified needs of the District based on evidence of current housing needs assessments or other relevant evidence sources. Developments will make efficient use of land with greater intensity of development at places with good public transport accessibility. Higher densities above 50 dwellings per hectare may be achievable in town centres, particularly in parts of Newbury town centre, and along main transport routes and close to transport nodes.
- Core Strategy Policy CS6 (Affordable Housing) requires affordable housing to be provided on sites that propose greater than 5 dwellings, subject to economic viability, site suitability and units to be delivered. For previously developed sites that propose 15 dwellings or more or are greater than 0.5 hectares in area, 30% provision will be sought. The Council will seek a 70% social rented and 30% intermediate affordable split for affordable housing.
- West Berkshire's most recent Strategic Housing Market Assessment (February 2016), which is subject to updated guidance while the Local Plan Review to 2036 progresses, suggests that the current housing needs for the Western Berkshire Housing Market Area comprise the following:

	1-Bed	2-Bed	3-Bed	4+-Bed
Market	5-10%	25-30%	40-45%	20-25%
Affordable	30-35%	30-35%	25-35%	5-10%
All Dwellings	15%	30%	35%	20%

- Further updated evidence of local housing needs/requirements, recent completions, and committed supply is set out in the West Berkshire Annual Monitoring Report 2018 (January 2020), but is subject to annual review by the Council.

Development Principles

- 7.10 As the Council does not provide specific unit mix or housing type requirements within policy, the masterplan seeks to provide an acceptable mix based on local needs and market considerations, including the requirement to provide a compliant level of affordable housing provision.
- 7.11 The Council will expect the maximum viable proportion of affordable housing to be provided, having regard to the Council's 30% target for previously developed land. Future applicants will be strongly encouraged to exceed this policy target.
- 7.12 As a starting point the Council will require an affordable mix of 70% Social Rent and 30% Intermediate tenures in line with up to date policy targets. However, the Council may welcome a greater proportion of

intermediate tenure units in order to achieve a more balanced tenure mix to reflect objectives of extending home ownership opportunities.

Residential Densities

Relevant Considerations

7.13 The relevant considerations in determining appropriate residential densities are as follows:

- The NPPF requires that development makes efficient use of land, taking into account identified needs and housing types, local market conditions and viability, the availability and capacity of infrastructure and services, maintaining local character and ensuring development is well-designed, attractive and healthy (para. 122). The NPPF also suggests that where Authorities have an existing or anticipated shortage of land to meet housing needs, that Authorities should avoid homes being built at low densities, and that policies support the optimisation of land through adopting minimum density standards and where appropriate applying density ranges in particular areas that reflect the accessibility and potential of sites (para. 123).
- Core Strategy Policy CS4 (Housing Type and Mix) states developments will make efficient use of land with greater intensity of development at places with good public transport accessibility and that higher densities above 50 dwellings per hectare may be achievable in town centres, particularly in parts of Newbury town centre, and along main transport routes and close to transport nodes.
- West Berkshire has also released an updated 'Density Pattern Book' which was last reviewed for the 2013 SHLAA. WBDC is currently updating its Local Plan, and this capacity assessment tool forms an important element of the HELAA process, as well as informing discussions with landowners and site allocations. The Density Pattern Book would classify the LRIE as a 'Large Town (Near Main Routes)' which supports 35dph for houses, 70-90dph for flats, and 50dph for mixed of flats and houses. The Density Pattern Book also suggests that large sites >5ha would have a net developable area of 60%.

Development Principles

7.14 Based on the Council utilising the 'Density Pattern Book' as part of its HELAA site assessments, the masterplan will utilise the suggested density ranges for 'Large Town (Near Main Routes)' which supports flatted developments at a range between 70dph-90dph.

Housing Specification

Relevant Considerations

7.15 The relevant considerations in determining appropriate housing specifications are as follows:

- The NPPF requires planning authorities to ensure that their local plan meets their local housing needs for different groups in the community such as families with children, older people, students, and people with disabilities (para 61).
- There are no current local policies related to internal floorspace standards, therefore development should be brought forward in accordance with the Government's Nationally Described Space Standards (NDSS) (2015) or subsequent updated standards.

- Local Plan Saved Policy HSG.8 (Housing to Meet the Needs of Disabled People) requires appropriate features to be incorporated into new housing to meet the needs of people with disabilities in accordance with current Building Regulations 2010 (as amended) to design to the specification for M4(2) and M4(3) categories. There is no specific ratio for the amount of accessible units required within policy, but it is expected that a 10% provision will be included as part of the Local Plan to 2036 update in line with industry practice.
- West Berkshire's Quality Design SPD also highlights that residential amenity be considered as part of development proposals. This requires that separation distances of at least 9m be provided between the frontages of buildings, 21m be provided between rear facing facades, daylight and sunlight considerations are taken into account, 25sqm of communal open space be provided per 1 or 2 bed flatted units and 40sqm of communal open space be provided for 3 bed+ units.
- The NPPF also highlights that new development should be planned for in ways that avoid increased vulnerability to the range of impacts arising from climate change. When new development is brought forward to help to reduce greenhouse gas emissions, such as through its location, orientation and design. Any local requirements for the sustainability of buildings should reflect the Government's policy for national technical standards (para. 150).
- Core Strategy Policy CS15 (Sustainable Construction and Energy Efficiency) highlights that new residential development should meet the 'Code for Sustainable Homes Level 6' – albeit noting these technical standards have now been withdrawn by the Government and new development must be built in accordance with the up-to-date Building Regulations. All major development should also meet the Government's Zero Carbon targets or other Government aspirations which are subject to change.

Development Principles

7.16 Based on the relevant considerations, the Council will expect the following standards to be achieved:

- All homes to meet/exceed the minimum internal floorspace standards set out in the NDSS (2015) or subsequent updated standards.
- 10% of homes to be fully wheelchair accessible in accordance with M4(3) of the Building Regulations (2010 as amended).
- 100% of homes would be expected to meet Lifetime Homes standards.
- Provision of adequate private and outdoor communal amenity space for all new homes; for flatted developments this could mean the provision of roof level amenity spaces. The currently adopted guidance suggests a minimum acceptable level of provision of 25sqm per 1 or 2 bed units and 40sqm per 3 bed+ units for communal outdoor space.
- All homes/developments to be designed to meet up to date Building Regulations in terms of environmental performance and Zero Carbon targets.

Employment

7.17 The Council will likely welcome additional B1 employment uses as part of any redevelopment and will expect new residential development to be served by appropriate information/communications utilities in order to support local employment (including home working).

Relevant Considerations

7.18 The relevant considerations in determining the appropriate amount, type, form and location of any retail development are as follows:

- The NPPF requires Authorities to set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration. Authorities should also set out policies and criteria within local plans and identify strategic sites to meet anticipated needs over the plan period. Policies should also be flexible enough to accommodate needs not addressed within the local plan (para. 81).
- The Site is designated as a Protected Employment Area. Core Strategy Policy CS9 states that Protected Employment Areas are designated for B Use Classes. Proposals for employment-generating uses other than B class uses within Protected Employment Areas will be favorably considered where these would be complementary to the existing business uses in that location, and are consistent with the integrity and function of the location for employment purposes. The supporting text recognises that the London Road Industrial Estate has the potential for redevelopment and the ability to deliver a greater employment base for the District (para 5.53).
- Local Plan Saved Policy ECON.1 (Retention of Existing Employment Sites) seeks to retain key employment sites. Redevelopment of existing employment uses will be permitted where redevelopment proposals are of a scale and character appropriate to the surrounding environment, the proposals do not negatively harm transport infrastructure or environmental features.
- Subject to any changes in policy as part of the Local Plan Review to 2036, the LRIE site is currently protected for employment related uses.

Development Principles

7.19 Employment-related uses should be reintegrated within the broader site masterplan and a sufficient quantum of employment floorspace should be reprovided to achieve similar employment density across the site.

7.20 The masterplan has been developed under the assumption that the site will likely be allocated for mixed-use residential-led redevelopment as part of the Local Plan Review to 2036 therefore a net loss in employment floorspace may be needed, but could be offset by the introduction of B1 uses that have higher employment density ratios.

7.21 B1a Office uses should be located in highly visible locations to meet commercial requirements and B1c/B2/B8 uses should be located in suitable accessible locations (i.e. to accommodate HGVs potentially needing to access the sites).

Community Facilities

Relevant Considerations

7.22 The relevant considerations in determining potential provision of community facilities is as follows:

- The NPPF highlights planning policies and decisions should help provide social, recreational and cultural facilities and services the community needs, including the provision of shared spaces, community facilities (such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship) and other local services to enhance the sustainability of communities. Councils should also take an integrated approach to considering the location of housing, economic uses and community facilities and services (para. 92).
- The NPPF also places great weight on the need to create additional school capacity to meet the needs of existing and new communities (para 94) and encourages an integrated approach to the location of housing, economic uses, and community facilities/services (para 70).
- Core Strategy Area Delivery Plan Policy 2 (Newbury) protects existing community facilities and where appropriate seeks to enhance such facilities.
- This proposed scale of development or the LRIE Call for Sites submission (i.e. 333 units) was considered modest and Council officers have confirmed that there is likely sufficient capacity currently in nearby schools to accommodate any future LRIE impacts. This will be dependent on the size of development and the mix of flats/houses that eventually proposed.
- Flats typically create lower impact, in particular in the older age groups. The primary schools in the area have capacity at present but there is no current capacity in local secondary schools. The timing of the development will also be key, as secondary numbers are expected to peak in September 2022 and 2023. Currently we have no capacity in years 2-6 at primary, but do have some capacity in years R & 1.

Development Principles

7.23 No specific community facilities would be proposed as part of the indicative masterplanning exercise. Any future integration of community facilities should be considered as part of the Local Plan Review to 2036 and as part of any future potential site allocation or site-specific planning application.

Open Space

Relevant Considerations

7.24 The relevant considerations in determining the planning potential for existing and proposed open space are as follows:

- The NPPF recognises (para 96) that access to high quality open spaces can make an appropriate contribution to the health and wellbeing of local communities. It requires local authorities to undertake robust and up to date assessments of the need for open space provision, which should determine what is required in new developments.

- Core Strategy CS18 (Green Infrastructure) states that new developments will make provision for high quality and multifunctional open spaces of an appropriate size and will also provide links to the existing green infrastructure network. The policy also highlights that the loss of green infrastructure will not be permitted unless an area of green infrastructure of equal or greater size is provided in an appropriate alternative location.
- Local Plan Saved Policy RL.1 (Public Open Space Provision in Residential Development Schemes) highlights public open space (POS) provision is required where >10 units proposed and should be provided on-site where feasible. The current guidance is between 3 - 4.3ha is to be provided per 1,000 population (*utilise 2.6 persons/dwelling) and that POS should be minimum 0.2ha in size.
- The Site is adjacent to Victoria Park and the River Kennet & Avon Canal Towpath, and as such is considered to have good access to existing open space that provides opportunities for recreation and leisure activities.

Development Principles

7.25 Development across the Site will be expected to provide open space in accordance with current policy guidelines. This could include, but not limited to the following:

- Local park/open spaces within the site plus pocket parks/small open spaces where practical. These could include a range of facilities including a Neighbourhood Equipped Area for Play (NEAP) and associated green space for passive recreation with associated nature conservation.
- New pedestrian and cycle routes to provide linkages to key destinations in the surrounding area such as:
- Tree planting (as part of Streetscaping works and development proposals) to enhance its nature conservation and aesthetic value.
- Improvements to existing parks and open spaces in the local area to supplement on-site provision where necessary.

7.26 The Council will likely encourage innovative solutions to providing an appropriate amount of high quality public open space on the Site, whilst balancing any such requirement with the need to make an efficient and effective use of the land in order to optimise its housing output in particular. Proposals that layer (allow the dual-use) of land for public open space, built development, and sustainable urban drainage infrastructure would be supported in principle (to include the provision of publicly accessible podium decks and green roofs over car parking areas, and active use of roofs), all of which would be subject to detailed design at the planning application stage.

Urban Design

General Requirements

Relevant Considerations

7.27 The relevant considerations in determining the urban design requirements include:

- The NPPF highlights that planning policies and decisions should ensure that developments will function well and add to the overall quality of the area, not just for the short-term but over the lifetime of the development; are visually attractive as a result of good architecture, layout and appropriate and effective landscaping; are sympathetic to local character and history, including the surrounding built environment and landscape setting, while not preventing or discouraging appropriate innovation or change (such as increased densities); establish or maintain a strong sense of place, using the arrangement of streets, spaces, building types and materials to create attractive, welcoming and distinctive places to live, work and visit; optimise the potential of the site to accommodate and sustain an appropriate amount and mix of development (including green and other public space) and support local facilities and transport networks; and create places that are safe, inclusive and accessible and which promote health and well-being, with a high standard of amenity for existing and future users and where crime and disorder, and the fear of crime, do not undermine the quality of life or community cohesion and resilience (para. 127).
- Core Strategy Policy CS14 (Design Principles) expects development to demonstrate the following design principles:
 - Create safe environments, addressing crime prevention and community safety.
 - Make good provision for access by all transport modes.
 - Ensure environments are accessible to all and give priority to pedestrian and cycle access providing linkages and integration with surrounding uses and open spaces.
 - Make efficient use of land whilst respecting the density, character, landscape and biodiversity of the surrounding area. Consider opportunities for a mix of uses, buildings and landscaping.
 - Consider opportunities for public art. Conserve and enhance the historic and cultural assets of West Berkshire.
 - Provide, conserve and enhance biodiversity and create linkages between green spaces and wildlife corridors.
 - Make a clear distinction between public and private spaces and enhance the public realm.
- Quality Design SPD highlights a number of design considerations that should be considered when designing new developments and includes guidance on height, scale and massing, roof form, materiality, frontage composition, boundary treatments, residential amenity considerations, and the location of parking (which highlights that underground or undercroft parking is preferred for higher density developments).

Development Principles

- 7.28 Optimising the development potential of the Site is dependent on high-quality design; therefore, the Council will expect the highest standards of design to be incorporated – which will be subject to detailed design at the planning application stage.
- 7.29 The masterplan will take into consideration the aspects of good design principles in the context of the site constraints associated with existing development and an established road network.
- 7.30 Buildings should generally be no greater than 5 storeys in height and should be cohesively arranged to ensure a positive townscape and scale can be delivered.

- 7.31 The layout of the Site will depend on when parcels become available for development, but consideration for each development plot will need to ensure mitigation can be provided to minimise impacts from the adjacent strategic road network, whilst also maximising opportunities for development to positively integrate with the existing green infrastructure and environmental features towards the southern portion of the Site such as the River Kennet & Avon Canal.
- 7.32 The Council may also in future require a site-wide Design Code to be prepared which should set out a detailed design guide that builds upon development parameters established under the proposed masterplan for the Site. This should include (not limited to): layout; building scale, density, massing and height; landscape and public realm; vehicle/pedestrian access/movement; and inclusive access.
- 7.33 The Quality Design SPD also highlights that new development should consider future development opportunities nearby leaving options open for later development to be implemented in a sensitive and complementary way. Development should therefore be delivered across the site in a strategic way which relates to adjoining sites and enables the Site to be delivered in a phased approach.

Transport

Relevant Considerations

- 7.34 The relevant considerations relating to transport are as follows:
- The NPPF recognises the role that transport plays in facilitating sustainable development and requires that needs are balanced in favour of sustainable transport modes, giving people a real choice in how they travel.
 - Core Strategy Policy CS13 (Transport) expects development that will generate a transport impact to be required to demonstrate the following:
 - Reduce the need to travel.
 - Improve and promote opportunities for healthy and safe travel.
 - Improve travel choice and facilitate sustainable travel particularly within, between and to main urban areas and rural service centres.
 - Demonstrate good access to key services and facilities.
 - Minimise the impact of all forms of travel on the environment and help tackle climate change.
 - Mitigate the impact on the local transport network and the strategic road network.
 - In addition, the following local and regional policies and guidance will also be considered:
 - Parking standards set out in the Housing Site Allocations DPD (2006-2026) – adopted May 2017;
 - West Berkshire District Local Plan (1991-2006) (Saved Policies 2007) – as amended in July 2012 and May 2017; and
 - Local Transport Plan for West Berkshire (2011-2026).

Development Principles

- 7.35 The Authorities require development proposals to be informed by a Transport Assessment (TA) with future travel demands controlled via robust Travel Plans for each land use. The TA/Travel Plans should form a key part of the evidence base that justifies the quantum of development on this Site. The scope of the TA should

be agreed with the Local Highway Authority. The outcomes of this assessment should determine the need for (and scope of) off and on-site transport infrastructure works needed to support the development (including walking and cycling).

7.36 The West Berkshire VISSIM Transport Model which covers the wider Site will be required to be used and analysed to determine the impacts of the development.

Access

7.37 Access arrangements into the wider site will be retained to allow all movements from A339/Fleming Road and A4/Faraday Road. This will help to limit any excess traffic on the ‘Robin Hood’ roundabout where the A4/A339 meets.

7.38 Vehicular access into individual plots will consider either retaining or rationalising access arrangements where possible and will ensure access into remaining units within the Site is still achievable. Walking and cycling permeability through the Site will be a key consideration of the internal road network and in particular, access to the Canal Towpath along the southern boundary of the Site should be enhanced.

Parking Provision

7.39 Housing Site Allocations DPD Policy P1 sets out residential parking standards, summarised as follows:

	Flats (+1 additional space per 5 flats for visitors)		
Bedrooms	1	2	3+
Zone 2	1.25	1.5	2

7.40 Existing car ownership data for the area around the Site has been investigated (see **Appendix IV**) and is considered more comparable to the development proposals. Based on this, a car ownership level of 0.79 spaces per household is considered more suited to the type of housing proposed, and with the addition of visitor parking, it is suggested that an average parking standard of 1 parking space per dwelling is proposed.

7.41 The West Berkshire District Local Plan (Saved Policies 2007) sets out non-residential maximum parking standards relevant to the Site. This sets out the following:

Land Use	Maximum Provision
Business (B1)	1 per 25m ² up to 2500m ² 1 per 30m ² above 2500m ²
General Industry and Storage/Distribution (B2 – B8)	1 per 25m ² up to 235m ² 1 per 50m ² over 235m ²

7.42 It is noted that in more accessible locations, such as town centres, less stringent standards may potentially be applied.

7.43 It is recognised that some development plots may have a mix of residential and office land uses. Given the typical daily traffic patterns where residents with cars will leave their parking space during the daytime and return at night and employment uses will require parking spaces during the daytime and leave at night it is

considered appropriate that parking is shared between uses where feasible. In these development plots, a significant reduction from the parking standard should be considered.

7.44 Therefore, it is suggested that, as a guide, the following parking standards are applied to the proposed development:

Land Use	Suggested Provision
Residential	1 per unit
Business (B1)	1 per 50m ²
Light Industry (B2)	1 per 100m ²
Light Industry (B8)	1 per 250m ²

Environment/Sustainability

7.45 The Council will expect development proposals to be consistent with environmental-related policies as set out in the Core Strategy and other pertinent Planning Guidance. We address environmental-related policy considerations below.

Flood Risk

7.46 The relevant considerations in determining the flood risk requirements include:

Relevant Considerations

- The NPPF (para. 55) states 'Inappropriate development in areas at risk of flooding should be avoided by directing development away from areas at highest risk (whether existing or future). Where development is necessary in such areas, the development should be made safe for its lifetime without increasing flood risk elsewhere.' Where it is not possible development would provide wider sustainability benefits to the community that outweigh the flood risk; and be safe for its lifetime.
- Core Strategy Policy CS16 (Flooding) echoes this guidance and states, inter alia, 'When development has to be located in flood risk areas, it should be safe and not increase flood risk elsewhere, reducing the risk where possible and taking into account climate change' and goes on to require that the benefits of the development to the community outweigh the risk of flooding are demonstrated and that the development would not have an impact on the capacity of an area to store floodwater or a detrimental impact on the flow of fluvial flood water, surface water or obstruct the run-off of water due to high levels of groundwater. All development sites should manage surface water in a sustainable manner through the use of Sustainable Drainage Methods (SuDS) to provide attenuation to greenfield run-off rates and volumes. Addressing flood risk issues at the various Plots and identifying appropriate mitigation measures will require early liaison with the Lead Local Flood Authority and the Environment Agency.

Development Principles

7.47 As much of the site is constrained by flood risk impacts, higher risk uses such as residential should be avoided at ground floor levels and where practical in areas that are not designated as Flood Zone 3. The masterplan

will seek to provide a suitable layout that could mitigate against flood risk impacts, but will be subject to detailed design on a site by site basis.

Hazard Sites

Relevant Considerations

7.48 The relevant considerations in determining the flood risk requirements include:

- The NPPF (para. 45) states that 'Local planning authorities should consult the appropriate bodies when considering applications for the siting of, or changes to, major hazard sites, installations or pipelines, or for development around them'.
- The Core Strategy does not address hazards of this type directly. However, saved Local Plan Policy OVS.7 (Hazardous Substances) states that 'The Council will not permit development which on advice from the Health and Safety Executive would cause unacceptable risk or harm to personal safety due to the presence of hazardous substances on the site or other land in the vicinity'. As noted earlier further consultation with the HSE will be required to inform the masterplan.

Development Principles

7.49 Due to the presence of the Calor Gas facility (as shown in Figure 6) which is regulated by HSE guidelines, residential uses would not be suitable within the HSE 'inner hazard zone' unless the facility was removed from the site. As such, non-residential land uses would be proposed within the 'inner zone' of the facility but could revert to residential uses once and if the facility were to be removed.

Ground Conditions

Relevant Considerations

7.50 The relevant considerations in determining the ground conditions and contamination include:

- NPPF paragraph 178 requires local authorities to ensure ground conditions are such that a site is suitable for its intended use and that any remediation measures to achieve this are undertaken prior to the use commencing. Paragraph 5.105 notes that the integration of a SuDS scheme is dependent upon inter alia the soil conditions of the site and its surrounding area, and so the application of SuDS required through Policy CS16 may not be acceptable due to contamination. Early liaison with the Environmental Health Department and the Environment Agency will be required.

Development Principles

7.51 The masterplan does not attempt to specifically address potential ground conditions or contamination impacts as these would be addressed at detailed design.

Noise

Relevant Considerations

7.52 The relevant considerations in determining the ground conditions and contamination include:

- The NPPF (para. 170(e)) requires new development to not contribute to or be subject to unacceptable levels of noise pollution. Paragraph 180 'Planning policies and decisions should also ensure that new development is appropriate for its location' taking into account the likely effects of pollution including noise. The Core Strategy does not address noise directly.
- Saved Local Plan policy OVS6 (Noise Pollution) states that proposals for noise-sensitive developments should have regard to the following existing sources of noise e.g. from roads, railways and ... industrial and commercial developments... and the need for appropriate sound insulation measures'. The masterplan has been cognizant of this issue in its formulation to date but further work will be required at the detailed application stage to demonstrate that this policy requirement can be met.

Development Principles

- 7.53 The masterplan does not attempt to specifically address potential impacts related to archaeology impacts as these would be addressed at detailed design.

Archaeology

Relevant Considerations

- 7.54 The relevant considerations related to addressing determining archaeology impacts include:
- The NPPF (para. 189) states that where a site includes, or has the potential to include, archaeological interest, local planning authorities should require developers to submit an appropriate desk-based assessment and if necessary a field evaluation.
 - The Core Strategy and saved Local Plan policies do not address archaeology. Notwithstanding this the NPPF requirement means that a desk based assessment of the Plots will be required initially and there maybe a need for further work in due course.

Development Principles

- 7.55 The masterplan does not attempt to specifically address potential archaeology impacts as these would be addressed at detailed design.

Energy

Relevant Considerations

- 7.56 The relevant considerations related to ensuring development accords with energy/sustainability policy include:
- The NPPF (para 155) states that local planning authorities should expect new development to comply with any development plan policies on local requirements for decentralised energy supply unless it can be demonstrated by the applicant that this is not feasible or viable.
 - Core Strategy identifies in Chapter 2 the opportunity for 'delivering renewable energy schemes through the development of strategic sites' and Policy CS14 (Design Principles) states all development proposals will be expected to seek to minimise carbon dioxide emissions through

sustainable design and construction, energy efficiency, and the incorporation of renewable energy technology as appropriate and in accordance with Core Strategy Policy CS15 (Sustainable Construction and Energy Efficiency).'

- For Major development there is a requirement to meet Code for Sustainable Homes Level 6 and BREEAM 'Excellent' standards and Zero Carbon. Local Plan saved Policy OVS.10 (Energy Efficiency) requirements add further to this. This policy states that the Council will seek design principles which facilitate energy efficiency and these will use appropriate siting, form, orientation and layout of buildings in order to maximise the benefits of positive solar (or natural) heating, lighting and ventilation; the use of soft landscaping including tree planting, to increase summer shading and reduce heat loss in winter; and the use where appropriate of energy efficient technology for heating, power and lighting.

Development Principles

- 7.57 The masterplan will attempt to address these requirements through building layout and landscaping areas and other requirements can be addressed at detailed design.

Biodiversity

Relevant Considerations

- 7.58 The relevant considerations related to ensuring development accords with energy/sustainability policy include:
- The NPPF (para. 8(c)) states development should 'contribute to protecting and enhancing ...biodiversity,' as part of conserving and enhancing the natural environment. Paragraph 174(b) requires the pursuit of opportunities for securing measurable net gains for biodiversity.
 - Core Strategy Policy CS17 (Biodiversity and Geodiversity) states that to conserve and enhance the environmental capacity of the District, all new development should maximise opportunities to achieve net gains in biodiversity in accordance with the Berkshire Biodiversity Action Plan.
 - Saved Local Plan Policy ENV 8 (Active Nature Conservation Measures) encourages the management of land and water areas for nature conservation purposes and the creation of nature reserves in connection with new development.
 - The Council will have regard to the existing nature conservation value of the site and the opportunity and potential to manage the site following development to protect and enhance the habitat and wildlife value of the area in a sustainable manner.
 - In order to conserve and enhance the environmental capacity of the District, all new development is expected to maximise opportunities to achieve net gains in biodiversity and geodiversity in accordance with the Berkshire Biodiversity Action Plan and the Berkshire Local Geodiversity Action Plan.

Development Principles

- 7.59 The Masterplan would provide opportunities to enhance biodiversity on the Site through the need to incorporate green spaces and green roofs and, subject to further detailed design, the planting of suitable native species to link with the river corridor to the south.
- 7.60 Opportunities will be taken to create links between natural habitats and, in particular, strategic opportunities for biodiversity improvement will be actively pursued within the Biodiversity Opportunity Areas.

Other General Development Matters

Habitat Regulation Assessment

- 7.61 It should be borne in mind that the Site is in proximity to three European Sites and as such the requirements of the Habitat regulations will need to be considered in due course. The three European Sites are:
- River Lambourn Special Area of Conservation (SAC) - designated for floating formations of water crowfoot and populations of bullhead and brook lamprey.
 - Kennet & Lambourn Floodplain SAC - designated for the presence of Desmoulin's whorl snail.
 - Kennet Valley Alderwoods SAC – designated due to the presence of ash-alder woodland in the Kennet floodplain area.
- 7.62 As the implementation of the Core Strategy (2010) may affect the integrity of these European Sites a Habitats Regulations Assessment (HRA) was undertaken in relation to the Core Strategy. The LRIE is a Protected Employment Area under the Core Strategy (Policy CS10). This policy was considered in the HRA for the Core Strategy and the following two issues were identified:
- Air quality deposition.
 - Hydrology (i.e. alteration, pollution, enrichment – including from water abstraction and wastewater treatment discharges).
- 7.63 No adverse effects on the integrity of the above European Sites was identified as part of the HRA for the Core Strategy related to Policy CS10. However, the LRIE site is not specifically considered within the HRA. The HRA also states that 'consideration will still need to be given to potential impacts as further Development Plan documents are produced as part of the Local Development Framework and as individual schemes are proposed. This assessment does not preclude the need for consideration to be given to potential impacts on the Natura 2000 sites in an assessment of individual planning applications, as there is always a risk that insensitively designed schemes could result in harm'.
- 7.64 The HELAA is a technical assessment and not a policy / plan document and therefore has not been subject to HRA. The proposed uses at the LRIE under proposed allocation reference NEW1 include residential, employment and retail. The HELAA assessment of the Site notes that the 'Site is within 0.5km of River Lambourn Special Area of Conservation. There is a risk of harmful impacts on Special Area of Conservation if adequate mitigation measures are not implemented.' Consequently, given the proximity to the European Sites noted above, a project specific HRA will likely be needed.

- 7.65 With the land-uses proposed, there are a range of additional potential effects which would need to be considered in addition to the air quality deposition and hydrology issues noted above. These include:
- Disturbance (noise, recreation etc.)
 - Predation
 - Vandalism
 - Impacts on site management plans.
- 7.66 If the masterplan is to be adopted as a plan to guide development then a HRA will need to be considered. If the Development Brief is not adopted as a plan to guide development the requirements of the Habitat Regulations will need to be considered at the planning application stage and the application screened for HRA in the first instance and an HRA assessment may be required.

Consideration of the Need for Environmental Impact Assessment

- 7.67 As outlined further in Section 8, the overall development brief proposal would provide 4.11ha of development of which over one hectare would be non-dwelling house development and would include over 250 residential units. As such the overall development brief area would exceed two of the three criteria relating to paragraph 10(b) of Schedule 2 of the Town and Country Planning (Environmental Impact Assessment) Regulations 2017 (EIA Regulations). As such, if a planning application for the development brief proposals as a whole was submitted it would be 'Schedule 2' development and need to be screened to determine whether formal EIA in accordance with the EIA regulations is required.
- 7.68 Of course, it is unlikely that this scenario would occur, and it is probable that plots would be brought forward separately by different developers on a piecemeal basis. The EIA Regulations remain a consideration for the delivery of the plots as these regulations require the consideration of the 'project' not just the planning application. In practice this requires a consideration of the interdependence or linkages between the various plots of the development brief area.
- 7.69 Consideration should be given in the delivery strategy to determine whether the delivery of individual plots should reasonably be considered part of a single project. Determining what constitutes the 'project' for the purposes of the EIA Regulations is a matter of judgment for the local planning authority, though *R v Canterbury City Council* (July 2019) established factors that may be relevant considerations. These factors are common ownership, simultaneous determinations, functional interdependence and whether the proposal can be considered a standalone scheme justified on its own merits.
- 7.70 Applying the factors outlined above, it should be noted it may be that the extent to which each plot can be considered a standalone development scheme and not be functionally dependent on another plot for something without which it would be unacceptable in planning terms (for example if a given plot relied on open space provision elsewhere on site) or would not be able to function effectively as a standalone scheme will need to be further considered as detailed proposals for the Site emerge. This may allow the redevelopment of some plots to reasonably be pursued as independent schemes but may mean that others are linked and would be considered a 'project' in the context of the EIA Regulations and so may need to be screened together as part of any future planning applications.

8. Masterplan

- 8.1 This section presents the two conceptual masterplans that have been prepared by WSP (the full design pack is provided at **Appendix II**) which demonstrates how redevelopment could come forward in line with the development plan, having regard to relevant material considerations discussed in the previous section.
- 8.2 The two conceptual masterplans consist of a 'baseline' masterplan and a more holistic 'comprehensive' masterplan, both of which are comprised of a number of 'development plots' which have been arranged based on the existing parcels (as outlined in Section 4) and the various leasehold interests across the Site. Within both masterplans, the 'Land at Faraday Road' site, and the Newspaper House site have been shown indicatively to demonstrate how the development plots could come forward and integrate with these sites should they be delivered in accordance with current development proposals as outlined in Section 5.
- 8.3 Each masterplan includes provision for B1 (Office), B2 (General Industrial), B8 (Storage and Distribution), and C3 (Residential) uses.

Baseline Masterplan

- 8.4 The baseline masterplan, which is shown below in **Figure 8** (full details provided at **Appendix II**), includes four initial development plots (1, 2, 3 and 4) which are considered potentially available to come forward in the next 0 – 5 years, subject to an appropriate development strategy being established. This includes development opportunities that could reasonably be expected to be realised over the medium term and may require the relocation of existing businesses.

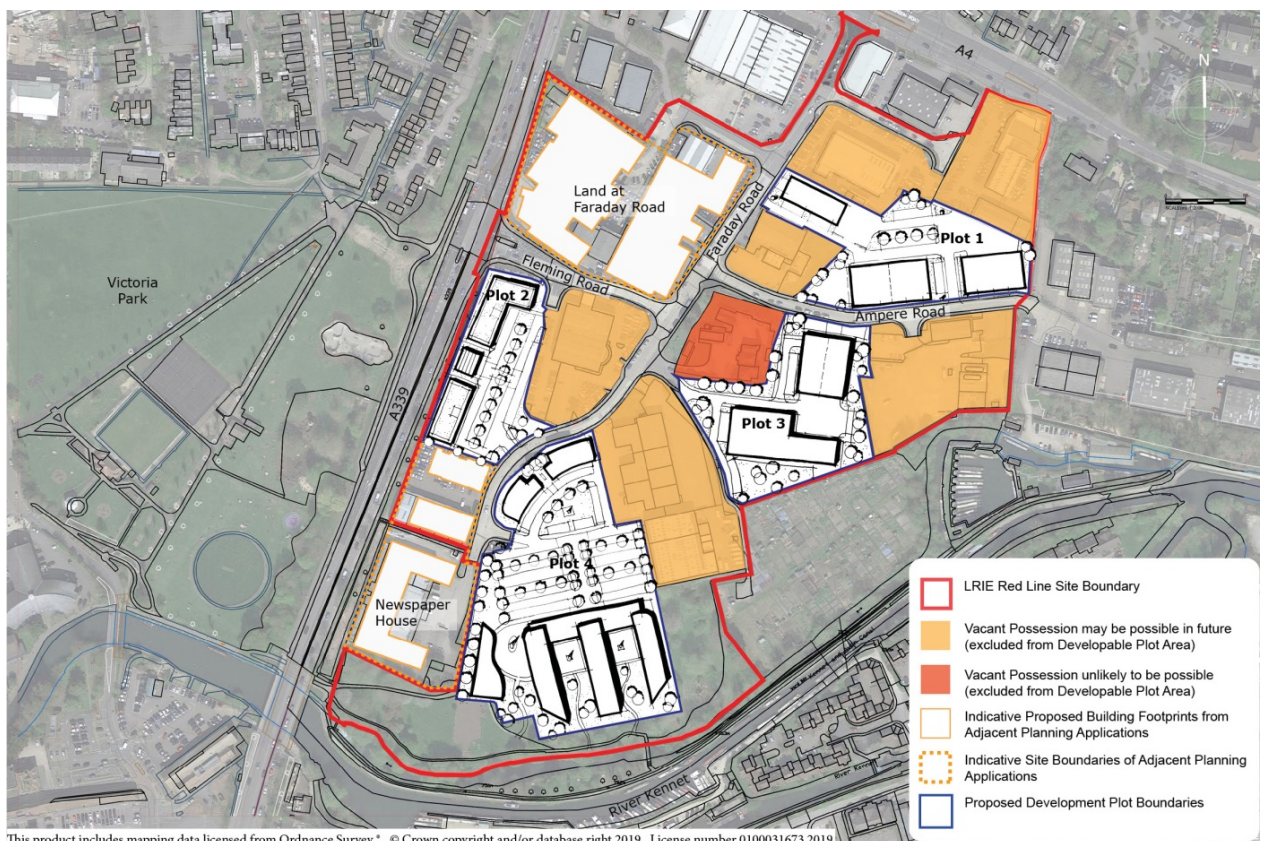


Figure 8 - Baseline Masterplan

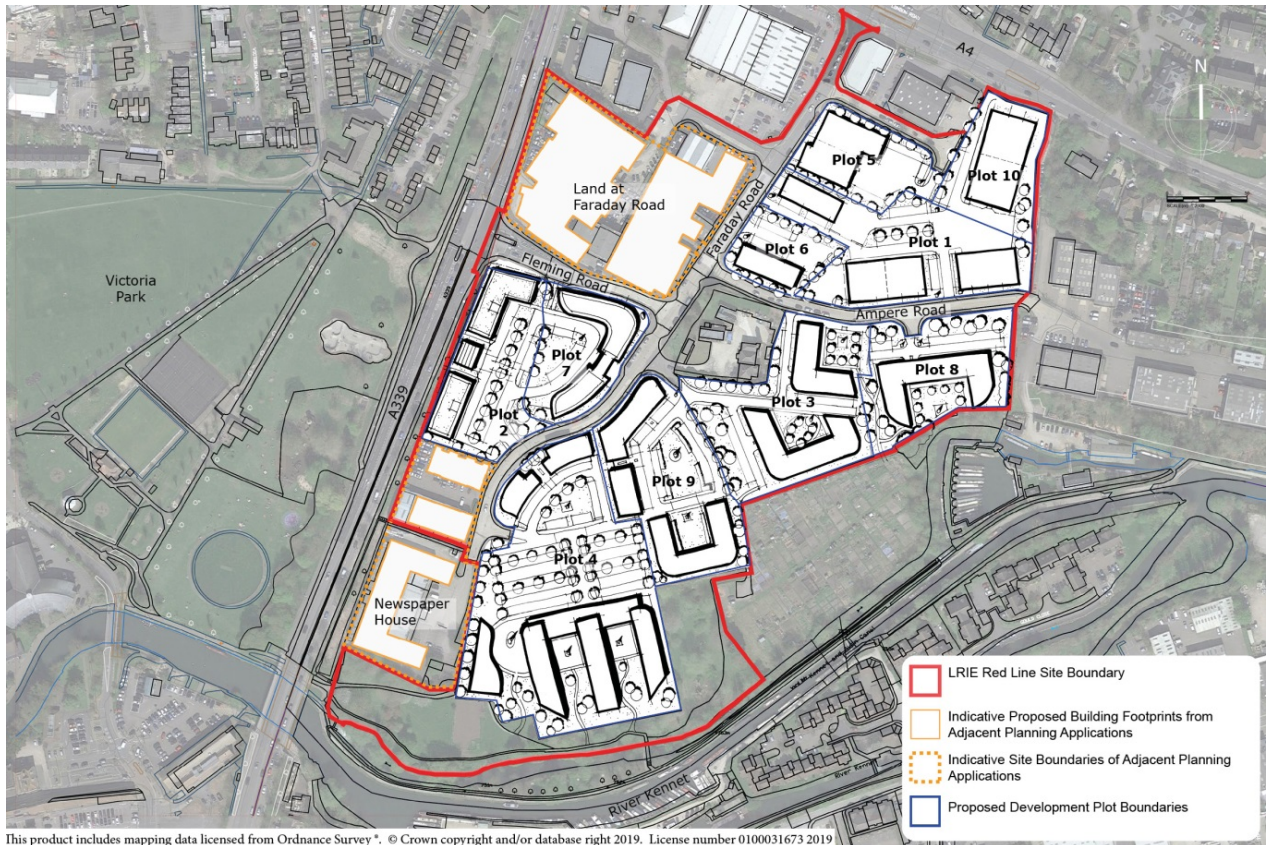
8.5 Development plots 1 and 3 are both proposed for B2/B8 light industrial uses, whereas plot 2 comprises a mix of B1 office uses and C3 residential uses. Based on the above, the initial baseline masterplan would deliver the following quantum of development:

Bldg. Ref. No.	Plot Size (Ha)	Use	Type	Gross Floor Area (Sqm)	Total Building Storeys	No. of Residential Units	Residential Density (dph)	Parking Spaces	Open Space Provision
Plot 1 (Baseline)									
Bldg A		B2/B8	Light Industrial	600	1			10	
Bldg B		B2/B8	Light Industrial	1,250	1			22	
Bldg C		B2/B8	Light Industrial	1,000	1			17	
Total	0.85			2,850				49	
Plot 2 (Baseline)									
Bldg D		B1	Office	865	5	37		12	
		C3	Residential	2,595				37	
Bldg E		B1	Office	208	3	6		3	
		C3	Residential	416				6	
Bldg F		B1	Office	600	5	25		8	
		C3	Residential	1,800				25	
Total	0.6			6,484		68	113.3	91	0.17
Plot 3 (Baseline)									
Bldg G		B2/B8	Light Industrial	900	1			11	
Bldg H		B2/B8	Light Industrial	1,650	1			20	
Total	0.89			2,550				31	
Plot 4 (Baseline)									
Bldg I		B1	Office	900	2			13	
Bldg J		B1	Office	900	2			13	
Bldg K		C3	Residential	1,800	3	26		26	
Bldg L		C3	Residential	13,000	3/5	186		186	
Total	1.77			16,600		212	119.8	238	1.57
TOTAL	4.11			28,484		280	68.1	409	1.74

8.6 For a summary and discussion of the key delivery considerations associated with the baseline masterplan, please refer to Section 10 of this report.

Comprehensive Masterplan

8.7 The comprehensive masterplan, as shown below in **Figure 9** (full details provided at **Appendix II**), includes the development of plots which could come forward in the longer term (5-10 years), subject to an appropriate development strategy being established. These constitute more complex opportunities where existing businesses' premises may already be fit for purpose and have had significant investment over recent years.



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Figure 9 - Comprehensive Masterplan

- 8.8 Development plots 1, 5, 6 and 10 are proposed for B2/B8 light industrial uses, plots 3, 7 and 8 are proposed for C3 residential use only, and plots 2, 4 and 9 are proposed to have a mix of B1 office and C3 residential uses.
- 8.9 Plot 3, which was proposed as B2/B8 light industrial within the baseline masterplan, is now proposed as C3 residential. This has been proposed as residential use under the assumption that the Calor Gas site (development plot 8) has been relocated and the associated hazard zone has been removed from the Site, enabling residential uses in this section of the Site.
- 8.10 Based on the above, the comprehensive masterplan would deliver the following quantum of development:

Bldg. Ref. No.	Plot Size (Ha)	Use	Type	Gross Floor Area (Sqm)	Total Building Storeys	No. of Residential Units	Residential Density (dph)	Parking Spaces	Open Space Provision
Plot 1									
Bldg A		B2/B8	Light Industrial	600	1			10	
Bldg B		B2/B8	Light Industrial	1,250	1			22	
Bldg C		B2/B8	Light Industrial	1,000	1			17	
Total	0.85			2,850				49	
Plot 2									
Bldg D		B1	Office	865				12	
		C3	Residential	2,595	5	37		37	
Bldg E		B1	Office	208				3	
		C3	Residential	416	3	6		6	
Bldg F		B1	Office	600				8	
		C3	Residential	1,800	5	25		25	

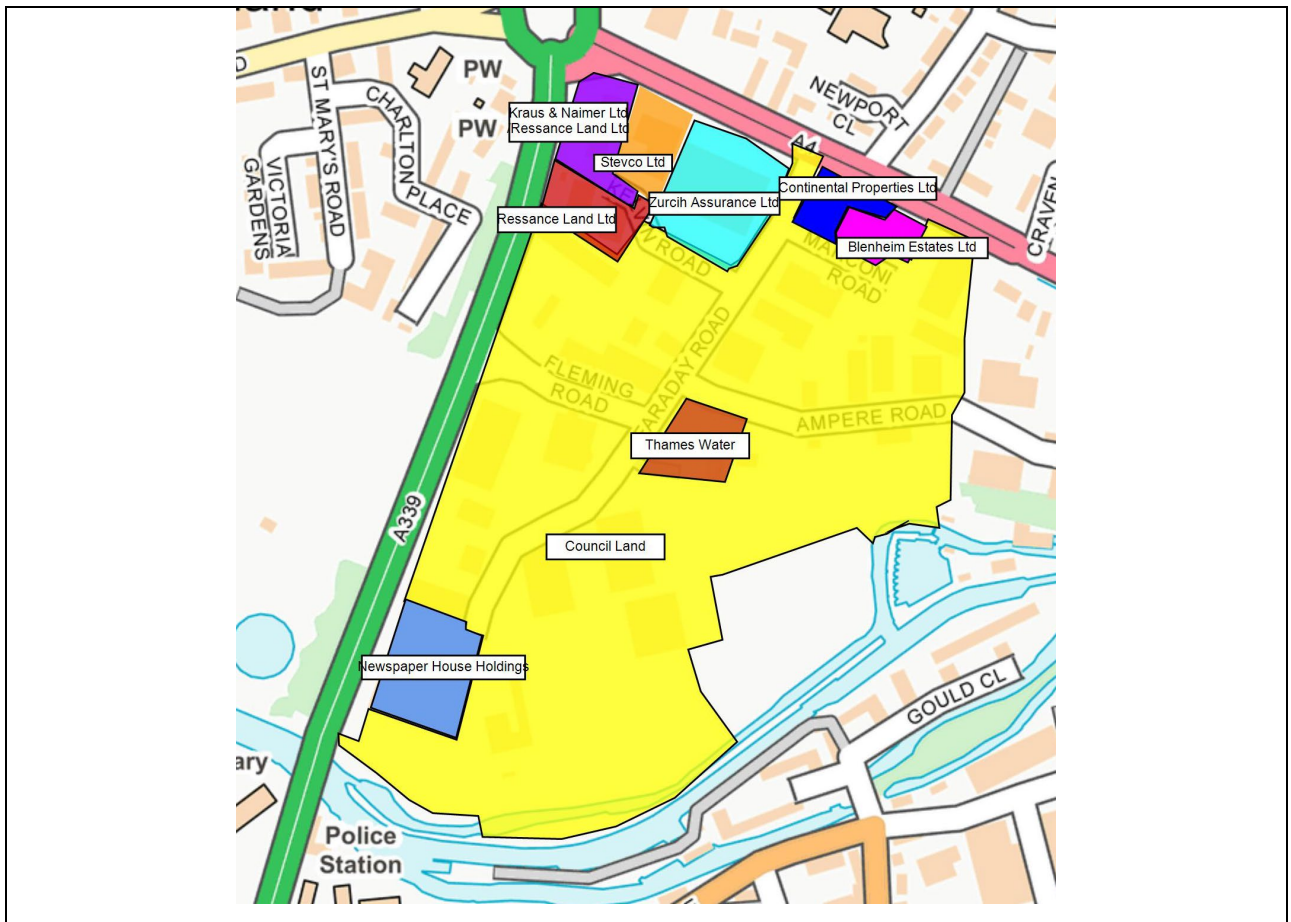
Bldg. Ref. No.	Plot Size (Ha)	Use	Type	Gross Floor Area (Sqm)	Total Building Storeys	No. of Residential Units	Residential Density (dph)	Parking Spaces	Open Space Provision
Total	0.6			6,484		68	113.3	91	0.17
Plot 3									
Bldg G		B2/B8	Light Industrial	900	1			11	
Bldg H		B2/B8	Light Industrial	1,650	1			20	
Total	0.89			2,550				31	
Plot 4									
Bldg I		B1	Office	900	2			13	
Bldg J		B1	Office	900	2			13	
Bldg K		C3	Residential	1,800	3	26		26	
Bldg L		C3	Residential	13,000	3/5	186		186	
Total	1.77			16,600		212	119.8	238	1.57
Plot 5									
Bldg M	0.38	B2/B8	Light Industrial	1,440	1			18	
Plot 6									
Bldg N	0.25	B2/B8	Light Industrial	600	1			14	
Plot 7									
Bldg O	0.45	C3	Residential	5,358	4	72	160.0	72	0.14
Plot 8									
Bldg P	0.61	C3	Residential	4,725	5	58	95.1	58	0.31
Plot 9									
Bldg Q		B1	Office	1,650	3			42	
Bldg R		B1	Office	900	2			23	
Bldg S		C3	Residential	3,240	4	42	55.3	42	
Total	0.76			5,790		42	55.3	107	0.20
Plot 10									
Bldg T	0.42	B2/B8	Light Industrial	1,800				18	
TOTAL	6.98			53,517		544	77.9	757	2.71

- 8.11 It should be noted that the above-noted quantum would be subject to detailed design and therefore the figures presented are an initial high-level review of the development capacity of the Site.
- 8.12 A broader summary and discussion related to the viability and delivery options associated with the baseline masterplan is outlined in the following section of the report.
- 8.13 Trip generation and transport modelling is currently being progressed by AECOM for the two masterplans/development scenarios and will be provided as an addendum to this report upon completion.

9. Delivery/Appraisal

The Current Estate

- 9.1 The Council is freehold owner of the majority, c25 acres, of the Estate. It is therefore in a strong position to help and encourage redevelopment. However, its interest is subject to a number of long leases, covering c 18 acres, which curtail its ability to deliver new development.
- 9.2 The balance of the Estate is held freehold by seven other parties; we are advised that Rissance has exercised an Option to acquire the freehold of 115 London Road. In some cases, these freehold interests are subject to multiple occupational leases.
- 9.3 The plan below provides an overview of the freehold interests.

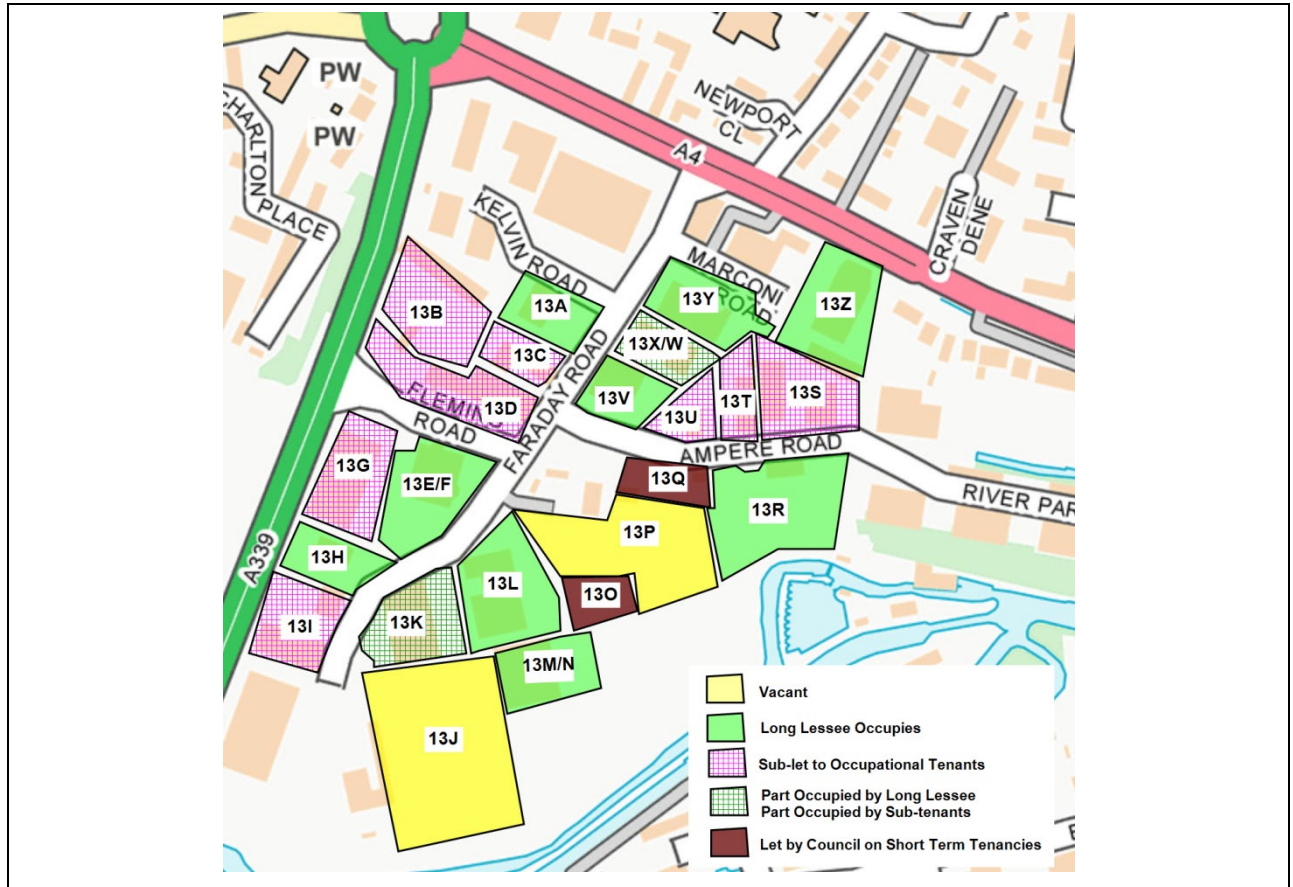


Plan of Freehold Ownerships

- 9.4 We are instructed to focus on the Council's freehold as delineated in Section 3 of this brief. However, Merchants Court has already been redeveloped, and two of the other freehold interests are expected to be redeveloped in the near term: 115 London Road, which has an extant planning consent, and Newspaper House, which is vacant, for sale, and is pursuing an appeal for refusal of planning consent for redevelopment. We have no information as to the intentions of the other owners; we believe that there is no likelihood of Thames Water ceasing its use of its land as a pumping station in the near/medium term.

Long Leasehold Interests

- 9.5 The Council currently receives circa £400,000 per annum in ground rents from its freehold that is subject to long leases. The unexpired term of the leases vary from 24 to 87 years.
- 9.6 A number of long leaseholders occupy their plots for their own business use, but a significant number are sub-lets.
- 9.7 The plan below provides an overview of the leasehold interests within the Council's freehold.



Plan of Interests across Council's Freehold Land

9.8 The table below shows the balance of interests across the Council's land based on an estimate of acreage:

Status	Approximate Area (Acres)	Percentage of Council Land
Long Leaseholder occupies for business use	7.00	39%
Sub-let by Long Leaseholder to Occupational Business Tenants	4.93	28%
Vacant	3.96	22%
Long Leaseholder both occupies and sub-lets to Occupational Business Tenants	1.26	7%
Let by Council on short-term tenancies	0.68	4%
Combined	17.83	

Existing Development Proposals within the Council's Freehold

9.9 Five parcels have/are being promoted by the long lessee for redevelopment:

Parcels	Applicant	Proposals	Status
13A/13B/13C/13D	Faraday Investments Ltd	160 flats with office, restaurant/takeaway, retail, financial and professional, hotel and sui generis uses	Planning permission has been achieved. Faraday Investments do not hold the long lease on 13A which is held by Marshall Group
13I (Proposed for development as part of a wider application which includes the neighbouring freehold land owned by Newspaper House Holdings Ltd)	Newspaper House Holdings Ltd	71 flats with 3,700 sq. m B1 office space	Resolution to refuse (under appeal)

9.10 Neither of these proposals can be delivered without the agreement of the Council as freeholder. We have not had sight of the leases, but we assume that all the existing leases restrict the use of the land and buildings to their existing, current use. The Council's consent to a change of use will, therefore, be required. There is an ability for a long lessee to seek a change of use through an application to the Upper Tribunal (Lands Chamber) under S84 Law of Property Act 1925, but the power of the Lands Chamber is discretionary so an applicant cannot guarantee success should the Council decide not to grant a modification. We also anticipate that the existing leases will contain other covenants which will need to be changed in order to facilitate development. Some of these changes may be able to be secured by the tenant through Landlord & Tenant legislation, but some are likely to be at the discretion of the freeholder, for example changes to the ground rent provisions. Importantly, we consider it unlikely that any investor or external funder would be willing to finance a development scheme without an extension to the lease; the required length of term would depend on the proposed use.

9.11 These points may not arise if the proposals are from a long lessee who is also the occupier wishing to make changes for their own needs; a recent example is the works by Marshalls to upgrade the Audi site.

Engagement with Estate Occupants and Stakeholders

9.12 As instructed we have sought to engage with all estate occupants, neighbouring freeholders and other stakeholders who could be identified to discuss their thoughts on the proposed redevelopment of the Estate. This engagement has, however, had to be conducted during the national lockdown imposed by the Government as result of the Coronavirus outbreak, which has curtailed what we have been able to do. We have sent both emails and letters, and had telephone conversations with some of the parties who asked to speak with us. We also spoke to an online meeting of Newbury Town Council.

9.13 A summary of engagement thus far is as follows:

Interest	Number contacted	Number of replies
Neighbouring Freeholders	7	1
Long Leaseholders	15	11
Occupational Tenants	41	5
Other Stakeholders (neighbouring residents, Newbury BID, Newbury Town Council)	63	6

- 9.14 From the responses and discussions we draw the following points. A number of the existing businesses on the Estate are frustrated with the continued uncertainty surrounding potential future redevelopment. It has been noted that long term security/certainty is critical to secure investment, and this in turn has led to a lack of investment in new infrastructure/buildings. Some comments provided suggest that the existing parcels/properties do not meet the space requirements of the existing businesses. It has been highlighted that the lack of new or vacant industrial property within Newbury means that businesses on the Estate which might wish to move to be in accommodation that is better-suited to their needs are unable to do so. This is likely to result in objections to a wholesale/comprehensive approach to redevelopment of the Estate, particularly if it does not include a relocation strategy.
- 9.15 However, it should be noted that we did not receive a large response from occupational tenants so we would not presume that the above comments are representative of all occupiers. Especially given the lockdown and the great uncertainty this has/continues to cause for businesses, it is not surprising that the response has been muted. However, in our experience occupational tenants frequently stay silent until discussions are pushed further or they are more urgently affected by proposals.
- 9.16 We understand that there may be a small number of vacant units on the Estate but the majority are fully let. It is yet to be seen whether the impact of COVID-19 will change the vacancy rate on the Estate or the space/typology requirements of existing businesses. Further engagement will be required to fully establish the position of existing businesses on the Estate.

Delivery Considerations

9.17 In evaluating possible approaches to delivery we have had regard to a number of issues. These are addressed in the table below.

Issue	How could this impede development?	Response
Tenure	<p>Council owns freehold of most of the Estate, but the majority is let on long leases. The Council therefore has an element of passive control, but no right to bring long leases to an end unless the tenant is willing.</p> <p>There are a significant number of occupational tenancies. We are not aware of the individual lease terms, but many might effectively prohibit redevelopment for some time unless tenants are willing to be bought out.</p> <p>To ensure sufficient development capacity to deliver new and improved uses some occupants will need to vacate.</p>	<p>It may be possible for the Council to acquire some of the long leaseholds or the Council may be able to partner with an existing lessee. In some cases, it is expected that the lessee will simply want to agree terms for changes to the leases as highlighted in Para 1.10.</p> <p>The Council will need to understand whether existing occupational leases can be brought to end under the current lease provisions.</p>
Existing Rights	<p>We have not been provided with a report on title.</p> <p>Any existing rights will need to be taken into account. There are existing rights of way including access rights by vehicle and foot for users of the Estate and neighbouring occupants. This will include the Riverpark Industrial Estate.</p>	<p>We are not proposing any changes to the principal means of access/egress.</p> <p>If there are other third-party rights that are affected by proposals the Council may need to use its right to appropriate or CPO, absent agreement being reached by negotiation.</p>
Parcel Characteristics	<p>The existing parcels vary in shape and size. The majority provide sufficient capacity to deliver new uses in isolation. However, these do not necessarily allow for the most efficient use of land where parcels could be combined to deliver further development capacity.</p>	<p>We have considered how parcels can be combined to create larger development plots which utilise the land to its fullest capacity. Delivery will require interventions by the Council if these identified sites do not come forward organically.</p>

Issue	How could this impede development?	Response
Access	<p>Access must be sufficient for the quantum and type of uses proposed.</p>	<p>We have assumed that access will continue via the existing road network.</p> <p>Our high-level testing suggests that there is sufficient road capacity for the proposed scale of development we have suggested.</p> <p>Access routes could be amended to allow for improved land capacity on the Estate. The Council, as Highways Authority, is able to deal with such issues should any changes be required.</p> <p>Please see Section 4 for further information on existing access.</p>
Services	<p>There may be reinforcement/upgrade works required to ensure capacity of services is sufficient to serve any proposed development.</p>	<p>Given our understanding thus far of the complexity of buried services on Site, we have assumed that there is currently sufficient capacity to serve the proposed development and no lift and shift works will be required. However, any lift and shift work is likely to be costly and the need for it considered more likely to arise in a comprehensive development scenario.</p>
Environmental	<p>Constraints include developing within Flood Zones 2 and 3, potential historic contamination, noise within the Estate and developing within a Healthy & Safety Executive consultation zone.</p> <p>The Health and Safety Executive (HSE) has established a hazard zone within the vicinity of the Calor Gas site, parcel 13R. This precludes the development of residential uses within the inner and middle hazard zones and the limits the quantum of employment uses (based on number of employees). The inner and middle zones cover the majority of parcels 13O/P/Q and some of parcels 13S/T/U.</p> <p>Please see Section 4 for further detail on environmental constraints.</p>	<p>Full due diligence with regards to environmental constraints and risks will be required prior to any development being promoted.</p> <p>We have had regard to the environmental information which is available to us in establishing a suitable masterplan design.</p> <p>In particular we have taken advantage of parcel 13J, the old football ground, which is within the lower risk flood zone (Zone 1), for residential use.</p> <p>Our review of a phased approach assumes that residential development on parcels 13O/P/Q is prohibited as a result of the HSE hazard zone. A comprehensive approach which involves the relocation and vacant possession of the Calor Gas site would allow for the delivery of residential on parcels 13O/P/Q, but we note that</p>

Issue	How could this impede development?	Response
		<p>the site is likely to be expensive to acquire and the case for a CPO will be challenging. Use of the Calor Gas site could also be considered for B1 use and provide relocation opportunities for occupiers within the estate, subject to viability.</p> <p>A phased approach (i.e. where the Calor site is not included) could provide opportunities for adjacent parcels to be used for pro tem industrial uses, providing meanwhile decant space for existing tenants while other development plots are being developed.</p>
<p>Adjoining/ Adjacent Land</p>	<p>Where new uses are proposed consideration will need to be given to their compatibility with existing, neighbouring uses - for example where residential is proposed near or next to existing industrial uses.</p> <p>The appearance and operational use of neighbouring sites might prevent, or impact upon the viability of, the introduction of residential uses.</p> <p>Uses on neighbouring freeholds would need to be considered as part of a wholesale/comprehensive redevelopment of the Estate. For a phased approach the uses on neighbouring parcels within the Council's freehold would need to be considered as adjacent land is brought forward for redevelopment.</p>	<p>Design of the masterplan considers neighbouring uses and, where there may be overlooking or potential noise issues, landscaping barriers are proposed.</p> <p>The location of residential blocks should be considered at an early stage in relation to the delivery strategy and viability. This may have a bearing on whether selective CPO should be considered to acquire critical sites.</p>
<p>Proposed Uses</p>	<p>New development will need to include employment uses to satisfy planning policy. This includes office use, and as of July 2020 we note that take-up in out-of-town markets is c. 42% below its ten-year quarterly average. The dual challenges of a shrinking economy and structural shifts following COVID19 mean that there is currently a great deal of uncertainty regarding the robustness of an office market.</p> <p>Our research indicates that the market for pre-lets in Newbury prior to the pandemic was already weak. It should therefore be noted the</p>	<p>We have proposed a mix of uses including employment.</p> <p>The intention would be to provide potential decant opportunities for existing industrial occupiers.</p> <p>Residential use is the most viable, but we do not consider it to be appropriate within certain parts of the Estate, for example to the north of Ampere Road.</p> <p>Within a phased approach we have proposed residential within the</p>

Issue	How could this impede development?	Response
	<p>grant of planning consent will not, per se, therefore lead to the construction of office buildings nor will a strategy that is reliant on a pre-let or forward sale.</p> <p>Residential uses would require the potential loss of ground rents to the Council and CIL to be payable (albeit with set off for existing floorspace).</p> <p>An analysis of the commercial and residential markets is in Appendix V.</p>	<p>early stages of development to help support viability and delivery.</p> <p>It is quite possible that no private developer or investor is willing to construct an office building speculatively, even when there is a recovery in the economy. If the Council is determined, either as planning authority or as landowner, that offices are a necessary and important use within the Estate, then the Council may have to directly intervene. This might include direct development, partnering in a joint venture, co-investing or by underwriting all or part of the risk by applying its covenant through a lease.</p> <p>Market appetite from end-users for any new uses must be considered in detail, and it will change over time. A phased approach would provide opportunities in the future to respond to changes. A comprehensive approach is more likely to reflect the present market and flexibility may not be as easily built in.</p>
Viability	<p>The market dynamics in Newbury indicate that values currently remain challenged, especially for office use (see above under Proposed Uses), which directly hinders the viability position of the development opportunities.</p> <p>The impact of the pandemic on development remains to be established. Residential development has recommenced but principally on sites that were already under construction; new starts are scarce. Demand for industrial opportunities is considered to be good, albeit more muted than it was prior to the lockdown. As noted earlier, office development is very challenged.</p> <p>The opportunity to cross-subsidise is considered to be limited as we do not favour mixed-use buildings, for example offices plus housing. Any surplus, for example from a housing scheme, will only be realised on completion.</p>	<p>This could be tackled in part through the development mix that comes forward, using higher value, more viable residential development to support the commercial element. However, it will also result in more reliance being placed on securing funding to improve the viability position for individual development zones.</p> <p>Viability considerations will change over the medium to long term as market factors evolve. Uses which were initially unviable may become a more viable proposition and vice versa. The market for proposed uses will need to be monitored as development across the Estate progresses.</p> <p>With a phased approach there will be an opportunity for a continued review of viability and for the opportunity to consider uses that are then viable.</p>

Drivers for Change

9.18 The masterplan is designed to be flexible and to adapt to changes both on the Estate and in the wider market. We have highlighted below some particular considerations which may evolve over time and should therefore be monitored to ensure that proposed development and the delivery approach is taking advantage of available opportunities.

Issue	How could this effect proposed development?
Neighbouring Development	<p>On the Council's land new residential-led development has already been proposed on Parcels 13A-D and 13I (alongside redevelopment of the neighbouring freehold of Newspaper House). As noted at para 9.10, proposals on the Council's land cannot be affected without the Council's consent as landlord and agreements will need to be reached ahead of commencement of development.</p> <p>Our proposals for the Council's land assume that the developments will come forward as proposed, and the masterplan, therefore, considers how proposed development on the Council's land will interact with them. However, other long leaseholders may wish to bring forward their plots for redevelopment, subject to the Council's agreement.</p> <p>There is an opportunity for the Council to work with long leaseholders to shape proposals on the Estate.</p> <p>It should be noted that not all long leaseholders will have the expertise or appetite to bring forward redevelopment.</p>
Business Requirements	<p>There is significant economic uncertainty at present, and, therefore, both internal and external factors may lead to the departure of some of the current occupiers. Likewise, the requirement of some occupiers for additional space can be anticipated to change as a result of current economic conditions.</p> <p>The Council should continue to engage with the occupiers to understand their individual requirements. This will alert the Council to opportunities, which will arise, to create parcels that can be redeveloped, perhaps in conjunction with the long lessee or with third parties.</p> <p>Relocation of tenants should be looked at wherever possible and appropriate. Relocation outside of the estate poses challenges due to the scarcity of suitable available land within the Council's ownership. Purchase of additional land should be considered subject to viability. Phasing of the development should be considered to allow for where possible temporary decant or 'one-move' relocation within the estate or elsewhere.</p>
Parcel 13R – Calor Gas	<p>A phased approach assumes that parcels adjacent to 13R are not suitable for residential development as a result of the HSE Hazard Zone.</p> <p>There should be further engagement with Calor Gas and HSE to fully understand the requirements of the Hazard Zone as well to see if there are opportunities for relocation, perhaps in the medium term, to allow the prospect of residential development on Plot 3. Equally, this site could be considered for new B1 industrial uses, subject to viability.</p> <p>It should be noted that the Hazard Zone will also affect any plans that may come forward for the redevelopment of Riverpark Industrial Estate. This may present the Council with an opportunity to share the cost of relocating Calor Gas or buying out its interest.</p> <p>A balance will need to be struck between the potential costs of reaching an agreement with Calor Gas to move and the potential value of freeing up the parcel to allow for residential or B1 industrial development on Plot 3.</p> <p>Consideration needs to be given whether the long-term redevelopment of the plots adjacent to 13R is held back and pro tem arrangements are put in place/continued until the long-term intentions of Calor Gas, and perhaps those of the owner of Riverpark, are established. Such parcels could provide temporary decant space for existing tenants on the estate while other plots are being developed. In financial terms this would include a consideration of the net present value of the income to the Council under various</p>

scenarios.

Delivery Approach

- 9.19 As the majority freeholder the Council has the opportunity to play an important role in helping unlock further value through redevelopment, which will deliver affordable homes, public realm improvements, as well as new employment opportunities. In particular the Council can assist in ensuring a holistic approach to redevelopment of the Estate.
- 9.20 However, the approach to delivery will be guided by many of the issues discussed above.

Comprehensive Development

- 9.21 One approach to delivery of the masterplan would be to undertake a completely comprehensive development where vacant possession is secured across the Council's land, possibly on a phased basis, prior to undertaking redevelopment. This would allow for a holistic scheme and give the Council control as to what is delivered, subject to market conditions.
- 9.22 However, there are a number of barriers to achieving comprehensive development:

- **Cost/CPO:** There will be significant costs associated with achieving vacant possession. This will include the purchase of the long leasehold interests and moving or extinguishing existing business tenancies. It is unlikely that every long leaseholder would be willing to sell, and it may be necessary to compel them through the use of the Council's CPO powers. CPO would be the only means necessary to secure certainty that the whole site can be assembled within a reasonable timeframe. However, CPO is a costly process, should only be used as a last resort and must be in the public's interest. Use of CPO powers is discussed in further detail in **Appendix VI**.
- **On-going development:** Some long leaseholders are already bringing forward their parcels for redevelopment. This calls into question the necessity of a comprehensive approach.
- **Loss of Existing Businesses & Income:** We understand that there are few alternative locations for businesses to relocate to. An attempt to compel existing occupiers to move is likely to mean considerable opposition unless suitable, alternative accommodation is readily available. In the meantime it would probably lead to a significant reduction in the Council's ground rent income and business rates in the short to medium term.
- **Viability:** it is not clear to us that a comprehensive scheme is of greater value, and we strongly doubt that any uplift in the council's land receipts, capital and income, will exceed the costs of obtaining vacant possession, including a CPO.

Plot by Plot Development

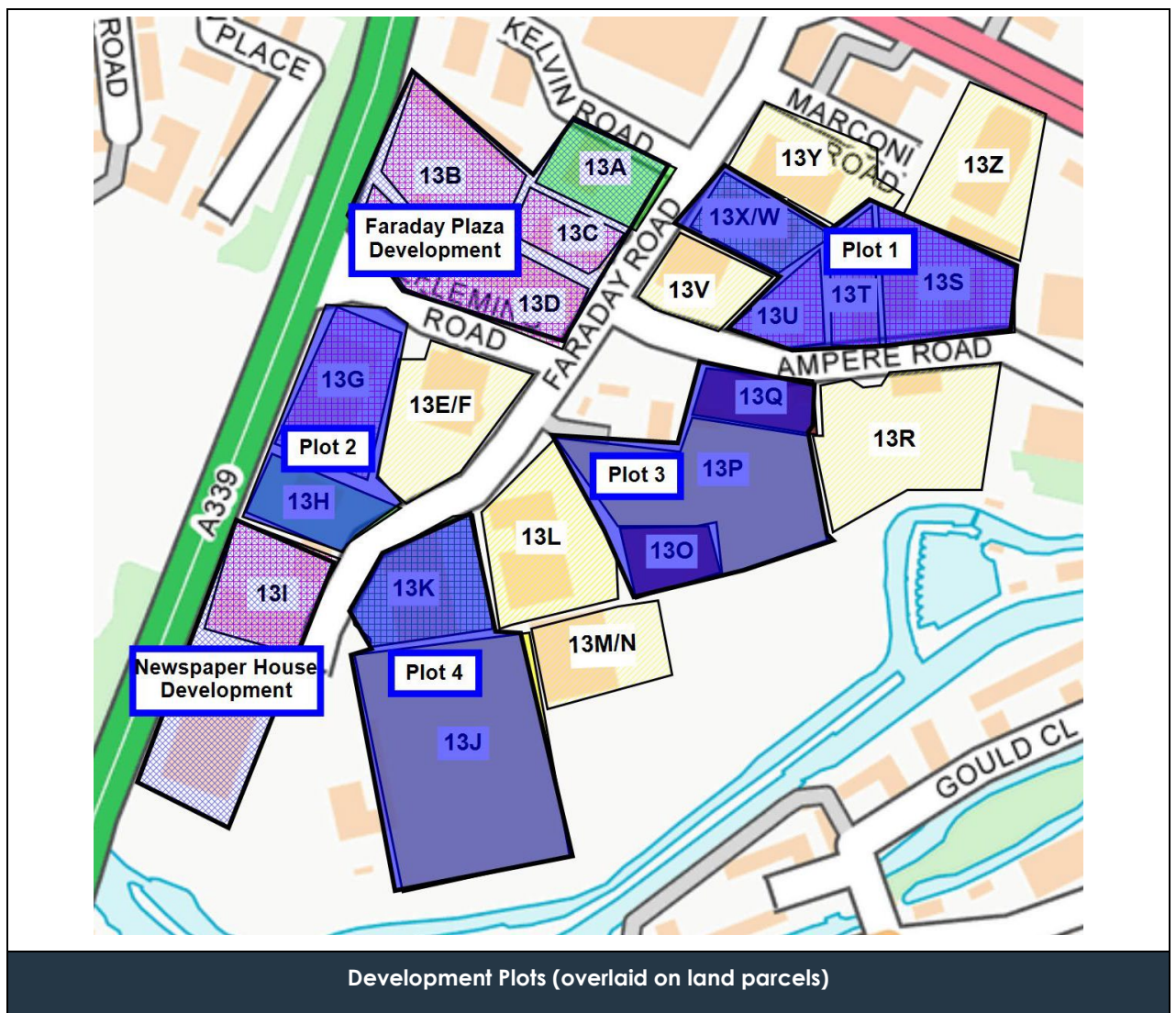
- 9.23 Delivery of development could also be approached on a plot by plot (phased) basis.
- 9.24 This can reflect the timing that may be initiated by an existing tenant and/or a head lessee. It will be less costly for the Council. The Council may choose to make early interventions where it holds more control or

circumstance dictates that it is required. This may be achieved by negotiation and agreement with the existing long leaseholder(s).

9.25 A phased approach could involve working with parties who have already gone through the planning approval process. This could encourage other long leaseholders to bring their plots forward for development. However, we note that some, perhaps many, of the existing long leaseholders may have neither the expertise nor the appetite to be involved in a development process.

9.26 As part of a phased approach we have considered where early opportunities may lie to kick-start development on the Estate. In particular we have sought to establish which parcels are likely to come forward within the short term (< 3 years), the medium term (3 – 6 years) and the long term (6+ years). Short and medium term areas have been combined into four development plots and form the basis of the baseline masterplan.

9.27 The four development plots are:



9.28 Proposed phasing showing the grouping of individual parcels is as follows:

Timeframe	Short Term < 3 years	Medium Term 3-6 years	Long Term 6+ years
<3 years	Faraday Developments Scheme		
	13A, 13B, 13D, 13C		
	Plot 3		
	13O, 13P, 13Q		
3-6 years	Plot 4		
	13J	13K	
		Plot 1	
		13T, 13U, 13S, 13W	
		Plot 2	
6+ years		13G, 13H	
		Newspaper House Scheme	
		13I	Remaining Parcels
			13E/F, 13L, 13M/N, 13R, 13V, 13Y, 13Z

9.29 The proposals and considerations of the plots within the baseline masterplan are outlined in the table below:

	Plot 1	Plot 2	Plot 3	Plot 4
Parcels	13T, 13U, 13S, 13X/W	13G, 13H	13O, 13P, 13Q	13J, 13K
Timeframe	Medium term	Medium term	Short term	Short/Medium term
Lease Structure	All plots let on long leases. All long leaseholders sublet to a number of business occupants	All plots let on long leases. 13H occupied by long lessee. 13G sublet to business occupants.	No long leases. Plot 13O and 13Q let on short term leases	13K is let on a long-term lease with a number of sublets. 13J is currently vacant and the site of a former football ground
No. of existing Businesses	c 7	c 6	2	c 9
Existing Uses	Incl. car dealerships, cleanroom supplier, roofing specialist	Automotive	Automotive	Mostly automotive
Proposed Uses	Light Industrial	Office & Residential	Light Industrial	Office & Residential
Advantages	Provides new employment space Can be used to decant existing tenants which will free up	Provides new employment space Prominent office location overlooking A339 and corner of	Only plot where all parcels are within 'short term' category Council has full control Vacant Possession can be achieved relatively swiftly	Plot 4 provides a significant early stage opportunity to kick start regeneration within the area given the vacant football

	Plot 1	Plot 2	Plot 3	Plot 4
	development capacity elsewhere	A339/Fleming Road Residential overlooking Victoria Park	without significant cost Provides new employment space which can be used to decant existing tenants and free up development capacity elsewhere	club land, which provides a vital quantum of land for early residential development, and thus receipts to aid redevelopment of other plots. This is a substantial plot for the provision of residential uses.
Challenges	Acquisition of long leaseholds and relocation of existing businesses required Impacted by the HSE Zone which limits quantum and type of development	Acquisition of long leaseholds and relocation of existing businesses required Under-croft parking required Consideration needs to be given to neighbouring industrial use on 13E/F. Visual buffer required Office space required in planning policy terms is unlikely to be financially viable and the LPA may need to reconsider its policy	We have not had sight of the existing short-term leases and are unaware of any security of tenure provisions Neighbouring parcel 13R is occupied by Calor Gas. HSE Zone resulting from Calor Gas's use of 13R precludes the possibility of residential development on Plot 3. If vacant possession of Plot 13R can be secured there is an opportunity for new residential development on Plot 3 which would improve viability of redevelopment Thought will need to be given to whether Plot 3 is brought forward for long term industrial development or whether protem/interim uses continue until a clearer picture over the possible relocation of Calor Gas is achieved If residential is provided there is an opportunity, as part of the wider masterplan, for a significant residential zone by using Plots 13I and 13M/N to connect Plots 3 and 4	Acquisition of long leasehold and relocation of existing businesses required on 13K. Office space required in planning policy terms is unlikely to be financially viable and the LPA may need to reconsider its policy

9.30 This phased delivery approach provides a broad projection of possible delivery expectations, which acts as a guide for understanding the sequencing of interventions on the Estate. This can also act as a tool for the Council to monitor and review progress. However, this is a guide which should be expected to evolve over time, influenced by a range of different factors with land interests being a critical one.

Preferred Approach

9.31 We set out a summary of the advantages and disadvantages to each approach in the table below.

	Advantages	Disadvantages
Comprehensive Development	<p>Opportunity to consider fully the site constraints and provide holistic solutions (e.g. flooding) from the outset</p> <p>Comprehensive joined-up design with complementary uses and best use of land</p> <p>Could allow for greater quantum of residential development with the removal of the HSE Hazard Zone</p>	<p>Will require the use of CPO across the majority of the Estate. This would be costly and is unlikely to be popular with existing occupiers resulting in significant objections. It may also be difficult to justify the use of CPO</p> <p>Loss of existing businesses on the Estate and potentially within the local area. Limited opportunities for decanting into new development space, or locally</p> <p>The proposals will respond to the market conditions that broadly prevail and likely to preclude uses, such as offices, that are currently not viable or require the Council to bear the risk/cost</p> <p>Not many developers readily undertake mixed-use development so likely to have multiple partners, in which case not certain that the answer will be better than that for Phased Approach</p>
Phased Approach	<p>Provides the greatest opportunity to retain existing businesses within the Estate so less contentious</p> <p>Allows for a flexible approach which will help ensure that viable uses are proposed in line with market conditions so likely to maximise the Council's return</p> <p>Allows opportunities for long leaseholders to bring forward development themselves with the Council still able to influence development</p> <p>Does not require a costly CPO of the whole Estate</p>	<p>HSE Hazard Zone would need to be considered and therefore the opportunity to provide residential on Plot 3 may be lost in the short/medium term</p> <p>Other environmental constraints will need to be mitigated on a plot by plot basis which may be more costly than a comprehensive mitigation strategy</p> <p>Consideration must be given to neighbouring uses. Could impact value where neighbouring uses are not desirable</p> <p>May require use of CPO on some individual parcels</p> <p>Scale of opportunity may be attractive to some potential delivery partners</p>

Appraisals

9.32 We have undertaken an appraisal analysis of the baseline masterplan plots. Our analysis provides indicative figures to illustrate whether, in principle, uses of this scale are broadly viable and deliverable. The outcomes of this section are on the basis of a number of development, financing and cash flow assumptions and as such the outcomes should be seen in the context of these assumptions and not the actual returns that the Council will generate.

9.33 Our approach is to review the likely value of the land based on the proposed schemes without the costs of acquiring the existing commercial interests and obtaining vacant possession. Costs of acquisition have then

been estimated separately using high-level assumptions and deducted from the land values to provide a net value for each scheme (noted as a surplus or deficit in the tables below). If the net value generated is positive then it can be said to be viable, that is it makes more money than it loses including providing sufficient profit. If the land value is negative then the scheme is not viable as it loses money.

- 9.34 Our acquisition cost assumes only the investment interest for each plot is acquired and the individual business occupants are vacated by way of existing lease provisions. These figures are based on high-level estimates and should be viewed as indicative only.

CIL/S106

- 9.35 Any proposed development will also be expected to meet planning obligations including CIL and S106.
- 9.36 The West Berkshire District Council's CIL Charging Schedule took effect in April 2015. CIL will therefore be payable on relevant new development on the Estate. For Newbury the rates chargeable on any net developable area are currently as follows:

Type of Development	Use Class	CIL Rate per sq m
Residential	C3 & C4	£75
Retail	A1 to A5	£125
Offices	B1a to B1c	£0
Industrial	B2	£0
Warehousing	B8	£0
Hotels	C1	£0
Residential Institutions	C2 & C2a	£0
Community and all other uses	-	£0

Appraisal Results

Plot 1 and Plot 3

- 9.37 We have assessed the industrial plots on the basis of a £ per acre rate for industrial development land of £750,000 per acre. This is our assumption of what a developer would likely pay for the land once they have factored in future development receipts and the costs likely to be incurred in undertaking the industrial development, including allowing for development profit. This rate is based on our review of relevant land comparables and discussions with industrial agents.
- 9.38 The results of our analysis are as follows:

	Plot 1	Plot 3
Proposed Uses (GEA)	30,700 sq ft Industrial	27,500 sq ft Industrial
Acres	2.1	2.2
Total Land Value	£1.5m	£1.5m
Total Acquisition Costs	£1m	Nil
Surplus/Deficit	£0.5m	£1.5m

Plot 2 and Plot 4 – Mixed Use Proposals

- 9.39 Both Plot 2 and Plot 4 propose a mix of residential and office accommodation.
- 9.40 Based on current market assumptions the office elements in isolation produce little or no land value. To produce a reasonable level of profit there would need to be significant improvement in office rental values in excess of current prime rents (£25 per sq ft) or a reduction in build costs by more than 10%. We do not consider this level of improvement is likely in the short to medium term.
- 9.41 Our analysis therefore focuses on the land value which can be derived from the residential elements. We have run appraisals to estimate all future development receipts and the costs likely to be incurred in undertaking the residential development, including allowing for development profit. Once all costs have been subtracted from values the leftover or 'residual' amount is the value the development can afford to pay for the land in question.
- 9.42 We have assumed a policy compliant level of affordable housing (30%).
- 9.43 We have made reasonable allowances for the cost of remediation and infrastructure.
- 9.44 All assumptions used in the viability analysis are derived from AY's market analysis and experience in dealing with similar schemes. Details of all assumptions made are available at **Appendix VII**.
- 9.45 A summary of the appraisals for Plot 2 and Plot 4 are provided in the table below.

	Plot 2	Plot 4
Proposed Uses (GEA)	52,000 sq ft Residential & 18,000 sq ft Offices	160,000 sq ft Residential & 19,000 sq ft Offices
Proposed Residential Units	68	212
Total Net Development Value	£15.3m	£47.8m
Costs (incl. Finance)	£11.7m	£35.7m
Profit	£2.6m	£8.1m
Total Land Value	£1.0m	£3.9m
Total Acquisition Costs	£0.5m	£0.4m
Surplus/Deficit	£0.5m	£3.5m

- 9.46 Prior to deduction of acquisition costs the land value above reflects a rate per gross acre of between £700,000 and £900,000. The land value derived from delivery of residential is only marginally in excess of the land value derived from industrial uses.

- 9.47 However, our analysis suggests that all four plots generate positive residual land values. They are inherently viable including allowances for appropriate development profit and accounting for current planning policy requirements.
- 9.48 Whilst the schemes themselves are inherently viable, whether they are viable in the sense of being delivered in reality will depend on the cost of acquiring the ground leases (where applicable). We have made high-level assumptions based on the existing rental levels but this assumes that the plots are available for acquisition. In reality, the Council or a developer would potentially have to pay in excess of our estimates including possible compensation costs associated with terminating existing occupational tenancies.
- 9.49 Further to this, small movements in sales values, build costs, and/or acquisitions costs could impact negatively on viability.
- 9.50 In particular the surplus on Plots 1 and 2 is only marginally in excess of the assumed acquisitions costs. If assumptions differ from those currently adopted it may be necessary for public sector intervention and/or a flexible approach to developer contributions.
- 9.51 We have run a sensitivity analysis to demonstrate the impact of changes in sales values and build costs on the viability of Plot 2 and Plot 4.

	Sensitivity Iteration	Residual Land Value	Surplus/Deficit*
Plot 2	£10psf increase in build costs	£0.5m	£nil
	10% decrease in sales values	£0.3m	-£0.2m
	£10psf increase in build costs and 10% decrease in sales values	-£0.3m	-£0.7m
Plot 4	£10psf increase in build costs	£2.5m	£2.1m
	10% decrease in sales values	£1.7m	£1.3m
	£10psf increase in build costs and 10% decrease in sales values	£0.2m	-£0.2m

*RLV less acquisition costs

- 9.52 Once acquisitions costs are deducted, a combined £10 psf increase in build costs and 10% decrease in sales values would produce a deficit on both Plot 2 and Plot 4 and they would therefore be considered unviable.

Routes to Delivery

- 9.53 There is a wider range of potential routes available to the Council ranging from simple disposal for delivery by the private sector, through to directly undertaking the development itself, with partnership options available in between. The options available will also be limited by the certainty of achieving vacant possession where it is required and also whether sufficient capacity for development can be achieved. Thought will also be needed around the variety of uses across the Estate and the market appetite for delivery of these either as separate opportunities or as one.
- 9.54 The various delivery routes (Site Disposals, Development Agreements (DAs), Joint Ventures or Self Delivery) have advantages and disadvantages. The features of these different delivery approaches broadly fall into the following categories:

- Financial return;
- Risk;
- Control (over quality and design as well as programme);
- Resource required (including internal funding or staff and expertise at the Council); and
- Procurement (time and complexity).

9.55 The strengths and weaknesses of the approaches are summarised below:

	Site Disposals	Individual Site DAs	Multi-site DA	Individual Site JVs	Self-Delivery
Financial Return					
Risk					
Control					
Resource					
Procurement/ Set-Up					

9.56 Within the table above, the stronger green colour represents a preferable position for the Council, whilst red represents a poor position. The colours are assigned on the assumption that the Council will seek to maximise returns and control, and minimise risk, resource allocation and procurement time and complexity.

9.57 These are very much illustrative and should be taken as an approximate representation of the relative features of each approach rather than definitive, given any one approach can be modified. Broadly though, the above illustrates that direct delivery could yield the greatest return and control, with the most risk, and disposal or Land Sale would minimise risk, complexity and resource commitment, though with the least return and control.

9.58 The optimal choice will depend on the specific objectives of the Council which should be fully established. These requirements may necessitate a degree of control exceeding that which may typically be afforded through simple disposal of the land.

9.59 Each of the characteristics of the approaches is discussed in greater detail in a full commentary provided at **Appendix VIII**.

10. Planning Application Deliverables

10.1 Any planning application for the LRIE site should be accompanied by the requisite suite of documentation as set out in WBC's planning validation 'Local List of Documents' checklist (September 2018) and any subsequent update.

10.2 It is recommended that pre-application discussions are undertaken with WBDC prior to any submission to agree the scope of the documentation to be provided. The submissions will be proportionate to the scale and nature of the proposals but should include all the requisite information required to assess conformity to the Development Plan policies. As set out in the checklist, this could include the following documentation:

- Application Fee
- Application Form, Certificates and Notices
- Site Location Plan & Site Plan
- Existing & Proposed Elevations, Floor plans (incl. roof plans), Sections
- Design & Access Statement (including photographs and photomontages)
- Sustainable Construction and Energy Efficiency Report
- Affordable Housing Statement
- Air Quality Assessment
- Biodiversity Survey & Report
- Daylight/Sunlight Assessment
- Economic Statement
- Environmental Statement
- Town Centre Uses Evidence
- Foul Sewage and Utilities Assessment
- Heritage Statement
- Land Contamination Assessment
- Landfill Statement
- Landscape Details
- Lighting Assessment

- Noise Impact Assessment
- Open Space Assessment
- Planning Obligation Draft Heads of Terms
- Planning Statement
- Site Waste Management Plan
- Statement of Community Involvement
- Structural Survey
- Transport Assessment & Parking Provision Details
- Travel Plan
- Tree Survey/Arboricultural Impact Assessment
- Ventilation/Extraction Statement

10.3 Where a plot is brought forward in isolation and not part of a wider masterplan approach, such an application should include an assessment of the impact of the proposed development on the delivery of the overall masterplan. It should be demonstrated that the proposed development will not prejudice the delivery of development of neighbouring plots.

11. Conclusion/Next Steps


- 11.1 The Site comprises 26 separate parcels equating to 11.13 ha of previously developed land which could become available for redevelopment over the next 10 years, subject to the implementation of a viable delivery strategy.
- 11.2 At present, we estimate there is approximately 23,000 sqm of B1/B2/B8 and Sui Generis employment-related floor area across the various parcels that comprise the Site.
- 11.3 In planning policy terms, the West Berkshire District Council development plan designates the Site as a Protected Employment Area which therefore requires the existing level of employment provision to be maintained across the Site if it were to be redeveloped.
- 11.4 As the Council is currently reviewing its Local Plan, it is unclear if the Site will continue to be designated as a Protected Employment Area or if through the Local Plan Review to 2036 process, the Council will identify alternative employment land, which could potentially allocate and release the Site for alternative uses.
- 11.5 Two conceptual masterplans have been developed based on a number of key development principles in accordance with the current WBDC development plan to demonstrate a potential form and quantum of development that could be delivered as part of a phased development scenario.
- 11.6 The first 'baseline' masterplan option represents a potential redevelopment scenario comprising parcels that could become available in the immediate to short term (0-5 years); and the second 'comprehensive' masterplan option represents a more holistic site-wide approach which could be delivered in the medium term (5 - 10 years). Both options would be subject to existing businesses either vacating the Site or being relocated elsewhere in the District to enable development.
- 11.7 Should the 'baseline' masterplan be implemented, this suggests redevelopment could support approximately 280 residential units, comprising 28,484 sqm of floor area in buildings up to 5 storeys in height, 3,473 sqm of B1 office use and 5,400 sqm of B2/B8/Sui Generis employment use
- 11.8 Should the site-wide 'comprehensive' masterplan be implemented, this suggests redevelopment could support approximately 544 residential units, comprising 40,804 sqm of floor area in buildings up to 5 storeys in height, 6,023 sqm of B1 office use and 6,690 sqm of B2/B8/Sui Generis employment use.
- 11.9 Trip generation and transport modelling is currently being progressed by AECOM for the two masterplans/development scenarios and will be provided as an addendum to this report upon completion.
- 11.10 An initial development appraisal has been undertaken on the 'baseline' masterplan option, highlighting the strategic opportunities and constraints related to its delivery. We propose that potential next steps for the Council are as follows:
- Continued engagement with stakeholders to better understand short to medium term issues which could impact delivery and to ensure opportunities are fully captured, as well as informing the preparation of property cost estimates.

- Continued review of the local market for vacant units to provide opportunities for relocating or decanting existing businesses.
- Continued engagement with the Council (as Local Planning Authority) regarding the reallocation of the Site as part of the Local Plan Review. Promotion of the Site for mixed use redevelopment in line with this Development Brief.
- Establish a full set of objectives for redevelopment to enable a delivery option appraisal to be undertaken. This will involve determining the key requirements for the scheme(s) and a sense of relative priority of the objectives, together with an assessment of the extent to which each of the delivery routes meets those objectives, balanced against any disadvantages (e.g. a heavy resource requirement).
- Ensure the size of the potential opportunity available to developers is attractive. The football ground is identified as a critical early stage opportunity to provide sufficient development capacity as well as financial support to other parts of the development based on employment. Further consideration will also be required of how vacant possession on other short to medium term plots can be achieved and how development capacity can be enhanced.
- Explore whether there are any public sector funding possibilities available to facilitate more comprehensive development.
- Undertake pre-application discussions with WBDC (as Local Planning Authority) and engage with key local stakeholders prior to the preparation and submission of any planning application(s).

Appendix I

Site Location Plan



 Red Line Site Boundary

Appendix II

Masterplan Design Pack (WSP)

London Road Industrial Estate (LRIE) Development Brief

JULY 2020

AVISON
YOUNG



DRAFT



CONTENT

Site Location Plan	2
Landscape Constraints Mapping	3
Vacant Possession Categories – Developable/Non-Developable Parcels	4
Baseline Masterplan Option	6
Comprehensive Masterplan Option	13

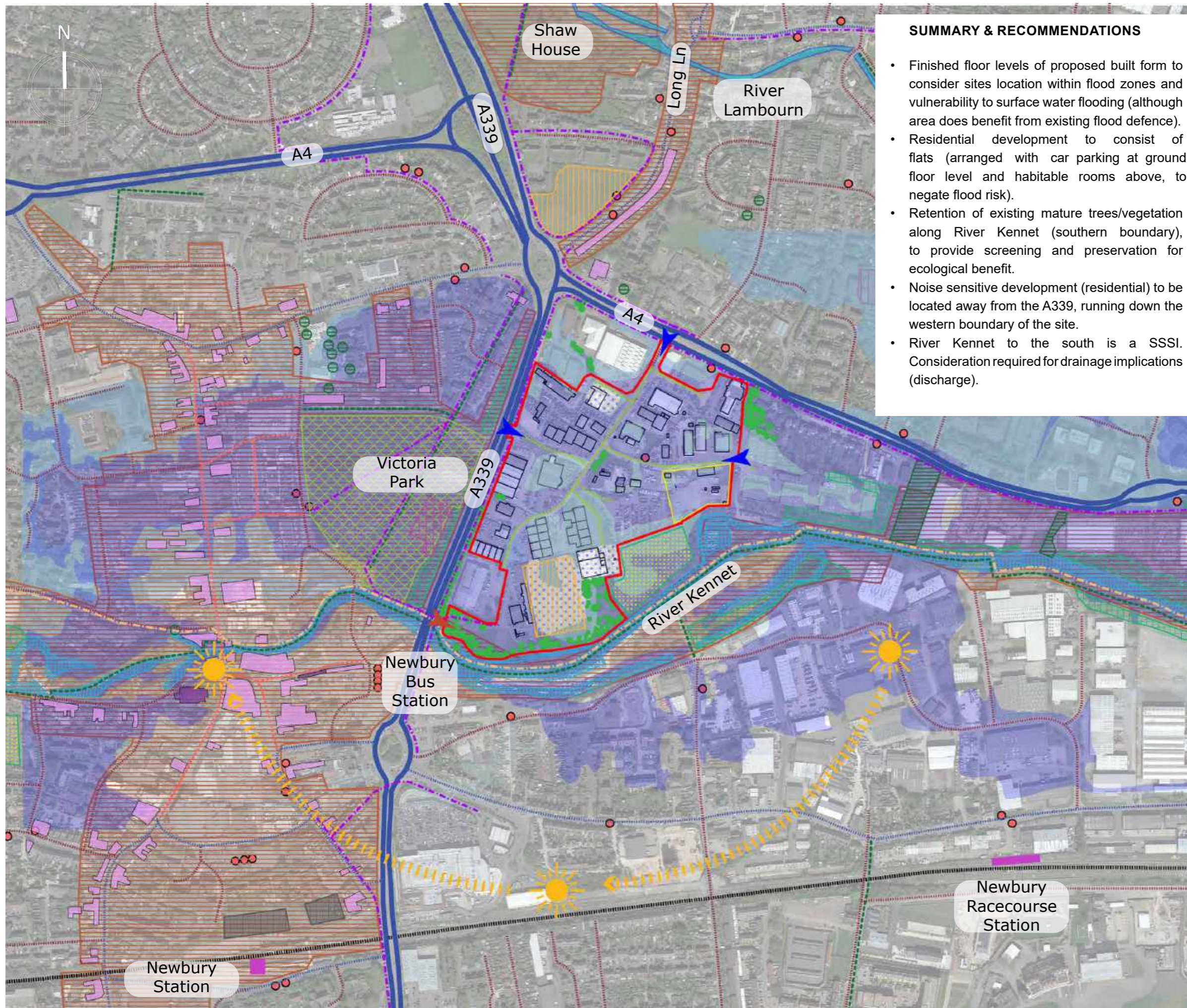


 Red Line Site Boundary

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July 2020
Not to Scale

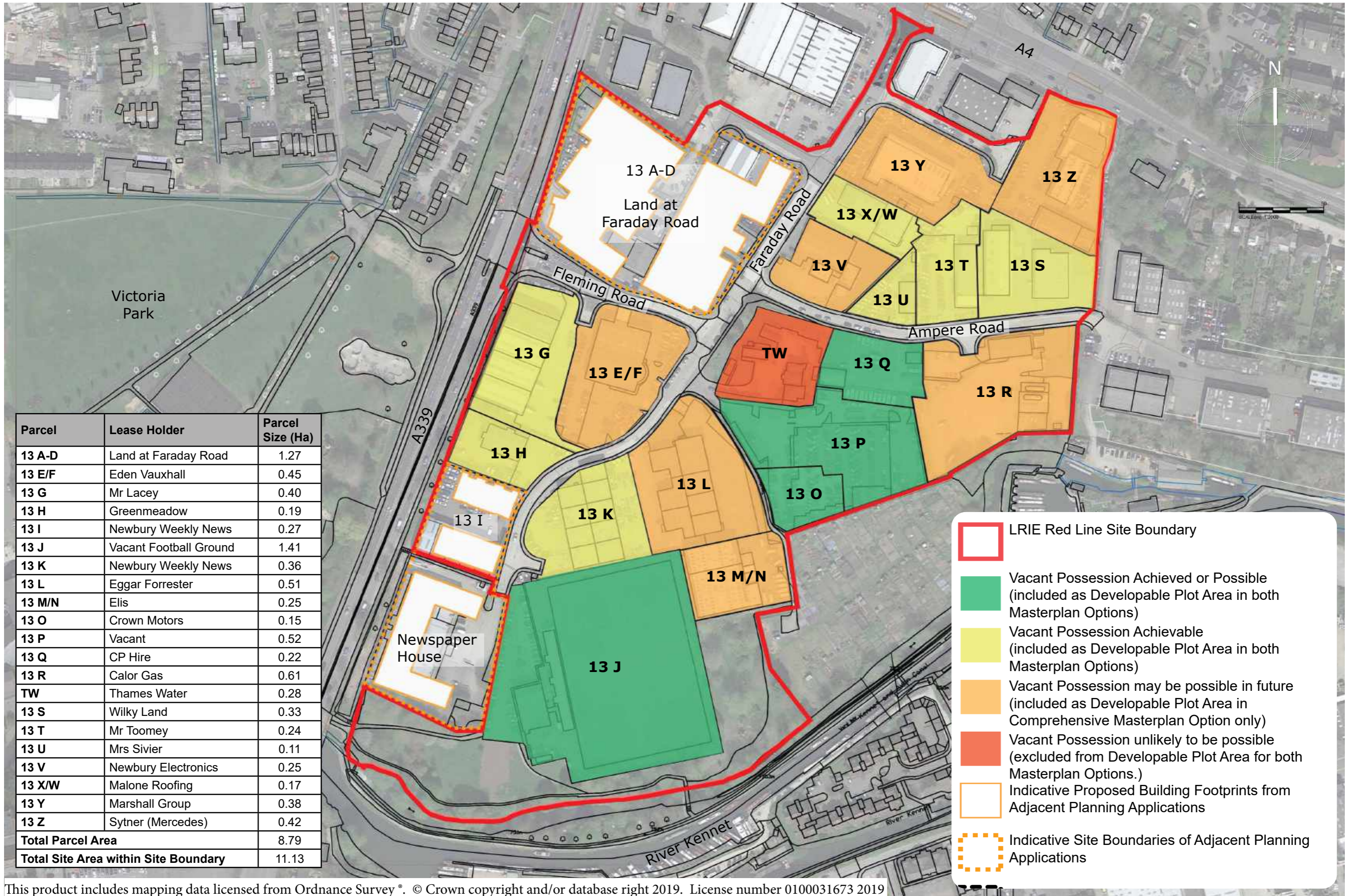











SUMMARY & RECOMMENDATIONS

- Finished floor levels of proposed built form to consider sites location within flood zones and vulnerability to surface water flooding (although area does benefit from existing flood defence).
- Residential development to consist of flats (arranged with car parking at ground floor level and habitable rooms above, to negate flood risk).
- Retention of existing mature trees/vegetation along River Kennet (southern boundary), to provide screening and preservation for ecological benefit.
- Noise sensitive development (residential) to be located away from the A339, running down the western boundary of the site.
- River Kennet to the south is a SSSI. Consideration required for drainage implications (discharge).

- KEY**
- Red Line Site Boundary
 - Existing Vehicular Access
 - Existing Pedestrian Access
 - Existing Buildings On-Site
 - Existing Established Vegetation
 - Flood Zone 3
 - Flood Zone 2
 - Grade I Listed Building
 - Grade II Listed Buildings
 - Conservation Area
 - Special Area of Conversation
 - Sites of Special Scientific Interest
 - Bus Stop
 - Train Station
 - Primary Vehicular Route (Off-Site)
 - Secondary Vehicular Route (Off-Site)
 - Tertiary Vehicular Route (Off-Site)
 - Tertiary Vehicular Route (On-Site)
 - Pedestrian Route (Off-Site)
 - National Cycle Route
 - Urban Cycle Route
 - Railway Line (Off Site)
 - Public Right of Ways
 - Play Area
 - Sports Ground
 - Allotments
 - Park
 - Woodland
 - TPO Protected Trees
 - Car Park (On-Site)
 - Calor Gas Facility
 - Sun Path



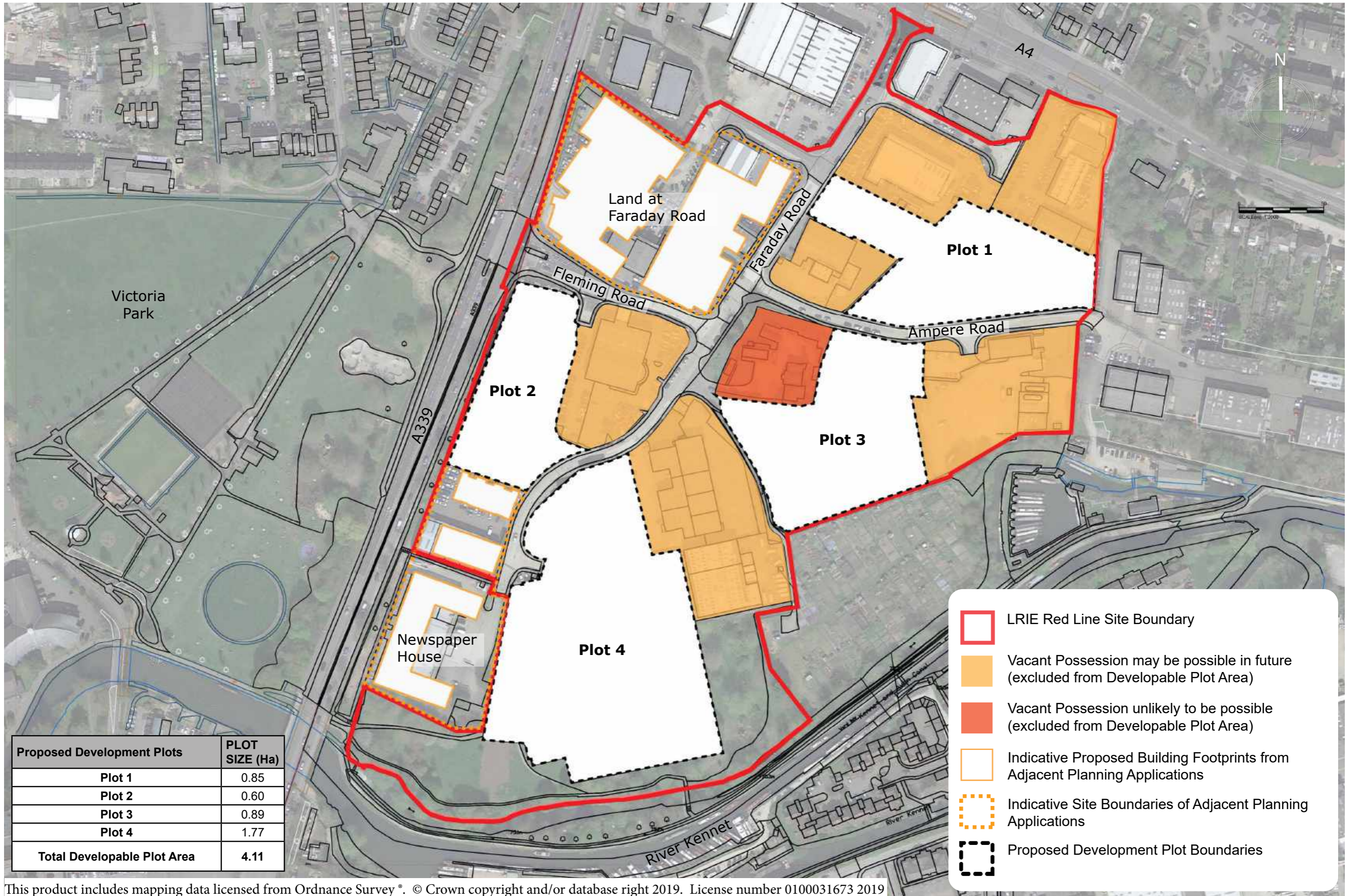
Parcel	Lease Holder	Parcel Size (Ha)
13 A-D	Land at Faraday Road	1.27
13 E/F	Eden Vauxhall	0.45
13 G	Mr Lacey	0.40
13 H	Greenmeadow	0.19
13 I	Newbury Weekly News	0.27
13 J	Vacant Football Ground	1.41
13 K	Newbury Weekly News	0.36
13 L	Eggar Forrester	0.51
13 M/N	Elis	0.25
13 O	Crown Motors	0.15
13 P	Vacant	0.52
13 Q	CP Hire	0.22
13 R	Calor Gas	0.61
TW	Thames Water	0.28
13 S	Wilky Land	0.33
13 T	Mr Toomey	0.24
13 U	Mrs Sivier	0.11
13 V	Newbury Electronics	0.25
13 X/W	Malone Roofing	0.17
13 Y	Marshall Group	0.38
13 Z	Sytner (Mercedes)	0.42
Total Parcel Area		8.79
Total Site Area within Site Boundary		11.13

-  LRIE Red Line Site Boundary
-  Vacant Possession Achieved or Possible (included as Developable Plot Area in both Masterplan Options)
-  Vacant Possession Achievable (included as Developable Plot Area in both Masterplan Options)
-  Vacant Possession may be possible in future (included as Developable Plot Area in Comprehensive Masterplan Option only)
-  Vacant Possession unlikely to be possible (excluded from Developable Plot Area for both Masterplan Options.)
-  Indicative Proposed Building Footprints from Adjacent Planning Applications
-  Indicative Site Boundaries of Adjacent Planning Applications







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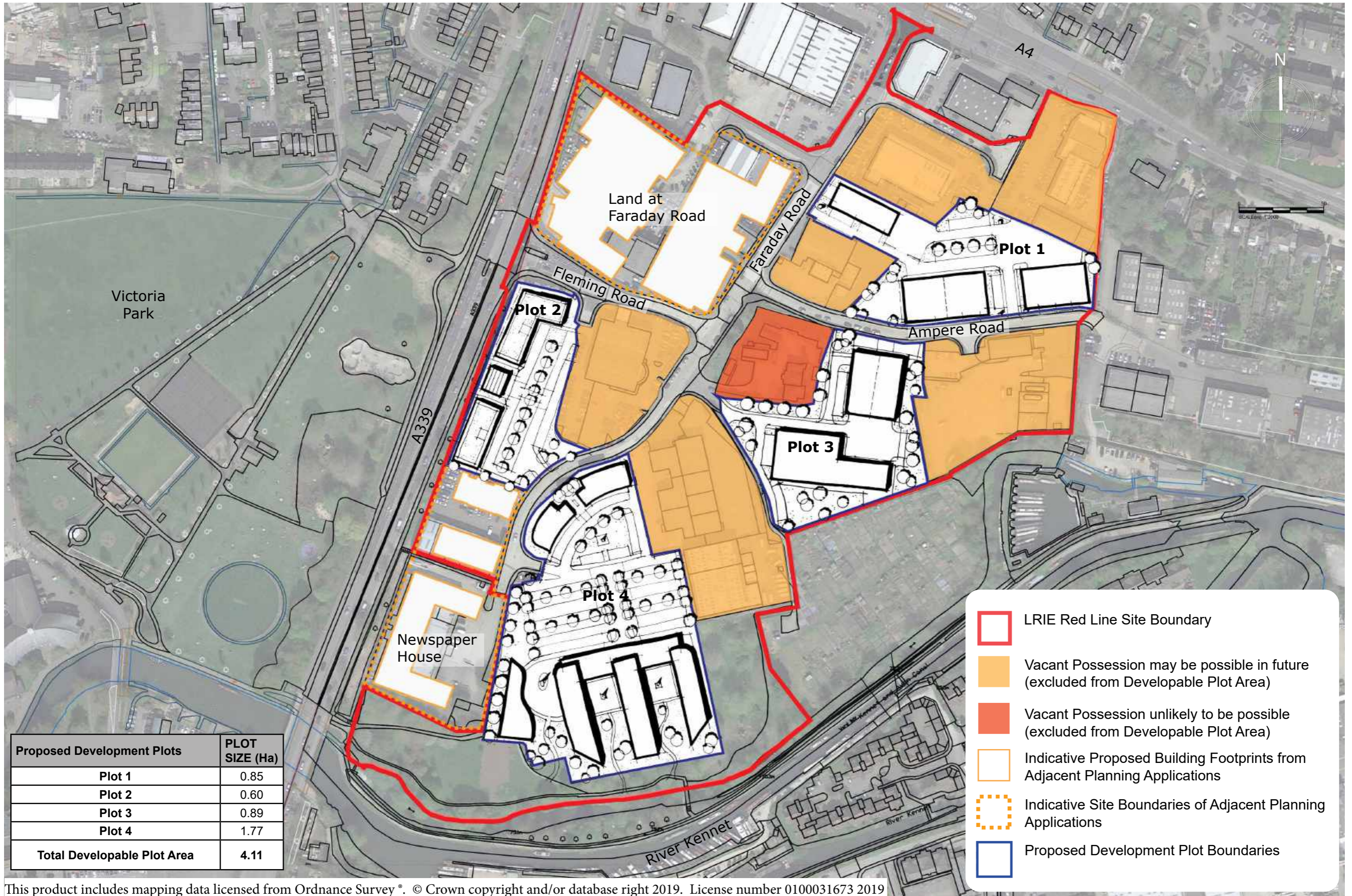
BASELINE MASTERPLAN OPTION



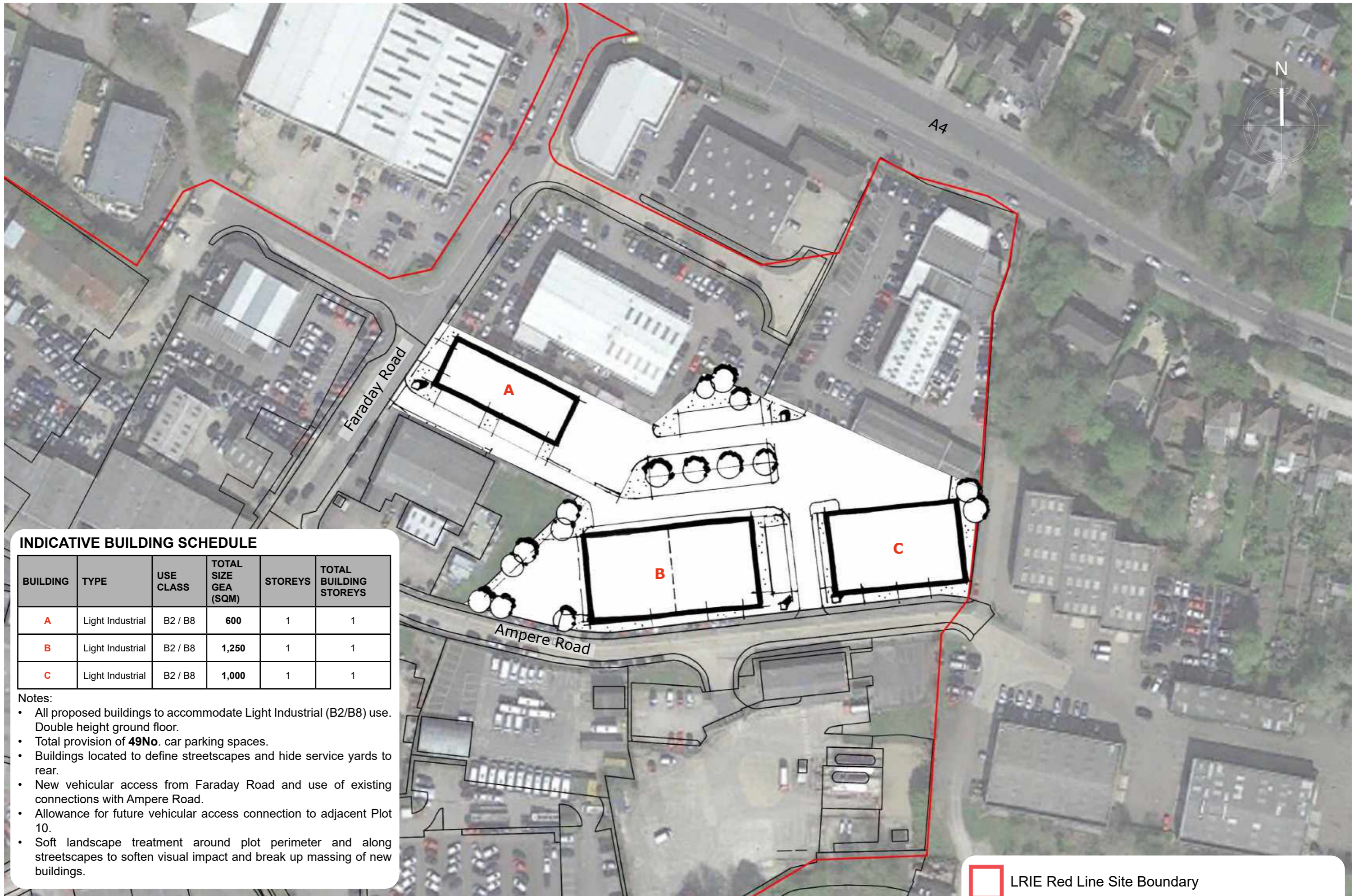
Proposed Development Plots	PLOT SIZE (Ha)
Plot 1	0.85
Plot 2	0.60
Plot 3	0.89
Plot 4	1.77
Total Developable Plot Area	4.11

-  LRIE Red Line Site Boundary
-  Vacant Possession may be possible in future (excluded from Developable Plot Area)
-  Vacant Possession unlikely to be possible (excluded from Developable Plot Area)
-  Indicative Proposed Building Footprints from Adjacent Planning Applications
-  Indicative Site Boundaries of Adjacent Planning Applications
-  Proposed Development Plot Boundaries

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INDICATIVE BUILDING SCHEDULE

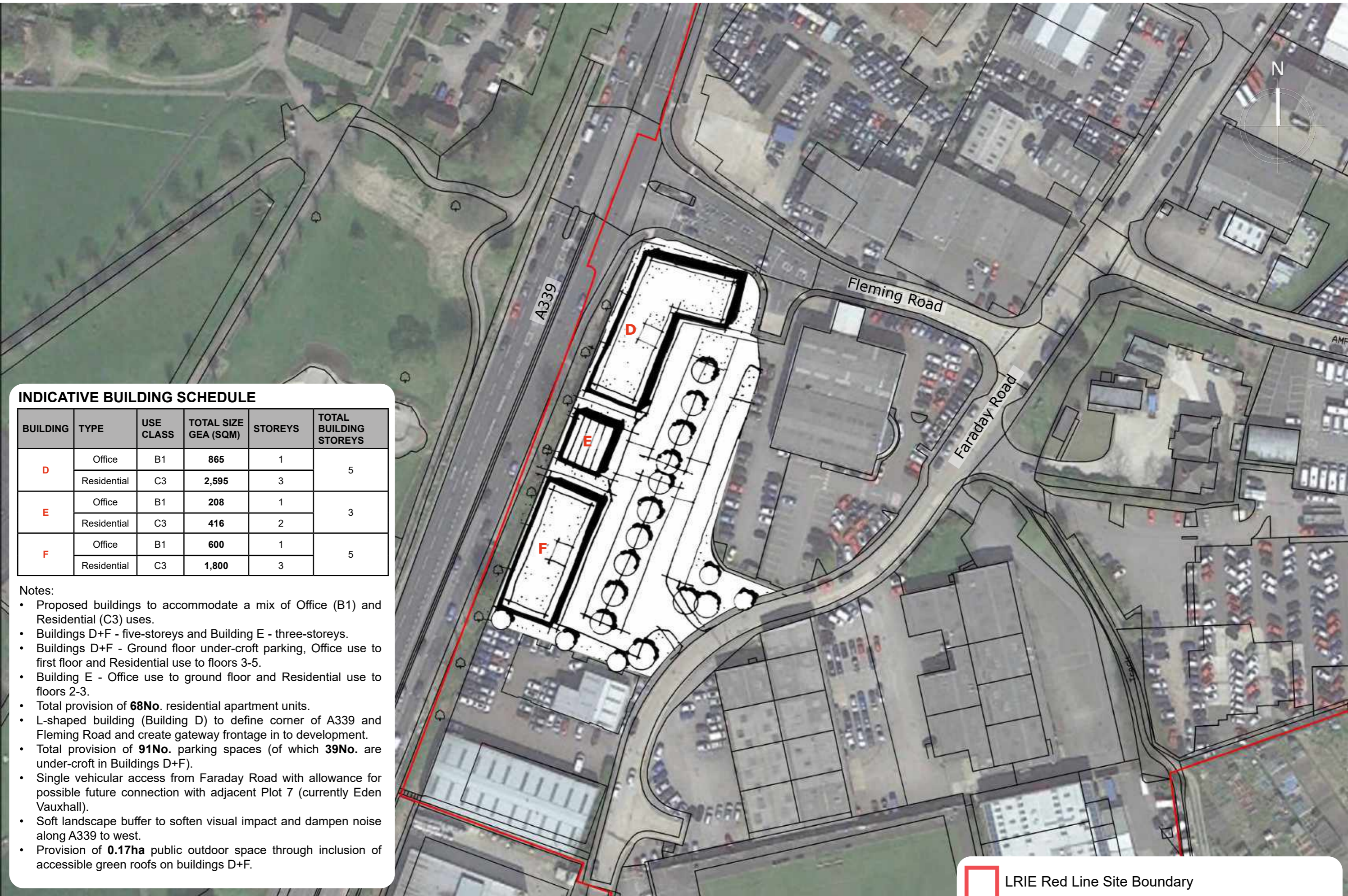
BUILDING	TYPE	USE CLASS	TOTAL SIZE GEA (SQM)	STOREYS	TOTAL BUILDING STOREYS
A	Light Industrial	B2 / B8	600	1	1
B	Light Industrial	B2 / B8	1,250	1	1
C	Light Industrial	B2 / B8	1,000	1	1

Notes:

- All proposed buildings to accommodate Light Industrial (B2/B8) use. Double height ground floor.
- Total provision of **49No.** car parking spaces.
- Buildings located to define streetscapes and hide service yards to rear.
- New vehicular access from Faraday Road and use of existing connections with Ampere Road.
- Allowance for future vehicular access connection to adjacent Plot 10.
- Soft landscape treatment around plot perimeter and along streetscapes to soften visual impact and break up massing of new buildings.

 LRIE Red Line Site Boundary


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INDICATIVE BUILDING SCHEDULE

BUILDING	TYPE	USE CLASS	TOTAL SIZE GEA (SQM)	STOREYS	TOTAL BUILDING STOREYS
D	Office	B1	865	1	5
	Residential	C3	2,595	3	
E	Office	B1	208	1	3
	Residential	C3	416	2	
F	Office	B1	600	1	5
	Residential	C3	1,800	3	

- Notes:
- Proposed buildings to accommodate a mix of Office (B1) and Residential (C3) uses.
 - Buildings D+F - five-storeys and Building E - three-storeys.
 - Buildings D+F - Ground floor under-croft parking, Office use to first floor and Residential use to floors 3-5.
 - Building E - Office use to ground floor and Residential use to floors 2-3.
 - Total provision of **68No.** residential apartment units.
 - L-shaped building (Building D) to define corner of A339 and Fleming Road and create gateway frontage in to development.
 - Total provision of **91No.** parking spaces (of which **39No.** are under-croft in Buildings D+F).
 - Single vehicular access from Faraday Road with allowance for possible future connection with adjacent Plot 7 (currently Eden Vauxhall).
 - Soft landscape buffer to soften visual impact and dampen noise along A339 to west.
 - Provision of **0.17ha** public outdoor space through inclusion of accessible green roofs on buildings D+F.

 LRIE Red Line Site Boundary

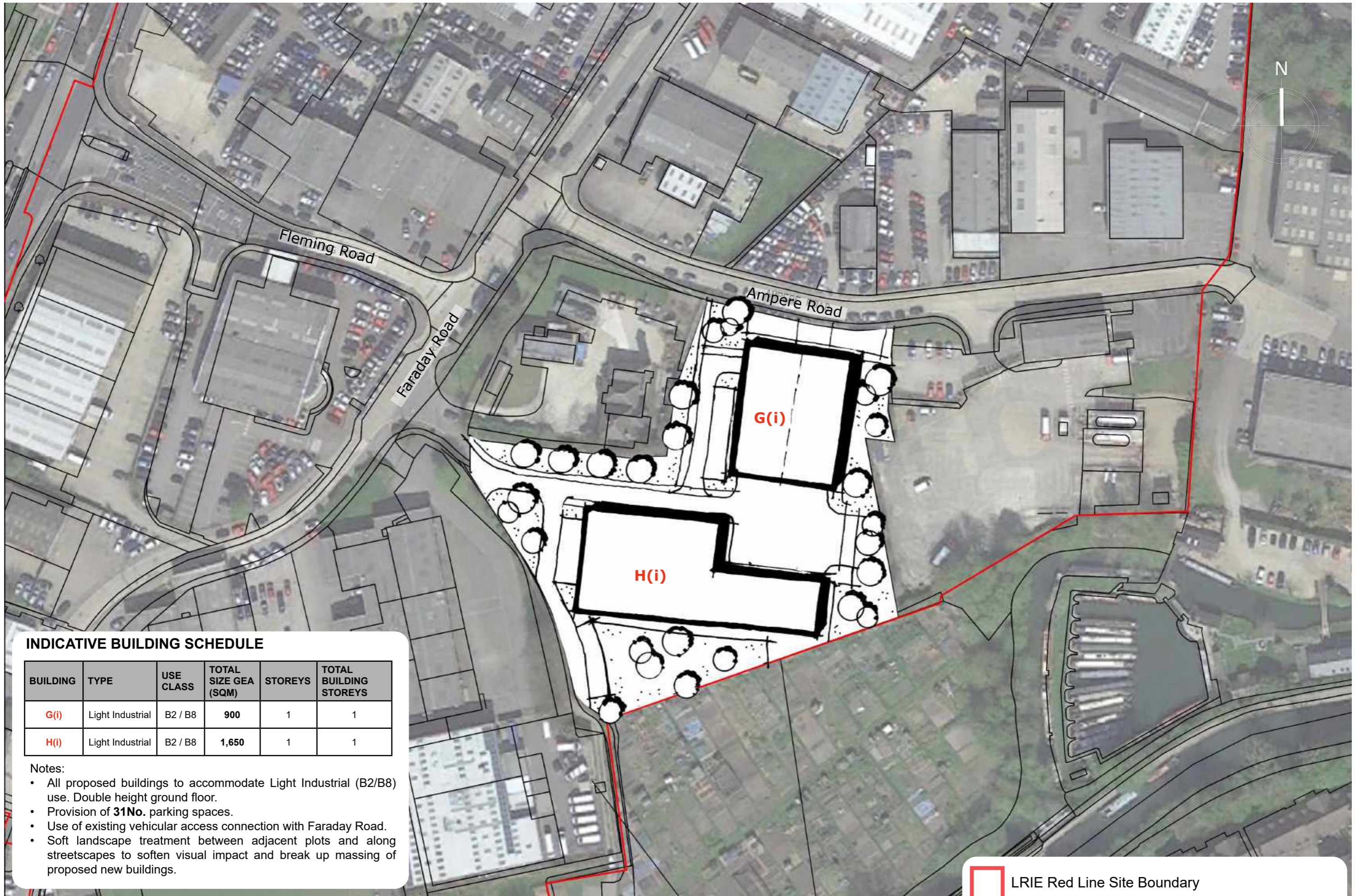
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INDICATIVE BUILDING SCHEDULE

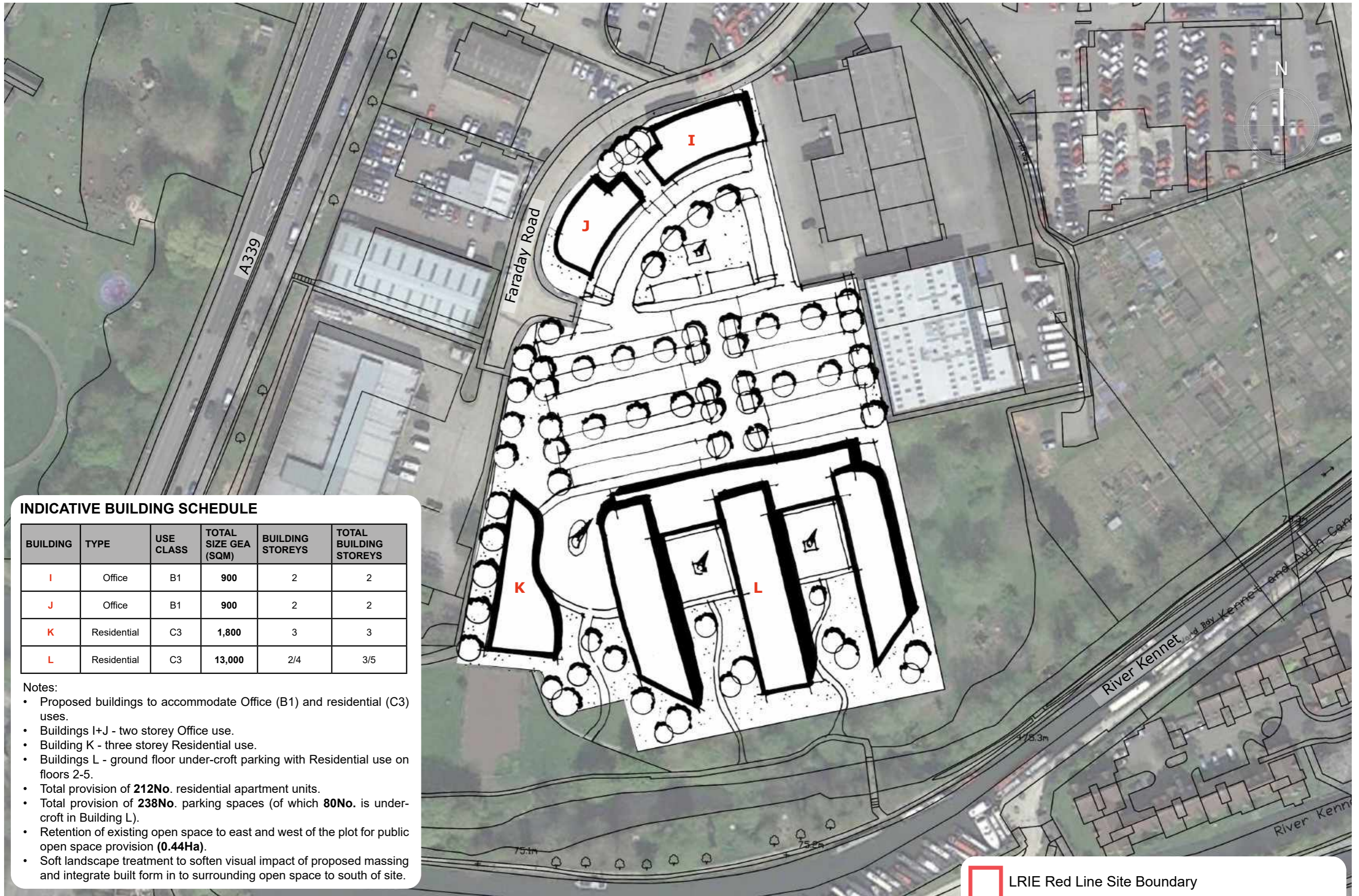
BUILDING	TYPE	USE CLASS	TOTAL SIZE GEA (SQM)	STOREYS	TOTAL BUILDING STOREYS
G(i)	Light Industrial	B2 / B8	900	1	1
H(i)	Light Industrial	B2 / B8	1,650	1	1

Notes:

- All proposed buildings to accommodate Light Industrial (B2/B8) use. Double height ground floor.
- Provision of **31No.** parking spaces.
- Use of existing vehicular access connection with Faraday Road.
- Soft landscape treatment between adjacent plots and along streetscapes to soften visual impact and break up massing of proposed new buildings.

 LRIE Red Line Site Boundary


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INDICATIVE BUILDING SCHEDULE

BUILDING	TYPE	USE CLASS	TOTAL SIZE GEA (SQM)	BUILDING STOREYS	TOTAL BUILDING STOREYS
I	Office	B1	900	2	2
J	Office	B1	900	2	2
K	Residential	C3	1,800	3	3
L	Residential	C3	13,000	2/4	3/5

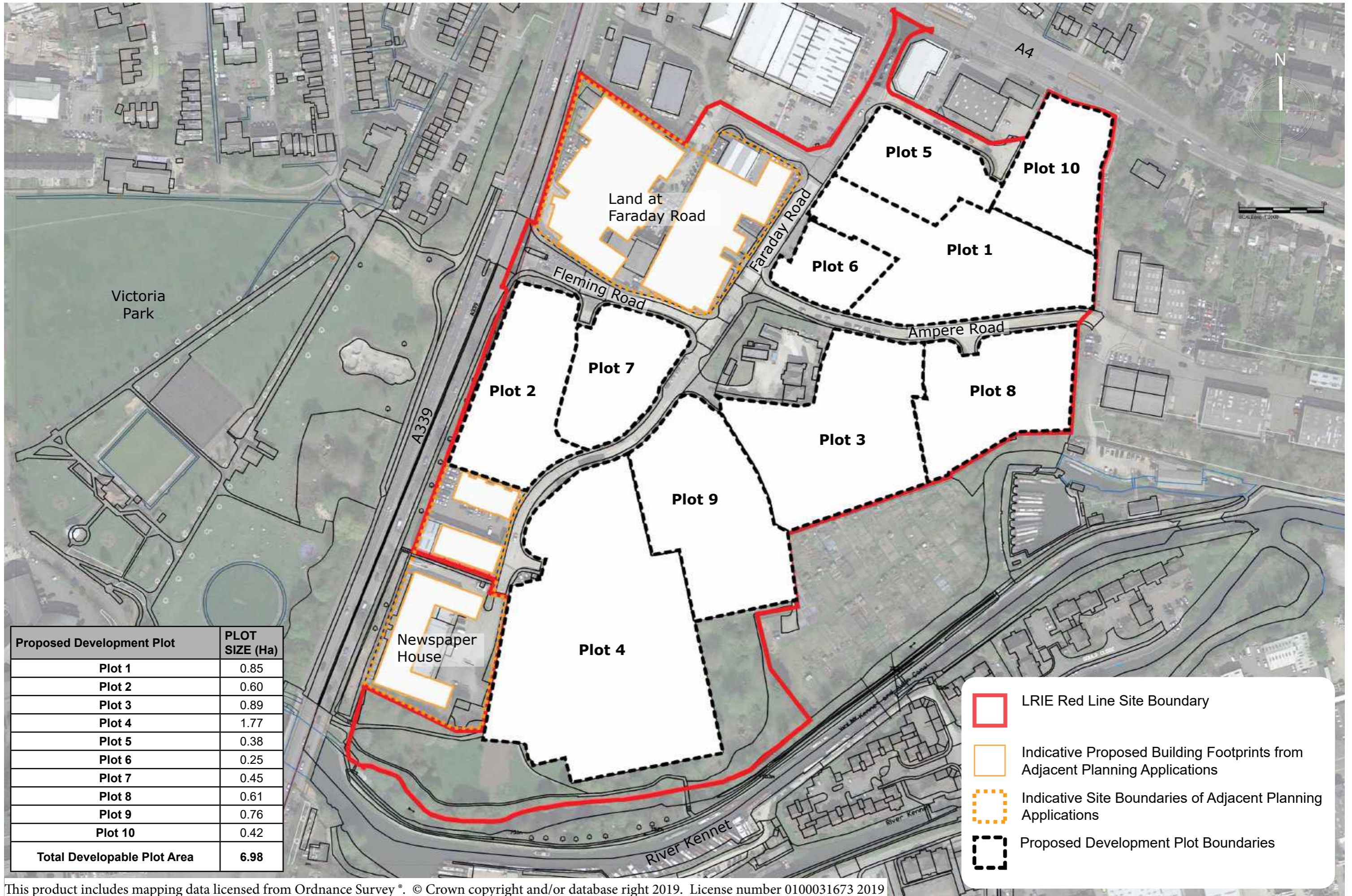
- Notes:
- Proposed buildings to accommodate Office (B1) and residential (C3) uses.
 - Buildings I+J - two storey Office use.
 - Building K - three storey Residential use.
 - Buildings L - ground floor under-croft parking with Residential use on floors 2-5.
 - Total provision of **212No.** residential apartment units.
 - Total provision of **238No.** parking spaces (of which **80No.** is under-croft in Building L).
 - Retention of existing open space to east and west of the plot for public open space provision (**0.44Ha**).
 - Soft landscape treatment to soften visual impact of proposed massing and integrate built form in to surrounding open space to south of site.

 LRIE Red Line Site Boundary





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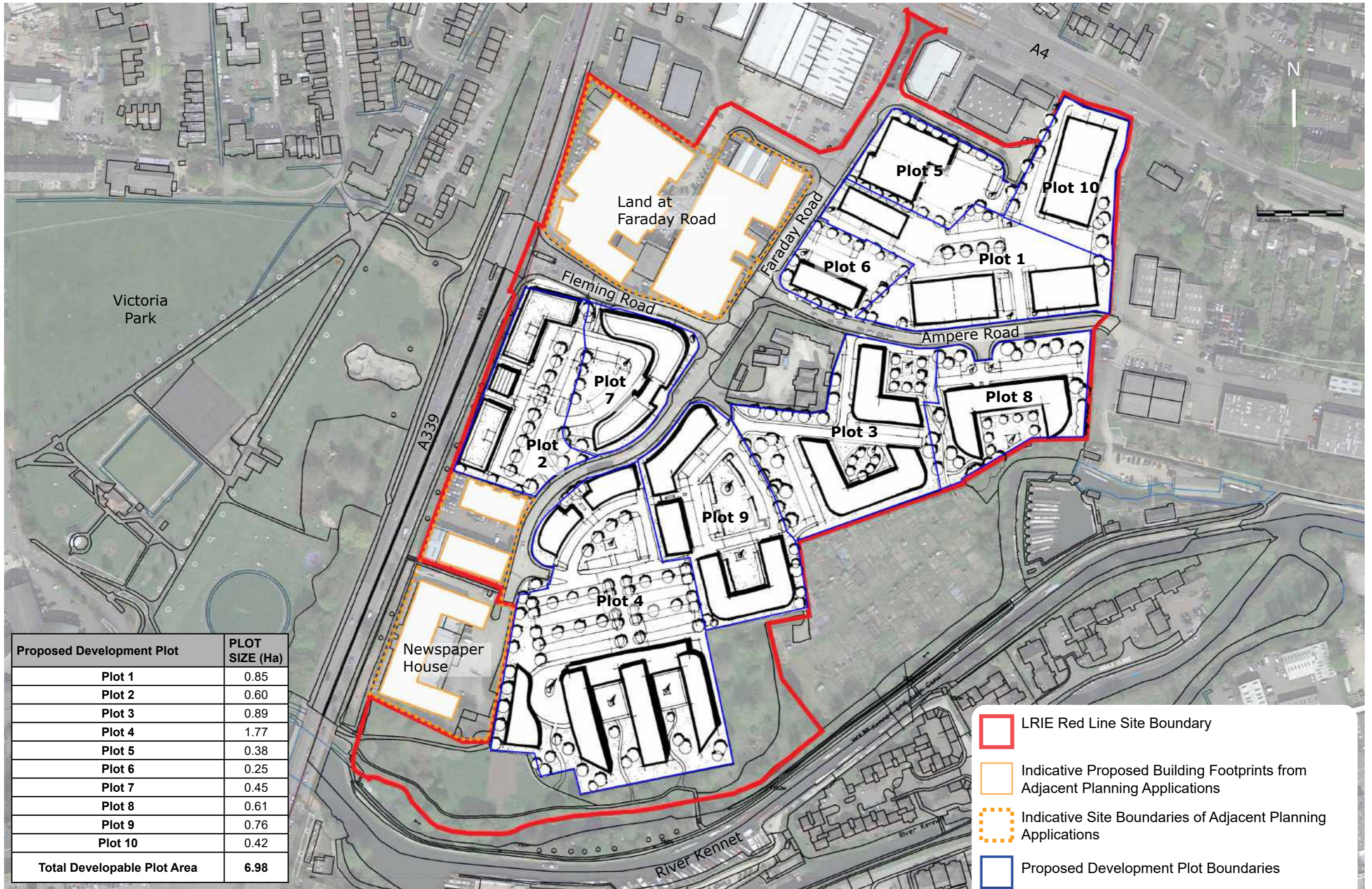
COMPREHENSIVE MASTERPLAN OPTION



Proposed Development Plot	PLOT SIZE (Ha)
Plot 1	0.85
Plot 2	0.60
Plot 3	0.89
Plot 4	1.77
Plot 5	0.38
Plot 6	0.25
Plot 7	0.45
Plot 8	0.61
Plot 9	0.76
Plot 10	0.42
Total Developable Plot Area	6.98

-  LRIE Red Line Site Boundary
-  Indicative Proposed Building Footprints from Adjacent Planning Applications
-  Indicative Site Boundaries of Adjacent Planning Applications
-  Proposed Development Plot Boundaries

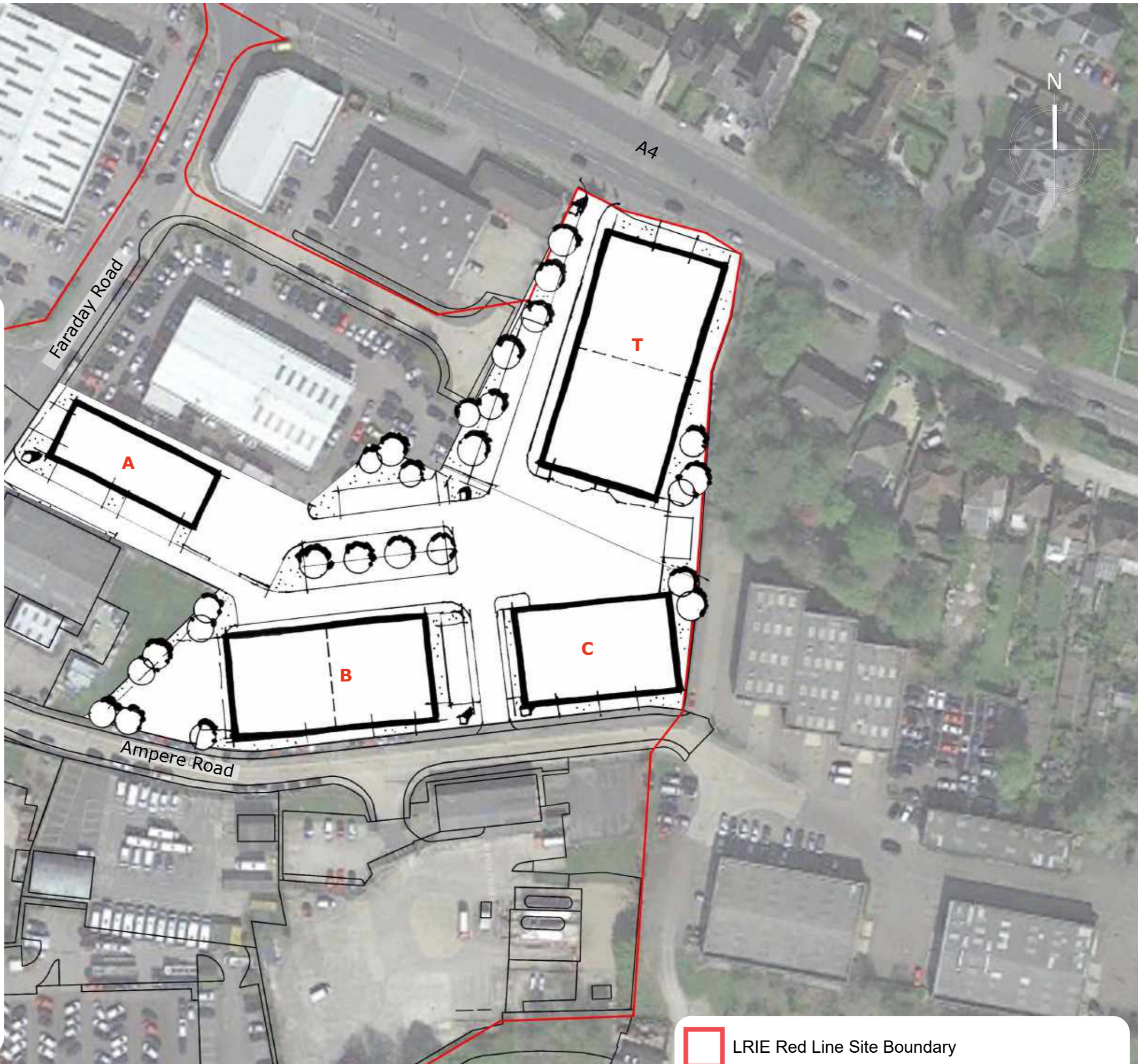
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Proposed Development Plot	PLOT SIZE (Ha)
Plot 1	0.85
Plot 2	0.60
Plot 3	0.89
Plot 4	1.77
Plot 5	0.38
Plot 6	0.25
Plot 7	0.45
Plot 8	0.61
Plot 9	0.76
Plot 10	0.42
Total Developable Plot Area	6.98

- LRIE Red Line Site Boundary
- Indicative Proposed Building Footprints from Adjacent Planning Applications
- Indicative Site Boundaries of Adjacent Planning Applications
- Proposed Development Plot Boundaries

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INDICATIVE BUILDING SCHEDULE – PLOT 1

BUILDING	TYPE	USE CLASS	TOTAL SIZE GEA (SQM)	STOREYS	TOTAL BUILDING STOREYS
A	Light Industrial	B2 / B8	600	1	1
B	Light Industrial	B2 / B8	1,250	1	1
C	Light Industrial	B2 / B8	1,000	1	1

Notes:


- All proposed buildings to accommodate Light Industrial (B2/B8) use. Double height ground floor.
- Total provision of **49No.** car parking spaces.
- Buildings located to define streetscapes and hide service yards to rear.
- New vehicular access from Faraday Road and use of existing connections with Ampere Road.
- Soft landscape treatment around plot perimeter and along streetscapes to soften visual impact and break up massing of new buildings.

INDICATIVE BUILDING SCHEDULE – PLOT 10

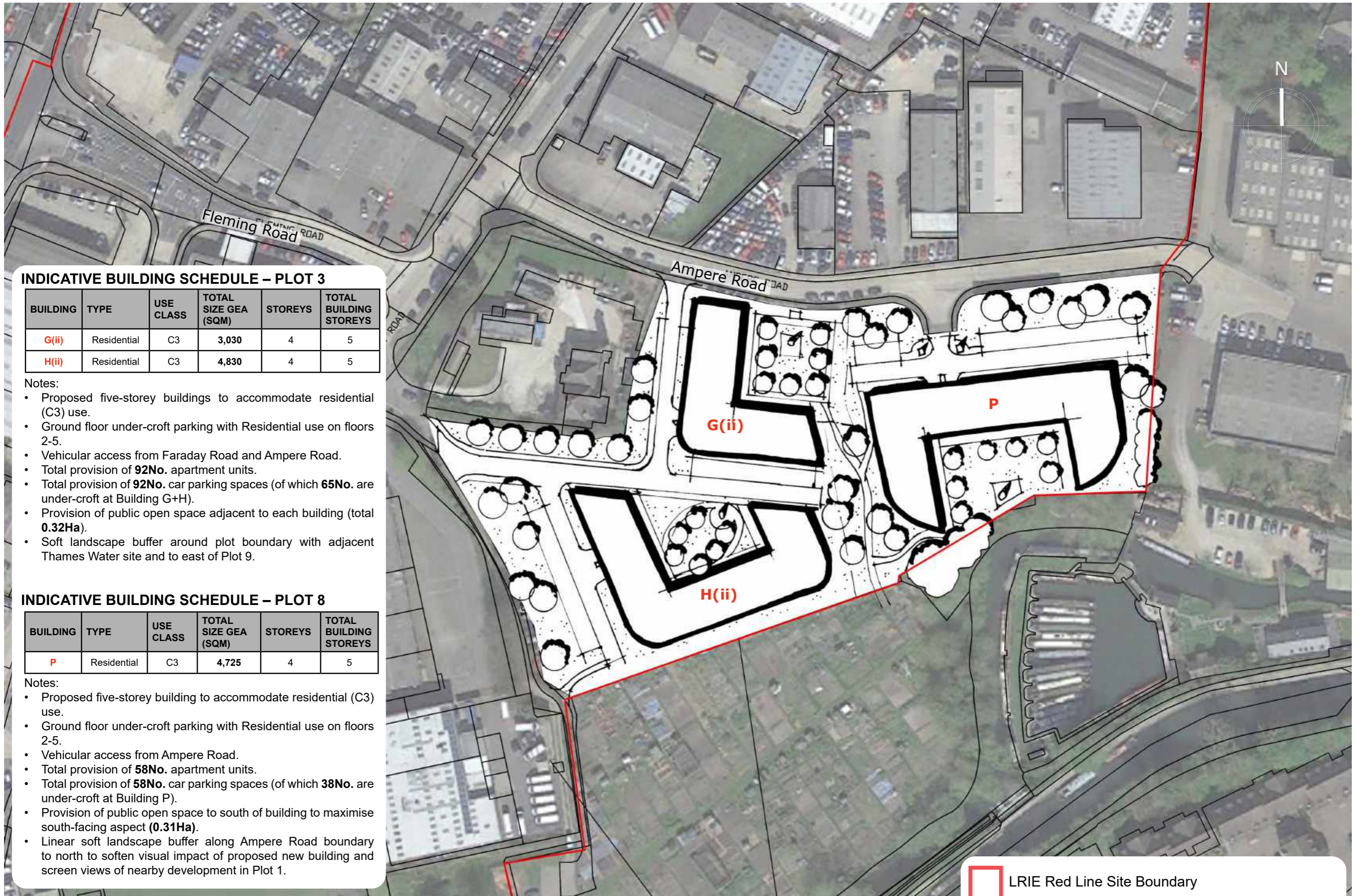
BUILDING	TYPE	USE CLASS	TOTAL SIZE GEA (SQM)	STOREYS	TOTAL BUILDING STOREYS
T	Light Industrial	B2 / B8	1,800	1	1

Notes:

- Proposed building to accommodate Light Industrial (B2/B8) use. Double height ground floor.
- Total provision of **18No.** car parking spaces.
- Building located to reinforce streetscape along A4 to north and hide service yard to rear.
- Proposed vehicular access in to Plot through adjacent Plot 1, with exit only on to A4 to north.
- Soft landscape treatment between adjacent plots and along streetscapes to soften visual impact and break up massing of new buildings.
- Allowance for future vehicular access connection to Plot 1.
- Soft landscape treatment around plot perimeter and along streetscapes to soften visual impact and break up massing of new buildings.

 LRIE Red Line Site Boundary

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INDICATIVE BUILDING SCHEDULE – PLOT 3

BUILDING	TYPE	USE CLASS	TOTAL SIZE GEA (SQM)	STOREYS	TOTAL BUILDING STOREYS
G(ii)	Residential	C3	3,030	4	5
H(ii)	Residential	C3	4,830	4	5

Notes:


- Proposed five-storey buildings to accommodate residential (C3) use.
- Ground floor under-croft parking with Residential use on floors 2-5.
- Vehicular access from Faraday Road and Ampere Road.
- Total provision of **92No.** apartment units.
- Total provision of **92No.** car parking spaces (of which **65No.** are under-croft at Building G+H).
- Provision of public open space adjacent to each building (total **0.32Ha**).
- Soft landscape buffer around plot boundary with adjacent Thames Water site and to east of Plot 9.

INDICATIVE BUILDING SCHEDULE – PLOT 8

BUILDING	TYPE	USE CLASS	TOTAL SIZE GEA (SQM)	STOREYS	TOTAL BUILDING STOREYS
P	Residential	C3	4,725	4	5

Notes:

- Proposed five-storey building to accommodate residential (C3) use.
- Ground floor under-croft parking with Residential use on floors 2-5.
- Vehicular access from Ampere Road.
- Total provision of **58No.** apartment units.
- Total provision of **58No.** car parking spaces (of which **38No.** are under-croft at Building P).
- Provision of public open space to south of building to maximise south-facing aspect (**0.31Ha**).
- Linear soft landscape buffer along Ampere Road boundary to north to soften visual impact of proposed new building and screen views of nearby development in Plot 1.

 LRIE Red Line Site Boundary

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A4

Faraday Road

Ampere Road

INDICATIVE BUILDING SCHEDULE – PLOT 5


BUILDING	TYPE	USE CLASS	TOTAL SIZE GEA (SQM)	STOREYS	TOTAL BUILDING STOREYS
M	Light Industrial	B2 / B8	1,440	1	1

- Notes:
- Proposed building to accommodate Light Industrial (B2/B8) use. Double height ground floor.
 - Provision of **18No.** car parking spaces.
 - Vehicular access from existing turning head to north-east corner of plot.
 - Building located to define streetscape along Faraday Road. Service yard hidden to rear of plot.
 - Soft landscape treatment to northern and southern plot boundaries to soften visual impact of proposed new building.

INDICATIVE BUILDING SCHEDULE – PLOT 6

BUILDING	TYPE	USE CLASS	TOTAL SIZE GEA (SQM)	STOREYS	TOTAL BUILDING STOREYS
N	Light Industrial	B2 / B8	600	1	1

- Notes:
- Proposed building to accommodate Light Industrial (B2/B8) use. Double height ground floor.
 - Provision of **14No.** car parking spaces.
 - Vehicular access from Faraday Road.
 - Building located to define corner of Faraday Road and Ampere Road. Service yard hidden to north of building.
 - Soft landscape treatment to plot boundaries to soften visual impact of proposed new building.

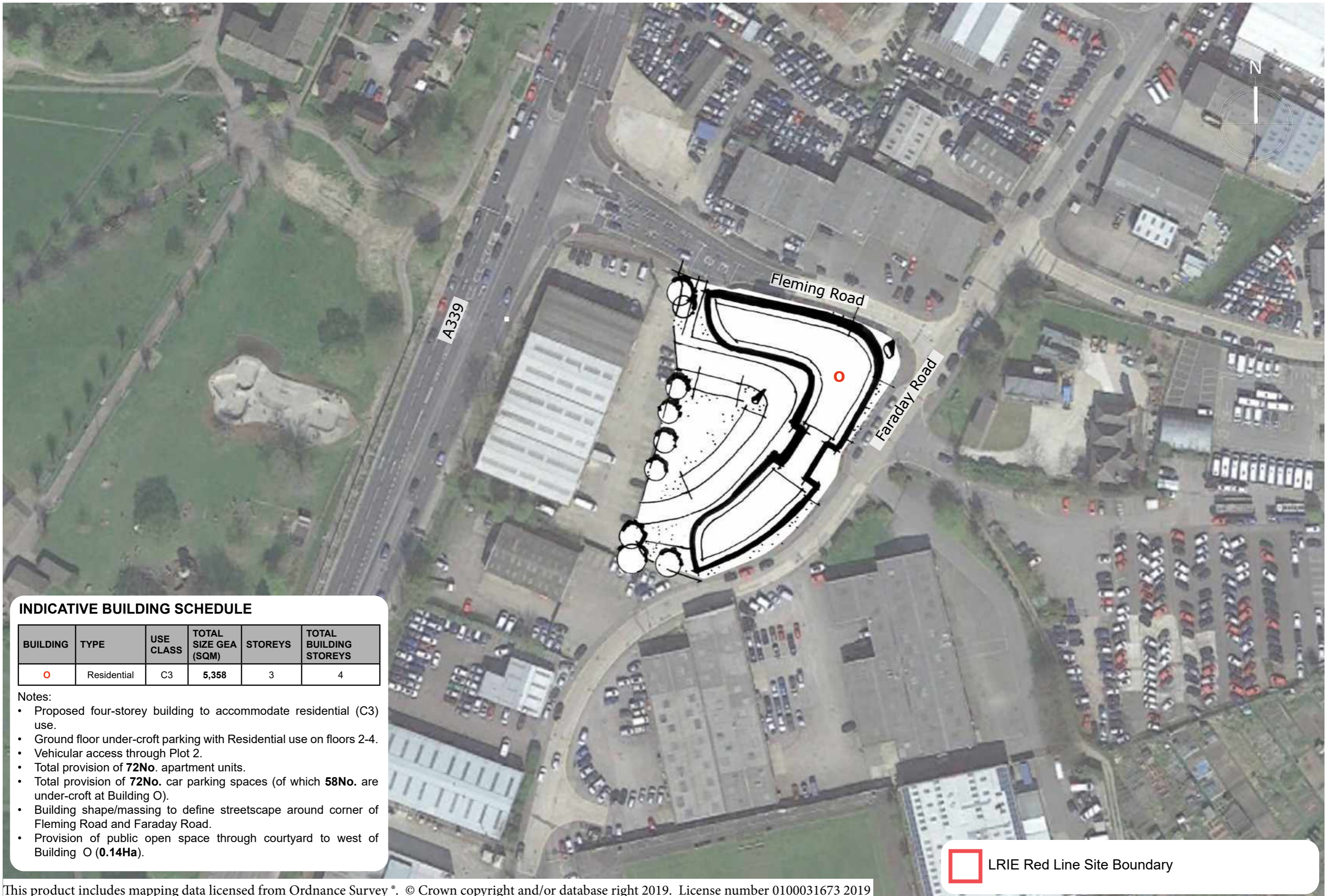
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INDICATIVE BUILDING SCHEDULE

BUILDING	TYPE	USE CLASS	TOTAL SIZE GEA (SQM)	STOREYS	TOTAL BUILDING STOREYS
O	Residential	C3	5,358	3	4

Notes:

- Proposed four-storey building to accommodate residential (C3) use.
- Ground floor under-croft parking with Residential use on floors 2-4.
- Vehicular access through Plot 2.
- Total provision of **72No.** apartment units.
- Total provision of **72No.** car parking spaces (of which **58No.** are under-croft at Building O).
- Building shape/massing to define streetscape around corner of Fleming Road and Faraday Road.
- Provision of public open space through courtyard to west of Building O (**0.14Ha**).

 LRIE Red Line Site Boundary

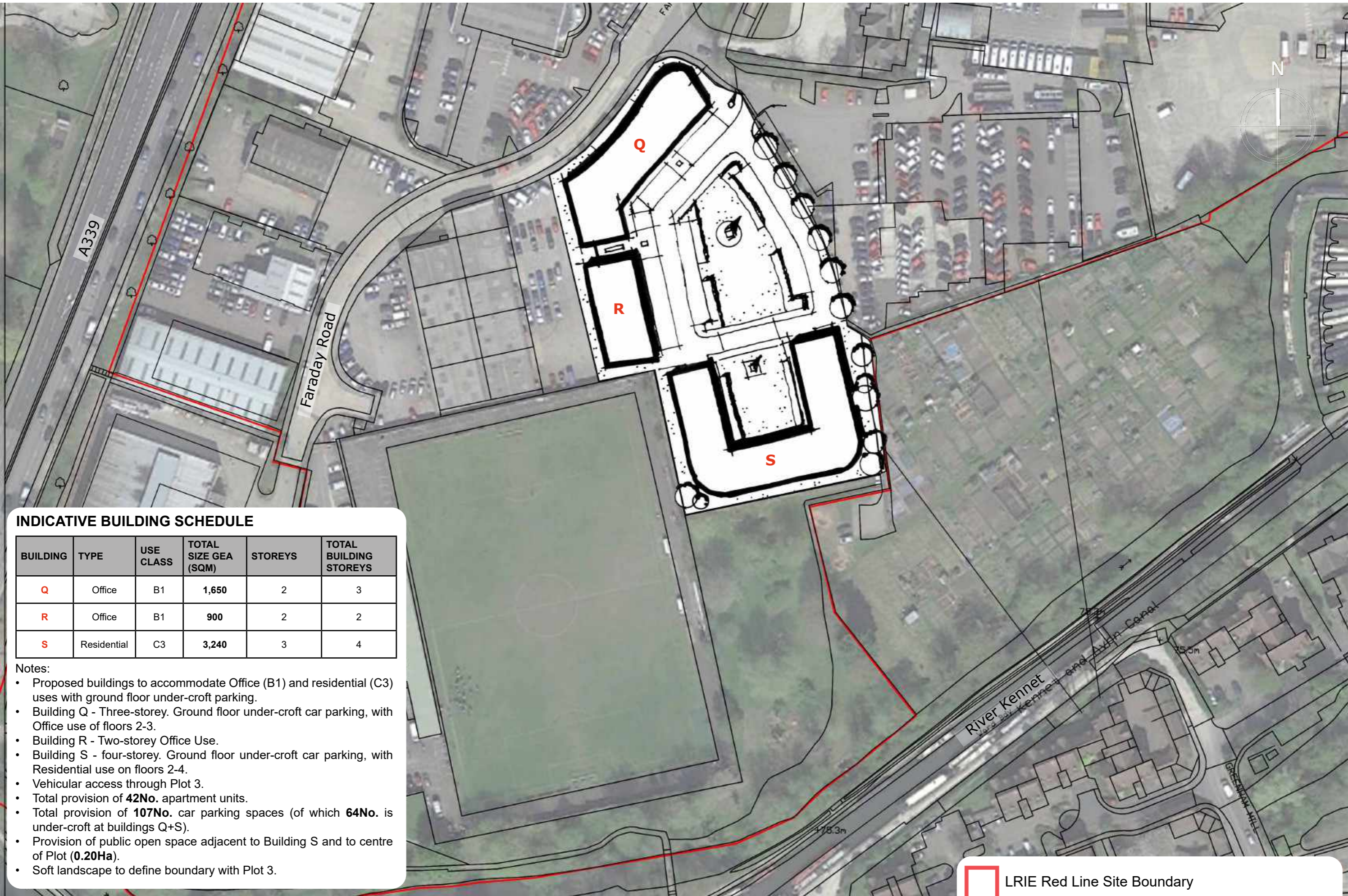
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INDICATIVE BUILDING SCHEDULE

BUILDING	TYPE	USE CLASS	TOTAL SIZE GEA (SQM)	STOREYS	TOTAL BUILDING STOREYS
Q	Office	B1	1,650	2	3
R	Office	B1	900	2	2
S	Residential	C3	3,240	3	4

Notes:

- Proposed buildings to accommodate Office (B1) and residential (C3) uses with ground floor under-croft parking.
- Building Q - Three-storey. Ground floor under-croft car parking, with Office use of floors 2-3.
- Building R - Two-storey Office Use.
- Building S - four-storey. Ground floor under-croft car parking, with Residential use on floors 2-4.
- Vehicular access through Plot 3.
- Total provision of **42No.** apartment units.
- Total provision of **107No.** car parking spaces (of which **64No.** is under-croft at buildings Q+S).
- Provision of public open space adjacent to Building S and to centre of Plot (**0.20Ha**).
- Soft landscape to define boundary with Plot 3.

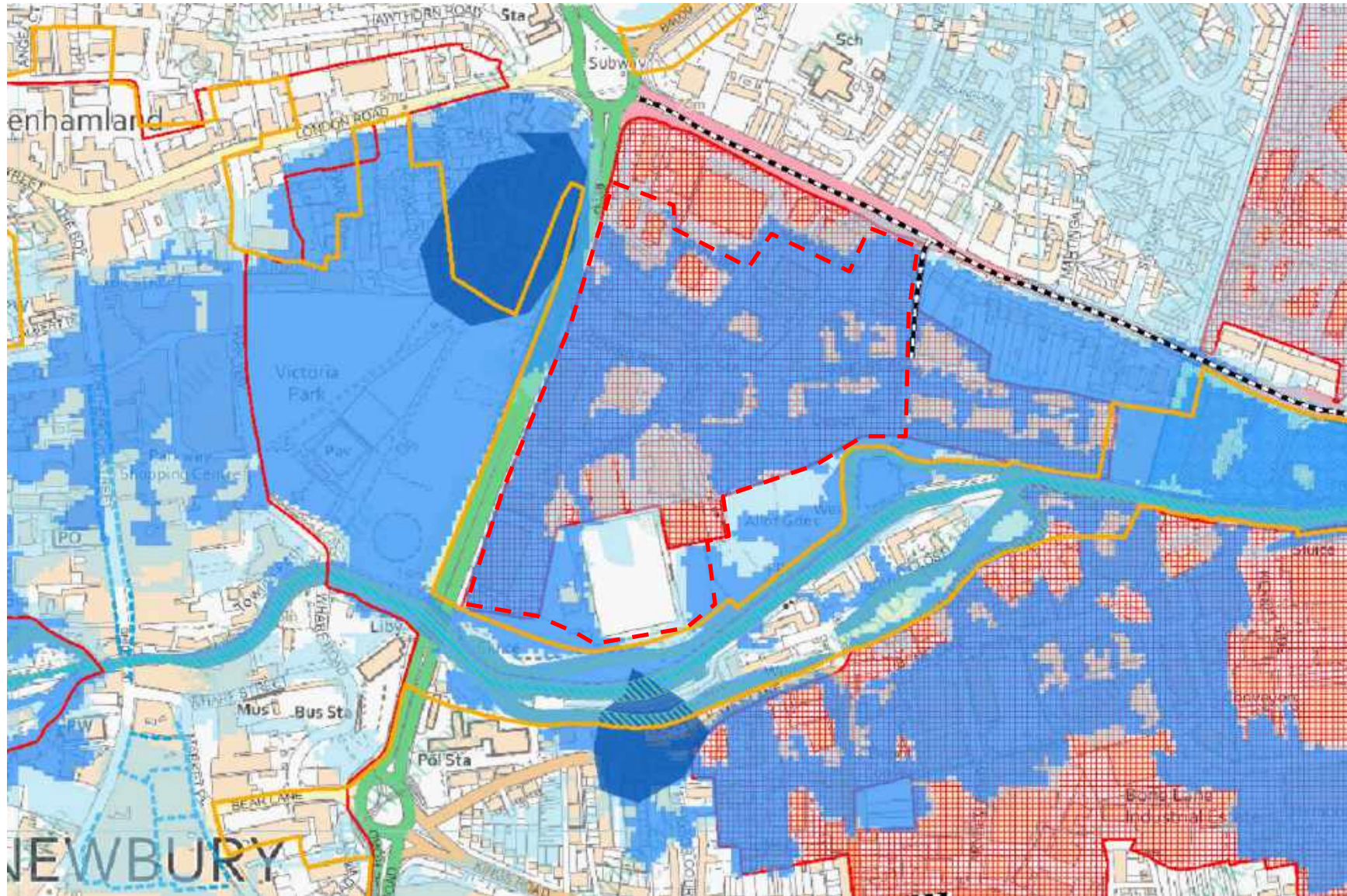
 LRIE Red Line Site Boundary

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Appendix III

WBDC Policy Map

WBDC Policies Map - London Road Industrial Estate



Policies Map Legend

Settlement Boundary	
Conservation Areas	
Town Centre Commercial Area	
Protected Employment Area	
Housing Site Allocation – DPD	
Strategic Site Allocation – Core Strategy	
Road Schemes	
Registered Park & Garden	
Thames Basin Heath SPA – 5km	
Thames Basin Heath SPA – 7km	
Flood Zone 2	
Flood Zone 3	
Biodiversity Opportunity Area	
Local Wildlife Area	
AONB	

Appendix IV

Parking Review (Aecom)

LRIE Parking Note

West Berkshire Parking Standards

Policy P1 of the West Berkshire Housing Site Allocations DPD (2006-2026) sets out residential parking standards, summarised in Table 1.

Table 1 – West Berkshire Residential Parking Standards

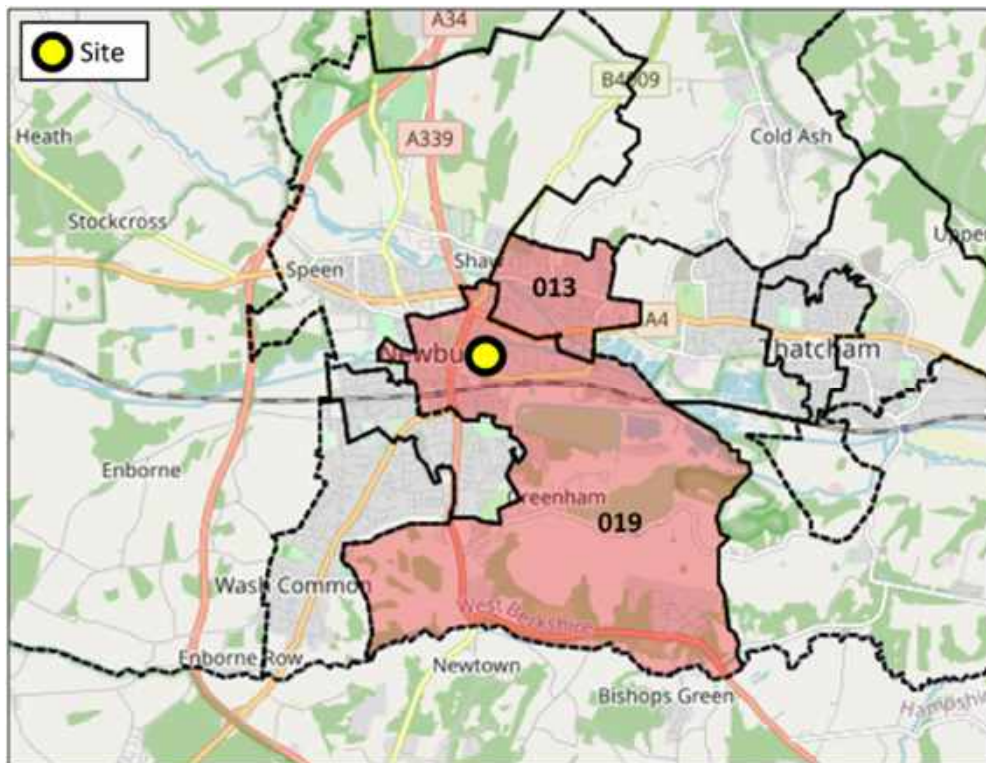
Bedrooms	Flats (+1 additional space per 5 flats for visitors)		
	1	2	3
Zone 2	1.25	1.5	2

As part of previous due diligence work¹ undertaken for the London Road Industrial Estate (LRIE) Site, it was proposed that the Site could deliver a maximum of 333 dwellings, however at this stage the size of these dwellings is unknown. Therefore, applying the above standards suggests the provision of between 484-733 parking spaces.

Census 2011 Data – Car Ownership

Existing car ownership data for the Middle Super Output Area (MSOA) in which the site is located (019) has been investigated. The land use of MSOA 019 is predominantly industrial in nature, and given the northern edge of the Site also forms a boundary with MSOA 013 which is predominantly residential, this data has also been explored as it is considered more comparable to the development proposals. Figure 1 shows the site in the context of the MSOA's.

Figure 1 – MSOA Locations



The data for the MSOA's show that the output area including the site (019) has a car ownership of 1.11 cars per household and that MSOA 013 to the north has a higher car ownership of 1.35 cars per household.

¹ AECOM (2018) Site NEW1 – London Road Industrial Estate, Newbury.

Table 2 – Census 2011 Car Ownership for All Tenure Types

Middle Super Output Area (MSOA)	Car Ownership (per household)
West Berkshire 019 (area including the site)	1.11
West Berkshire 013 (area to the north)	1.35

Table 2 indicates car ownership for all household types of 1.11 cars per household for MSOA 019 and 1.35 cars per household for MSOA 013. This equates to an average car ownership level of 1.23 cars per household.

The general car ownership levels quoted above include houses and bungalows which typically have higher car ownership levels than flats, maisonettes and apartments, which is relevant given the nature of the development. To provide a more refined assessment and further justification, census 2011 data for accommodation type by car or van availability (of number of usual residents aged 17 or over in household) for the MSOA's, specifically for flats, maisonettes and apartments.

Table 3 – Census 2011 Car Ownership for Flats, Maisonettes or Apartments

Area	Classification	No Access to Car/Van	Access to One Car/Van	Access to Two or More Car/Van
West Berkshire 019	Percentage	37%	51%	12%
	Equivalent No. Vehicles for a development of 333 dwellings	0	171	90*
West Berkshire 013	Percentage	39%	46%	15%
	Equivalent No. Vehicles for a development of 333 dwellings	0	153	115*

**Census 2011 data for West Berkshire 013 and 019 for all housing types with 2 cars or more suggests a car ownership level of 2.28 and 2.24 cars per household, respectively.*

Table 3 suggests that for flats, maisonettes and apartments, the car ownership is 0.78 cars per household for MSOA 019 and 0.80 cars per household for MSOA 013. This indicates an average car ownership level of 0.79 spaces per household. would be more suited to the type of housing proposed.

Based on Census 2011 data for all housing types and flats, maisonettes and apartments only, this would equate to a provision of between 264-440 parking spaces, and that the lower end may be more suited to the type of tenure proposed. However, this will also need to consider additional spaces for visitors.

Appendix V

Market Commentary

Market Analysis

Residential

National Market Overview

- 1.1 The 'lockdown' measures in response to Covid-19 outbreak have drastically impacted activity in the housing market, effectively putting it 'on hold'. The majority of transactions will be postponed until after some relaxation of lockdown restrictions.
- 1.2 The housing market had begun the year on positive footing pre-crisis and this should help to aid recovery when restrictions are lifted. However, the key factor behind the housing market's performance over the rest of the year will be the economy and to what extent government measures mitigate damage to it.
- 1.3 The RICS UK Residential Survey, typically a good lead indicator of housing market strength, reported a fall in new enquiries of 74% during March, following three consecutive months of increases. Sales volumes were also down by 69% in March across the UK and new instructions showed a fall of 72%. The survey reported a net balance of -34% predicting short-term falls in house prices (over the year to come) but the market is expected to be more resilient over the medium term. Over the next 5 years, a majority of respondents – net balance of 72% - see house prices increasing.
- 1.4 Prior to the impact of Covid-19, there were positive signs in the UK housing market. Nationwide's UK house price index showed a positive reading for Q1 2020, prior to the lockdown measures being implemented. Overall, house prices were up 2.5% in the year to Q1 2020, the largest increase since Q1 2018 when a 2.5% increase was also recorded. Other indicators were also positive with the Halifax house price index reporting a 2.1% quarter-on-quarter rise in Q1 2020, rising to 3.0% year-on-year, and Rightmove reporting a decline in the average time properties spent on the market, down to 67 days from 76 March to February. Despite the encouraging start, the indices lag the market meaning that the impacts of the Covid crisis are yet to surface although according to Hometrack, there have been 373,000 paused transactions during the lockdown period – amounting to £82billion of value, and £1 billion of estate agency sales revenue.
- 1.5 UK housing property transaction statistics for February 2020 report that there was a 6.0% increase in volumes across the UK year-on-year (ONS). This positive performance goes against the decline transactional volumes that have been observed across the UK housing market over the past 4 years. On a monthly basis, February transaction volumes were 4.5% up on January 2020.

Housing Delivery

- 1.6 Covid-19 has caused many development sites to close which will have a significant impact on housing delivery in 2020. However, the situation is consistently changing, with several major developers now

resuming work on some sites while maintaining social distancing measures. Glenigan has reported there are almost 3,500 suspended sites (all property), accounting for 39% of all projects currently on site and a similar proportion of work by value, but these suspensions are not evenly spread across the industry. More extensive shut downs are in place in Scotland and Northern Ireland at the request of the devolved authorities: 79% of sites in Northern Ireland and 80% in Scotland are currently suspended.

- 1.7 Private housing is the worst affected sector with 60% of sites currently suspended.
- 1.8 Encouragingly though, Glenigan have also found that work has now resumed on 10% of sites that were initially suspended at the outset of the lockdown. Market news suggests that this will continue to increase, with talks underway with the Local Government Association to extend permitted working hours and Build UK is seeking guidance of use of PPE on sites.
- 1.9 Prior to this housing completions had been rising steadily since 2012-13, and totalled circa 241,000 net additional dwellings for 2018-19 (ONS). This figure exceeds the previous peak set in 2007-08 to achieve the highest annual net additional dwellings since the turn of the millennium.

Outlook

- 1.10 The strength of the market when the lockdown measures are lifted will largely be determined the wider economic recovery.
- 1.11 Forecasts of the economic impact and recovery from the crisis are frequently changing, as is the crisis itself. The presence of multiple unknowns (such as the length of the lockdown period, the possibility of a second wave, vaccine development timelines) exacerbates the process. However, there is broad consensus that the UK will enter a deep recession in the second quarter of 2020, with significant economic recovery unlikely until 2021. Unemployment is forecast to climb to 6% (Capital Economics), or possibly up to 10% according to the OBR. Individuals who have been placed on furlough will be receiving around 80% of their wages depending on their previous pay and company policies. This will bring financial strain for many and subdue housing market performance.
- 1.12 Conversely, historically low interest rates (now at 0.1%) should help support house price growth over the longer-term as the market recovers. Although the historically low interest rates and bond yields may encourage investment in development in the long-run, delayed housing developments will also restrict the much-needed supply in the short-term, which may put some upward pressure on house prices in the medium term. There may also be some pent-up demand as those individuals who have put their property searches on hold and have managed to weather the crisis snap back into action.

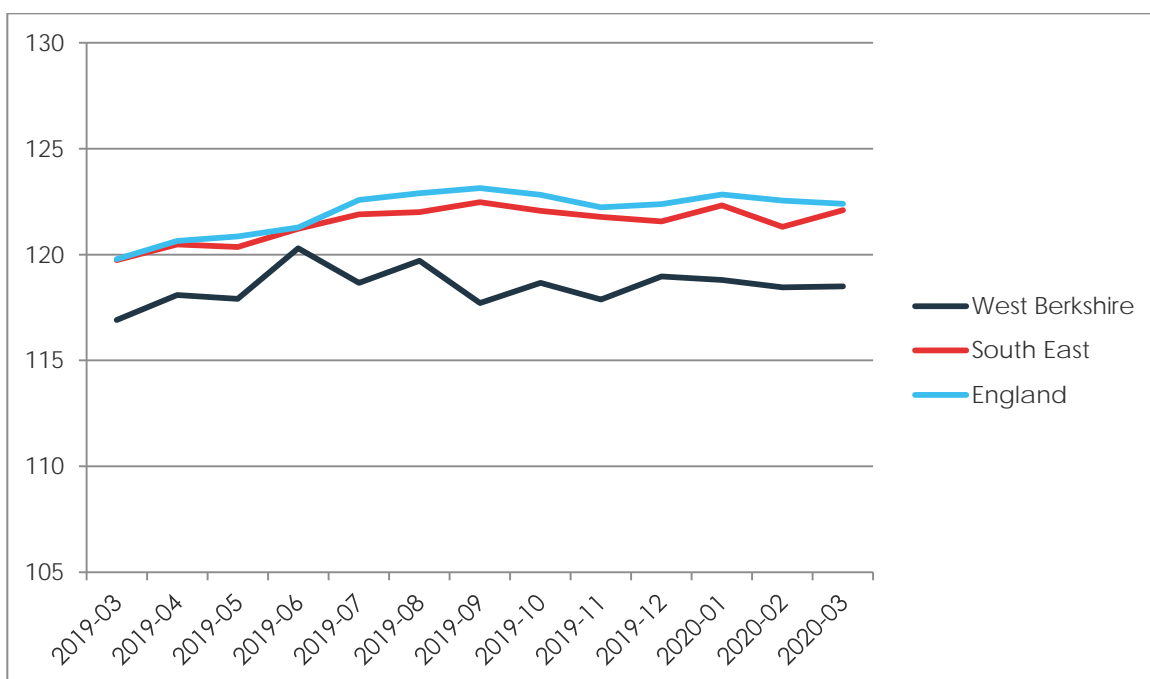
Local Market Overview

1.13 Land Registry Data in the graph below compares the change in the House Price Index (HPI) of England, South East and West Berkshire over the last year to March 2020. This indicates that the HPI for England, South East and West Berkshire have all increased nominally over the last year.

1.14 In particular the HPI for West Berkshire has fluctuated over the last year with a low of 116.91 in March 2019 and a peak of 120.91 in June 2019.

	March 2019	March 2020
West Berkshire	116.91	118.49
South East	119.74	122.09
England	119.78	122.39

Source: Land registry, 2020



Source: Land registry, 2020

1.15 Land Registry Data in the table below provides the average sold prices in West Berkshire over the 12 months to March 2020. Across the board average prices have risen nominally by c. 0.20-1.85%, with the semi-detached market seeing the largest increase in value.

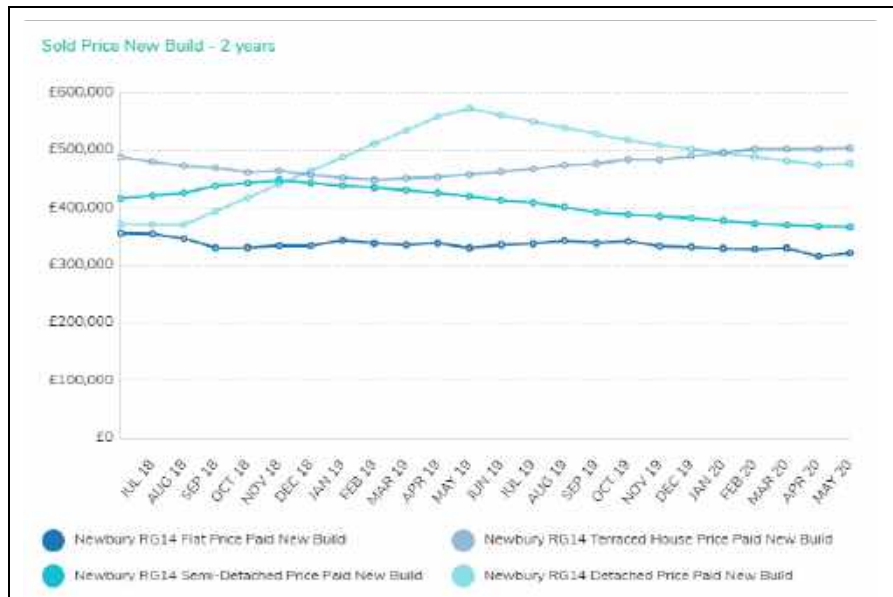
West Berkshire	March 2019	March 2020	% Change
Detached	£566,158	£574,230	1.43%
Semi	£340,201	£346,478	1.85%
Terraced	£271,964	£276,340	1.61%
Flat	£197,480	£197,874	0.20%

Source: Land registry, 2020

1.16 It should be noted that the sample size for the data in these tables is small, which can provide for volatile results.

1.17 The median price paid for all new build property within Newbury over the last 12 months was £352,226, which represents a decrease of -5% over the period. The median price per square foot over this period was £441 psf. From the position in May 2018 to May 2020 terraced and detached new build houses have overall seen an increase in the price paid while semi-detached and flat prices have fallen, as illustrated in the graph below.

1.18 Over the last 2 years new build house prices fluctuated fairly significantly for detached houses however it should be noted that new build data is based on a fairly small data set which may reflect the volatile price changes.



Source: Realyse, 2020



Source: Realyse, 2020

Local Market Activity

- 1.19 The Estate is well located within walking distance of Newbury town centre and the train station. Newbury is also fairly well connected as a commuter location to Reading, however, it does not benefit from the proximity of locations such as Theale which attract higher residential values. In terms of rail links there are frequent and direct service connecting Newbury to Reading in 15 minutes and London Paddington in around fifty-five minutes.
- 1.20 Recent residential development in Newbury is predominantly made up of high density flatted development. The majority of new build development is located at Newbury Racecourse, with a mix of flats and terraced housing proposed at the scheme. Other notable schemes currently on the market in Newbury include:
- **The Chase, Newbury Racecourse.** Currently under construction and for sale. The scheme will deliver 600+ new homes with a mix of 2, 3 and 4 bed houses. 38 properties have sold at an average price of £426,000 per dwelling.
 - **Kingsman Way, Newbury Racecourse.** Scheme comprises 10 blocks containing 366 flats with a mix of 1, 2 & 3 beds. 15 flats have sold at an average price of £314,000 per dwelling.
 - **Park Reach, St Marys Road.** Complete and for sale. Scheme comprises 14 flats with a mix of 1 and 2 beds. 2 x 1 bed and 9 x 2 beds have sold at an average price of £320,000 (£446 psf).
 - **Steel Hill Apartment, Newton Road.** Complete and for sale. Scheme comprises 37 flats with a mix of 1 and 2 beds. Three flats have sold at an average price of £246,000 (£424 psf).
 - **Carcaixent Square, London Road.** Complete and for sale. Office to residential conversion comprises 120 flats with a mix of 1 and 2 beds. One beds are currently on the market from £145,000 to £220,000 and two beds from £175,000 to £250,000.
- 1.21 There are also a number of residential schemes currently under construction and in the planning stages in Newbury including:
- **Market Street, Newbury.** PRS Scheme by Grainger will deliver 232 residential homes, providing a mix of apartments, duplexes and houses, with 10,200 sqft of commercial space. *Under Construction.*
 - **Bath Road, Speen.** Planning application approved for 104 residential dwellings. *Under Construction.*
 - **Faraday Plaza.** 160 Apartments (of which 48 will be affordable) with commercial space. 4-6 storeys. *Planning Consent.*
 - **Sandleford Park.** 2,000 Homes south of Newbury - Hybrid applications pending determination, previous applications refused. Predominantly housed (detached, semi and terraced) with some apartments.
 - **Newspaper House** – Planning Application for 71 flats, 24x 1 beds, 43x 2 beds, 4x 3 beds. Of which 12x 1 bedroom and 9x 2 bedroom would be affordable. *Appeal against non-determination currently underway.*

- **115 London Road.** Consent for 35 flats with a mix of 1, 2 and 3 beds and 1700 m² office space.
Planning Consent.

Office

National Market Overview

- 1.22 Total take-up across the Big Nine office markets (Birmingham, Bristol, Cardiff, Edinburgh, Glasgow, Leeds, Liverpool, Manchester and Newcastle) amounted to 8.8 million sq ft in 2019, 3% above the ten year average, albeit below the 10 million sq ft achieved in the previous two years. The heightened uncertainty surrounding Brexit and false deadlines resulted in the total being down on the previous two years, but comparable to 2016.
- 1.23 Due to the coronavirus pandemic, all non-essential firms in the UK are in a state of lockdown, either working remotely where possible or temporarily ceasing operations entirely. As a result, curtailed business activity will almost certainly have a detrimental impact on take up over 2020. In the longer term, demand-side implications are uncertain. A bounce-back in activity may be expected after the lockdown ends, although there may well be residual consolidation and business caution, while continued impacts of flexible working practices may deliver added uncertainty.
- 1.24 Future supply is likely to be impacted by current trends. Schemes underway are likely to be delayed by government directives, a lack of manpower and the increased scarcity and rising costs of resources in the coming months. In the longer term, we would expect new construction starts to be held back to reflect reduced demand from occupiers and cautious financing from investors. A similar trend was seen in most centres across the UK post-Global Financial Crisis.
- 1.25 Investment activity in the UK commercial market achieved £13.4 billion in Q1 2020 (Property Data). Although down on the 5 year quarterly average, this figure was marginally up on the same period in 2019. Overseas investors accounted for 71% of the quarter's investment activity as UK institutions recorded their lowest quarterly investment volume since 2009.
- 1.26 While some deals which were already in their late stages have completed, it is unlikely that investors will have new interests until the economic outlook is clearer, adopting a wait and see attitude. Financers are also unlikely to offer funds in the absence of accurate valuations due to the exceptional circumstances. Hence lockdown restrictions are likely to have notable impacts on Q2 investment and potentially continuing for the remainder of the year.
- 1.27 COVID-19 has resulted in many investors reassessing market pricing, and pausing new activity, as the economic implications of the outbreak and lockdown become more apparent. The likely property impacts will be lower levels of liquidity, at least through Q2 and Q3 of 2020, with property market pricing at risk the longer the economic and business impacts are extended.

Local Market Overview

- 1.28 Given the current economic shock, it is worth analysing annual trends to understand the strength of demand in the local market. In terms of annual trends in Newbury, take up in 2019 was estimated to be 14,000 sq ft

according to PMA, a 52% fall compared with 2018. To put the 2019 take up level in Newbury in a historic context, the annual average since the 2008 crash has been 60,000 sq ft.

- 1.29 PMA (Property Market Analysis) estimate availability in Newbury, based on data from EGI, which includes space under construction and due to complete within the next 6 months, to have risen by 11% to total 89,000 sq ft over the year to Q4-2019. The 2019 availability equates to a vacancy rate of 2.1% for Newbury, below the 5.7% in the Wider South East Market Area.
- 1.30 We are aware of no recently completed office development in Newbury. There is currently a total of 27,000 sq ft under construction across the Newbury market. All of the space under construction is expected to complete in 2020. The total under construction equates to less than 1% of existing stock. The figure on average across the Wider South East centres is 1.5%.
- 1.31 Analysing the profile of space under construction in Newbury, 26% is currently being built speculatively. The current speculative share on average across the wider south east centres is 46%. By location, all of the space currently underway in Newbury is situated out of town. The town centre/out of town split across the wider south east centres averages 26/74. The share of town centre development in Newbury from 2007 onwards is 4%.
- 1.32 Top headline rents in Newbury improved over 2019 to stand at £25.00 psf. This rent is reflective of space in the out of town market. The town centre rents remained at £17.50 psf where stock primarily consists of older stand-alone office buildings. Top rents are at Arlington Business Park in Theale. A rent of £28.50 was achieved in Q2 2019 at Building 1430 to Daly for 4,100 sq ft.
- 1.33 It is worth revisiting the aftermath of the Global Financial Crisis (GFC) to analyse the scale of rental decline that was seen in this previous crisis period. While the drivers of the GFC differ from the current coronavirus situation, we can draw some indication of the potential impact to rents we may witness in the coming months. Following the GFC, prime rents declined on average by -37% in Central London, where markets were already looking expensive, and where high levels of development had been seen. In contrast, rents declined on average by between -10-15% in the Big 6, Rest GB, Wider South East and M25 West market areas. As would be expected, there was typically greater volatility by individual centre; Newbury saw a -2.9% fall in rents during the downturn following the GFC.
- 1.34 Prime capital values in Newbury, based on our prime market rent and yield data, were estimated to stand at £262 psf in the TC at Q4 2019. At this level, town centre capital values were 25% below the average for the Wider South East market area. Prime yields in Newbury are currently estimated to be 6.5% driven mainly by sales in Theale. One notable sale on London Road Newbury was 61,385 sq ft Rivergate House which sold at a net initial yield of 7.5% (£253 psf) in Q4 2019.
- 1.35 Arlington Business Park was sold on 26th February 2020 to CapitaLand for £129.25m representing a capital value of approximately £297psf. Patron bought the business park in May 2015 for £75m at c.5.7% NIY.

Local Market Activity

- 1.36 In Newbury town centre there is limited Grade B office space in stand-alone office buildings including St Mary's House and Georgian House. Notable stock also includes West Mills Yard, Kennet Road, which is a small courtyard office development of 12 properties.

- 1.37 Within Newbury itself office stock is predominantly located at Newbury Business Park and Kingfisher Court. Newbury Business Park provides Grade A office space, in particular new office space at The Sector features Raised Access floors, VRF Air con, LG& Compliant LED pendant lighting, shower room on each floor and occupational density of 1:8 sq m. Kingfisher Court is a 2 storey Grade B business park featuring; flexible internal layout, suspended ceilings, recessed category 2 lighting, gas warm air heating, 13 amp ring main, 3 phase power option and on-site parking.
- 1.38 115 London Road is not yet under construction but will provide a 4 storey Grade A building featuring; raised access floors, exposed services, LG7 compliant LED pendant lighting, electric car charging points and heating & cooling systems.
- 1.39 Out of town business parks include Arlington Business Park, Theale and Greenham Business Park, Thatcham, which both provide Grade A office space. Arlington Business Park represents the top of the market office space.
- 1.40 Refurbishments of existing office space have been popular over the last 5 years, including Arlington Business Park, Newbury Business Park and Rivergate House.
- 1.41 As noted above there has been a lack of new office completions over the last couple of years in Newbury. There is one office scheme currently under construction, namely New Greenham Business Park, where 27,000 sq ft of Grade A office space currently under construction at Plot 105 which is due to complete in Q3 2020. There are also opportunities for businesses to design and build B1, B2 & B8 space across Greenham Business Park, offering a minimum size of 7,500 sq ft in three locations.
- 1.42 Notable schemes in the pipeline in Newbury include:
- Newbury Business Park, London Road – Full planning permission granted – 145,434 sq ft (all office)
 - Building 3 (The Sector), Newbury Business Park, London Road – Full planning permission granted – 23,961 sq ft (all office). Fully let to Cirrus Logic.
 - Medway House (4 The Sector), Newbury Business Park, London Road - Full planning permission granted – 15,104 sq ft (office component to be determined). All space available to let at £25 psf.
 - Faraday Rd / Kelvin Rd - Outline planning permission granted – 62,355 sq ft (office component of larger mixed scheme)
 - 115 London Rd - Outline planning permission granted – 18,299 sq ft (all office)

Agent Commentary

- 1.43 Conversations with local agents indicate that Newbury is a local market unlike Theale and Basingstoke that benefit from large occupiers and overspill from the Reading office market. There is a two tier office market in Newbury with prime rents of c. £25 per sq ft. There are limited big occupiers in Newbury and most stock tends to be older Grade A space at c. £22 psf. Agents noted that a majority of office space is located within Newbury Business Park.

- 1.44 In relation to the Estate itself agents have suggested that despite the Estate being located c 1 mile from the train station people in locations like Newbury are more geared towards driving and therefore any development would need to ensure sufficient parking.
- 1.45 Office space would need to be flexible, such as 5 storey building totalling 20,000 to 30,000 sq ft with larger lets of up to 10,000 sq ft as well as smaller floor plates for smaller occupiers. It is understood that shared space would be acceptable but it would have to be provided in separate wings to make the space feel separate.
- 1.46 Office space will predominantly be attractive to local tenants with a range of professional occupiers, as well as industrial with neighbouring office space. It will be important to visually and physically separate the office space from any industrial units perhaps with separate entrances to the Estate.
- 1.47 In terms of the rent free period agents have suggested that assuming the office space was complete and on the market it is likely that tenants would expect a 12-15 months' rent free period for a 5 year lease, 15-18 months for a 10 year lease with a 5 year break clause (i.e. 3-6 months' rent free in year 6) and 24 months for a straight 10 year lease.
- 1.48 It is likely that the development will need to be established as an office location before attracting a sufficient number of occupiers. As a result we envisage that any office development on the Estate will need to happen on a speculative basis. However, if there are opportunities to secure one or two large lettings in the early stages of development then this will help to attract further occupiers.

Industrial

National Market Overview

- 1.49 Demand for industrial property continues to rise, albeit at a slower pace last year. The latest data from the Office of National Statistic indicates that although the level of online retail in the UK continues to grow, the pace has slowed in recent years. In comparison to at the start of the decade where growth at 20% a year was commonplace, from 2018 onwards this growth has slowed to under 10%. At this stage slowing retail growth has had no material impact on the market as online retailers are continuing to take space. Recently, supermarkets and discounters have set significant requirements for logistical facilities across the UK to cope with the additional demand from Covid-19. However, looking forward, it is expected that supply chain disruptions from Covid-19 will impact the industrial and warehouse sectors.
- 1.50 Longer term, the sector continues to be underpinned by the growth in e-commerce which could be further accelerated by trends adopted during the lockdown. However, the slowdown in the global economy and Brexit uncertainty have weighed on the sector to some extent. Average rental growth increased by 3.1% in the 12 months to December (MSCI Monthly Index). This is robust but it's a slowdown from the circa 4% pa growth seen in the previous three years.
- 1.51 The UK is expected to see a significant hit to its economy in 2020 as a direct consequence of the response to the spread of COVID-19. PMA are forecasting recession for Q2 and Q3 of 2020 and it would be reasonable to suggest rents will face downward pressure due to decreased demand and a likely rise in availability. However, it is worth noting that in practice, an expected dearth in letting activity in the coming months could mask an underlying fall in market rental levels.

1.52 Investment activity suffered as a result of Brexit uncertainty. The increased clarity in recent months is a positive for investors although concerns remain over the nature of our future relationship with the EU. Covid-19 will have a short term impact on activity – particularly through the lack of valuation capacity as site visits are suspended, comparable evidence is limited and market uncertainty reigns – but long-run demand will remain. There is significant appetite in the market and considerable amounts of capital to invest, primarily in the industrial and office sectors, hence investments are likely to be postponed rather than pulled entirely.

Local Market Overview

1.53 PMA estimated that take up in Newbury actually rose 41% in 2019 to 126,000 sq ft. At this level, take up in Newbury was 18% above the 5 year average. Availability in Newbury actually fell by 19% over the same period, to stand at 183,000 sq ft, based on data provided by EGI. At this level, the vacancy rate in Newbury stood at an estimated 2.0%.

1.54 Pre-lets and purpose-builds have been of little importance. Over the five years to Q4 2019 the amount of space pre-let/purpose-built in Newbury averaged 9,000 sq ft per year, or 8% of take up. There were no pre-lets/purpose-builds over the 12 months to Q4 2019.

1.55 Big Sheds - units of over 100,000 sq ft - are of little importance in Newbury, with more activity seen within smaller production/warehouse units. Over the five years to Q4 2019 the 25,000 to 50,000 sq ft size band saw the largest share of take up at 33%. In comparison, over the 12 months to Q4 2019, the 50,000 to 100,000 sq ft size band saw the largest share of take up at 51%.

1.56 At present we are aware of no space under construction in the Newbury industrial market and a majority of the stock in the town centre is evidently of secondary nature. This suggests that there is very limited supply of industrial buildings in the market.

1.57 There is currently 2.7 million sq ft of space in the Newbury development pipeline. Of this, 2.5 million sq ft has planning permission, and 0.3 million sq ft is more preliminary.

1.58 Top rents in Newbury remain unchanged over the last 12 months standing at £7.25 psf at the end of 2019. At this level rents in Newbury are below the South East average. Comparable industrial rents range from c. £6 per sq ft for secondary older products through to £15.40 per sq ft for modern new build.

1.59 There has recently been a small amount of speculative development along Hambridge Road which has been quickly let at prime rents of £9.50 to £15.40. We are not aware of any further development planned in Newbury however we understand that development is planned in the neighbouring Thatcham industrial areas.

1.60 It is worth revisiting the aftermath of the Global Financial Crisis to analyse the scale of rental decline that was seen in this previous crisis period. While the drivers of the GFC differ from the current coronavirus situation, we can draw some indication of the potential impacts to rents we may witness in the coming months. Following the GFC, prime Standard Industrial rents declined on average by around 10% in the Distribution Ring, Fringe South and Key South East market. As would be expected, there was greater volatility by individual centre. Newbury saw rents decline by -11.1% following the GFC.

Local Market Activity

- 1.61 Existing industrial stock is predominantly located at West Berkshire Industrial Estate, Arnhem Road Industrial, Turnpike Industrial Estate and Bone Lane Industrial Estate. Units are typically 1970/80s brick built units with roller shutters. Rents range from c. £5.70 to £9.00 per sq ft depending on the use and specification.
- 1.62 New industrial space within Newbury is predominantly located at Nexus Park, which delivered c. 80,000 sq ft in 2017 at c. £9.50 to £15.40 per sq ft. Nexus Park comprises seven high quality new units with steel portal frames, sheet metal cladding, pitched roofs and fitted open plan first floor offices. The industrial specification includes minimum 8.5 clear height, electric loading doors, floor loading 37.5kN per sq m, 3 Phase power supply and all mains services.
- 1.63 As noted above there has been a lack of new industrial completions over the last couple of years in Newbury. There are no industrial schemes currently under construction in Newbury, however Beenham Industrial Estate near Reading is currently under construction and will deliver two new high quality industrial / warehouse units. The space is available to let at £12.50 per sq ft representing the higher values achievable towards Reading.
- 1.64 Within the Newbury pipeline, there are 7 schemes of over 100,000 sq ft. These schemes equate to 57% of the proposed floorspace in the centre. A majority of the development pipeline is located towards Thatcham with a significant amount of B2/B8 use with planning permission at New Greenham Park.

Agent Commentary

- 1.65 Conversations with local agents indicate that the industrial market in Newbury is not as strong as the neighbouring markets of Basingstoke and Reading. Rental values are lower and therefore are likely to attract smaller occupiers and independent businesses.
- 1.66 In terms of the industrial space that may be suitable on Estate it is likely that a number of smaller units of 3,000-10,000 sq ft or one or two slightly larger units of 20,000-50,000 sq ft would be suitable, with eaves of the 8m for the smaller and 10-10.5 m for the larger units.
- 1.67 Not all industrial occupiers will need 24/7 access however it is expected that there will need to be some buffering between the proposed industrial and residential uses.

Retail

National Market Overview

- 1.68 Covid-19 will exacerbate the structural challenges faced by the retail market, despite the exceptional measures to mitigate impact. The Centre for Retail Research estimated over 143,000 jobs losses in 2019 as a result of more than 16,000 stores closing. Unfortunately 2020 is unlikely to be any better for the retail market as the CRR suggests that over 20,000 stores may not reopen when government restrictions have been lifted. Reflecting the difficult conditions, average retail rental values fell by -4.7% in 2019, down from -2.6% in 2018 (MSCI Monthly Index).

- 1.69 Top achievable prime retail rents across most UK towns and cities have been marked down significantly in recent quarters, reflecting the wider malaise impacting the UK retail sector as a consequence of both the diversion of retail sales to online and the combined impact of both rising costs and the pressure to discount on retailer profitability. These issues are particularly acute for those retailers burdened with legacy store portfolios and debt and this is clearly evident in the number of store closures resulting from corporate failure, CVAs and rationalisation programmes that are impacting the retail sector.
- 1.70 The outlook for prime retail rents has undoubtedly weakened further given the impact of the response to the COVID-19 pandemic on the wider retail and leisure sector. Indeed, PMA expect a decline in prime town centre rents over the course of 2020 of around -13% on average across the PROMIS 200 towns.
- 1.71 All-property equivalent yields have edged up to 6% amid weak economic outlook and stress in the retail property sector. Consequently, all-property average capital value growth fell further negative to -3.0% in the year to December (MSCI Monthly Index), down from 2.1% a year earlier.
- 1.72 There had already been an adverse shift in investor sentiment towards the UK retail sector prior to the hiatus caused by the response to the COVID-19 pandemic as the market reacted to the growing evidence of downward pressure on retail rents as a direct consequence of the impact of online retail and rising operating costs on retailer profitability. This was clearly evident in the recent outward movement in prime unit shop and shopping centre yields, albeit within the context of a much reduced level of retail investment activity.
- 1.73 Longer term, the changes that businesses, government and individuals will implement during the Covid-19 crisis will accelerate some trends already evident in the market, including de-globalisation of supply chains and a shift towards online retail.
- 1.74 Given that the response to the COVID-19 pandemic required the halting of most non-essential construction projects for several weeks, we expect a delay to the commencement and completion of any active retail and leisure developments.

Local Market Overview

- 1.75 Town centre retail floorspace in Newbury is estimated at 0.96 million sq ft, above the Average Resilient Town average and ranking the town 108 of the PROMIS Centres on this measure. The retail offer of Newbury was boosted in October 2011 with the opening of the 300,000 sq ft Parkway centre, anchored by Debenhams and comprising some 50 unit shops. The Kennet Centre also provides 290,000 sq ft of retail space which opened in 1972 and was extended in 2009.
- 1.76 At the end 2019, agent sources estimated top achievable prime rents in Newbury at £75 psf Zone A, this represents no change on the mid 2019 level of prime rents.
- 1.77 Key competing retail centres include Basingstoke, Marlborough, Andover and Reading, all within 20 miles of Newbury. Reading and Basingstoke are achieving much higher rental values of £225 psf ZA and £125 psf ZA respectively, while Marlborough rents are £75 psf ZA and Andover are £45 psf ZA.
- 1.78 Agent sources placed prime retail unit shop yields in Newbury at 5.9% at end 2019, showing an outward yield shift of 64 basis points on the level 6 months previous.

1.79 There are no town centre retail schemes of note in the pipeline for Newbury.

Hotels & Leisure

- 1.80 Prior to the Covid-19 global pandemic, the UK hotel market recorded £6.0 billion of investment in 2019. This extraordinary level of capital investment is being driven by continued strong demand from investors seeking long term, secure income streams, diversification of portfolios and a long term trends towards experiential travel and location based experiences. Of course the global pandemic has impact all of this in the short term, as it has nearly every corner of the market, but prior to this momentum in the sector was strong.
- 1.81 The existing leisure provision is predominantly located at Lakeside Leisure Park, Market Place and the Kennet Centre which provide leisure facilities including a bowling alley and a number of cinemas.
- 1.82 The existing hotel provision in Newbury includes a Travelodge and Premier Inn as well as a number of independent 3/4 star hotels.
- 1.83 In the development pipeline Newbury Race Course has full planning permission to provide a 123 bed hotel as part of the larger mixed use scheme.

Agent Commentary

- 1.84 Commentary from our specialist Hotels & Leisure team suggests that the majority of hotel occupants consist of either Travelodge or Premier Inn. While there may be some independent hotels in Newbury it is likely that they would expect to purchase a freehold rather than occupy on a lease arrangement.
- 1.85 Travelodge and Premier Inn already have hotels within Newbury and therefore it would be a high risk to development new hotel space without securing an operator in advance. In addition, if any pre-let fell through there would be a very limited number of other operators in the market who may then be interested.

Appendix VI

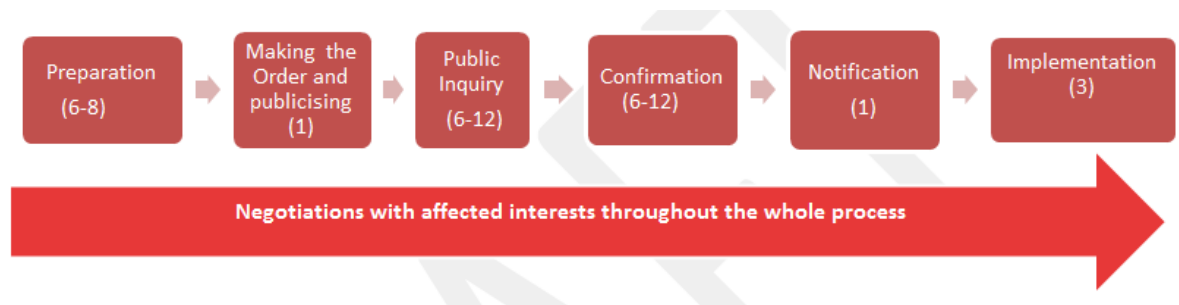
Use of CPO

Use of CPO

- 1.1 Use of compulsory purchase is a powerful tool particularly in delivering a comprehensive development because it allows the acquiring authority (in this case the Council) to secure ownership and vacant possession of the necessary sites across the board. However, it is not to be used lightly: an order has to demonstrate the development would provide economic, environmental and social benefits, it must be proved to be in the public interest, and would require the Council to actively negotiate with all affected parties to try to reach a voluntary agreement ahead of inquiry. It is a tool of last resort. As a local authority the Council would need to adhere to its Public Sector Equality Duty, demonstrating regard to protected characteristics of any affected tenants or occupiers and instigating mitigation measures which might include an active role in creating a relocation strategy. Buying out interests pursuant to CPO incurs additional costs, including fees, loss and disturbance payments on top of market value. It therefore represents a time-consuming, resource-heavy and costly process, and without a strong case a CPO can fail. With a strong case, however, CPO can be essential in providing certainty of achieving vacant possession within a given timeframe.
- 1.2 We have not considered in any detail the Council's ability to meet the CPO tests and the likelihood of securing grant of powers. If a CPO were to be granted over the red line it would give the Council certainty of gaining vacant possession of the Estate within an indicative timeframe. It should be noted however that given the demand for industrial space and likely infrastructure costs associated with redevelopment, it is possible that that the cost of acquiring interests on the basis of the investment value of their existing use, plus the other heads of claim associated with relocating or extinguishing businesses, could exceed the residual value of the land on a redevelopment basis. This could have a material impact on project viability and deliverability.
- 1.3 Alternatively, if the Council sought a development on a phased basis that relies in part on long leaseholders on the Estate bringing forward development together with the Council directing redevelopment where it is able or has more control, it is likely to result in the site assembly costs being significantly less than if the businesses are able to claim for relocation or extinguishment (assuming it is possible for the Council or long leaseholder to secure vacant possession of sites using lease provisions). An approach on this basis however does require acceptance that not all parcels will come forward. In some instances, however, selective use of CPO could be considered to achieve possession of certain non-controversial or critical parcels as and when the need arises into the long term.

Timeframe

- 1.4 We would recommend allowing up to 24 months for the complete compulsory purchase process. One of the key benefits of using compulsory purchase is that it provides more certainty on timetabling and ensuring timely delivery of a scheme, although timeframes vary by scheme.
- 1.5 The process of obtaining and executing a CPO is summarised below (estimated number of months per stage in brackets).



- 1.6 Most S.226 CPOs are now determined by the Inspector if the issues are considered of local rather than national importance, with decisions generally being made within 12 weeks of the close of the inquiry and therefore shortening the overall delivery programme.

Compensation

- 1.7 If an interest is compulsorily acquired, the claimant is entitled to compensation which is assessed based on the statutory principles which govern the assessment of compulsory purchase compensation, commonly referred to as the Statutory Compensation Code (sometimes also known as the Compulsory Purchase Code).
- 1.8 The overriding principle at the core of compensation is the principle of equivalence. This means that when a claimant has land taken he should end up in financial terms in a position where he is no worse or no better off than he was prior to the acquisition.
- 1.9 The heads of claim likely to be relevant in this case assuming an interest has been compulsorily acquired, are as follows:
- land taken;
 - severance and injurious affection
 - statutory loss payment;
 - disturbance/ reinvestment costs or any other matter not directly based on the value of land; and
 - reasonable professional fees.

- 1.10 Both the owners of land and those occupying land by virtue of a lease or licence will have a separate claim and the nature of the relationship between the parties will have an impact on the calculation of each claim.
- 1.11 The Council should also be mindful of potentially artificially creating ransom value. If attempts are made to acquire the whole by agreement and it proves impossible bar the last few remaining interests, then those parties may be able to claim ransom value. If ransom value or marriage value exists in the absence of a CPO then that can form the basis of compensation. In some cases ransom value can be artificially created in such a scenario, however this can be avoided with an appropriate structured land assembly strategy.
- 1.12 In order to ensure the issues associated with site assembly on any particular scheme are fully understood and de-risked, it is best practice to prepare a Site Assembly Strategy for the project. It is also best practice to prepare a Property Cost Estimate to allow project viability modelling to take account of the realistic cost of assembling the interests required to deliver the scheme.

Costs associated with CPO Process

- 1.13 We set out below indicative costs associated with the CPO process:

Type of Order	Process Costs (£)	Comments
Small highways or non-controversial development/regeneration scheme	£50-100,000	Assuming few or no objections, with objections withdrawn prior to public inquiry.
Medium sized town centre development	£150-500,000	Assuming objections and short public inquiry (1-3 days)
Estate regeneration project or large controversial scheme	£500,000-1m+	Assuming numerous objections, public inquiry in excess of 5 days, wide variety of technical witnesses required and senior counsel.

Appendix VII

Appraisal Assumptions

Appraisal Assumptions

Item	Assumption
Revenue	<p><u>Private</u></p> <p>1 bed flat 538 sq ft £210,000</p> <p>2 bed flat 667 sq ft £265,000</p> <p>Parking Space £12,000</p> <p><u>Affordable Rented</u></p> <p>1 bed flat £122,000</p> <p>2 bed flat £150,000</p> <p>3 bed flat £175,000</p> <p><u>Shared Ownership</u></p> <p>1 bed flat £155,000</p> <p>2 bed flat £195,000</p> <p>3 bed flat £221,000</p> <p>Industrial Development Land £750,000 per acre less purchasers costs</p>
Affordable	30% affordable (70% affordable rented, 30% intermediate)
Build cost including prelims, externals, overhead & profit	<p>Flats £160psf</p> <p>Surface Parking £3,000/space</p> <p>Under-croft Parking £8,000/space</p>
Contingency	5% of build costs
S106	£1,500/unit
Infrastructure / Remediation (incl. fees and contingency)	<p>Infrastructure £4,000/unit</p> <p>Remediation £2,000/unit</p>
CIL	£75 p sm on residential
Professional fees	6%
Planning Costs	<p>Plot 1 £30,000</p> <p>Plot 4 £50,000</p>
Marketing/Agency	<p>1.25% Marketing on Private Residential</p> <p>1.25% Sales Agent Fee on Private Residential</p>

Finance	6.5%
Legal	Private Sales £650/unit Affordable Sales £25,000
Profit	Private 20% on GDV Affordable 6% on GDV

Appendix VIII

Further Information on Delivery Routes

Further Discussion of Delivery Approaches

Self-Delivery

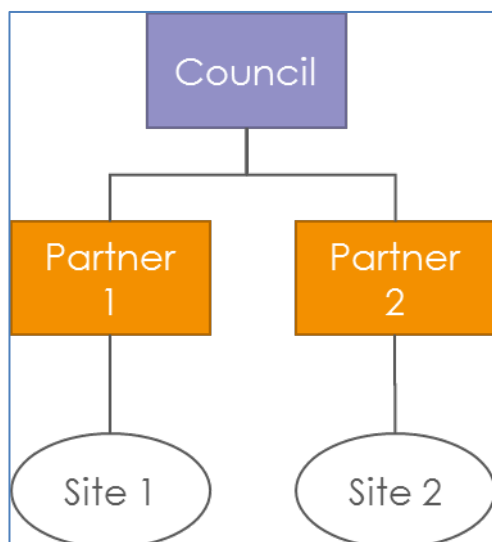
- 1.1 Either by way of taking a lead on the contractor role itself, or by appointing a Design & Build contractor to carry out the works, this option assumes the Council will undertake all aspects of development and is fully exposed to all risks, including sales risk and construction risk (where a D&B approach is not taken). Essentially in this option the Council acts as a developer.
- 1.2 This affords greater control to the Council, not only in the form and nature of development as above but over its delivery including managing programme, selecting and managing sub-contractors etc. With this control comes the full resource requirement associated with acting as a developer and managing the whole development process from planning through to completion. It does also require that the Council has the expertise manage this process and secure a planning permission that is deliverable.
- 1.3 There is significant resource required, including cost, to develop the proposal to the point where a contractor can be appointed, i.e. securing planning permission.

Site Disposals

- 1.4 This effectively represents a 'do minimum' option where the Council promotes the plots simply by selling them. This would typically be by marketing through informal tender, disposing of the sites to the highest bidder.
- 1.5 Whilst this option has the advantage of being relatively quick and straightforward to undertake, its disadvantages are numerous. The Council would have very little control over development under this option. It could dispose of sites using planning and development briefs to steer the form of development, though this is only a slight extension of planning policy and once the sites are sold the Council has no further ability to influence other than through pre-application discussions and development control. The Council's ability to secure the outcomes it wants from development is very limited and only reactive.
- 1.6 Disposal in this manner is also unlikely to secure the best financial outcomes for the Council. All development risk is being taken by the private sector, and the market will price this accordingly. Though the Council will receive an upfront payment in the form of land value, it will not participate in profits or benefit from value uplifts delivered by development on an individual site or by virtue of other development being delivered nearby.
- 1.7 It is also likely that any market participant would expect the long leasehold interests to have been extinguished before proceeding with a purchase of a site or the whole Estate.

- 1.8 This option is primarily included as a 'baseline' only, as something for the other delivery options to be compared against in order to provide context.

Individual Site Development Agreements



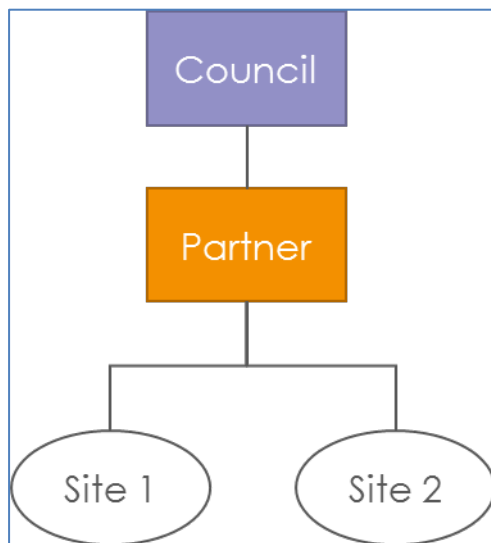
1.9 Development Agreements are contracts with a development partner for the delivery of a specific scheme. Typically they include a lot of detail regarding objectives and parameters for the development of a site, either with reference to a planning permission or (more commonly) with the intention that the partner will secure planning permission in accordance with the defined parameters.

1.10 The contract can be used to set delivery milestones, programme and place other restrictions on the operation of the delivery partner, for example with respect to procurement of supply chains. It can also include wider goals such as those related to sustainability or social value, though these can often be difficult to define.

- 1.11 DAs therefore afford much greater control to the Council over the form and nature of development brought forwards. However, the nature of DAs is such that once signed, controls tend only to be negative and reactive in nature. Typically the development partner submits proposals for approval which could be rejected if not aligned with the Project Objectives, but without scope for involvement in reshaping those proposals, and once in operation poor performance is disincentivised with the threat of breach of the agreement. This is something of a blunt instrument and as a result generally thresholds for poor performance (e.g. delays, poor sharing of information etc.) are quite high.
- 1.12 There is the potential for some risk and profit participation by the Council through DA structures. Rather than take a land receipt upfront akin to simply selling the site, some or all of this receipt can be deferred and/or subject to the performance of the scheme. This may have the effect of increasing returns where the scheme performs well and/or where agreements are drafted so that information required to determine scheme performance is limited and transparent. Often though such overage or profit share mechanisms necessitate full reviews of scheme costs as well as values to determine profitability, which can be opaque. For this reason usually land payments are preferred within DAs, and even where there is a large degree of deferment and sharing in upside at least some form of minimum land payment is agreed.
- 1.13 Under this option separate DAs would be prepared for each site individually. This has the advantage of being specifically tailored to each, especially given the sites will come forwards

sequentially over time and this affords the most opportunity to define scheme parameter for each site as late as possible, reflecting priorities and market realities at the time. There is also the potential to vary the actual delivery approach with different partners, focussing more on a contracting relationship in one case and a development partnership in another, for example. The disadvantage is that this will require multiple procurements and the resource associated with negotiating and monitoring multiple agreements either over time or at the same time.

Single Multi-site Development Agreement

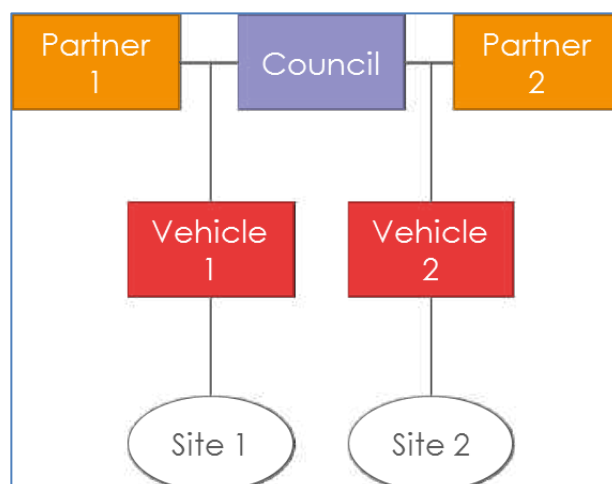


1.14 This option utilises the same delivery mechanism as the one previous, i.e. a DA, but proposes a single DA with a single partner to act across multiple sites.

1.15 The characteristics are predominantly the same as for multiple single-site DAs. Where the option differs is that it represents lower set up cost and on-going resource requirement in operation, though arguably sacrifices some flexibility in delivery per site. A single DA will only need to be procured once, and monitored once in operation.

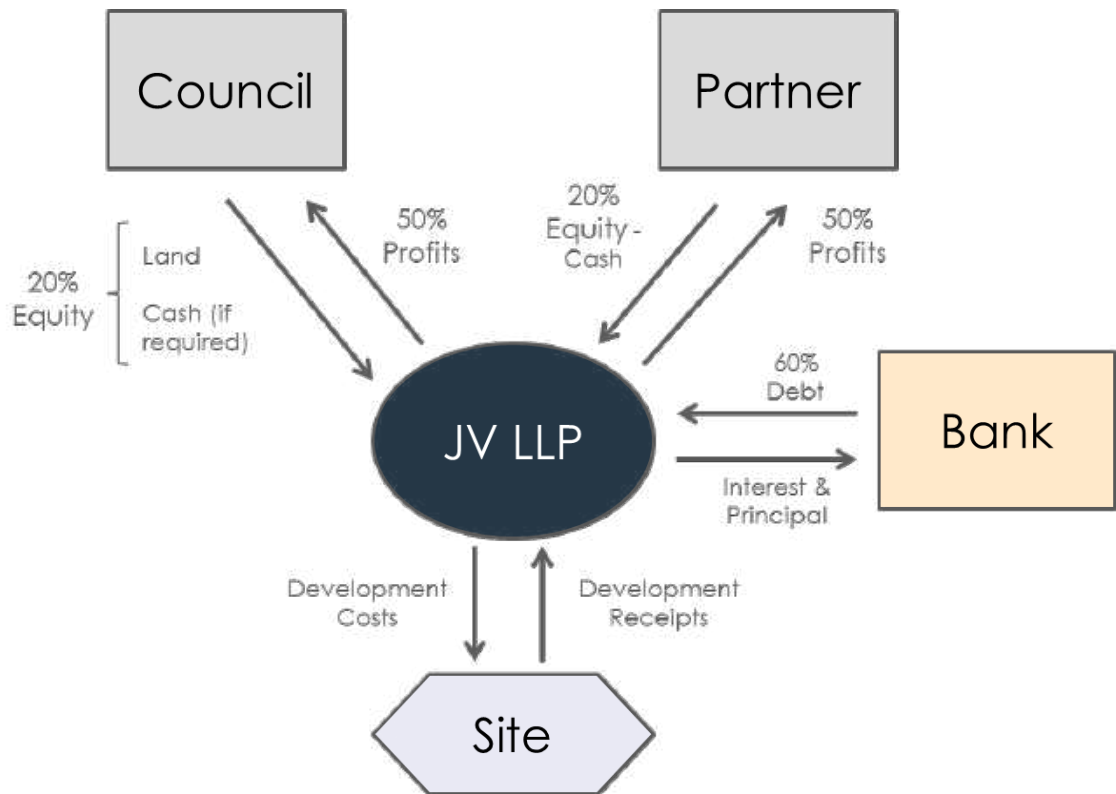
1.16 A multi-site DA can also be set up with some flexibility in the form of development to be delivered per site. However, this will be fettered compared to individual site DAs. The fact that future sites will have to be defined at an earlier stage in a multi-site DA will mean either that there is more difficulty in amending proposals for it later, or necessitate loose specification at an earlier stage, which can be difficult for the private sector to price and hence difficult for the Council to secure value for.

1.17 Flexibility in delivery approach is more difficult to achieve in a multi-site agreement by virtue of the same partner working on each site. Some partners may be content to operate in varied ways, perhaps through the use of different subsidiaries or in a consortium with another party, though there may be relatively few market participants prepared to act on this basis.



Individual Site Joint Ventures

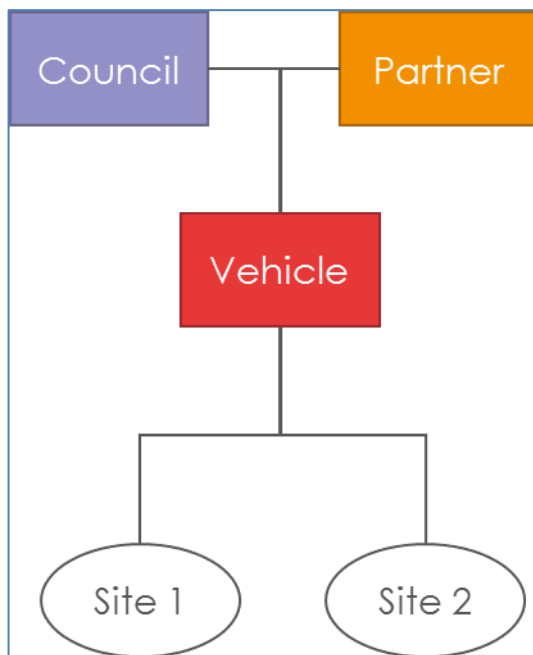
- 1.18 A Joint Venture is a formal partnership with another party based on joint decision-making and control over development. They can be contractual or corporate, i.e. formed as a distinct vehicle, and we would recommend the latter in this case for tax and vires reasons (see section 0 below).
- 1.19 In forming a corporate JV a separate entity is formed in which the parties are shareholders. This is the entity which carries out development. Typically JVs take a '50/50' structure, where the parties have equal membership, decision-making rights and controls, commitments to investment and shares of profits.
- 1.20 Under this delivery option the Council would not typically receive a land payment for the sites to be developed; rather the land will be invested into the JV in order that the Council receives its share of profits. The Council's land is its equity investment. In a 50/50 structure this will be matched by the partner in the form of cash, and the remaining funds required to deliver the development will be met by debt financing. It will be necessary to capitalise the JV sufficiently to secure this debt, typically equity will be required up to 40% of the total development cost requirement. In the event the Council's share of this requirement (i.e. 20% of overall costs) is not met by land value, its contribution may need to be topped up with cash. There may also be the potential to use mezzanine finance to reduce the equity requirement in this case (see section 6 below).
- 1.21 Under this structure the Council is directly participating in development risk, in combination with the partner. Its land is invested with no up-front payment and returns are only realised in the event the JV is profitable. Returns in the form of profits are issued only after all debt finance is paid off.
- 1.22 It is important to note that under a JV as returns are distributed in the form of profits they are accounted as revenue to the Council.
- 1.23 A more detailed structure diagram below illustrates these cashflows:



- 1.24 In terms of governance, in a 50/50 structure all development decisions are made jointly between the parties. This means the Council has direct control over matters including design, planning submissions, programme and phasing, uses and marketing. That said, the control is fettered given all decisions must be made jointly. If there is no agreement between the parties this leads to 'deadlock'; in other words each party effectively has a veto over the other. This can ultimately lead to termination. To help prevent this, the JV will have a detailed business plan and clear objectives which the members must act in accordance with. The objectives are set as early as procurement and the conclusion of procurement typically provides a draft business plan that the parties agree in concluding negotiations.
- 1.25 JVs are complex by nature and require relatively longer and more expensive procurement processes to establish. This and the fetters on control also mean that the market is relatively thinner for willing partners than for the other delivery options. JVs also require resource from the Council once in operation. Officers will be required to act as board members within the JV, which necessitates not only a time commitment but also that officers have sufficient expertise to make development decisions. The relevant delegated authorities will also need to be in place. Once a board member, officers will have to make decisions in the commercial interests of the JV, and it is important to avoid any conflicts with wider Council functions so far as possible.
- 1.26 In the case of separate JVs for each site, this set up and operational time, resource and cost requirement is multiplied given there will be multiple JVs in operation, potentially at the same time. Market interest will also be tempered if the development opportunity, and hence potential returns, is not of sufficient scale to justify the procurement and operational costs and

resource. There may also be difficulties in running multiple JVs in that the interests of one may conflict with another. A potential advantage of this approach may be enhanced flexibility in the nature of development delivered on each site and in the manner of delivery, given there can be different partners per JV. However, as described below this should be capable of being secured in a single multi-site JV as well.

Single Multi-site Joint Venture



1.27 The characteristics of this option are the same as for the single-site JV described above, except that in this case there is only one entity progressing development across multiple sites over time.

1.28 This approach will be of greater interest to the market as multi-sites provide greater scale to justify the expense, complexity and fettered control of a JV. There will also be less resource implications for the Council, requiring only one procurement process (assuming it is drawn sufficiently widely to capture future pipeline sites) and one entity to operate in the future. This approach also avoids potential

conflicts between multiple JVs.

1.29 Despite there only being one JV it can be structured to nevertheless retain flexibility over the form and nature of development on each site akin to a series of individual JVs. Provided this is set out at the procurement stage and a suitable partner is selected, the JV can retain the ability to make joint decisions on uses, scale, form etc. on a site-by-site basis and over time. JVs can also be used to direct different delivery approaches per site, for example directly delivering one site and disposing of another after securing planning and servicing it, again assuming this is set out clearly from the beginning and a partner is chosen which is comfortable with this approach.

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West Berkshire Ultra Low Emission Vehicle Strategy

Committee considering report:	Executive on 3 September 2020
Portfolio Member:	Councillor Richard Somner
Date Portfolio Member agreed report:	7 July 2020
Report Author:	Evangeline Haggarty
Forward Plan Ref:	EX3944

1 Purpose of the Report

- 1.1 The purpose of this report is to present the proposed Ultra Low Emission Vehicle Strategy to the Executive for approval. This Strategy sits underneath the Environment Strategy and sets out the Council's current direction to promote and develop low emission vehicles and charging infrastructure in West Berkshire.

2 Recommendation

- 2.1 It is recommended that the Executive approves this strategy and its actions as the Council's direction for aiding the uptake of low emission vehicles in West Berkshire.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	Many of the actions flowing from the strategy do not have specific financial implications and can be achieved within existing staff resources as they involve provision of guidance, knowledge sharing, influencing policy etc. Larger projects included in the action plan such as installing chargepoints have been planned and do not require additional budget. Financial implications of other projects that may result from feasibility studies will be considered prior to implementation on a case by case basis with the proper consideration of budget availability and approval.
Human Resource:	N/A

Legal:	Some of the actions within the Strategy will require new contracts and agreements to be drawn up (for example with the company installing charge points in Council car parks). The proper processes will be followed and advice sought from the Council’s legal and commissioning teams in all cases.			
Risk Management:	The strategy and actions will be kept under review to ensure the direction remains suitable as technologies evolve and user behaviour changes. Larger projects such as installing chargepoints will have their own risk management strategy and risk register.			
Property:	The installation of chargepoints within Council car parks and on any other Council land will be widely consulted on internally and any implications considered. Such a project will serve to enhance Council property and enable the Council to make a contribution to encouraging carbon reduction practices for those using their facilities and buildings. Any property implications of future projects flowing from studies will be considered on a case by case basis.			
Policy:	The proposed strategy focuses on the steps West Berkshire Council will take to work towards the proposed national strategy that all new cars/vans will be electric or hydrogen by 2035. The Strategy seeks to influence other Council policies and strategies where appropriate.			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		The proposed Strategy does not affect any one group more than any other.

B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		The proposed Strategy does not affect any one group more than any other.
Environmental Impact:	X			The proposed Strategy will have a positive effect on the environment, reducing CO ₂ emissions if low emission vehicles replace existing vehicles.
Health Impact:	X			The proposed Strategy will have a positive effect on health, reducing air pollution if low emission vehicles replace existing vehicles.
ICT Impact:		X		The proposal has no effect on ICT within the council.
Digital Services Impact:		X		The proposal has no effect on Digital Services within the council.
Council Strategy Priorities:	X			Maintain a green district - 1. Develop more sustainable transport solutions which protect the environment. The Ultra Low Emission Vehicle and Infrastructure Strategy will help inform where and how we install electric vehicle charging infrastructure and assist with keeping up with other technologies that may become available.
Core Business:		X		N/A
Data Impact:		X		The proposal will have no impact on data subject rights.

Consultation and Engagement:	<p>Highways, Integrated Transport, Car Parks, Transport Policy and Officers from the Environment Department have all been involved in the development of the strategy.</p> <p>The strategy has also been considered by the Transport Advisory Group and the Environment Board and their comments have been included and have influenced the preparation of the Strategy.</p>
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4 Executive Summary

- 4.1 The government's 2018 Road to Zero Strategy sets out the ambition that by 2040, no new petrol or diesel cars, or vans will be sold. Government then announced in February 2020, its intention to bring this forward to 2035, and sooner if possible. Hybrid vehicles would also be banned, and only new full electric or hydrogen vehicles would be sold from 2035.
- 4.2 This presents a huge challenge and Local Authorities have their part to play in delivering this ambition. In West Berkshire our declaration in July 2019 of a climate emergency and the target of being carbon neutral by 2030 sets an even greater challenge. Developing our own strategy on how we will encourage the uptake of electric or hydrogen vehicles and provide any necessary supporting infrastructure is therefore essential for guiding the work is required to meet these ambitious targets.
- 4.3 The strategy provides a lot of information about this fast developing area of ultra low emission vehicles and acts partly to educate and inform and present the current situation in West Berkshire.
- 4.4 Vehicle licensing data from the Department for Transport (DfT) shows that there were 119,664 vehicles registered in the district in 2019. Of these, 1007 were ULEV, representing 0.84% of vehicles registered in West Berkshire. In 2019 for the UK as a whole, ULEVs represented 0.68% of the vehicles registered suggesting West Berkshire has slightly above average ULEV uptake.
- 4.5 Clearly there is a long way to go before we are at the levels required both nationally and locally to meet targets. The strategy sets out what can be done to help to increase the uptake and discusses incentives, changing the Council's fleet, taxi and private hire vehicles, provision of charging infrastructure, setting appropriate planning policies, knowledge sharing and provision of guidance.
- 4.6 The strategy and its supporting actions will be reviewed more regularly than a number of Council strategies due to the fast changing nature of this area of work and the ever developing new technologies involved. The strategy will therefore be reviewed and updated as necessary every two years.
- 4.7 The development of this strategy is an early project to be achieved as one of the actions flowing from the Council's Environment Strategy. It is essential that progress is made quickly in order to meet our target for carbon neutrality and this supporting strategy will help to achieve this.
- 4.8 It is proposed that the Council adopt this Strategy so that progress can begin on the short term actions required to assist take up of electric vehicles and we can have the necessary influence on relevant policies and plan making across the Council.

5 Supporting Information

Introduction

- 5.1 The government's 2018 Road to Zero Strategy sets out the ambition that by 2040, no new petrol or diesel cars, or vans will be sold. Government then announced in February

2020, its intention to bring this forward to 2035, and sooner if possible. Hybrid vehicles would also be banned, and only new full electric or hydrogen vehicles would be sold from 2035.

- 5.2 The West Berkshire Ultra Low Emission Vehicle (ULEV) and Charging Infrastructure Strategy seeks to map out a programme for supporting ULEV uptake in the district. It is the intention that this document informs the general direction for West Berkshire, with more detailed policy or guidance documents produced where appropriate. Whilst some improvements have already been implemented, we recognise that we are at the start of the transition, there remains uncertainty for the future to the technical advances we are seeing and the resulting changes to driver behaviour, therefore this Strategy will be regularly reviewed, at least biannually to ensure it is kept current.

Background

- 5.3 The Strategy aims to help inform by explaining more about ultra low emission vehicles and charging infrastructure, such as:
- (a) Government plans and future plans for vehicle availability
 - (b) Current number of low emission vehicles in West Berkshire
 - (c) Current number of electric chargepoints in West Berkshire
 - (d) Detail of technical developments and the impact of these
- 5.4 The Strategy and its Actions provides detail on how the council will assist with low emission vehicle uptake and some of the short term actions that will be taken to aid this. It will be regularly reviewed and reported on to monitor progress and changes of direction within the industry.

Proposals

- 5.5 The Proposal is that West Berkshire Council approves the attached Strategy for low emission vehicle uptake. Having a Strategy approved will enable officers in the various departments involved to work to a plan of Actions to help assist vehicle take up and annually report back to Environment Board on progress.

6 Other options considered

- 6.1 An alternative option would be to do nothing and not to develop a specific strategy. Without a clear Strategy setting out how West Berkshire will assist the increase of low emission take up, the works will continue to be piecemeal with no clear plan. The district's emissions from transport may continue to rise and this will go against the target for West Berkshire being carbon neutral by 2030.

7 Conclusion

- 7.1 It is recommended that the Council approves the proposed Strategy as an early action flowing from the Environment Strategy. Work needs to begin on the actions within this proposed Strategy as soon as practical in order to build on existing use and improve uptake in the district promptly.

7.2 Government may bring forward the requirement for all new vehicles to be electric to 2035, however if the aims of the Environment Strategy are to be achieved, transport emissions need to decrease rapidly and ideally be zero by 2030. Any delay effectively reduces the chance of achieving this by delaying measures to increase low emission vehicle uptake.

8 Appendices

8.1 Appendix A – Equalities Impact Assessment

8.2 Appendix B – Data Protection Impact Assessment

8.3 Appendix C – West Berkshire Ultra Low Emission Vehicle Strategy

Background Papers:

West Berkshire Ultra Low Emission Vehicle and Charging Infrastructure Strategy

Subject to Call-In:

Yes: No:

The item is due to be referred to Council for final approval

Delays in implementation could have serious financial implications for the Council

Delays in implementation could compromise the Council’s position

Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months

Item is Urgent Key Decision

Report is to note only

Wards affected: This is a District-wide Strategy. Some wards will require on-street EVCPs or other public EVCPs more than others – this will depend on the nature of the housing in the area and the presence of public car parks.

Officer details:

Name: Evangeline Haggarty
Job Title: Energy and Programme Delivery Project Officer
Tel No: 01635 503267
E-mail: Evangeline.haggarty@westberks.gov.uk

Document Control

Document Ref:		Date Created:	03/07/2020
Version:	1	Date Modified:	
Author:	Evangeline Haggarty		
Owning Service	Environment		

Change History

Version	Date	Description	Change ID
1	14/07/2020	Report Created	EH
2	11/08/2020	Amendments to report following Corporate Board	JG
3	24/08/2020	Amendments to report and final strategy following Operations Board and in preparation for Executive	JG

Appendix A

Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- (1) A public authority must, in the exercise of its functions, have due regard to the need to:**
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:**
 - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
 - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

What is the proposed decision that you are asking the Executive to make:	The recommendation is that the Board approve this Strategy and its Actions, as the direction for aiding the uptake of low emission vehicles in West Berkshire
Summary of relevant legislation:	N/A
Does the proposed decision conflict with any of the Council's key strategy priorities?	No, it enhances their commitment.
Name of assessor:	Evangeline Haggarty
Date of assessment:	03/07/2020

Is this a:		Is this:	
Policy	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	New or proposed	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Strategy	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Already exists and is being reviewed	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Function	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Is changing	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Service	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		

What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?	
Aims:	The Strategy outlines progress in low emission vehicle uptake across the district to date, the projections for the future and the actions WBC will undertake to support increased vehicle take up.
Objectives:	To increase low emission vehicle uptake in West Berkshire.
Outcomes:	The Strategy will inform the council's current direction around low emission vehicles and charging.
Benefits:	The public will have an idea of what is planned next and council staff have a plan for short term delivery

Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.		
(Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
Group Affected	What might be the effect?	Information to support this

Age	None	This Strategy would be unlikely to have any more impact on a person with a protected characteristic than on anyone else.
Disability	None	This Strategy would be unlikely to have any more impact on a person with a protected characteristic than on anyone else.
Gender Reassignment	None	This Strategy would be unlikely to have any more impact on a person with a protected characteristic than on anyone else.
Marriage and Civil Partnership	None	This Strategy would be unlikely to have any more impact on a person with a protected characteristic than on anyone else.
Pregnancy and Maternity	None	This Strategy would be unlikely to have any more impact on a person with a protected characteristic than on anyone else.
Race	None	This Strategy would be unlikely to have any more impact on a person with a protected characteristic than on anyone else.
Religion or Belief	None	This Strategy would be unlikely to have any more impact on a person with a protected characteristic than on anyone else.
Sex	None	This Strategy would be unlikely to have any more impact on a person with a protected characteristic than on anyone else.
Sexual Orientation	None	This Strategy would be unlikely to have any more impact on a person with a

		protected characteristic than on anyone else.
Further Comments relating to the item:		
The Strategy and Action Plan merely provide a plan for how West Berkshire will increase low emission vehicle uptake across the district.		

Result	
Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Please provide an explanation for your answer: The Strategy and Action Plan merely provide a plan for how West Berkshire will increase low emission vehicle uptake across the district.	
Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Please provide an explanation for your answer: The Strategy and Action Plan merely provide a plan for how West Berkshire will increase low emission vehicle uptake across the district.	

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the Equality Impact Assessment guidance and Stage Two template.

Identify next steps as appropriate:	
Stage Two required	N/A
Owner of Stage Two assessment:	N/A
Timescale for Stage Two assessment:	N/A

Name: Evangeline Haggarty **Date:** 03/07/2020

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) (rachel.craggs@westberks.gov.uk), for publication on the WBC website.

Appendix B

Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via dp@westberks.gov.uk

Directorate:	Environment
Service:	Environment Department
Team:	Energy & Programme Delivery
Lead Officer:	Evangeline Haggarty
Title of Project/System:	West Berkshire Ultra Low Emission Vehicle and Charging Infrastructure Strategy
Date of Assessment:	03/07/2020

Do you need to do a Data Protection Impact Assessment (DPIA)?

	Yes	No
<p>Will you be processing SENSITIVE or “special category” personal data?</p> <p><i>Note – sensitive personal data is described as “data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation”</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>Will you be processing data on a large scale?</p> <p><i>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>Will your project or system have a “social media” dimension?</p> <p><i>Note – will it have an interactive element which allows users to communicate directly with one another?</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>Will any decisions be automated?</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Note – does your system or process involve circumstances where an individual's input is "scored" or assessed without intervention/review/checking by a human being? Will there be any "profiling" of data subjects?		
Will your project/system involve CCTV or monitoring of an area accessible to the public?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will you be using the data you collect to match or cross-reference against another existing set of data?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will you be using any novel, or technologically advanced systems or processes?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Note – this could include biometrics, "internet of things" connectivity or anything that is currently not widely utilised		

If you answer "Yes" to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.

Ultra Low Emission Vehicle Strategy



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Disclaimer

All information contained in this Report is current as at the date of the Report, and may not reflect any events or circumstances which occur after the date of the Report.



Foreword

In July 2019 West Berkshire Council declared a climate emergency and it was agreed that the council would aim for net zero emissions for the district by 2030. The resulting Environment Strategy sets out how this ambition will be approached. Transport emissions make up a large part of the districts overall emissions, and must therefore be tackled urgently. The vast majority of vehicles may be passing through, however by taking steps such as providing electric vehicle charging infrastructure, all road users passing through the district can be assisted with the switch to cleaner fuels.

In July 2018, the government published the Road to Zero Strategy setting out the ambition that from 2040, new petrol and diesel vehicles will be banned. Since then, government has taken this further, consulting on bringing the ban forward to 2035, or earlier if possible, and also banning the sale of new hybrid vehicles. This will mean that all new vehicles will be zero emission, i.e. electric or hydrogen, in the not so distant future.

The council has an important role to play in the transition to low emission vehicles,

such as creating supportive policies, providing or working with partners to install infrastructure, encouraging infrastructure in new developments and providing advice and guidance for our communities and businesses. This Strategy seeks to set out how the council will support the uptake of low emission vehicles, and the actions it will take in the short to medium term to do so. Low emission technology is a rapidly developing area, with frequent new developments and changing user patterns. A result, what is right now, won't necessarily be right in two years' time. Therefore the Strategy and its Actions will be regularly reviewed and updated as new developments are made and uptake increases.

I look forward to working with our communities, parish councils, businesses, voluntary sector, suppliers and other partners necessary to achieve this Strategy.

Cllr Richard Somner

Executive Portfolio Holder for Transport and Countryside



1. Executive Summary

1.1 The government's 2018 Road to Zero Strategy sets out the ambition that by 2040, no new petrol or diesel cars, or vans will be sold. Government then announced in February 2020, its intention to bring this forward to 2035, and sooner if possible. Hybrid vehicles would also be banned, and only new full electric or hydrogen vehicles would be sold from 2035. It is difficult to say with confidence which technology will lead this transition, however the current focus is on battery electric for cars and vans. Therefore, some kind of charging infrastructure network will be required for the growing numbers of electric vehicles on the roads.

1.2 Where they can, most will charge their vehicles at home, where it is cheaper and more convenient. However those without parking, and those making longer journeys, or visiting an area, will increasingly rely on publically-available

infrastructure. Over 90% of vehicles registered in West Berkshire are cars and light commercial vehicles, therefore the main focus will currently be on these types of vehicles, the same charging infrastructure can also be used by scooters and motorcycles.

1.3 Whilst councils will not be responsible for providing all charging infrastructure, WBC will provide opportunities to charge in its car parks for visitors, and in residential areas without off-street parking. Those without off-street parking should be able to consider plug-in vehicles and feel confident that there are locations where they can charge. This Ultra Low Emission Vehicle and Charging Infrastructure Strategy and Framework of Actions seeks to inform the current short term actions to help achieve this. The Strategy and Actions will be reviewed and updated at regular intervals to ensure they remain current.

2. Introduction

- 2.1 The West Berkshire Ultra Low Emission Vehicle (ULEV) and Charging Infrastructure Strategy seeks to map out a programme for supporting ULEV uptake in the district. It is the intention that this document informs the general direction for West Berkshire, with more detailed policy or guidance documents produced where appropriate. We are at the start of the transition, there is much uncertainty still to come as a result of the technical advances we are seeing and the resulting changes to driver behaviour, therefore this Strategy will be regularly reviewed, at least biannually.
- 2.2 Whilst this is an ULEV Strategy, the current focus is on vehicles powered wholly or partly by electric. The market for other technology, such as hydrogen, is not currently sufficiently advanced for the mass market take up. Such technologies will be supported through measures aimed at full electric vehicles, where appropriate. This Strategy will be revised accordingly as the situation changes. For electrically powered vehicles there have already been a number of technological advances such as larger batteries, increases in range, and faster electric vehicle chargepoints (EVCPs). We believe that innovative solutions will continue at pace for some time, and the Strategy will need to evolve as these come to the market. Review points will therefore be included within the Framework of Actions.
- 2.3 An ULEV is currently classed as a vehicle that produces no more than 75g CO₂ per km from the tailpipe, although this is expected to be reduced to less than 50g in 2021. As previously mentioned, from 2035 it is likely that only new electric and hydrogen powered vehicles will be allowed, therefore the 'definition' is likely to change further. ULEVs currently mainly consist of hybrid or plug-in hybrid vehicles (PHEVs), battery electric vehicles (BEVs), with some hydrogen fuel cell vehicles (FCEVs). ULEVs currently represent a small, but rapidly growing percentage of vehicles on the roads, offering reduced environmental and noise pollution benefits.
- 2.4 The Strategy aims to:
- Take a proactive approach to installing vehicle charging infrastructure
 - Provide a Framework of Actions that the council will undertake both internally and externally to encourage vehicle uptake
 - Help inform the council's wider transport plans and planning policies
 - Encourage hackney carriage and private hire vehicles to consider going ULEV
 - Provide insights into vehicle developments, legislation and policies that may affect future ULEV take up

3. Why encourage ULEVs?

- 3.1 Under the Climate Change Act 2008 the UK has a target to reduce greenhouse gas emissions to net zero by 2050, (below a 1990 baseline); the Act was amended in 2019 from achieving an 80% reduction, to net zero. The UK's emissions are dominated by carbon dioxide, which in 2017 made up 81 per cent of the UK's greenhouse gas emissions. Transport, and road transport in particular, is the largest contributor to greenhouse gases. Transport accounts for 27% of the UK's greenhouse gas emissions¹, this is almost entirely emissions from carbon dioxide. Petrol and diesel vehicles on the roads account for the vast majority of these emissions.
- 3.2 In West Berkshire, road transport accounted for nearly 58% of the district's CO₂ emissions² in 2018. The M4 Motorway accounted for just under 31%, with other roads just over 27%. With WBC's Climate Emergency Declaration in July 2019, and its recently published Environment Strategy, it is clear the district ambition is to reduce emissions to net zero by 2030. In order to do this, reducing transport emissions both locally and those that pass through the district will be a priority.
- 3.3 In 2019, the vast majority of vehicles registered in West Berkshire, were cars (80.6%) and light goods vehicles (10.91%).³ Cars are probably the most advanced and most useable BEV and FCEVs currently available, followed by BEV light commercial vehicles. The heavier vehicles are most likely to be suitable as FCEVs rather than BEVs and the district will likely need some hydrogen refuelling infrastructure to cater for these vehicles, and the vehicles passing through on our roads.
- 3.4 BEVs have much lower carbon dioxide emissions than internal combustion engine (ICE) vehicles. A BEV (when recharged using electricity from the National Grid) is estimated to have greenhouse gas emissions around 66% lower than that of a petrol car, and 60% lower than a diesel car. Between now and 2050, it is projected that electricity grid emissions will fall by around 90%, with total greenhouse gas emissions from the electric vehicles falling in parallel.⁴
- 3.5 In recent years, air quality has become a significant public health concern. In 2018, the Department of Health and Social Care's Advisory Committee on the Medical Effects of Air Pollutants (COMEAP) estimated that long-term exposure to air pollution in the UK attributed to human activity, has an annual impact on shortening lifespans, equivalent to between 28,000 to 36,000 deaths.⁵ Government published its Clean Air Strategy in 2019, with a focus on reducing nitrogen dioxide (NO₂) to below legal limits, as well as reducing Particulate Matter (PM). Whilst BEVs and FCEVs produce no emissions at the tailpipe and will therefore help to reduce air pollution at their point of use, they still produce some PM from braking and tyre wear.
- 3.6 "The major source of air quality pollutants in West Berkshire is road transport, and in particular the contribution from the A339 and A4 has been identified as significant. The main pollutant of concern is nitrogen dioxide (NO₂) and two Air Quality Management Areas (AQMAs) have been declared. The Newbury AQMA was declared for exceedances of both the one-hour and annual mean NO₂ objective. The Thatcham AQMA was declared for the annual mean NO₂ objective."⁶ Air quality is monitored by the Public Protection Partnership. The Partnership are also consulted on West Berkshire developments through the planning feedback process, this enables them to encourage measures such as the installation of EVCPs at premises.
- 3.7 EU Policy**
- 3.8 EU legislation sets mandatory emission reduction targets for new vehicles. These differ for cars/light commercial vehicles, light goods vehicles and heavy

goods vehicles.⁷ It is the intention of government that the UK will transfer these requirements into UK law once the Transition Period ends. Any changes to these targets may have affected UK vehicle availability, particularly for BEVs.

- 3.9 For new cars and light commercial vehicles, the manufacturers' fleet-wide average emissions target phased in from 2013, for 2015, was 130g CO₂/km, this was met two years ahead of schedule. The subsequent target is to be phased in between 2020 and 2021. From 2021 the target of 95g CO₂/km will apply for a manufacturer's 95% least emitting new cars/light commercial vehicles.⁸
- 3.10 EU targets for new light goods vehicles, (designed and constructed primarily for the carriage of goods and with a maximum mass not exceeding 3.5 tonnes), between 2014 and 2016 were 175g CO₂/km. From 2020, the target is 147g CO₂/km. The targets set for manufacturers are based on the average mass of the vehicles, using a limit value curve. Manufacturers of heavier vans are therefore allowed higher emissions than those that manufacturer lighter vans.⁹
- 3.11 Manufacturers that fail to meet their targets will pay an excess emissions premium for each car/light commercial vehicle/light goods vehicle registered, the penalty will be €95 for each g/km of target exceedance. As a result of the EU emission reductions target, there is expected to be a significant number of new cars and vans coming to market in 2020. These include those that are likely to appeal to the mass market, such as the Vauxhall e-Corsa and VW ID.3 cars, and longer range van models.
- 3.12 Both the car and van EU fleet-wide average emission targets also allow manufacturers to earn 'credits'. These can be earned for eco-innovations, where it is not possible to demonstrate the CO₂ reduction effects during test procedures. The credit for eco-innovations is limited to 7g CO₂/km per manufacturer. Additionally car and light commercial manufacturers

can also earn 'super credits'. These are earned for vehicles emitting less than 50g CO₂/km, each vehicle qualifying will count as 2 vehicles in 2020, 1.67 vehicles in 2021 and 1.33 vehicles in 2022. The super-credits cap is set at 7.5g CO₂/km over the three years.

- 3.13 The first EU standards, Regulation (EU) 2019/1242, for heavy-duty vehicles were adopted in 2019, setting targets for reducing average emissions for new lorries for 2025 and 2030. The targets are a percentage reduction of emissions compared to EU average during the reference period (1 July 2019 – 30 June 2020). From 2025 this is a 15% reduction and increases to 30% from 2030. The 2025 target can be achieved using technologies already available. Initially the targets will apply to large lorries, with a review in 2022 to assess whether to extend to others such as coaches, smaller lorries and trailers.¹⁰
- 3.14 A super-credits system will apply until 2024 for zero emission and low-emission vehicles. For zero emission a multiplier of 2 will apply, for low-emission the multiplier will be between 1 and 2 (dependant on CO₂ emissions). There will be an overall cap of 3%. From 2025 this will be replaced with a benchmark-based credit system, with a benchmark set at 2%. The 2030 level will be set within the 2022 review. The penalties for not meeting the targets are set to €4,250 per gCO₂/tkm in 2025 and €6,800 per gCO₂/tkm in 2030.

3.15 UK Government Policy

- 3.16 In 2017 the UK government's Clean Growth Strategy announced that all new cars and vans should be effectively zero emission by 2040. The 2018 Road to Zero Strategy set out the aspiration to achieve this, with an interim aim that 50-70% of all new cars, and 40% of new vans should be ULEV by 2030. Central Government would also lead the way with 25% of the fleet to be ULEV by 2022 and all new purchases to be ULEV by default, committing to 100% ULEV by 2030.

- 3.17 In July 2018, the Automated and Electric Vehicles Act was passed through Parliament. The Act is intended to instigate improvements to charging infrastructure and give government powers to act on this further, it also brings insurance policies in line to allow for the use of autonomous vehicles (AVs). The Act could ultimately reduce personal vehicle ownership in the future and completely transform our transport system.
- 3.18 More recently, in February 2020, government announced their intention that all new cars and vans will be electric or hydrogen powered by 2035, and earlier if possible. Whilst these changes are currently under consultation, under the new policy, new hybrid, petrol and diesel vehicles would all be banned.

3.19 Local Policy

- 3.20 A number of existing West Berkshire Council policies and plans now promote ULEVs, these include:
- **West Berkshire Air Quality Annual Status Report 2019 and associated Action Plan**
 - **Council Strategy 2019-23** – Priority to Maintain a green district - develop more transport solutions which protect the environment

- **The Local Transport Plan (2011 - 2026)** – LTP P2 Residential Parking and LTP SC3 New Technology Policies
- **Housing Site Allocations Development Plan Document (2006-2026, Adopted May 2017)** – Policy P1: Residential Parking for New Development
- **The Declaration of a Climate Emergency (2019)** with a 2030 target date and the resulting Environment Strategy (2020)
- **Economic Development Strategy 2019-2036** – Future proofing our infrastructure - Facilitating electric car technology/low emissions and intelligent transport systems
- **West Berkshire Vision 2036** – Work together to enable residents to take advantage of technological innovation in car use, prioritising the installation of the requisite charging points
- **West Berkshire Local Plan to 2036 Review** – The Local Plan is currently under review and therefore there is still opportunity to influence this further in the coming months.
- **West Berkshire Council's Parking Strategy** - Review and update, currently in progress

4. Overview of the Current Situation

4.1 ULEVS in West Berkshire

4.2 In 2018 West Berkshire had a population of 158,527.¹¹ There are currently 60,000 households, which are expected to increase 10% by 2036; with households becoming smaller. ‘One person’ and ‘couple with no other adults’ households, are set to increase by 16% each by 2036.¹²

4.3 Vehicle licensing data¹³ from the Department for Transport (DfT) shows that there were 119,664 vehicles registered in the district in 2019. Of these, 1007 were ULEV, representing 0.84% of vehicles registered in West Berkshire. In 2019 for the UK as a whole, ULEVs represented 0.68% of the vehicles registered¹³ suggesting West Berkshire has slightly above average ULEV uptake.

4.4 Figure 1 shows the total number of ULEVs registered in West Berkshire at the end of each quarter. The district saw

a rapid increase of ULEV registrations 2014 – 2016, then the total number registered significantly reduced in Q1 2017, and continued to decrease until Q3 2019, after which registrations began to increase. We cannot be sure of the reasons behind this, but increases in the Benefit in Kind (B.I.K.) tax for ULEV company cars, and large employers moving out of the area occurred around the time of the first decrease. Additionally in Q4 2018, the plug in car grant for hybrids was removed and the grant for BEVs was reduced to £3500. Further investigation has shown that private registrations in the district are increasing, but that company registrations have decreased. This could be linked to companies moving their headquarters i.e. the location where the vehicles are registered, the previous level of B.I.K being unattractive or simply that they have reduced company car numbers.

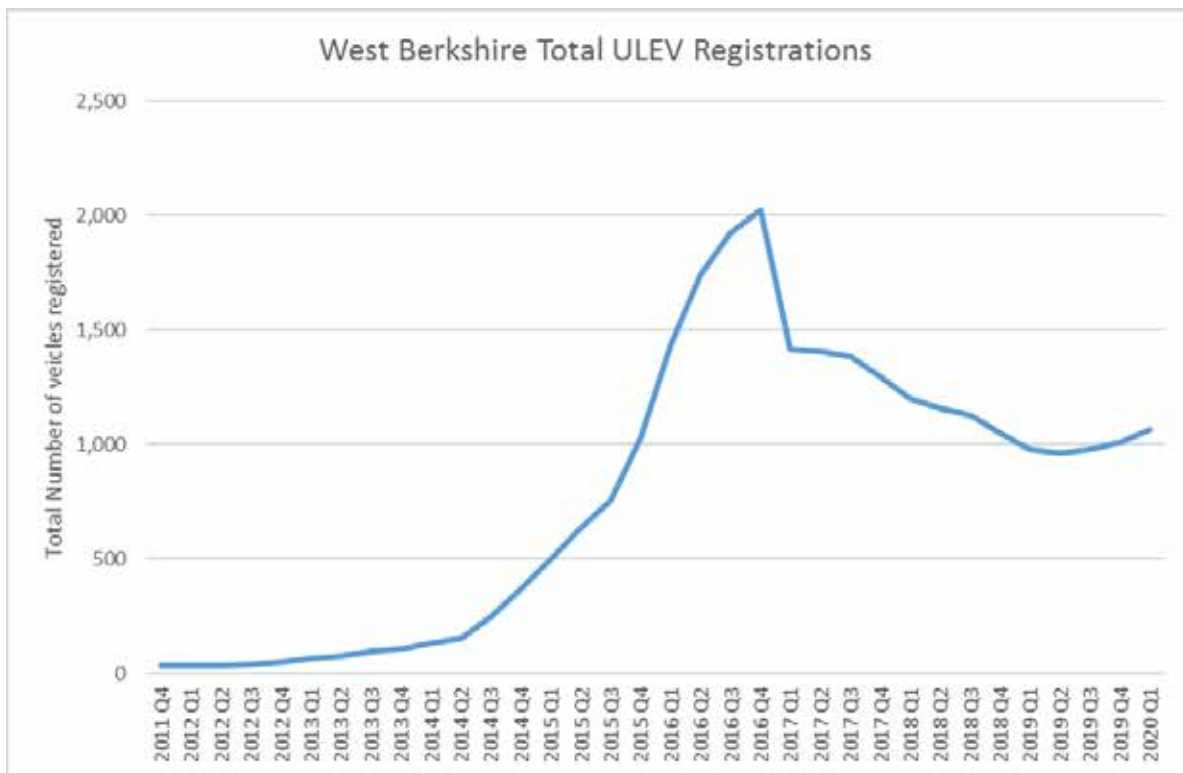


Figure 1: Total Number of ULEVs registered in West Berkshire

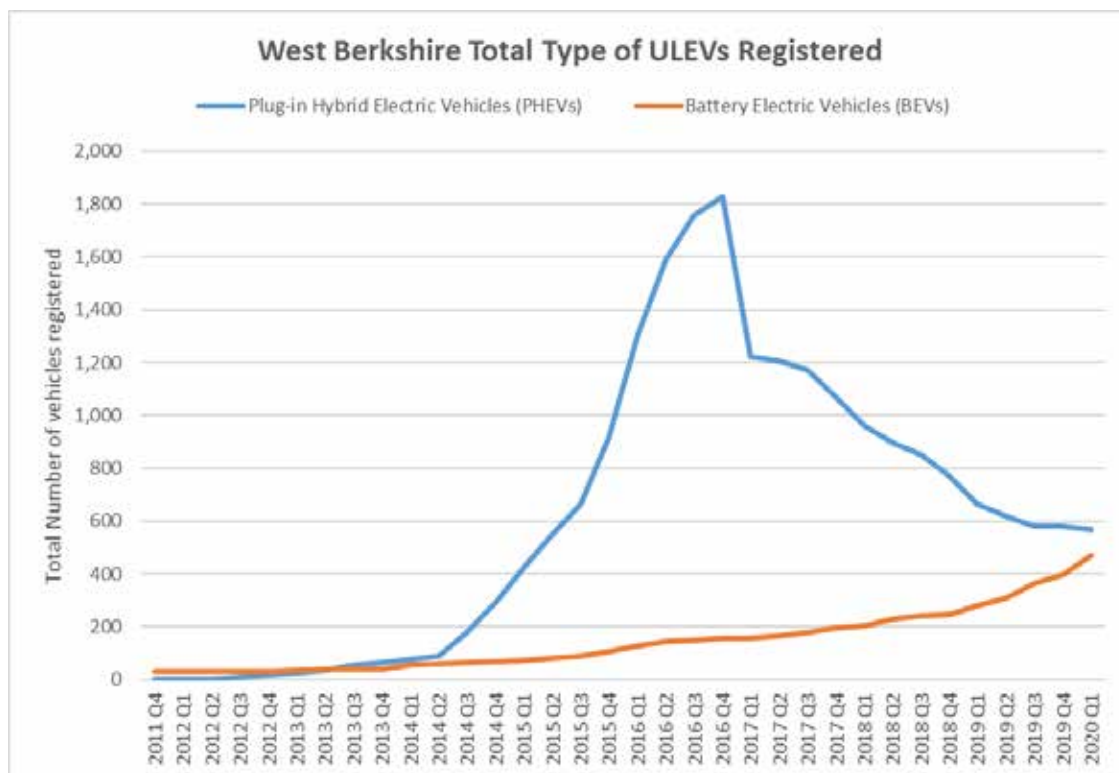


Figure 2: Type of ULEV registered in West Berkshire

4.5 From April 2020 much lower B.I.K. rates for BEVs and some hybrids were introduced, which may mean that purchases were delayed until then, however from Q2 2020 we would expect an increase in company registrations. There will also be many new models coming to market in 2020, including a number of more affordable mass market options, which are likely to further increase private ownership in the district.

4.6 According to DfT, at the end of Q1 2020, there were 1064 ULEVs registered in West Berkshire, of these 468 are BEVs. Figure 2 Shows that BEV registrations have mainly increased over time, whereas PHEVs have decreased since 2016. It is difficult to say with any certainty the reasons for this but reductions to B.I.K, grants and vehicle tax are likely to play some part in the decline. The majority of ULEVs currently registered in the district are also privately registered, 667, with only 397 company registered.¹⁴

4.7 West Berkshire Chargepoints

4.8 Within West Berkshire there are 27.7 miles of motorways, 81.6 miles of

A-roads and 770.7 miles of minor roads.¹⁵ There are now rapid charging stations at all motorway services within the district (Membury East and West, Chieveley and Reading East and West), and an increasing number of fast destination chargers at the district’s hotels, businesses and car parks. The majority of these are provided by the market rather than any public body.

4.9 EVCPs are generally categorised by ‘speed’, using the terms slow, medium, fast, rapid or super chargers. **Appendix 2 – Charging Infrastructure** provides more detail on these different EVCPs, their power output and the locations where the differing options are suitable. The type of location usually informs the speed of charging available. However the power at which a vehicle can accept the charge will ultimately determine the speed it can be charged, regardless of the speed the EVCP is capable of. Therefore regardless of the perceived ‘speed’ of a charger, charging speed will always be limited by the power a vehicle can accept and therefore different vehicles will charge at different speeds.

- 4.10 Charging on the public network is known as either journey or grazing/destination charging:
- Journey charging is where the main reason for being at that location is to charge e.g. a direct current (DC) rapid charger at a car park or service station, it's likely the battery will need an 80% charge to complete the journey. Charging will be fairly quick but likely to be more expensive than at slower EVCPs.
 - Grazing/destination charging is where the user is at the location for another reason such as shopping, leisure, hotels etc and has a longer dwell time and generally uses a slow/fast alternating current (AC) EVCP just to top up rather than fully charge a battery. Charging will usually be either a short top up or full overnight charge.
- 4.11 The majority of public charging is grazing/destination charging and takes place on AC fast EVCPs rather than DC rapid EVCPs. Demand for grazing charging will be affected by the availability of home and workplace charging, whereas journey charging is unlikely to be affected in the same way.
- 4.12 The time taken to charge a vehicle's battery is dependent on:
- the power of the chargepoint
 - the charging lead
 - the power a vehicle can accept
 - the amount of power remaining in the battery
 - the outside temperature
- 4.13 For example, a 40kWh Nissan Leaf can charge 0-80% on a 50kW rapid charger in 40 minutes, 0-100% on a 22 kW fast charger in 6 hours or could take 18 hours charging 0-100% on a slow 3kW charger. It's worth noting that a vehicle's battery will rarely actually be completely empty.
- 4.14 Whilst BEVs can accept high powered EVCPs, most PHEVs can only draw at a rate of 3.5kW regardless of the speed of charger they use. They have small electric ranges and can only usually utilise pure electricity for a small number of miles on any journey e.g. 30 miles electric without further charging. Therefore the focus for public EVCPs is generally for BEVs rather than PHEVs, a PHEV generally takes a longer time to charge for an equivalent number of miles, does not need a charge in order to continue on a journey, whereas for a BEV, charging is critical and as previously mentioned sales of new PHEVs will now likely be banned from 2035.
- 4.15 As of 30th June 2020 in West Berkshire there are a total of 105 available charge points (or 110 sockets at any one time), across 63 locations, see [Appendix 1 – Publicly available chargepoints in West Berkshire](#) for location details:
- 15 Rapid chargers (43/50kW)
 - 14 Tesla Superchargers (120kW) – these are only available to Tesla vehicles
 - 4 Fast chargers (22kW) - 5 available sockets
 - 9 Tesla destination (fast) chargers (11kW) – these are sometimes also available to non-Tesla vehicles
 - 18 Medium chargers (7kW) – 22 available sockets
 - 45 Slow chargers (up to 3.5kW)



5. The Future and emerging trends

5.1 BEVs have developed at pace over the last few years, these changes can significantly affect the way the vehicles and the EVCPs are used. As we make the change to ULEVs there are still many uncertainties as to how the future will look, making it difficult to predict and plan for. These changes and developments mainly affect BEVs and include:

- Larger batteries and increased vehicle range, changing driver behaviour = longer journeys and reduced public charging need generally, this could mean an increased demand of high speed EVCPs on longer journeys but it will also mean more users relying solely on home or workplace charging
- Increased choice of vehicles and options within ranges = more choice for consumers and increased uptake
- Decreasing vehicle pricing = increases in take up and near parity of cost with ICE vehicles for new vehicles
- Increasing charging speeds = Reduced time at EVCPs, and an increase in number of vehicles able to charge at these EVCPs
- Charging hubs, combining charging with services such as office space, food, retail = minimal downtime for business travellers whilst travelling/ charging
- Research and development – there are a number of projects in progress across the UK which may affect the vehicles themselves and the charging infrastructure in the future, such as: pop up EVCPs, wireless charging, vehicle to grid (V2G) commercial offerings, battery reuse schemes and reducing particulate matter from ULEVs i.e. from brake dust and tyres
- Battery life – manufacturers now offer battery guarantees of 5-8 years, however it is being found that batteries can potentially out last the vehicles themselves
- Batteries post-vehicle use – often seen as a ‘waste’ by-product,

batteries are valuable for a variety of second life usage post-vehicle use e.g. home storage systems for renewables, large scale commercial renewable storage, or for avoiding peak charges- charging when power is cheap and running a building when power is expensive. Once batteries no longer have a useful second life, manufacturers are looking at how the various components can be recycled

- Wireless charging = added convenience of not plugging in cables, the potential to charge as you drive along and essential for mass AV take up
- Managed vehicle and V2G charging = Potential revenue or savings on peak energy use for owners, reduced installation costs for hosts and reduced demand on the grid at peak times
- Increased confidence in battery life, range and vehicle capability = Increased value of BEVs for the used car market
- The introduction of mandatory vehicle 'noise' at low speeds to warn pedestrians and cyclists and the proposed green number plates – Increasing general awareness and reducing safety concerns
- Fleets switching to BEVs = decreased running costs, requirement for high charging speeds during duty cycles and managed charging for return to base charging
- Changes to government plug in grant funding – Grants are often based on uptake and limited by numbers of units qualifying
- AVs, Car Clubs and Mobility-as-a-Service (MaaS) = Potential for driverless services/combined transport options without physical vehicle ownership
- AVs could reduce vehicle ownership but increase vehicle in use time = likely to reduce the need for town centre/business parking but it is unknown how this will affect congestion

6. West Berkshire vehicle uptake and charging requirements

- 6.1 WBC commissioned industry experts to look in more detail at potential charging requirements in the district. Using mapping data extracted from their analytical tool, which aggregates various data sets, it was estimated that 31% of residential buildings in the district have no off-street parking, meaning these residents will need to use on-street parking and public EVCPs. It is estimated that this would have a requirement of over 2000 daily charges for users without home charging facilities by 2030. The software has highlighted key areas where chargepoints will be required for households without off street parking as Lambourn, Hungerford, Newbury, Thatcham, Burghfield Common, Mortimer and Theale.
- 6.2 Industry experts predict that by 2030, 25% of residents would have moved to ULEVs, this is equivalent to around 31,500 vehicles. Around 31% of these may have little or no off-street parking and would rely on public charging infrastructure. This may be 2000 plus daily chargers (assuming 1.5 full charges per vehicle each week). Therefore the district may require the following public charging infrastructure by 2030:
- 6.3 33 rapid (22-150kW) EVCPs, accounting for 5% of users daily – locations such as taxi ranks, central surface car parks and arterial roads where visits are short e.g. main urban areas, Business Parks, M4 and A34 corridor
- 6.4 103 destination (7-22kW) EVCPs, accounting for 10% of users daily – Locations such as central car parks, visitor attractions, leisure and shopping centres e.g. community parking areas in villages, public car parks, business parks, shopping centres and attractions
- 6.5 1762 residential (7kW) EVCPs, accounting for 85% of users daily – Locations such as on street e.g. areas with high rates of houses without private parking
- 6.6 Another area where EVCP installations will also be required in the district is at hotels/accommodation locations. If for example, by 2030 25% of drivers have moved to ULEVs, a quarter of guests arriving by vehicle, may need charging facilities. Guests with BEVs will be strongly influenced by premises that have charging facilities to reduce time charging elsewhere and will want to charge overnight ready to continue their journeys or to make their return journey.

7. Vision

West Berkshire Council seeks to see the growth in ultra low emission vehicles and their use across the District. It will lead with ultra low emission vehicle growth within its own fleet, and by providing its share of appropriate charging infrastructure to enable everyday use of electric vehicles by its employees, residents, businesses and visitors, across the District.

7.1 This strategy so far has provided lots information about ultra low emission vehicles – what they are, the part they have to play in delivering national targets and the current situation in West Berkshire. The remainder of the strategy document will detail how the Council seeks to bring about progress in this area and the actions that will be taken to ensure we are playing our part in achieving Government targets and delivering against our own local Environment Strategy. This starts with our vision for ultra low emission vehicles:

7.2 In enabling the delivery of the vision, the Ultra Low Emission Vehicle and Charging Infrastructure Strategy will:

- Inform and be integrated into relevant WBC environment and transport policies
- Take a proactive approach to installing electric vehicle charging infrastructure
- Provide a framework for initial actions to support the uptake of ultra low emission vehicles, with a particular focus on full electric vehicles
- Biannually review and update the Strategy and Framework, to stay current with the ever-changing technology and market developments

7.3 To develop this vision, West Berkshire Council will commit to:

- **Leading by example** – 25% of the council’s car and light-duty vehicles on the fleet to be ultra low emission by 2022, working towards 100% of the council’s car and light-duty vehicles on fleet by 2030
- **Facilitate Electric vehicle ownership by improving the charging network across the district** – including council car parks, leisure sites and on-street locations, enabling visitors and residents without parking to feel confident they can charge their vehicles when needed
- **Develop Guidance for residents without off-street parking** – guidance to explain what is possible and how residents who have, or are interested in a plug-in vehicle can go about requesting infrastructure in their area
- **Ensure planning policies are supportive of measures to increase electric and hydrogen vehicle uptake** – include appropriate policies in the emerging local plan and explore where further planning conditions may need to be implemented
- **Support our communities and businesses** – explore how WBC can encourage, share knowledge and support our parishes and businesses
- **Trial new technologies** – assist innovation and development by being prepared to trial new technologies and innovations before they come to market where opportunities exist

8. How we will aid the increase in ULEV uptake

8.1 ULEV take up is occurring at different rates across the country, whilst the vehicles make financial sense, there are also barriers to uptake. The main reported barriers to BEV take up are perceived as vehicle range, the availability of charging infrastructure and the higher upfront cost. Vehicle range is increasing, upfront costs are reducing for new vehicles, and there are now more EVCPs available than petrol stations in the UK, yet these are still the most common issues raised by potential purchasers. Another issue has been the concern over battery life and vehicle depreciation values; as batteries have lasted well and vehicle demand has increased, the value of BEVs on the used vehicle market has actually increased. Unfortunately this means for those that purchase used vehicles, prices are increasing and vehicles are less affordable than they were in recent years.

8.2 There is little that can be done about vehicle ranges and purchasing costs, however the council can look at where additional EVCPs can be installed in council car parks and residential areas to improve visibility and availability. As with many new technologies, there can be a lack of knowledge and myths about the vehicles and their use; sharing information and knowledge can assist with helping potential purchasers make an informed decision. These, along with other measures the council can introduce to aid uptake and ease of using a BEV, are discussed here.

8.3 Incentives

8.4 Whilst many are aware of the benefits of ULEVs such as the lower running costs, reduced air and noise pollution; the higher upfront cost can make vehicle ownership prohibitive for many. Offering

incentives, such as 'free' charging, to those that can afford the higher costs in the first place, further increases the inequality gap. There is also the issue, that whilst if we have to use a personal vehicle an ULEV is best, in preference we should be walking, cycling and using public transport where we can.

8.5 WBC will need to look at how incentives can be introduced, which do not encourage an increase in driving. For example if the council were to offer free parking/charging for ULEVs this can encourage vehicle use where a user would have normally charged at home and not driven to that location, in other locations, users have reported now driving instead of using public transport because of free charging/parking facilities. Encouraging more vehicles to come in and use free charging/parking creates additional congestion and by offering free charging, WBC would effectively be paying people to drive, increasing vehicle use and further increasing the ownership inequality gap.

8.6 As the obvious incentives will create additional issues, WBC will need to be creative in considering incentives. For example this could include free access to car parks overnight for residents with on-street parking permits (and a plug in vehicle), so that these residents' can charge easily and be encouraged to consider an ULEV. Other options could include discounted or free residents parking permits for BEV drivers and emissions-based parking in council car parks. Any BEV incentives that are appropriate would also apply to FCEVs to help promote the technology. A review and update of West Berkshire Council's Parking Strategy is in progress, incentives such as the above will be investigated as part of the update.



8.7 Council Fleet

- 8.8 The council must lead by example and will therefore commit to a 100% ULEV target for its car and light-duty vehicle fleet by 2030. In order to help achieve this, an interim target of 25% ULEVs for cars and light-duty vehicles on the fleet by 2022 has been set, as well as a requirement that all new or replacement car and light-duty vehicles onto the fleet should be ULEV unless there is no viable alternative available. In order to set out the requirements clearly to the council's various service areas, further detail on these policies and any exclusions will be included within the council's internal fleet purchasing guidance.
- 8.9 Through OLEV's ULEV Readiness Programme, the council already has full electric cars and vans on the fleet. Our experience of using these early low range BEVs has helped us understand

the benefits and frustrations of driving a BEV with a low range. When travelling longer distances a reliable, fast and accessible EVCP is perhaps the most important factor for drivers of lower range vehicles, for newer, higher range vehicles this is less of an issue.

- 8.10 The council fleet also currently consists of a number of larger vehicles including medium sized buses and larger vans, which contain specialist heavy and power consuming equipment such as chair lifts. There are currently no suitable ULEV options available to replace these vehicles. Any alternatives are much more expensive, do not yet have the required range and are also unsuitable for the duties to be performed. We will continue to monitor the market for new vehicles/developments and the council will use manufacturer demo opportunities to trial vehicles and identify any suitable alternatives that come to market.

- 8.11 Hackney carriages and private hire vehicles charging when they have 50% battery charge, or less, remaining
- 8.12 In West Berkshire there are around 320 licenced hackney carriage and private hire vehicles. The vast majority of these vehicles are diesel, with a small number that are petrol and hybrid vehicles, there are no BEVs currently licensed. Licensing requirements and charges are set by the licencing authority (WBC).
- Of those using public charging, most either used 11-22kW charging spending 2-4 hours at a site, or rapid chargers where they stayed 20-50 minutes
- 8.13 The Public Protection Partnership is responsible for the administration and enforcement of taxi and private hire licences in West Berkshire, Bracknell Forest and Wokingham Borough Councils. This presents potential opportunities in the future for the three local authorities to work together on promotional activities, funding bids etc.
- 8.14 There has been little engagement to date with drivers/operators around their choice of vehicles and the options available to them. Initial efforts will focus around driver/operator engagement and information sharing, additional requirements to licences or incentives for ULEV use will later be considered.

8.15 Charging Infrastructure

- 8.16 There is some debate over whether councils should be involved in installing electric vehicle infrastructure, however for the council's estate and the public highway, participation will be essential. Currently, the majority of charging happens at home and/or overnight, with a small amount at workplace, motorway services or destinations. This is partly due to convenience, lower costs and the lack of a public charging network in some areas.
- 8.17 The 2019 EV survey using data provided by Zap-Map¹⁶ indicates that:
- 85% of users have access to home charging, the majority of these have private off street parking
 - 20% of users have access to workplace charging
 - 94% of users also use public charging networks, with most
- 8.18 Providing a number of EVCPs in a location provides more confidence for users that there will be availability at that site, which could drive more users to that location, and also allows for some cost reduction in the installation costs of connecting additional units. Other than the type, the operator and location of an EVCP there are other factors to be considered when installing, most notably the overall load of the building or local electricity network. There may be a need for upgrading cabling, switch boards or even the local substation, which can add significant costs and time delays to an installation.
- 8.19 Charging requirements for workplaces will differ, for example those with more staff commuting by car and longer distance will have different requirements to those in a town centre location with most staff walking to work or driving short distances. The number of available parking spaces at a workplace is likely to have some relevance to this. Charging during working hours will reduce the demand on the electricity grid during peak hours and encourage staff to switch to ULEVs. Certainty of access to charging is very important to BEV owners so access to workplace charging can be seen as a real advantage and both attract and retain staff.
- The council will concentrate on providing public chargepoints at:
- Council owned car parks, council buildings and staff parking
 - Locations where households do not have off-street parking
- 8.20 As previously discussed, there are many unknowns and rapidly changing technologies in the EV sector, including for example driver behaviour changes due to battery/range increases and

unknown rates of vehicle take up. This causes concern for local authorities in how they can avoid stranded assets and investment in the wrong technologies. One route to avoid this is to work with private partners to access investment funding to install and operate EVCPs. This can mean the installation and running costs are funded by a private investment company and the local authority may have the opportunity to receive a revenue share of profits or a rental fee for the land. WBC are currently exploring where such funded installations may be possible.

8.21 Planning

- 8.22 Within the Local Transport Plan there is guidance on the requirement for EVCPs in new developments. This will be strengthened within the update of the West Berkshire Local Development Plan during 2020.
- 8.23 There are government consultations (now closed and awaiting the outcome), that every new residential property with an associated car parking space should have an electric vehicle chargepoint (via Building Regulations) and requirements for non-domestic developments based on the number of parking spaces. There is also a proposed retrofit element for non-residential buildings.
- 8.24 Once the consultation outcomes have been published, the outcomes will be reviewed to determine if there is a need to go above these requirements. In the event that there are additional requirements, these will be integrated into local planning policy where appropriate. There may also be a need for WBC to communicate and guide existing non-residential properties that fall under the retrofit requirement to be aware of and fulfil their duties.

8.25 Knowledge sharing

- 8.26 WBC have previously taken advantage of grants from the Office for Low Emission Vehicles (OLEV) to install EVCPs and integrate BEVs into the council fleet, these learnings have helped to inform the council's future direction in ULEV uptake. We will look at how we can share these learnings with our communities and businesses, producing guides and relevant information, where appropriate.
- 8.27 As previously stated ULEVs are a fast moving technology, it is therefore extremely important that the council maintain its internal knowledge to keep up with the latest developments. As these changes may be critical to how user patterns are developing and how the charging infrastructure may be used in the future.



9. Conclusions

- 9.1 The UK government have set out their ambitions to move to zero emission vehicles and end the sale of new petrol and diesel vehicles, including hybrids, by 2035. Making it easier to use full electric vehicles on a daily basis, is currently where local authorities can have most influence. The ULEV and Charging Infrastructure Strategy and the Framework of Actions are intended to introduce policy, guidance and infrastructure to make this transition more successful.
- 9.2 The Strategy and Actions will be reviewed and updated regularly to take into consideration the fast paced developments still to come in the industry. It is likely that at times, such developments will mean plans have to change drastically and the documents should be seen as the current direction rather than the final outcome for the district.
- 9.3 This strategy sits alongside and helps to deliver the Environment Strategy 2020-2030 for West Berkshire. The growth of ultra low emission vehicles and their use within the District will help to achieve carbon neutrality in West Berkshire by 2030 which is the primary target of the Environment Strategy.

10. Framework of Actions to increase ULEV Uptake in West Berkshire

	Measure	Timescale	Measure of success
Policy/Planning Guidance	Policy/Planning Guidance which promotes ULEVs		
	Investigate whether the current consultation/implementation of Building Regulation requirements for EVCPs in new developments is suitably robust, or whether WBC need to include additional requirements	Oct 2020	
	Create guidance for residents without off-street parking for EVCPs	Oct 2020	Guidance
	Consider introducing a minimum or percentage of EVCPs required, per number of parking spaces at non-residential developments	Mar 2021	New non-residential parking policy
	Investigate incentives WBC could introduce for BEVs/FCEVs via the Parking Strategy	Mar 2021	Measures within the WBC Parking Strategy
	Embed policy measures and incentives into other council Strategies and Policies	On-going	ULEV requirements embedded into relevant Strategies and Policies
	Investigate whether developer contributions towards public infrastructure could be required via Section 106/Section 75 Community Infrastructure Levies. These could be for both vehicle and electric bicycle charging	Jun 2021	
	Look at how travel plan policies can support businesses in developing and implementing travel plans that make provision for ULEVs	Jun 2021	
	Work with stakeholders to ensure ULEVs are included, and provided for, in the forthcoming West Berkshire Parking Strategy	Dec 2021	Consideration of ULEVs within the West Berkshire Parking Strategy
	Consider how WBC can assist tenants to install EVCPs in rental properties	Dec 2021	
Consider whether an ULEV specification can be included in procurement contracts/policies to encourage ULEVs for services such as refuse collection, street sweeping and other outsourced public services	Dec 2021		

Infrastructure	Increase publicly accessible chargepoints		
	Work with the council's highways contractor to install on-street chargepoints in residential areas where residents have no or limited off-street parking available	Ongoing	Additional on-street residential EVCPs installed
	Bid for government funding where appropriate to increase the number of chargepoints in West Berkshire	Ongoing	Number of EVCPs and locations installed
	EVCP Infrastructure feasibility surveys for council public car parks	Sep 2020	Internal feasibility Report
	EVCP Infrastructure feasibility surveys for some council leisure centres	Sep 2020	Internal feasibility Report
	EVCP Infrastructure feasibility surveys for some council buildings	Sep 2020	Internal feasibility Report
	Install EVCPs at agreed council sites for fleet/staff use, to enable increased fleet and greyfleet uptake	Dec 2020	Number of EVCPs and locations installed
	Install EVCPs in council car parks for public use	Dec 2020	Number of EVCPs and locations installed
	Identify potentially suitable locations for EV Hubs or hydrogen stations	Jun 2021	
	If any suitable sites are identified, work to secure partners/funding	Mar 2022	

WBC Fleet and grey fleet	Leading by example		
	Update the council's fleet procurement policy to include guidance on ULEV requirements	Oct 2020	Updated guidance
	All new/replacement cars and light-duty vehicles onto council fleet to be ULEV, where suitable vehicles exist and are compatible with the service's needs (to be led by the council's fleet purchasing guidance)	Ongoing	Number of ULEVs onto fleet, percentage of ULEVs on fleet
	Investigate whether a BEV only salary sacrifice lease scheme for staff is appropriate to encourage uptake and reduce staff vehicle emissions	April 2021	
	Promote the Car Club ULEVs as a pool fleet to enable a reduction of greyfleet business mileage	Dec 2021	Number of staff bookings
	Lobby government and industry to encourage technology improvements for medium sized passenger vehicles such as specially equipped mini buses	Ongoing	

	Interim target of 25% of cars and light-duty vehicles on the council fleet to be ULEV by 2022	Jan 2022	Percentage of ULEVs on fleet
	100% of cars and light-duty vehicles on the council fleet to be ULEV by 2030	2030	Percentage of ULEVs on fleet
Community	Promoting and raising awareness of ULEVs		
	Car Club: Consider expansion of the scheme and replacement BEVs for existing hybrid vehicles when they are replaced	As and when vehicles are due for replacement	Number of ULEV/ BEVs available for use
	Provide information, advice and guidance to residents on ULEVs and EVCPs, where appropriate	As required	Number of enquiries/advice provided
	Investigate whether ULEV Car Clubs can be introduced in rural areas	Mar 2021	
Visitors	Encourage hotels and B&Bs to install charging facilities	Ad-hoc	Number of EVCPs at such facilities
	Work with businesses such as hotels/ conference centres to promote the locations of EVCPs and other options such as the Car Club to guests	Mar 2021	Number of additional EVCPs installed
Business	Provide information, advice and guidance to business on ULEVs and EVCPs where appropriate	As required	Number of enquiries/advice provided
	Encourage businesses to consider infrastructure for their guests/visitors to charge and consider making facilities publicly available or alternatively at evenings/weekends	Ad-hoc	Number of publicly available business based EVCPs
	Produce online guidance for businesses on installing EVCPs and where they may obtain funding towards infrastructure	Dec 2020	Number of page impressions/ downloads online
	Promote the B.I.K. savings for lease car users to businesses	Mar 2021	
Knowledge Sharing	Maintain internal knowledge and engagement with the fast paced ULEV sector. Attending events and forming partnerships with a range of public and private sector stakeholders.	Ad-hoc	
	Use the knowledge within the council to identify and produce guides or information for parish councils, business charities etc. linking to appropriate grants/funding information	Ad-hoc	

Taxis/Private Hire			
	Investigate requirements of low emission zones locally e.g. towns, cities, airports with the intention of sharing information with drivers/operators on where requirements will affect them	Oct 2020	
	Engage with drivers to establish interest in ULEVs	Dec 2020	
	Investigate a multi-authority OLEV funding bid to provide support for drivers/operators to increase ULEVs amongst Taxis/Private Hire vehicles	Mar 2021	
	Infrastructure feasibility surveys for taxi ranks	Jun 2021	
	Review the regulatory framework to integrate emission considerations, including: licensing emission standards, low emission taxi ranks and procurement decisions	Dec 2021	
	Consider introducing reduced licence fees for taxi and private hire BEVs and FCEVs	Dec 2021	
	Consider introducing a requirement for a percentage of ULEVs in operators' fleets	Dec 2021	
	Investigate ULEV only taxi ranks	Mar 2022	

Innovation	WBC Supporting Innovation		
	Explore opportunities for involvement in trialling new technology and business models where appropriate	Ad-hoc	Number of innovation projects involved with
	WBC will facilitate local demonstration projects and trials where appropriate	Ad-hoc	
	WBC will promote opportunities for involvement to appropriate stakeholders	Ad-hoc	

Review Points	Review Points		
	At least biannual review of the ULEV Strategy to keep relevant	Next due by Sep 22	Refreshed Strategy where required due to major technological advances
	Annual Report to Environment Board on progress on the Framework of Actions	Sep 21	Progress Report and update Framework annually with progress

ULEV Uptake Monitoring for overall success of actions

Target	Measurement	Baseline	Target
Expand EVCP network	Number of public EVCP locations/Number of available points	Locations: 63 (30/06/2020) Available points/sockets: 105/110 (30/07/2020)	50% increase by 2023
Increase ULEV use	Number of ULEVs registered in the district	1007 (Q4 2019)	10% increase by March 2023
Increase ULEV use	Percentage of overall West Berkshire registered vehicles that are ULEV	0.84% (at the end of 2019)	5% by 2030
WBC to lead by example	Number/percentage of WBC car and light-duty fleet ULEV/BEV	6 BEV Total fleet: 6/50 fleet = 12% BEV (Mar 2020)	25% of car and light-duty vehicles by 2022, 100% by 2030
Increase ULEV uptake amongst hackney carriage and private hire vehicles	Number of ULEVs currently licenced	Hackney carriage – 0 Private hire – 2 (2019)	
Expand ULEV Car Club	Number of vehicles/locations	5 Vehicles - 2 hybrid, 1 electric 5 Locations in Newbury (2019)	At least 60% electric cars by March 2022 Expand to at least 6 cars by March 2022

Glossary

Abbreviation	Term	Explanation
AC	Alternating current	An electric current that sometimes reverses direction.
AQMA	Air Quality Management Area	A local authority declared area where the National Air Quality Objectives are unlikely to be achieved.
AV	Autonomous Vehicle	A self-driving or driverless vehicle that can guide itself without human interaction.
BEV/EV	Battery Electric Vehicle/Electric Vehicle	Vehicle powered by a battery only, can travel 100-300+ miles on a full charge depending on the vehicle and the battery size. Full electric vehicles are available as cars, light commercial vehicles, heavy goods vehicles, buses, motorcycles and scooters.
B.I.K.	Benefit in Kind	B.I.K. is a tax on employees who receive benefits on top of their salary e.g. company car.
CO ₂	Carbon dioxide	The most significant long-lived gas in the Earth's atmosphere. Whilst the gas occurs naturally, since the Industrial Revolution, its concentration has increased drastically leading to global warming.
COMEAP	Committee on the Medical Effects of Air Pollutants	Advises the government on all matters concerning the health effects of air pollutants.
DC	Direct current	An electric current that flows in one direction only.
EVCP	Electric Vehicle Chargepoint	A fixed charging point, used to charge BEVs and PHEVs.
FCEV	Hydrogen Fuel Cell Electric Vehicle	Vehicles can drive around 300 miles on a hydrogen fuel tank. Very limited infrastructure for refuelling, limits use to those areas with hydrogen production and refuelling sites.
	Greyfleet	Vehicles that are used for business travel but do not belong to the organisation e.g. vehicles leased by staff both via the council and privately, or privately owned vehicles.
ICE	Internal Combustion Engine	An engine generating movement by burning of a fuel such as petrol or diesel inside the engine.
MaaS	Mobility-as-a-Service	A shift away from traditional personal vehicle ownership to packaged and integrated transport services.

NO₂	Nitrogen Dioxide	One of a group of highly reactive gases, used as an indicator for the larger group of nitrogen oxides (NOx). NO ₂ is mainly produced from the burning of fuel.
OLEV	Office for Low Emission Vehicles	Cross-departmental office of UK government.
PHEV	Plug-in Hybrid Electric Vehicle	Vehicle with a petrol/diesel engine alongside an electric motor. A small battery with electric range of 20-40 miles, and a conventional engine for longer journeys.
PM	Particulate Matter	The term covers a mixture of solid particles and liquid droplets in the air. Particle pollution of PM10 and PM2.5 are tiny inhalable particles that can be inhaled deep inside the lungs and can contribute to health issues.
Range		The distance a vehicle can travel on a fully charged battery.
ULEV	Ultra Low Emission Vehicles	Vehicles that produce no more than 75g CO2 per km from the tailpipe. These mainly consist of BEVs, PHEVs and FCEVs.
V2G	Vehicle to Grid	Allows for bio-directional charging of a vehicles battery, both charging from, and discharging to the grid.

Appendices

Appendix 1 – Publicly available chargepoints in West Berkshire

Location (* indicates restricted access)	Type	Number of chargepoints/ sockets available at one time for charging)	Location Type	Network
Membury, M4 East	Rapid (43/50kW)	2	Services	Ecotricity
Membury, M4 East	Tesla Supercharger (120kW)	6	Services	Tesla
Membury, M4 West	Rapid (43/50kW)	2	Services	Ecotricity
Membury, M4 West	Tesla Supercharger (120kW)	8	Services	Tesla
Membury, M4 West	Fast (22kW)	1	Services	Ecotricity
Chieveley , M4/A34	Rapid (43/50kW)	2	Services	Ecotricity
Two Watermills, Newbury	Rapid (50kW)	1	Pub	Engenie
Burghfield, M4 East	Rapid (43/50kW)	2	Services	Ecotricity
Burghfield, M4 West	Rapid (43/50kW)	2	Services	Ecotricity
IKEA, Calcot	Rapid (43/50kW)	3	Retail	Ecotricity
Grange Hotel, Midgham	Rapid (43/50kW)	1	Pub/Hotel	Polar
Grange Hotel, Midgham	Medium (7kW)	2	Pub/Hotel	Polar
Grange Hotel, Midgham	Slow (3.5kW)	2	Pub/Hotel	Polar
Sheepdrove, Lambourn	Fast (22kW)	1 (2 sockets)	Business	Pod
Pure Green Energy, Hamstead Marshall	Tesla Destination 11kW)	2	Business	Tesla
Crab and Boar, Chieveley	Tesla Destination 11kW)	2	Pub/Hotel	Tesla
Royal Oak, Yattendon	Tesla Destination 11kW)	1	Pub/Hotel	Tesla
Vineyard, Stockcross	Tesla Destination 11kW)	1	Pub/Hotel	Tesla
Deanwood Golf Club, Stockcross	Tesla Destination 11kW)	1	Business	Tesla
Donnington Valley Golf Club, Stockcross	Tesla Destination 11kW)	2	Pub/Hotel	Tesla
Bottomline Technologies	Medium (7kW)	4	Workplace	VendElectric
Elephant, Pangbourne	Medium (7kW)	1 (2 sockets)	Pub/Hotel	Pod
Anesco, Padworth	Medium (7kW)	1	Business	EV.Charge online

The Base, Greenham	Medium (7kW)	2	Attraction	Unknown
David Lloyd, Newbury*	Medium (7kW)	1 (2 sockets)	Business	Pod
Nissan, Newbury*	Medium (7kW)	1 (2 sockets)	Motor Dealership	Nissan
Kia, Newbury*	Medium (7kW)	1 (2 sockets)	Motor Dealership	Zap-Work
Parkway Car Park	Medium (7kW)	4	Car Park	N/A
Kennet Multi-storey Car Park	Fast (22kW)	1	Car Park	Polar
Cirrus Logic, Newbury	Slow (3kW)	6	Workplace	Unknown
Briars Dental Care, Newbury	Fast (22kW)	1	Business	Zero Net
Briars Dental Care, Newbury	Medium (7kW)	1	Business	Zero Net
Walt Motor Company, Newbury*	Slow (3kW)	1	Business	Zap-Work
West Fields, Newbury	Slow (3.7kW)	15	On street	Ubitricity
East Fields, Newbury2				
Slow (3.7kW)	13	On street	Ubitricity	
Hungerford2				
Slow (3.7kW)	8	On Street	Ubitricity	
Table 1: Current charge points publicly available in West Berkshire (correct as of 30/06/2020)				

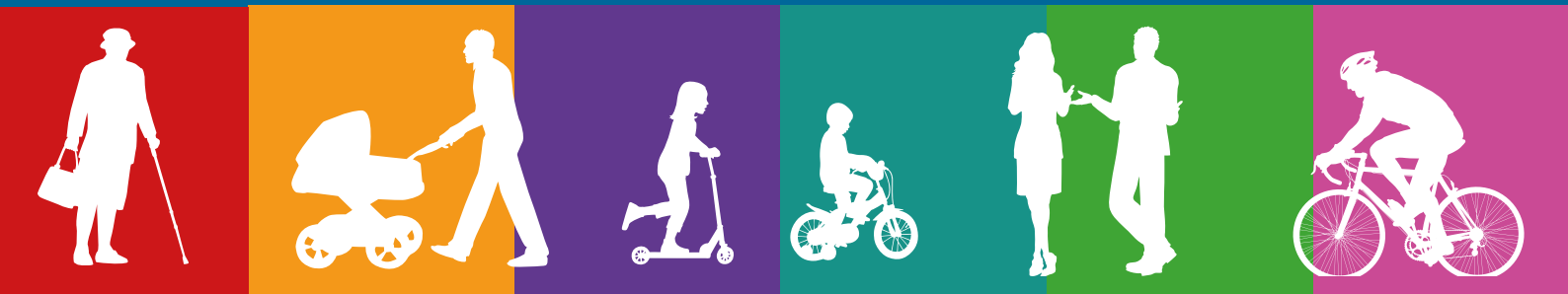
Appendix 2 – Charging Infrastructure

Charger type	Power	Charging unit	Use/location
Slow/trickle	3kW AC	A 3-pin plug, wall/post mounted or a street lamp	At or close to a domestic property, often used overnight or for workplace charging during the day. Can support up to 2 full charges in a 24 hour period.
Medium (7kW)/ Fast (11-22kW)	7-22kW AC	A wall or ground mounted unit either with a tethered cable or requiring a connecting cable	Domestic properties (generally 7kW), on street/public car park, supermarket or business (7kW with some 22 kW). 22kW requires a 3-phase electricity connection. 7 kW can support up to 4 full charges in a 24 hour period and 22kW up to 6 full charges.
Tesla Destination	11kW	A wall or ground mounted unit either with a tethered cable for charging Tesla vehicles	Hosted by hotels, pubs and restaurants, funded by Tesla. The tethered cable will only fit a Tesla vehicle. Some EVCPs will have an additional socket to allow other vehicles to also charge.
Rapid	43kW AC/50kW DC	High powered EVCP with fixed cable connectors, usually used to charge vehicles to 80%	Used to quickly charge during long journeys or for business/commercial use during operation e.g. taxis/delivery vans. Can support 36-48 charges in a 24 hour period but will more likely be 12-15 uses, as overnight usage will be limited.
Tesla Supercharger	120kW	High powered EVCP with fixed cable connectors for Tesla vehicles	Used to quickly charge Tesla vehicles, funded by Tesla and cannot be used by other vehicles.
Supercharger/ Ultra-fast	120-500kW DC	High powered EVCP with fixed cable connectors, usually used to charge vehicles to 80%	Similar to a rapid charger, but even faster; Tesla have their own supercharger network and there are some taxi only points. Likely to be shortly available for other vehicles but may not be suitable for all vehicles
Hub	Up to 500kW DC	A number of rapid or superchargers at one location	Similar to a fuel station with a number of high speed chargepoints, may have a shop, toilets, café, meeting rooms and wifi

Table 2: Chargepoint types

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WBC/PP&C/EH/0720

2020/21 Performance Report Quarter One

Committee considering report:	Executive on 3 September 2020
Portfolio Member:	Councillor Jo Stewart
Date Portfolio Member agreed report:	24 August 2020
Report Author:	Jenny Legge/Catalin Bogos
Forward Plan Ref:	EX3883

1 Purpose of the Report

- 1.1 To provide assurance that the core business and council priorities for improvement measures ([Council Strategy 2019-2023](#)) are being managed effectively.
- 1.2 To highlight successes and where performance has fallen below the expected level, present information on the remedial action taken, and the impact of that action.

2 Recommendations

- 2.1 To note progress and achievements.
- 2.2 To review the appropriateness of any remedial actions taken to improve performance, in particular for:
 - Non domestic rates collected as percentage of non domestic rates due

3 Implications and Impact Assessment

Implication	Commentary
Financial:	To be highlighted and managed by individual services.
Human Resource:	To be highlighted and managed by individual services.
Legal:	To be highlighted and managed by individual services.
Risk Management:	To be highlighted and managed by individual services.

Property:	To be highlighted and managed by individual services.			
Policy:	To be highlighted and managed by individual services.			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
Environmental Impact:		x		
Health Impact:		x		
ICT or Digital Services Impact:		x		

Council Strategy Priorities or Business as Usual:	x			Supports all priorities and core business of the Council Strategy 2019-2023.
Data Impact:	x			
Consultation and Engagement:	The information provided for this report, has been signed off by the relevant Head of Service / Service Director and Portfolio Holder.			

4 Executive Summary

- 4.1 The measures shown in this report, monitoring performance from April to June 2020, have been greatly affected by the restrictions introduced by the government to manage Covid-19, starting with the national lockdown on 23 March 2020. However, prompt response at local level ensured that the strong performance of the Council's services has been maintained.
- 4.2 This paper provides updates for each component of the Council Strategy Delivery Plan:
- the influencer (external context) measures,
 - targeted measures for each core business area,
 - targeted measures for each priority for improvement and
 - corporate health (internal context) measures.
- 4.3 Economic activity and employment **influencer measures** data, produced at national level, is not yet available for Q1. National news about companies and stores closures would suggest that there will be an increase in unemployment going forward. However, the Council has been working hard to support local businesses, for example in distributing government grants and offering advice and support on how to re-open safely to ensure any impact on local economy is minimised.
- 4.4 Inevitably, retail businesses have been greatly affected, even those with an online presence. A large institution, John Lewis, that was considering performance challenges at local level even before Covid-19, has announced that it will be closing the Newbury Store. Contractual arrangements are being progressed with a new tenant.
- 4.5 The majority of performance measures reflecting the **core business areas** are however on track to achieve the targets for this year. As an exception, the following area has been impacted by the Council's conscious measures put in place to support local businesses:
- Non domestic rates collected as percentage of non domestic rates due

- 4.6 The Council's strong performance position is further confirmed when performance is compared with other local authorities. The majority of the Council's measures rank in the first and second quartiles. It is also clear that this already positive relative position will continue to improve in many areas, as performance improves in activities such as the speed with which decisions are made on Housing Benefit Claims and determinations made on planning applications.
- 4.7 The Council Strategy Delivery Plan includes the outcomes for our **priorities for improvement**, that are being sought often over a four year period and therefore is a more challenging area and performance is mixed. The majority of measures are however on track.
- 4.8 The Council's **corporate health indicators** highlight an end of Q1 forecast under spend of £590k, (full details are available in the quarterly financial report), an improved position regarding sickness absence and a stable staff turnover.

5 Supporting Information

Influencer measures

Refer to Appendix A for more detail

- 5.1 Non-targeted measures of volume are monitored to provide context to the work being carried out across council services.
- 5.2 In the area of economy, the medium and long term effects of Covid-19 are yet to emerge and depend on the restrictions put in place to manage the situation and the local and regional recovery plans. At Q1 the influencer measures reflect the immediate impact of Covid-19 (from April to June 2020). However, the Council has put in place prompt measures to support local economy and mitigate local impact.
- 5.3 The economic activity rate (chart 1) and unemployment rate (chart 2) appear to be marginally increased at Q4 2019/20 (Q1 data is not yet available). The number of empty business rated premises continue to rise but at a lower rate compared to previous quarters or the average increase of last year (charts 7 and 8). However, it is probable that due to travel restrictions, online retail sales will increase, and if this translates into a change in consumers' behaviour, this will in turn affect the need for a physical presence for some businesses.
- 5.4 As all benefits become subsumed by Universal Credit, the number of claimants will rise (charts 5 & 6). In addition, a broader span of people are required to look for work in comparison to Jobseeker's Allowance. Therefore, this measure can't be used to monitor unemployment, but may possibly give an indication of low income.
- 5.5 As expected, footfall has greatly reduced (chart 9), as residents were told to stay at home and working from home was encouraged, where possible. Parking charges (chart 10) were suspended to help support key workers, and only reinstated from 1 June 2020. This loss of income will hopefully be recovered from central government.

- 5.6 The number of planning applications (chart 13) has dropped significantly by 31.3% when compared to Q1 2019/20. However, this may level off as the building industry restarts in earnest.
- 5.7 The measures to limit the spread of Covid-19, for example through schools and retail business closures and asking the population to 'stay at home, where possible', have also affected the areas of crime and social care as described in the following points:
- 5.8 Following the national trend, reported crime has reduced by 24.3% compared to Q1 2019/20 (chart 15), this is likely to be due in part to the closure of bars and clubs, lack of large public events, and protection of homes due to more people staying at home.
- 5.9 Unfortunately, our district is also following the national trend with a rise in reported cases of domestic abuse of 38.6%, compared to Q1 2019/20. In response to this increase, we as a Local Authority together with partner organisations have made sure that communications to our residents and anyone who is affected by this situation have been clear on what actions they can take and where to go to find help and support.
- 5.10 Referrals to Children and Family Services were reduced across the board, as these mainly come from schools, early year's providers and Family Hubs none of whom were fully operational during April – June 2020.
- 5.11 The overall number of people receiving a long term service (LTS) from Adult Social Care (chart 31) dropped significantly by 2.7%, compared to Q1 2019/20. This was due to a high number of deaths and over 50 cases being in interim solutions due to Covid-19 i.e. not yet receiving LTS.
- 5.12 There is a reduction in the number of new adult safeguarding enquiries (chart 30) by 24.8%. The safeguarding team has been able to focus on ensuring a thorough triage process because of increased staffing resource (2 additional social workers) in the team.
- 5.13 The number of households in temporary accommodation (chart 35) is stable. The figure does not include the Covid-19 emergency cohort of 60 individuals as per statutory reporting methodology to Central Government. The methodology requires that this cohort is recorded separately as a result of Covid-19 displacement emergency cases.
- 5.14 The expected increase in the number of households on the Common Housing Register (chart 33) has occurred with a rise of 30.1% on Q1 2019/20. There is still an expectation of a further rise in demand, if residents are affected by possible job losses due to Covid-19 and therefore have asked to join and access the Housing Register. In anticipation of the rise in demand, we've streamlined the process for applying for financial assistance e.g. accessing discretionary housing payments. We have held meetings with a broad range of stakeholders and partners to make them aware of the available assistance, for example, housing and voluntary sector partners. Internally, we are continually auditing new and existing cases to assess if there is a requirement for additional support as part of extensive prevention work. For example, early discussions with landlords, support with seeking employment opportunities, financial management and the use of other resources in the voluntarily sector such as, CAP (Christians Against Poverty) and upskilling staff.

- 5.15 As venues were closed across the district and residents had to stay at home, the opportunities for volunteering in library and countryside activities were curtailed (charts 38-40). It is hoped that the level of community involvement in these services will recover as restrictions are eased. Where possible, the services have come up with innovative solutions, such as click and collect library books, online book clubs and story-time. However, the Residents Survey results show that one quarter of respondents have volunteered during Covid-19 and that 78% of them intend to continue volunteering. This would suggest that West Berkshire communities, with coordination from the Council's Community Hub, have mobilised and contributed hugely to the efforts to respond to the coronavirus crisis.
- 5.16 The number of permanent carriage repairs completed has dropped by 10.6%. As less drivers have been using the road, there have been fewer cases of damage to the road being reported to the council.
- 5.17 The number of highways related third party claims received (chart 44) has dropped dramatically compared to last quarter, as there have been far fewer vehicles on the road. Of the 35 claims made, 23 have been successfully defended. The remaining 12 are pending resolution.
- 5.18 As predicted last quarter, the number of flytips reported has risen sharply by 35.2% (chart 46), most likely due to the closure of the Household Waste Recycling Centre (HWRC), the perceived lack of monitoring of sites and despite the fact that the council's contractor was able to maintain the full kerbside collection services throughout the crisis period. The HWRC has now re-opened using a booking system, which has received great feedback in both the booking system and the services provided by the staff at the recycling centre. An awareness campaign has been launched to make residents aware that they are responsible, and could be fined, if a removal service flytips their waste. It is likely therefore that the number will reduce over future quarters.

Core Business Activities

Refer to Appendix B for Exception Reports

Please note:

R (red): year-end target will not be met

A (amber): behind schedule, but expected to achieve year-end target

G (green): year-end target will be met.

DNA: Data not available

DNP: Data not provided

Refer to Appendix C for technical conventions

2020/21 Performance Report Quarter One

Category	Measure	RAG	2020/21		
			Q1 RAG Outturn	Target	Notes
Protecting our children	Ofsted rating of at least Good for our Children and Family Service	G	Good - Pending outcome of next inspection	Good	Performance against this indicator cannot be reported until such time as WBC receive an OFSTED Inspection. OFSTED Inspections are currently on hold due to Covid-19.
	% of Children in Care where the child has been visited in the past 6 weeks (or 12 weeks if this is the agreed visiting schedule)	A	42.0%	≥95%	Q1: 63 / 150 Result based on statutory visits which have to be face-to-face. When including visits carried out via video or telephone call (due to Covid-19), performance rises to 96%.
Supporting education	% of applications receiving one of their three preferences for West Berkshire children (Primary Admissions)	G	98%	≥95%	
	% of applications receiving one of their three preferences for West Berkshire children (Secondary Admissions)	G	98%	≥95%	
Collecting your bins and keeping the streets clean	% of household waste recycled, composted and reused	G	51.5% (P)	≥49.5% (≥ 2018/19 outturn)	Q1 2020/21 data is provisional. All results are subject to change once validated by DEFRA after Q4
Providing benefits	Average number of days taken to make a full decision on new Housing Benefit claims	G	18.88	≤20 days	
Collecting Council Tax and	Council Tax collected as a percentage of Council Tax due	G	27.9%	≥98.8%	For comparison, Q1 2019/20 = (33,415,463/118,304,645) 28.3%

2020/21 Performance Report Quarter One

Category	Measure	2020/21			
		RAG	Q1 RAG Outturn	Target	Notes
Business rates	Non domestic rates collected as a percentage of non domestic rates due	R	27.3%	≥99%	For comparison, Q1 2019/20 = (30,558,961/89,903,445) 34.0%
Ensuring the wellbeing of older people and vulnerable adults	% of WBC provider services inspected by Care Quality Commission (CQC) and rated as good or better	R	66.7%	100%	Q1: 4/6.
	% of financial assessments actioned within 3 weeks of referral to the Financial Assessment & Charging Team	G	100.0%	≥98%	Q1: 441 / 441
Planning and housing	% of planning appeals won	A	55.6%	≥65% (England average)	Q1: 5 / 9
	% of 'major' planning applications determined within 13 weeks or the agreed extended time	G	100.0%	≥90% (England average)	Q1: 18 / 18
	% of 'minor' planning applications determined within 8 weeks or the agreed extended time	G	94.0%	≥86% (England average)	Q1: 78 / 83
Supporting local employers	Number of top 10 business sector employers in 2018/19 retained in the district	G	10	≥10	

Please note:

R (red): year-end target will not be met

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G (green): year-end target will be met.

2020/21 Performance Report Quarter One

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Refer to Appendix C for technical conventions

5.19 Performance for the majority of core business activities has been on target.

5.20 In areas of service where the number of statutory, face-to-face visits carried out in a set timescale are targeted, for example in Children and Family Services, the outturn in Q1 has been impacted, as this activity has not been possible under Covid-19 restrictions. However, the service is monitoring mitigating measures, such as contact by telephone and video calls, which show the percentage of Children in Care who have been contacted in the last six weeks rises to 96%, for example, compared to 42% seen face-to-face.

5.21 The amount of non-domestic rates or “Business Tax” collected has been greatly reduced as many businesses have closed since March 2020, due to Covid-19. This resulted in Direct Debit payments stopping in April and May. The council has distributed government relief to eligible businesses, however the pandemic has taken a toll.

5.22 For provider services in care homes, Covid-19 remains their focus. Action plans developed and implemented for Walnut Close and Birchwood Nursing Home have also benefited the other homes. Birchwood is scheduled for its next inspection in November 2020. The Care Quality Commission’s virtual assurance checks resulted in no concerns being raised.

5.23 The percentage of planning appeals won may have been affected by the delay Covid-19 has wrought on the timeliness of decisions being made by the Planning Inspector. The number of appeals is relatively small and therefore a quarterly total would be more volatile than a yearly figure.

National Benchmarking (April 2017- March 2019)

The latest available benchmarking data was reported at Quarter 4.

Please note for RAG outturn for the quarter:

R (red): year-end target will not be met

A (amber): behind schedule, but expected to achieve year-end target

G (green): year-end target will be met.

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Refer to Appendix C for technical conventions

2020/21 Performance Report Quarter One

Category	Measure	2017/18 National Qtile/Rank	2018/19 National Qtile/Rank	2020/21 Target	2020/21	
					RAG	Q1 RAG Outturn
Supporting education	% of maintained schools judged good or better by Ofsted	2nd Qtile Rank 46/152 (August) (YE: 94.4%)	2nd Qtile Rank 38/152 (August) (YE: 95.7%)	TBC	-	95.7%
	% of applications receiving one of their three preferences for West Berkshire children (Primary Admissions)	2nd Qtile Rank 62/152 (YE: 97.8%)	2nd Qtile Rank 51/152 (YE: 98.4%)	≥95%	G	98%
	% of applications receiving one of their three preferences for West Berkshire children (Secondary Admissions)	1st Qtile Rank 33/152 (YE: 97.9%)	1st Qtile Rank 27/152 (YE: 97.9%)	≥95%	G	98%
Maintaining our roads	% of the principal road network (A roads) in need of repair	2nd Qtile Rank 55/145 (YE: 3%)	1st Qtile Rank 17/146 (YE: 2%)	Top 25% nationally	Annual	Annual - reports at Q4
Collecting your bins and keeping the streets clean	% of household waste recycled, composted and reused	1st Qtile Rank 24/150 (YE: 51.5%)	1st Qtile Rank 31/148 (YE: 50.7%)	≥49.5% (≥ 2018/19 outturn)	G	51.5% (P)
Providing benefits	Average number of days taken to make a full decision on new Housing Benefit claims	3rd Qtile Rank 77/122 (YE: 19.54)	2nd Qtile Rank 54/122 (YE: 19.54)	≤20 days	G	18.88
Collecting Council Tax and Business rates	Council Tax collected as a percentage of Council Tax due	1st Qtile Rank 6/149 (YE: 98.8%)	1st Qtile Rank 6/123 (YE: 98.5%)	≥98.8%	G	27.9%
	Non domestic rates collected as percentage non domestic rates due	2nd Qtile Rank 55/151 (YE: 99.3%)	3rd Qtile Rank 82/151 (YE: 98.4%)	≥99%	R	27.3%

2020/21 Performance Report Quarter One

Category	Measure	2017/18 National Qtile/Rank	2018/19 National Qtile/Rank	2020/21 Target	2020/21	
					RAG	Q1 RAG Outturn
Ensuring the wellbeing of older people and vulnerable adults	% of WBC provider services inspected by Care Quality Commission (CQC) and rated as good or better		England overall = 84%	100%	R	66.7%
Planning and housing	% of 'major' planning applications determined within 13 weeks or the agreed extended time	4th Qtile Rank 102/122 (YE: 78.6%)	4th Qtile Rank 108/122 (YE: 78.1%)	≥90% (England average)	G	100.0%
	% of 'minor' planning applications determined within 8 weeks or the agreed extended time	4th Qtile Rank 108/124 (YE: 74.6%)	4th Qtile Rank 102/123 (YE: 77.5%)	≥86% (England average)	G	94.0%

Please note for RAG outturn for the quarter:

R (red): year-end target will not be met

A (amber): behind schedule, but expected to achieve year-end target

G (green): year-end target will be met.

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DNP: Data not provided

Refer to Appendix C for technical conventions

5.24 In the majority of areas, we compare favourably with our peers in 2018/19, and in others we have improved our position on 2017/18.

5.25 However, in two areas we remain in the lowest quartile. The first is in the CQC rating of our provider services was slightly below (83.3% in 2018/19) the national average of 84%. In practice, this showed that in 2018/19 one out of six settings was not rated as highly as desired. At the end of 2019/20, the % of our provider services rated good or better was 66.7%. An improvement plan has been implemented and it is expected that our position will improve.

5.26 In terms of planning applications, the target in 2017/18 was set at 60% for major and 65% for minor applications. As part of the New Ways of Working review in 2018/19, it was noted that targets had been set below similar planning authorities, and they were increased to match the national averages of 88% and 85% respectively at Q2 2018/19. By Q4 2018/19 the service was achieving 93.3% and 96.3%, but this was not enough to bring up the year-end figure and move us into the third quartile. For comparison, 23 authorities were reporting 100%, and the margins between the first and third quartile

were slim. Performance at Q1 2020/21 is much improved and it is expected that this will positively affect our relative position.

Council Strategy Priorities for Improvement:

Refer to Appendix B for Exception Reports

Table 1. Number of measures by priority of improvement and performance status

Priority for Improvement	RAG Status			
	Green	Amber	Red	Annual
Ensure our vulnerable children and adults achieve better outcomes	5	0	1	1
Support everyone to reach their full potential	3	0	0	0
Support businesses to start develop and thrive in West Berkshire	1*	0	0	0
Develop local infrastructure including housing to support and grow the local economy	5	0	0	4
Maintain a green district	7	0	0	0
Ensure sustainable services through innovation and partnerships	2	0	0	0

* Additional measures being agreed by the Economic Development Board for reporting starting with Q2 2020/21.

Note: Red (year-end target will not be met), Amber (behind schedule, but expected to achieve year-end target), Green (year-end target will be met), Annual (data reported only once this year and expected in other quarters)

Note: At Q4 a number of new performance measures were added as part of the development of the Council Delivery Plan.

Ensure our vulnerable children and adults achieve better outcomes

5.27 The Strategic Goal of developing and adopting a new Early Help Strategy for Children's Social Care Early was approved in Q4 2019/20.

5.28 The Strategic Goal of agreeing and publishing a strategic framework to improve the employment opportunities of vulnerable people has been delayed due to competing priorities and the challenge of engaging with partners during Covid-19, and will be delivered by December 2020 instead of the initial target date of September 2020.

5.29 A funding bid to support the provision of apprenticeships within the council, who are disadvantaged and aged 16-25, which is funded through the apprenticeship levy was agreed in Q4 2019/20. The initiative has been delayed by Covid-19 however we are working with local businesses and partners to identify and explore opportunities through levy transfer as well as for suitable roles within the council teams. It is very important that the opportunities are suitable and offer a useful and challenging route into employment for this group of young people in our community. We are working to start enrolling apprentices in quarter 4 2020/21.

Support everyone to reach their full potential

- 5.30 Work has been delayed on the Strategic Goal of developing and adopting a prevention concordat for better mental health action plan with partners. It is expected, however that this will progress during the year and be achieved by the end of March 2021.
- 5.31 The Strategic Goal of develop and adopting a community wellbeing strategy was completed in Q4 2019/20.
- 5.32 The task of developing and adopting a community resilience index (Strategic Goal) has begun and is on track to be achieved by the end of 2020/21
- 5.33 The Strategic Goal of developing and adopting a community engagement strategy is in progress. A draft version has been drawn up and is progressing through the Executive timetable of meetings, where it will be considered by the Executive.
- 5.34 Attainment outturns for the academic year 2019/20 are not available as no assessments have taken place as schools were closed due to Covid-19.

Support businesses to start develop and thrive in West Berkshire

- 5.35 The Economic Development Strategy (Strategic Goal) was adopted on 30 April 2020. Following the impact of Covid-19 on businesses and employment, the recovery phase for the district over the next eighteen months, will mean that central government funding, innovative local approaches and close working with partners will be needed to aid businesses and residents. The Economic Development Board is working to agree performance measures and associated targets, which will be included in future reports. The Economic Development Strategy and delivery plan will be revised to reflect the actions required in light of Covid-19 impacts.
- 5.36 In addition to advice for businesses on how to re-open safely as restrictions lessened, the council distributed over £24.6m, from the Small Business Grants Fund (SBGF) and the Retail, Hospitality and Leisure Grant Fund (RHLGF), to almost 2000 local businesses, placing it in the top 10% of local authorities in the country by percentage of eligible businesses paid.
- 5.37 There is now a new Local Authority Discretionary Fund available, which will close when the council has distributed its allocation of £1.225m, on a first come first served basis. £43,000 in funding is also available (£1000 for each district councillor) to support local projects in towns and parishes.

Develop local infrastructure including housing to support and grow the local economy

- 5.38 The Strategic Goal of submitting a new Local Plan for examination is on track to be delivered by December 2022 and subsequent to that, so too is the infrastructure delivery plan.
- 5.39 The methodology and baseline data to produce a traffic model for an average journey time has not been possible during the lockdown. The Officers who would work with consultants on this area of work have been heavily involved in the response and recovery to Covid-19 for example by installing social distancing and active travel

measures. However, work is now in progress and the service is certain it will be in place for the Q2 reporting period.

5.40 The timetables for the Strategic Goals of developing and adopting new strategies for housing, leisure and culture have been delayed due to Covid-19, but are now back on track with re-profiled target dates.

5.41 Refurbishment of leisure centres in Hungerford, Newbury and Thatcham to offer a wider range of services will commence in 2022/23 (Strategic Goal).

Maintain a green district

5.42 The Strategic Goal of studying the feasibility and the cost and journey time benefits of installing infrastructure in Thatcham, has begun with discussions with suppliers of real-time sensors.

5.43 The Environment strategy has been approved and the service is on track to produce the delivery plan (Strategic Goal) as scheduled (December 2020).

5.44 The Strategic Goals of studying the feasibility of and carrying out cost benefit analysis for large scale afforestation and natural regeneration in the rural area and urban tree planting, are on track to be achieved by the end of March 2021.

Ensure sustainable services through innovation and partnerships

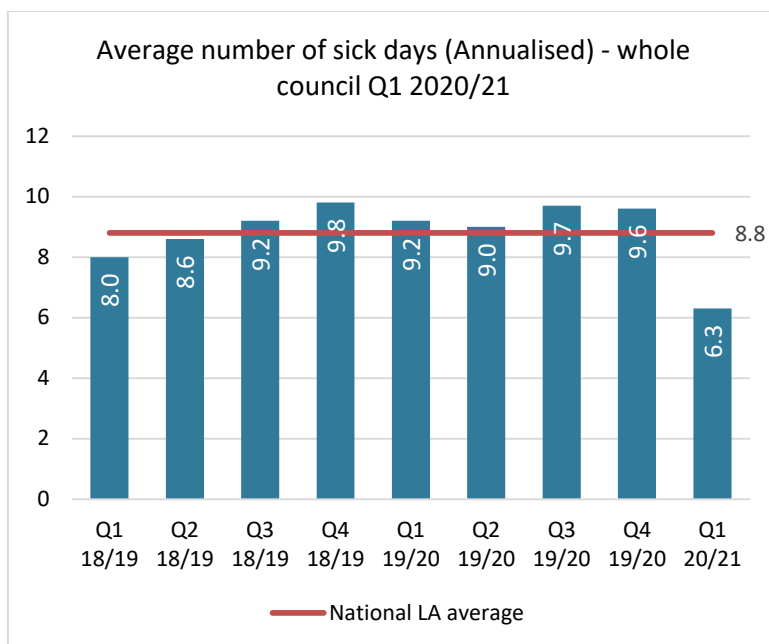
5.45 A primary care networks plan was agreed with the Clinical Directors of the (CCG) during Q4 2019/20 (Strategic Goal).

5.46 In recognition of the impact of Covid-19 on mental health and wellbeing, the Employee Assistance Programme scheduled to be commissioned later in the year was brought forward and made available to employees starting on the 1st July 2020.

Corporate Health

5.47 The Q1 financial position shows a strong budget management reporting a forecast under spend of £590k.

5.48 Covid-19 self-isolation days lost are not included in the sickness figures. These are days where staff are not working due to self-isolation and can not be recorded as sickness as this would trigger sick pay entitlements, which is not permissible under the Green Book and National Joint Council (NJC) for local government services guidance during Covid-19.



5.49 Prior to Q1, sickness levels had been slightly elevated, however perhaps due to lockdown, meaning children were away from school and with less interaction with colleagues and clients, the usual transmission of stomach bugs and common colds has not taken place. It may also be that staff have not reported mild sickness, as they were already working from home or off work.

5.50 The council has completed a staff survey to look at how staff have worked during Covid-19, the impact on services and team working and opportunities for the future. These are being considered as part of the Council’s review of its office accommodation as highlighted in its recovery strategy.

Proposals

Refer to Appendix B for Exception Reports

5.51 To note key achievements and success as detailed above.

5.52 To review the actions taken to address performance below expected levels with a focus on:

- Non domestic rates collected as percentage of non domestic rates due

6 Other options considered

None considered.

7 Conclusion

7.1 Quarter one results show that strong performance levels have been maintained and key services delivered to residents as part of the activities in the Core Business category.

7.2 Some of the improvement work that was underway for achieving the Priorities for Improvement was paused as a result of the need to respond quickly to Covid-19. Staff

reacted with innovation and commitment. As restrictions have eased, and focus has shifted to the recovery phase, for now, services have been able to recommence their work to deliver the council strategy.

7.3 Action plans are in place to address performance of the measures rated 'red' and the Executive is asked to review and approve these actions and to note the overall performance reported.

8 Appendices

8.1 Appendix A – Influencer Measures Dashboard

8.2 Appendix B – Exception Reports

8.3 Appendix C – Technical Conventions

Subject to Call-In:

Yes: No:

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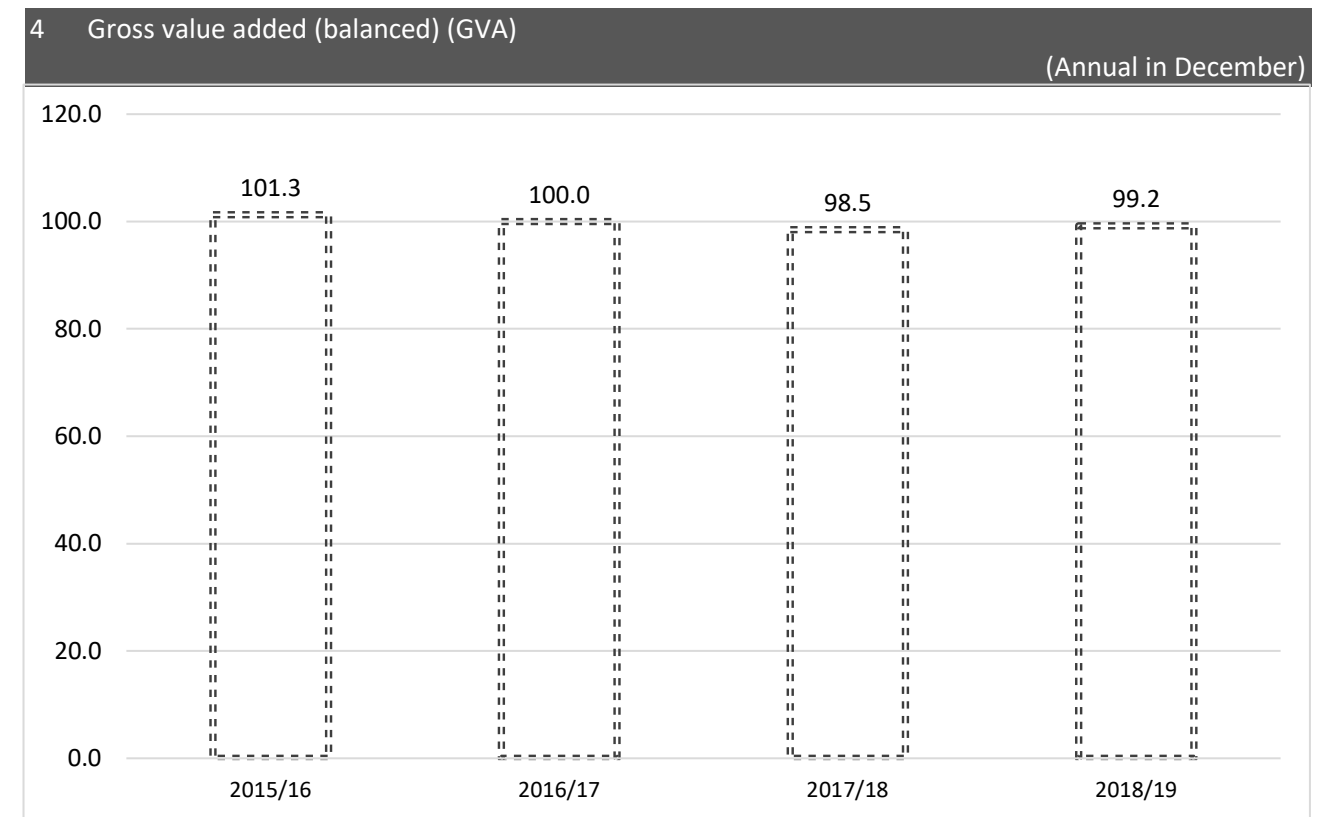
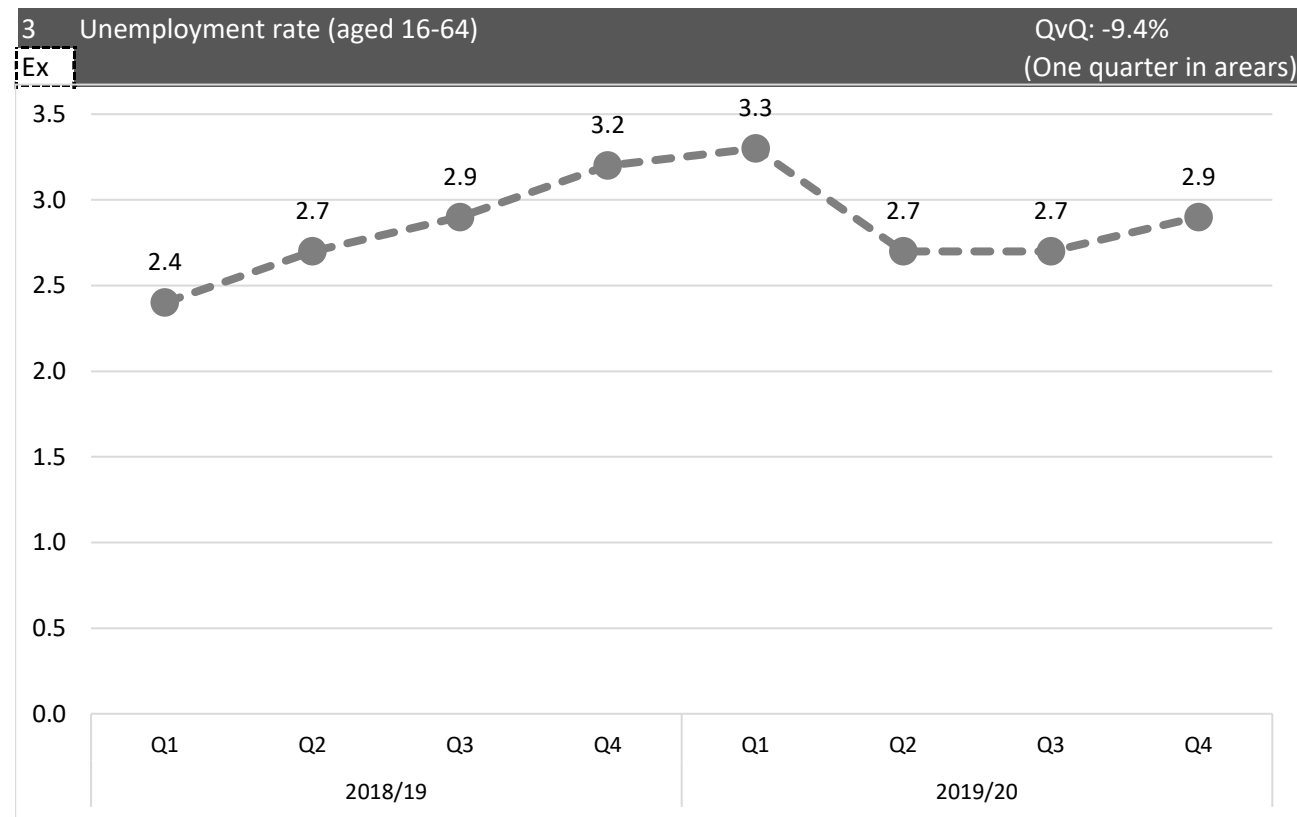
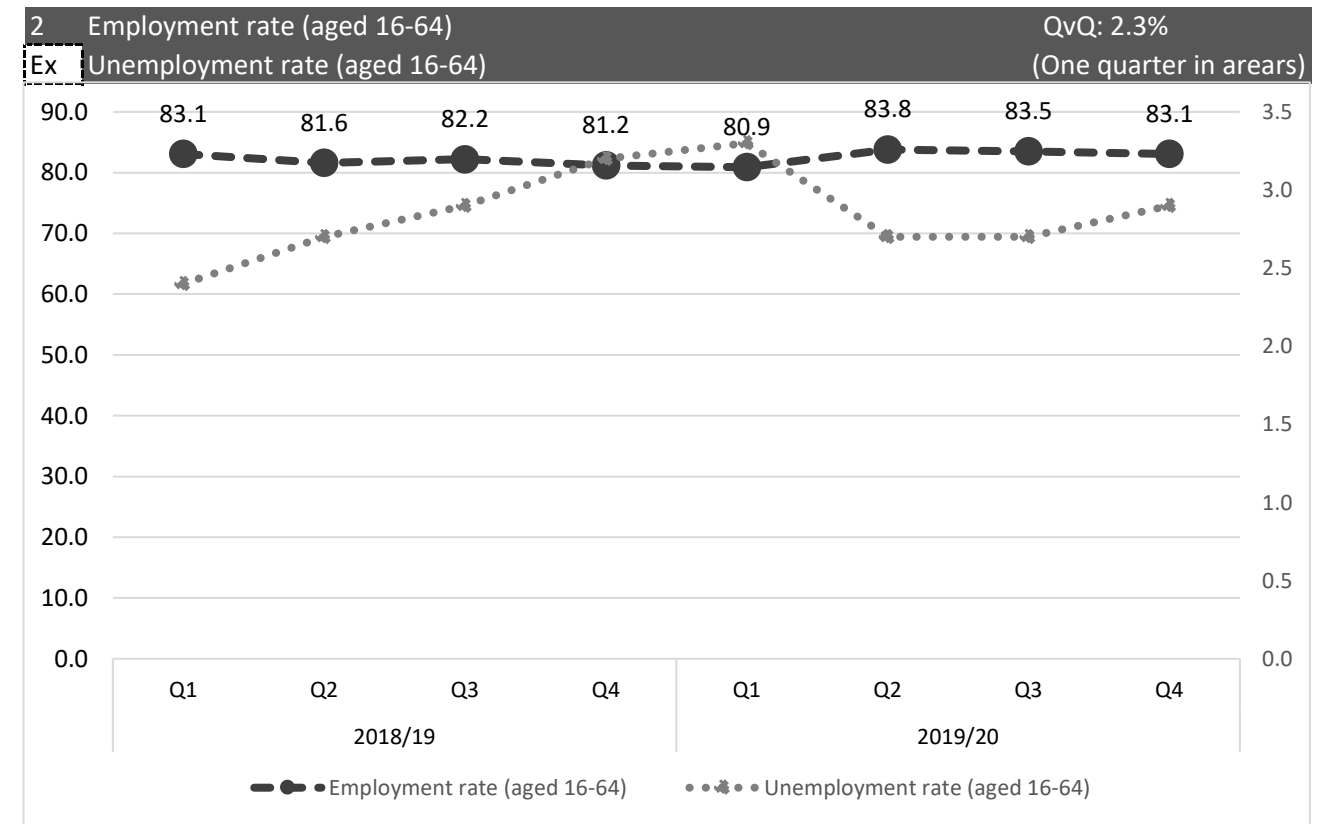
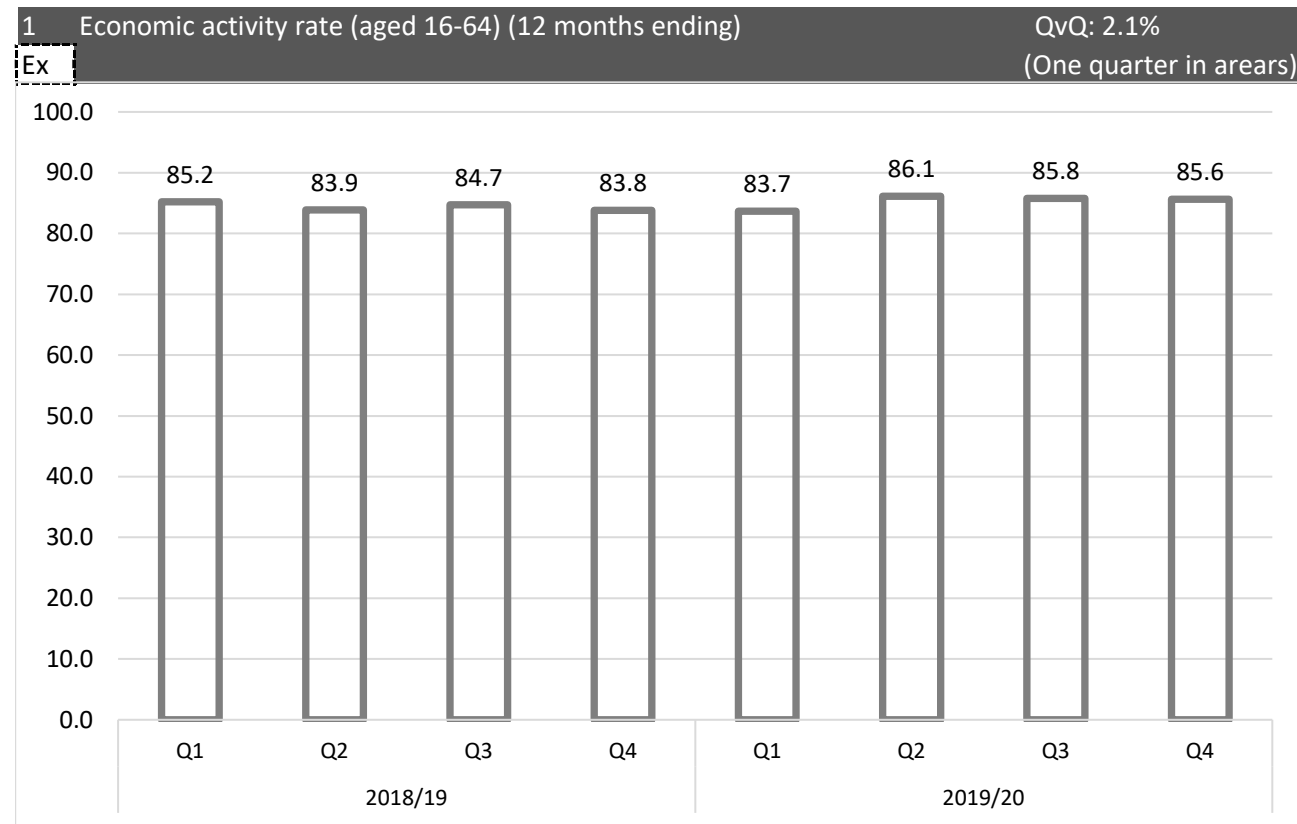
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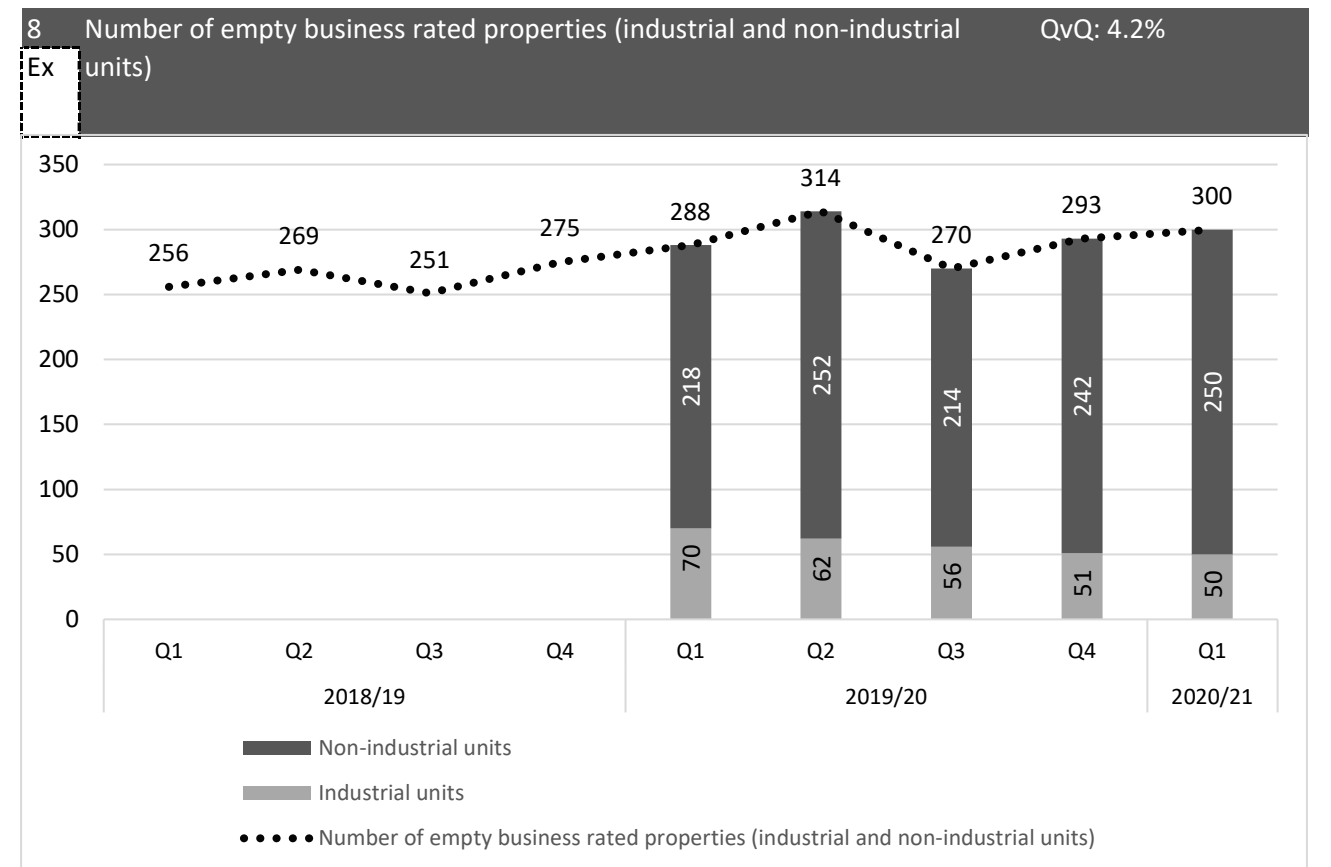
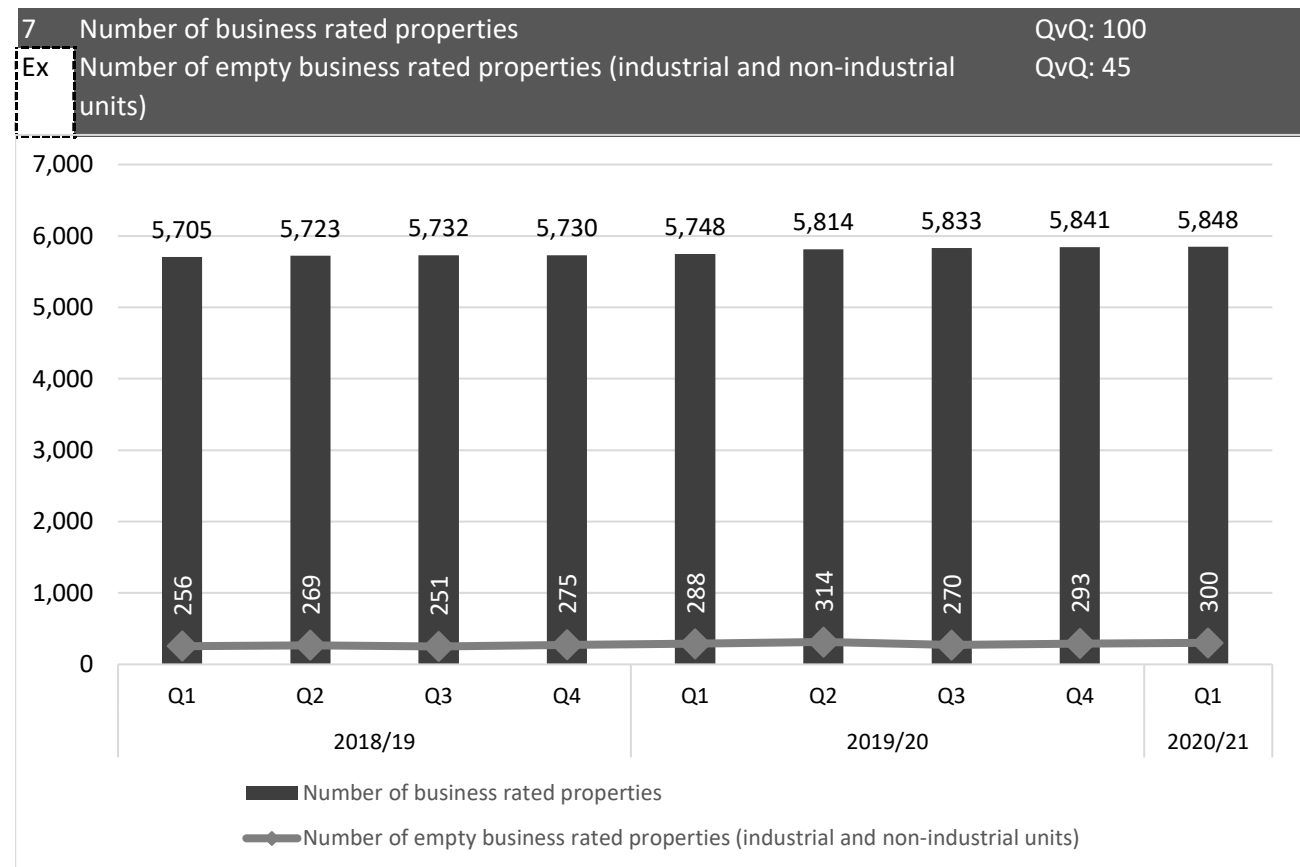
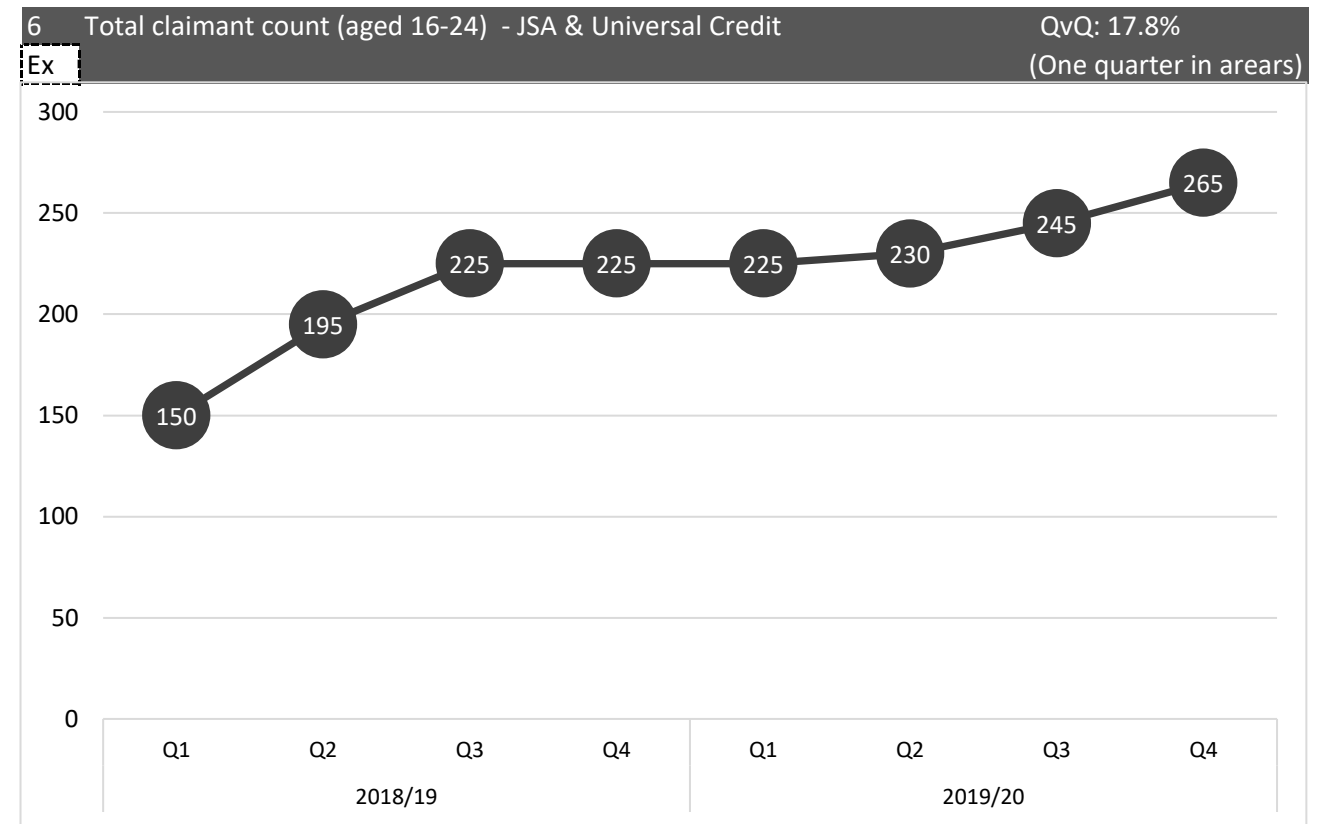
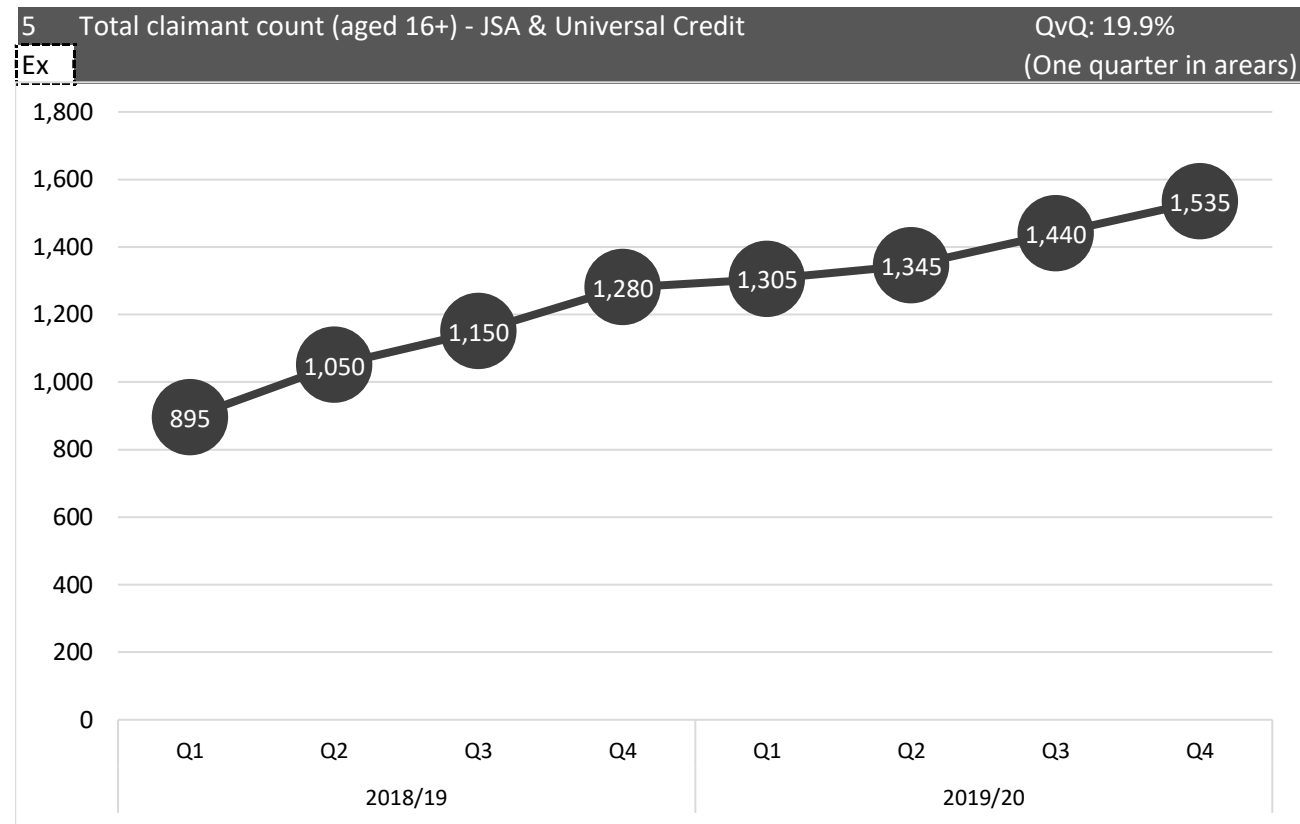
Appendix A: District Wide Health Check 2019/20 (current qtr v same qtr last year)

Economy (Grey) | Social Care (blue) | Environment (Green)



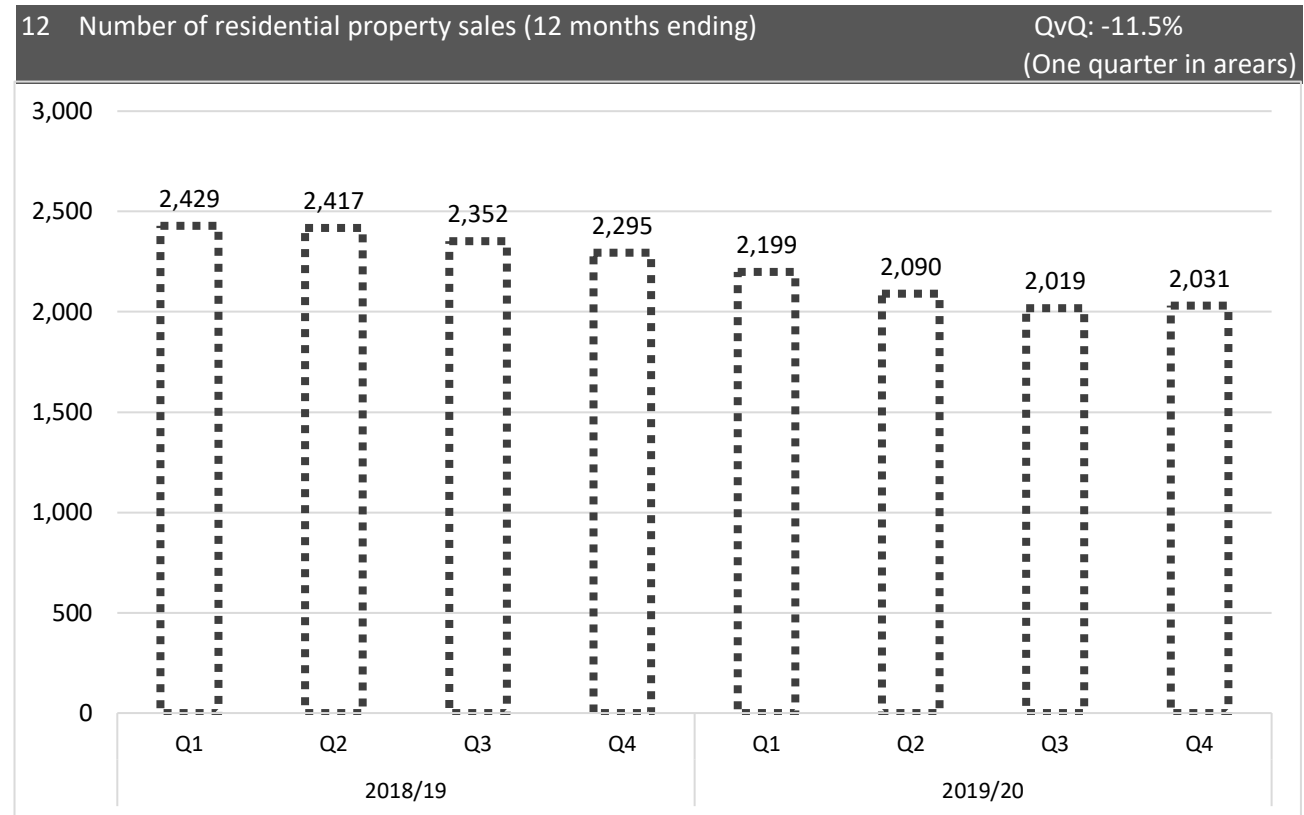
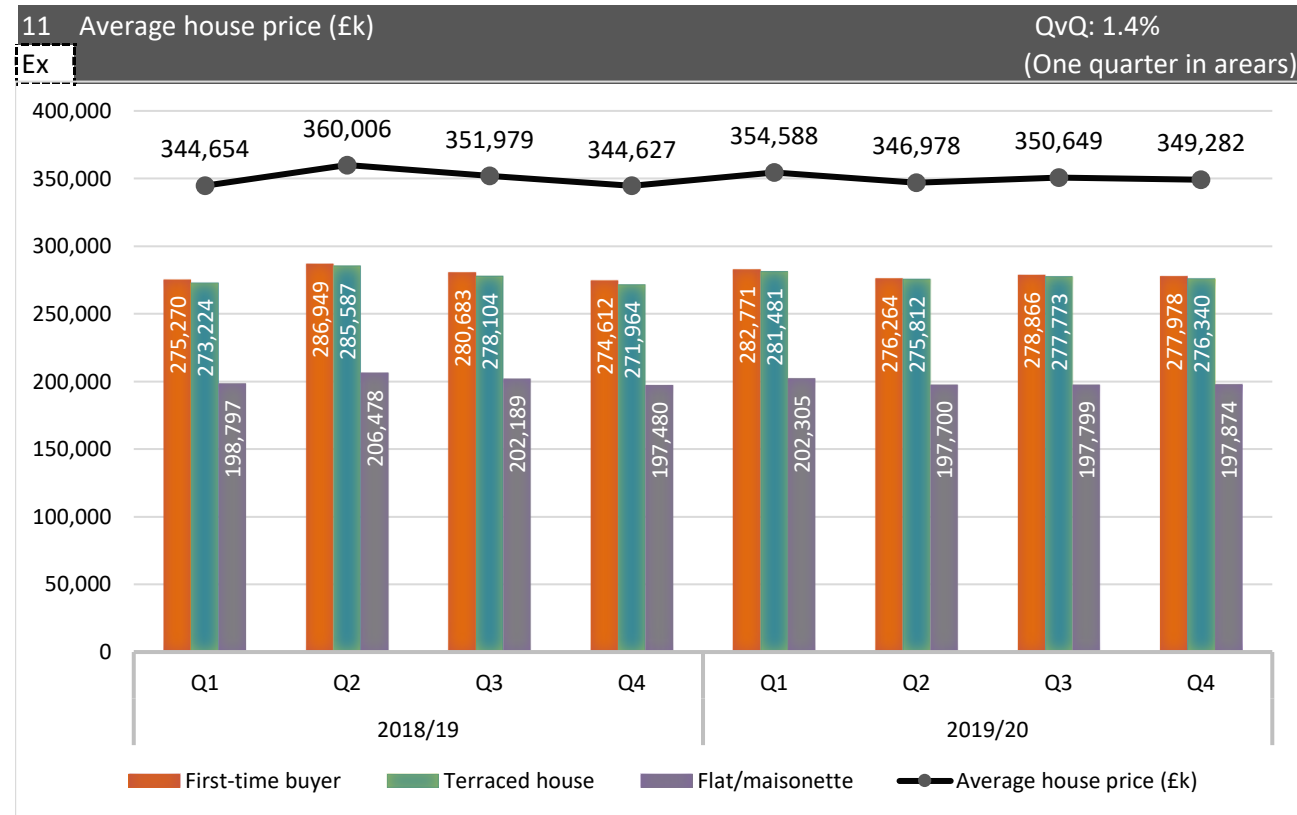
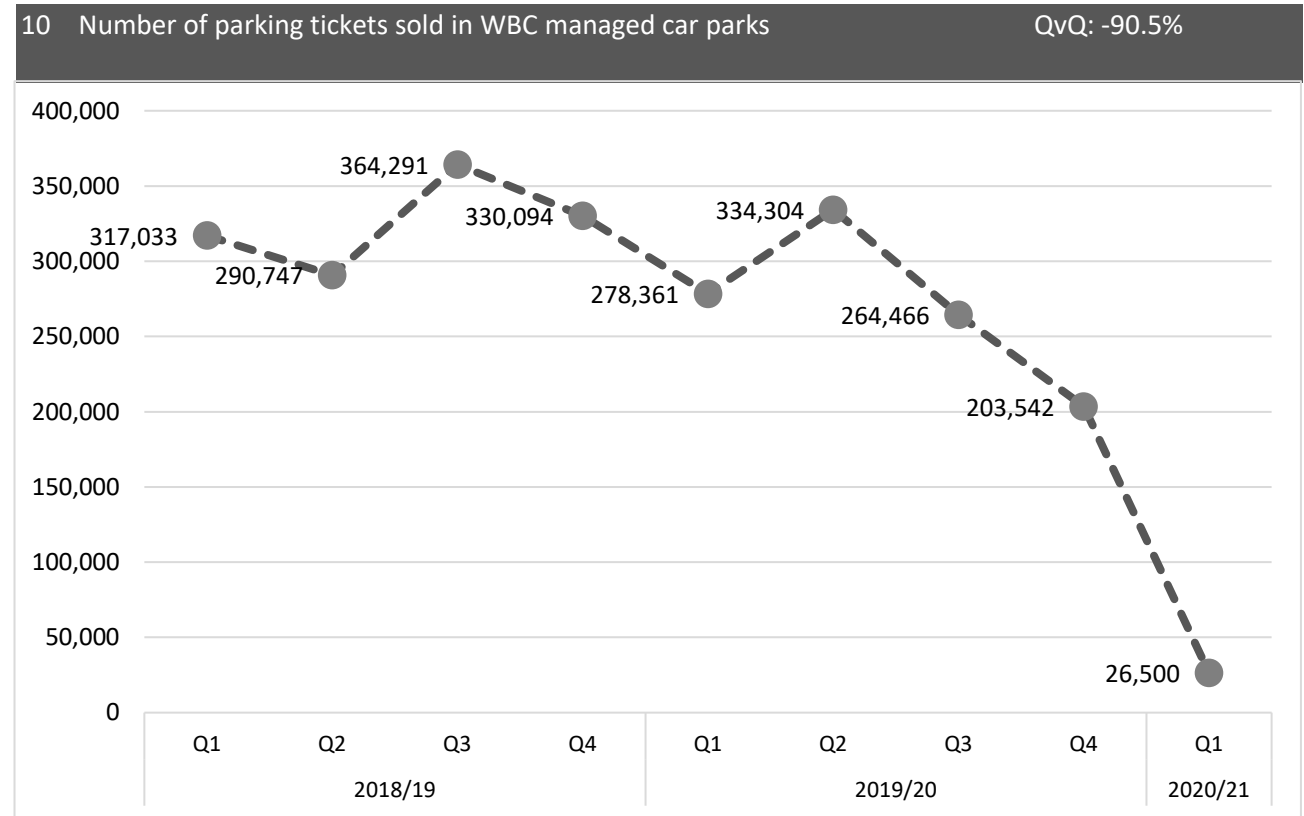
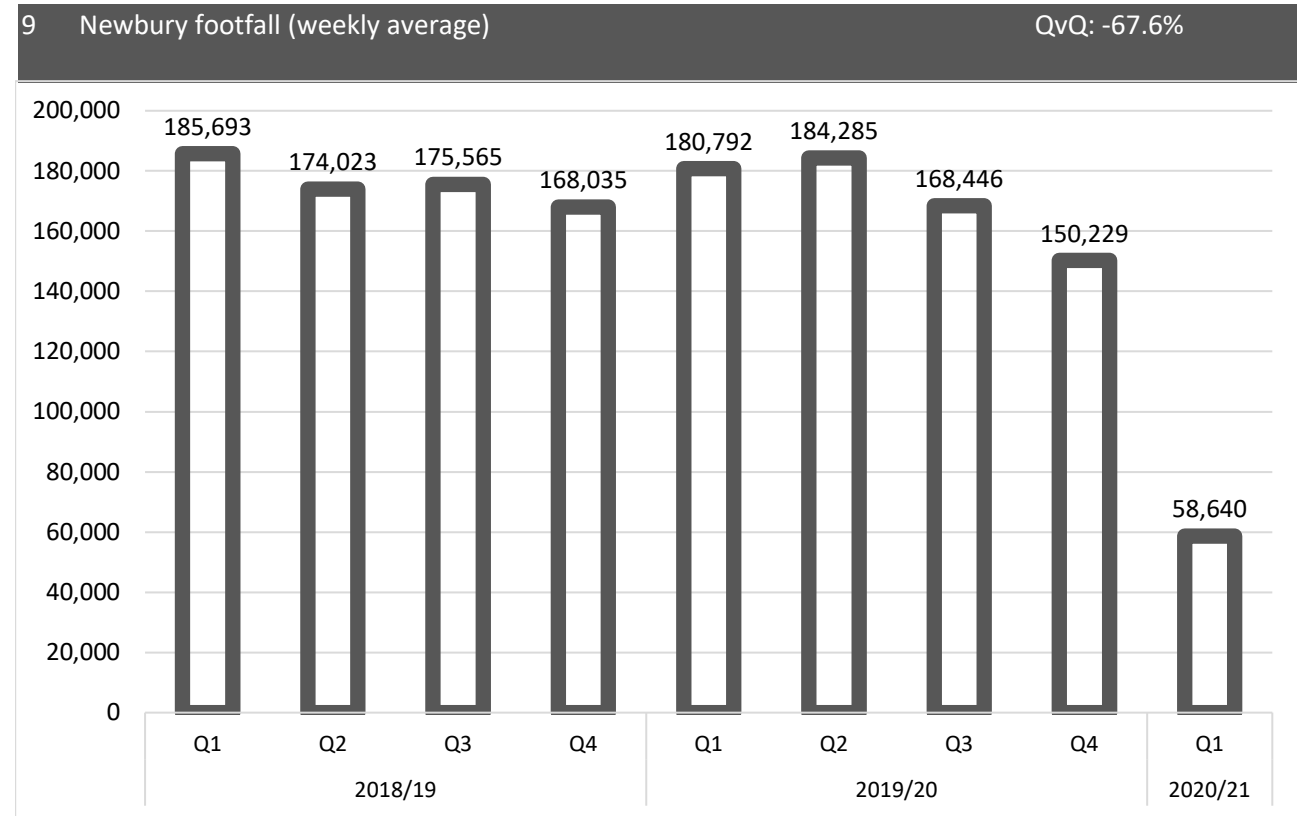
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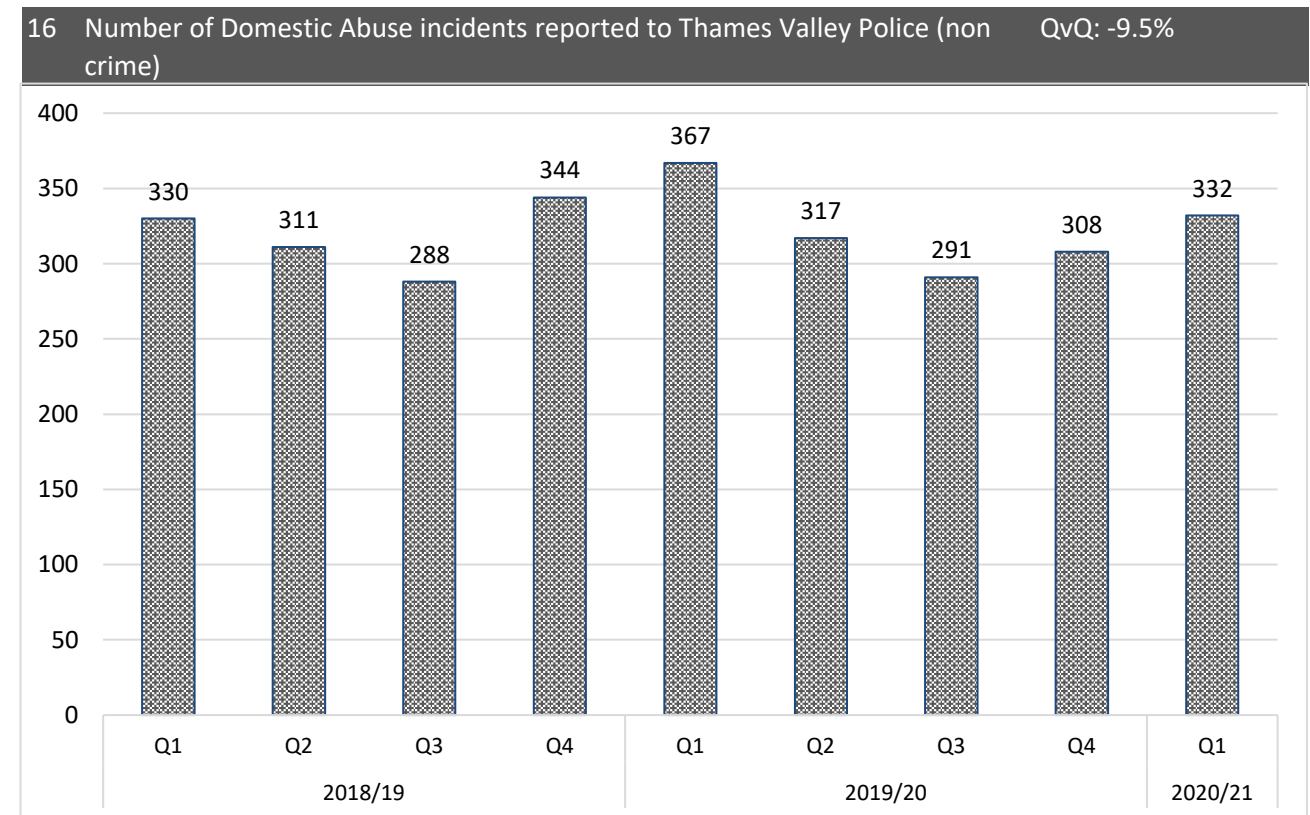
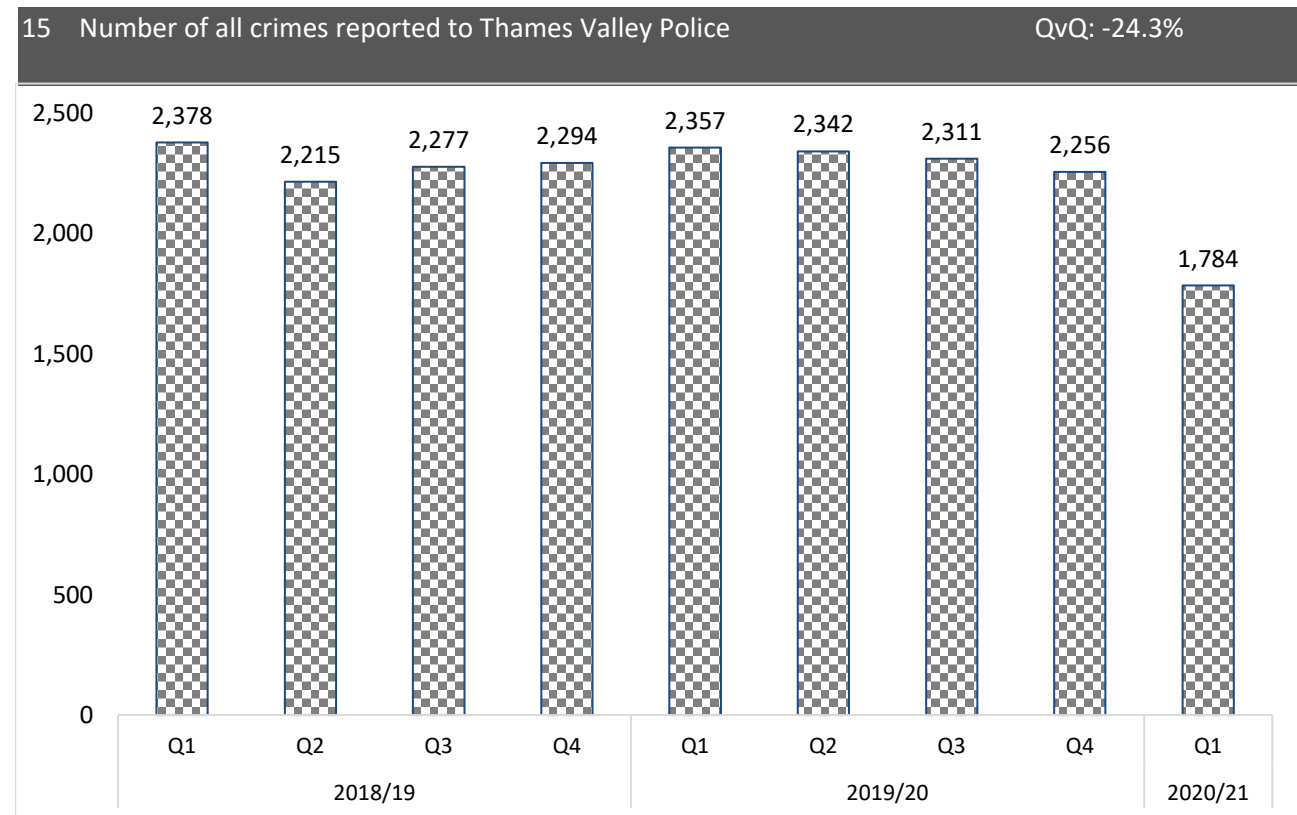
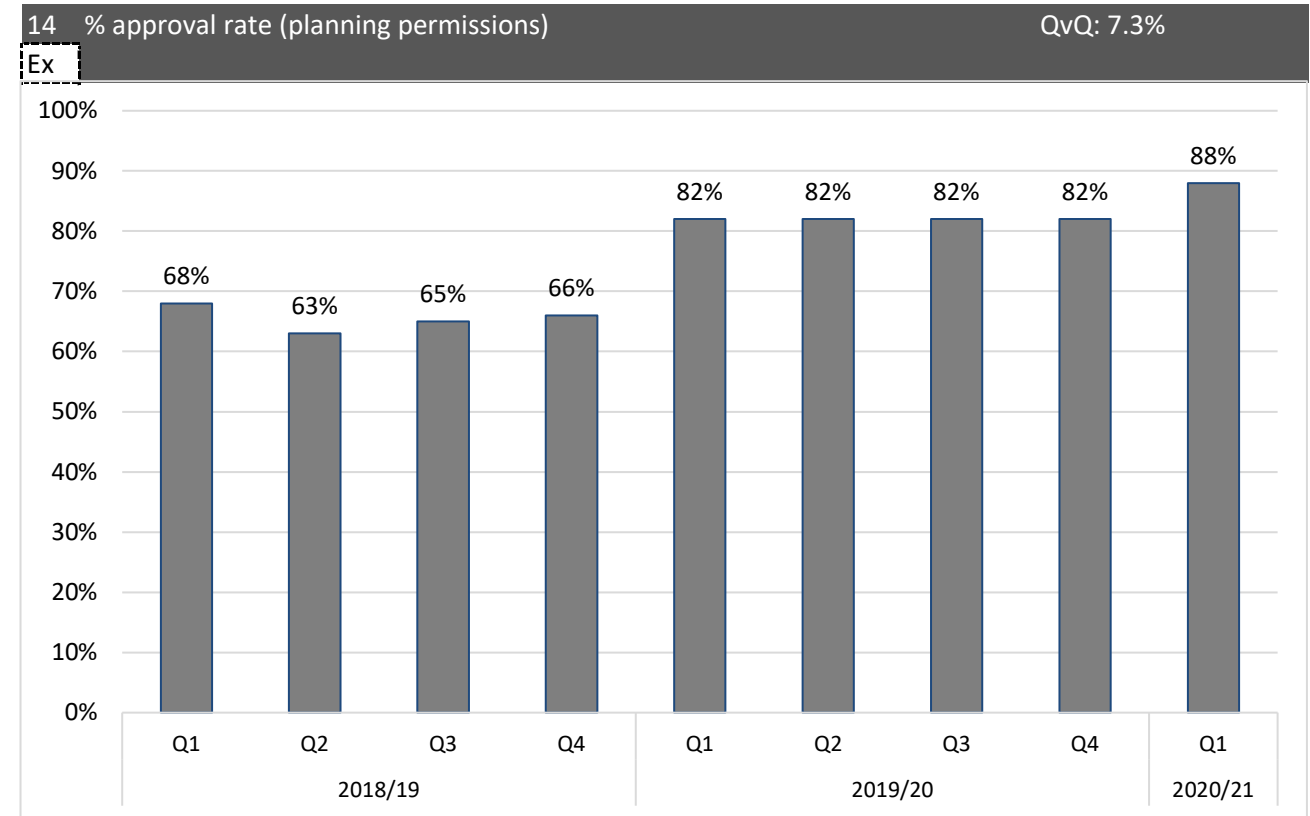
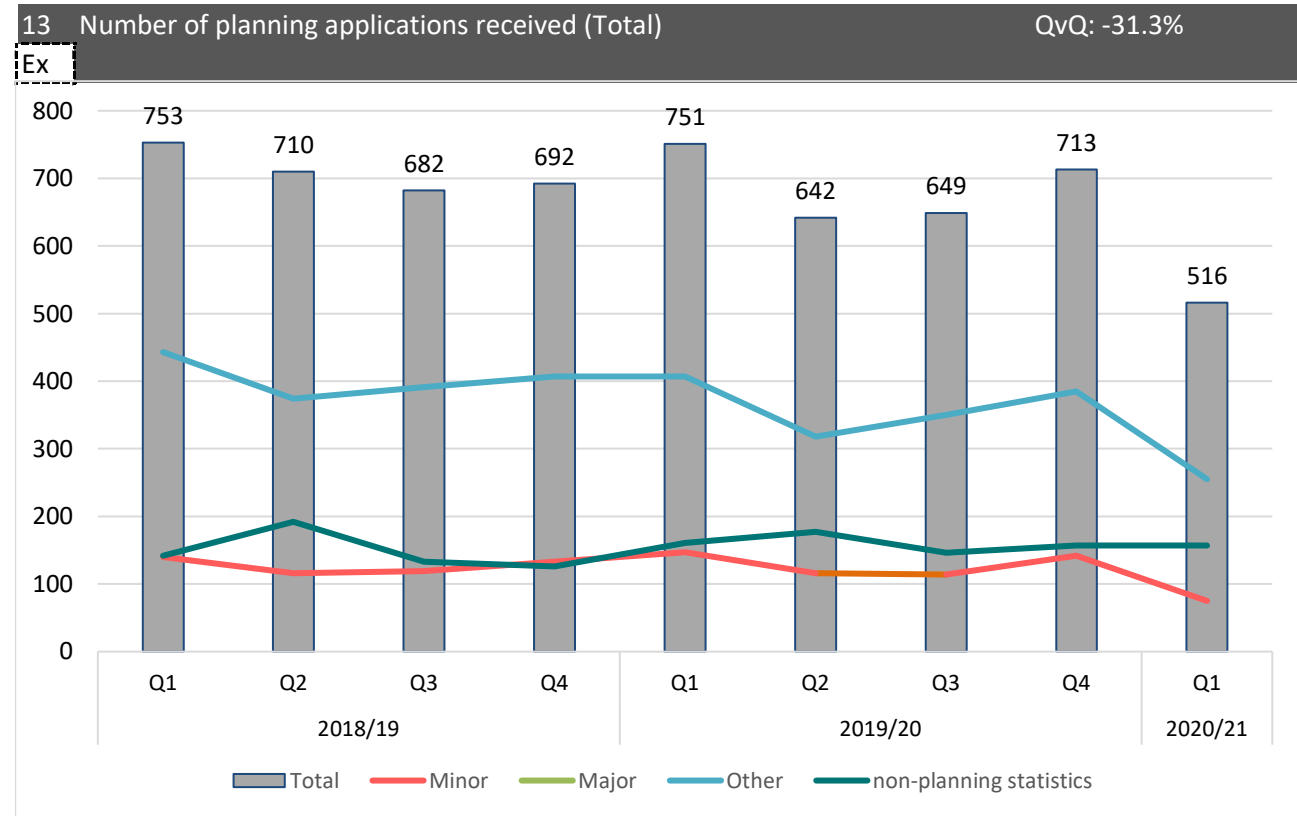
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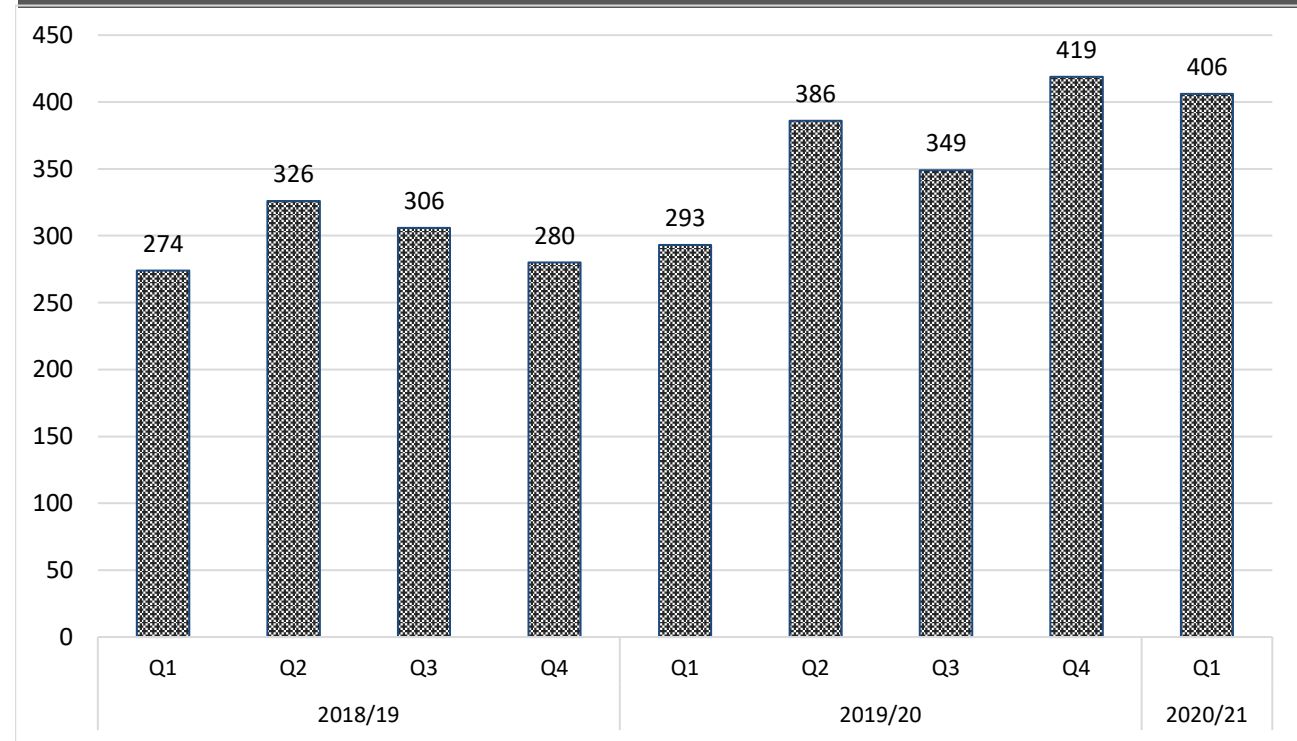
Economy (Grey) | Social Care (blue) | Environment (Green)



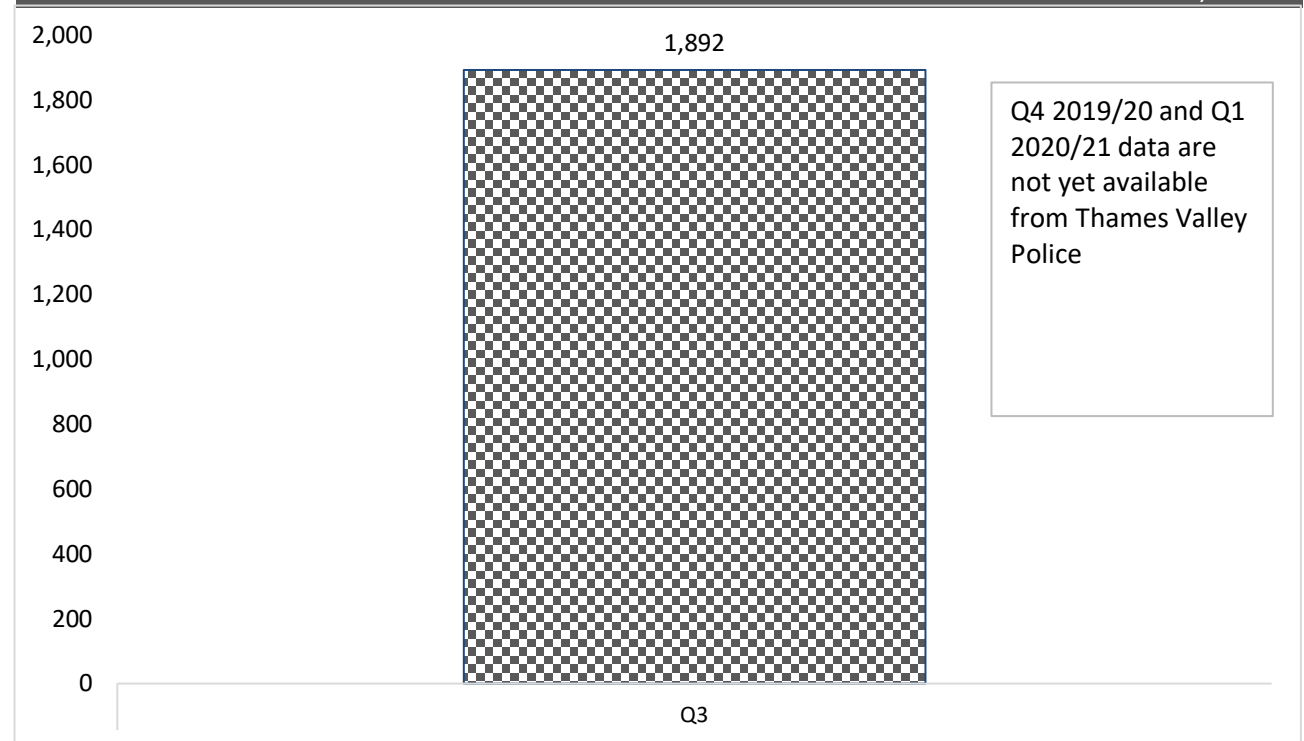
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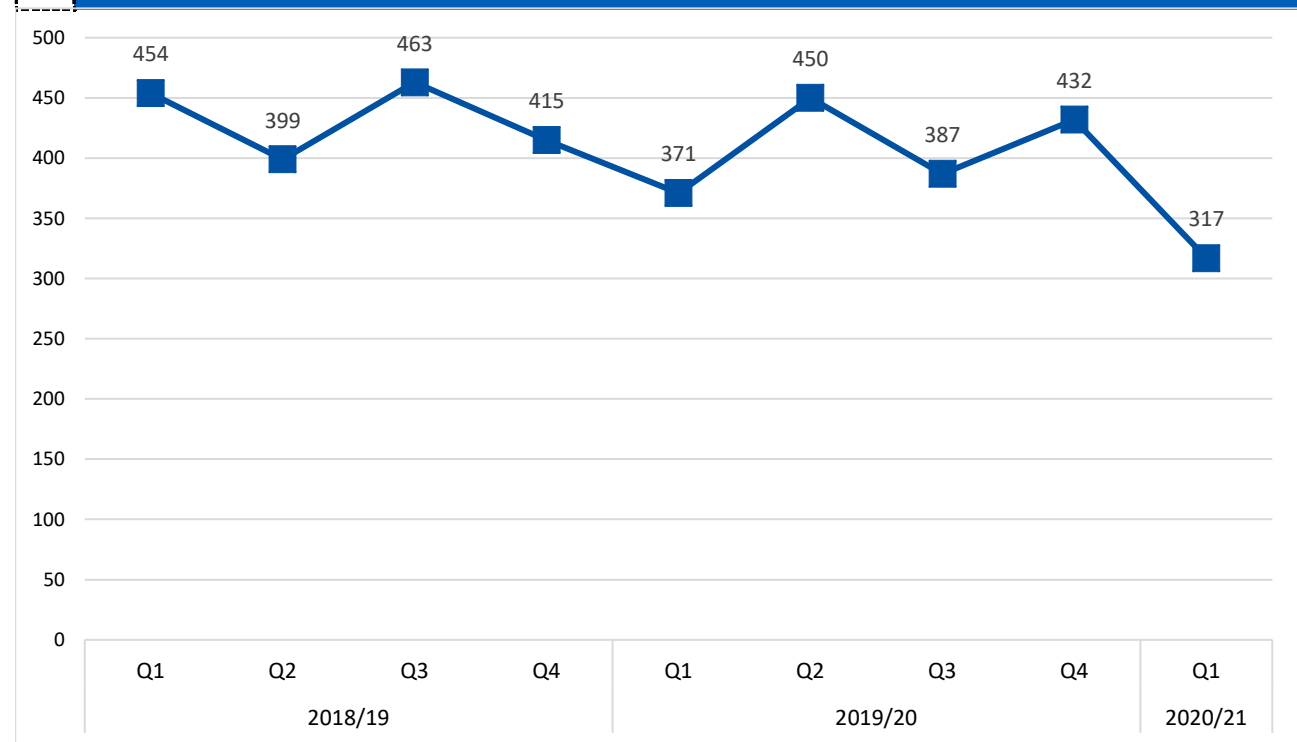
17 Number of Domestic Abuse incidents reported to Thames Valley Police (recorded crimes) QvQ: 38.6%



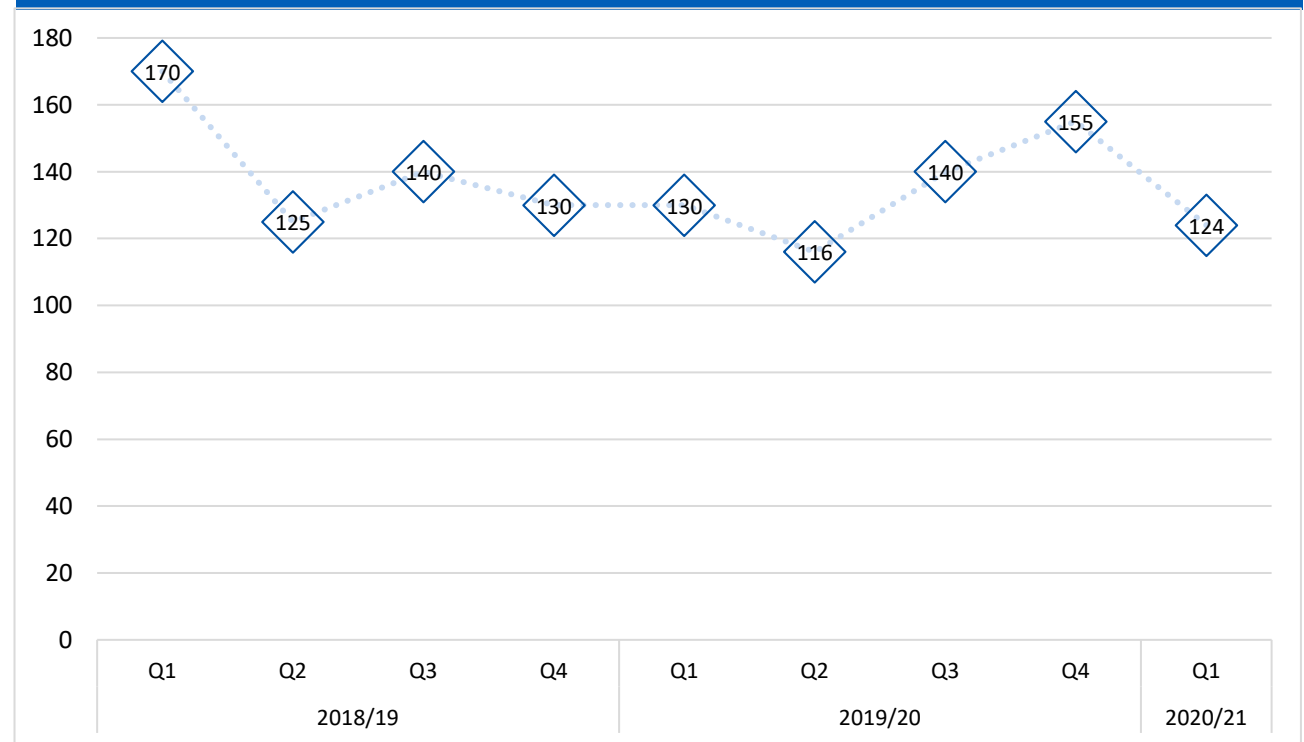
18 Number of anti-social behaviour (ASB) incidents reported to Thames Valley Police (One quarter in arrears)



19 Number of referrals received (all) (Children and Family Services) QvQ: -14.6%

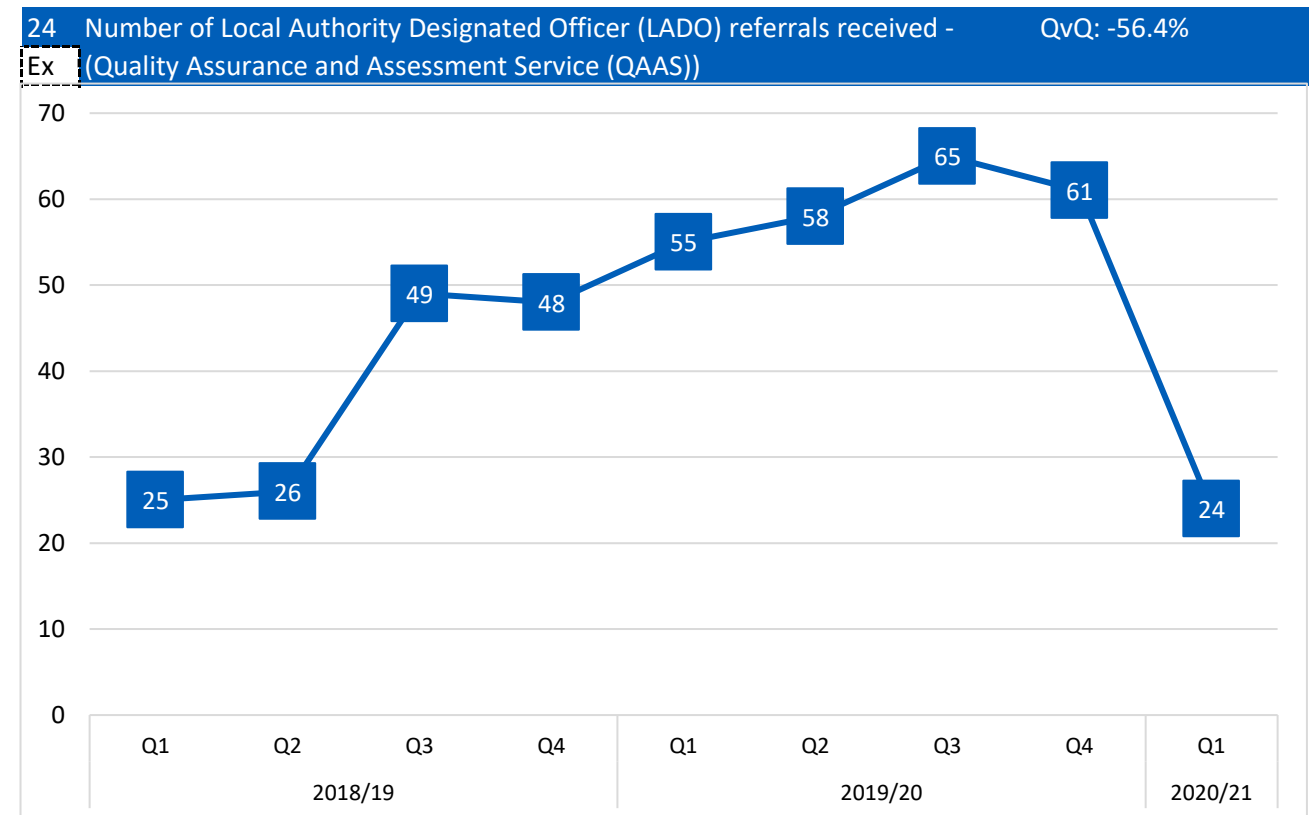
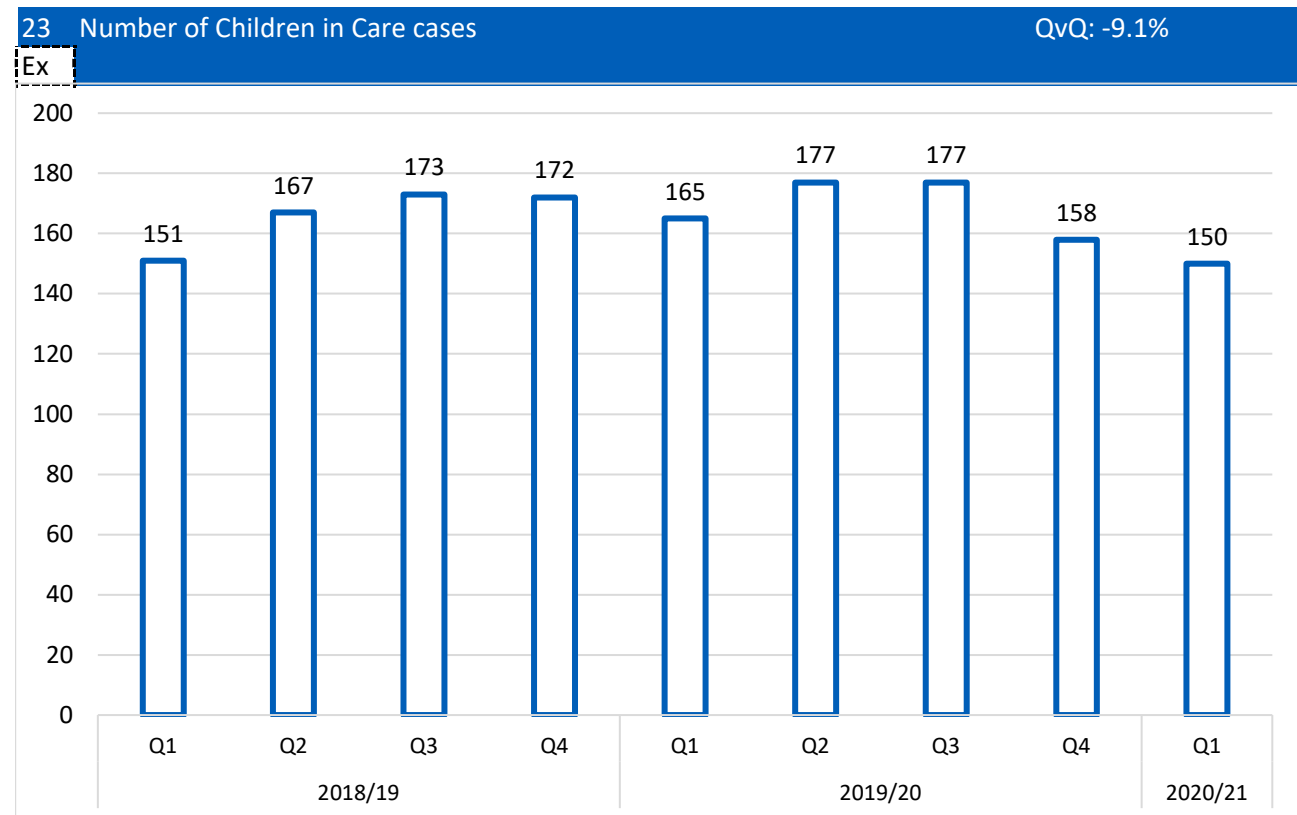
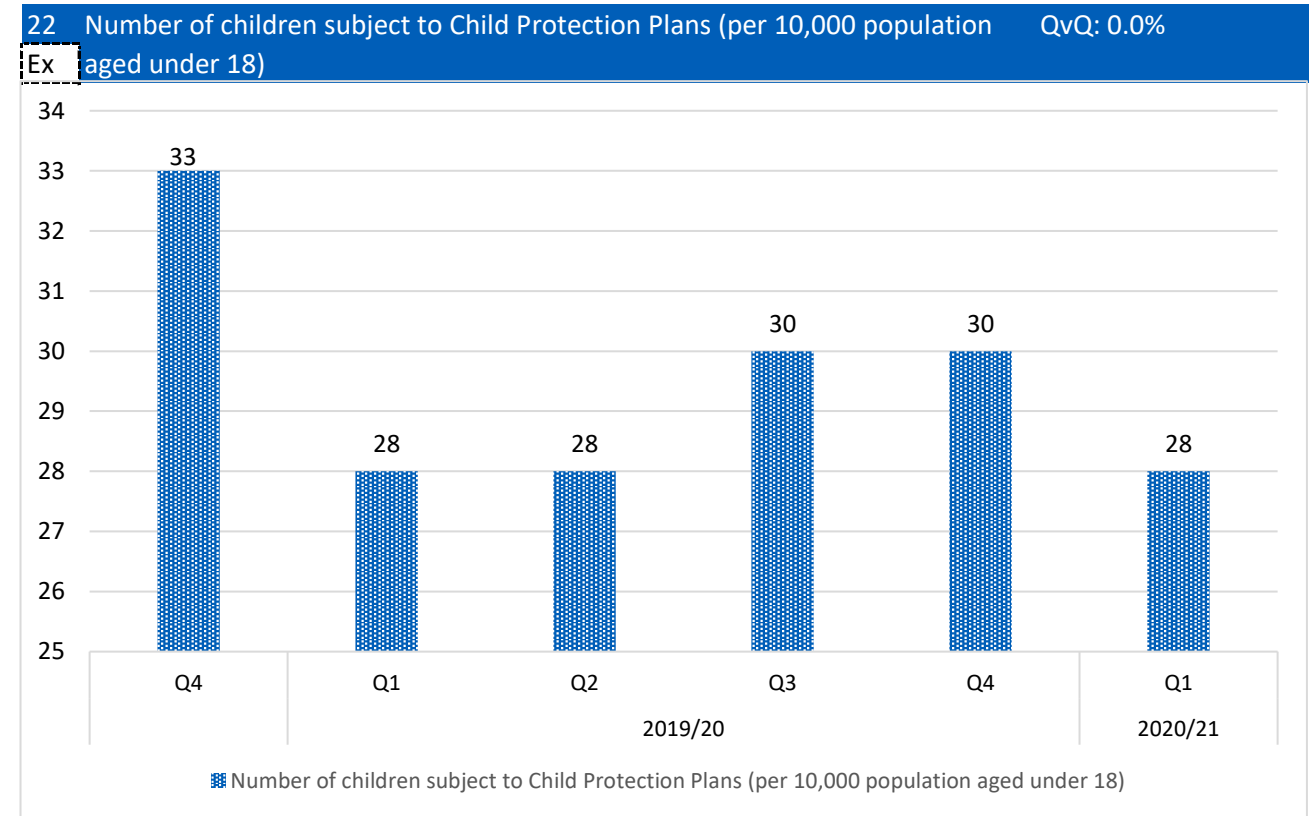
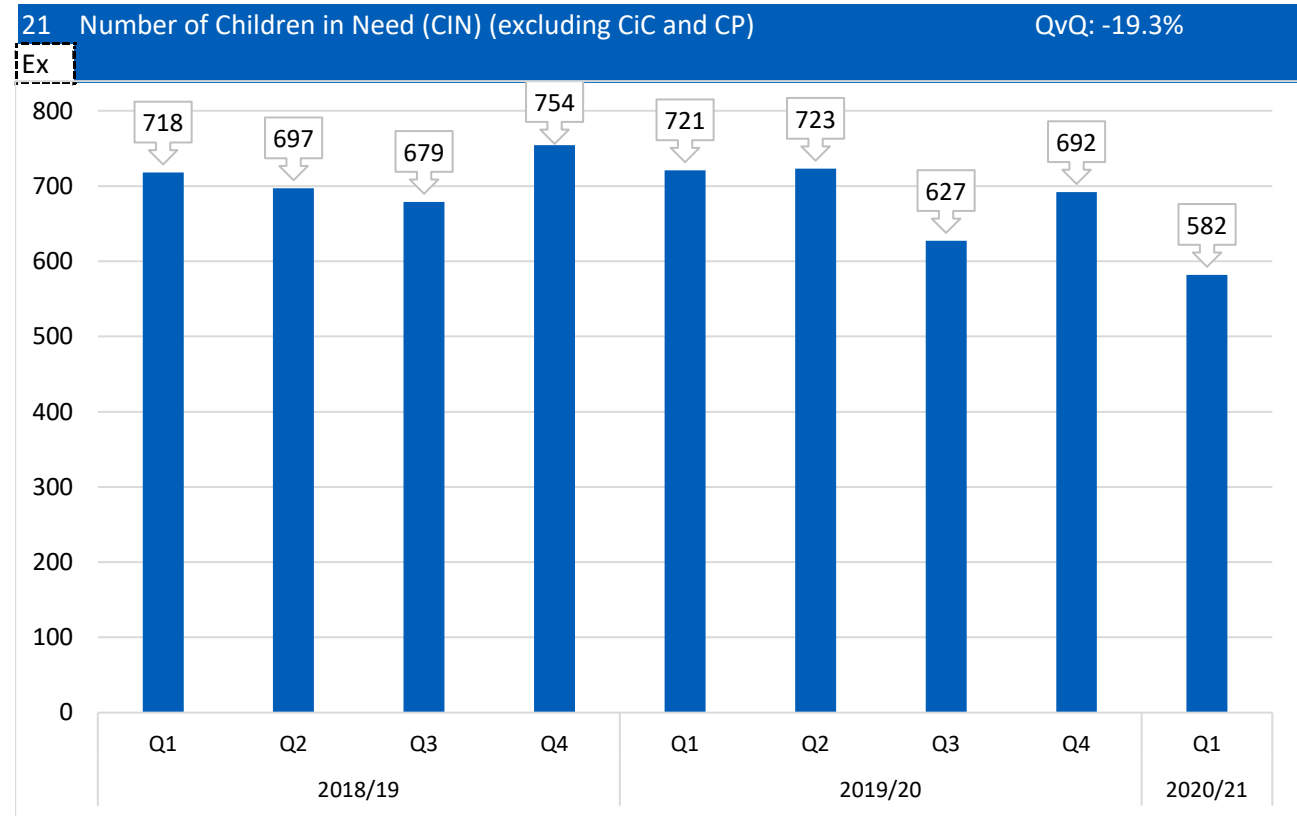


20 Number of S47 (Child Protection) enquiries initiated QvQ: -4.6%



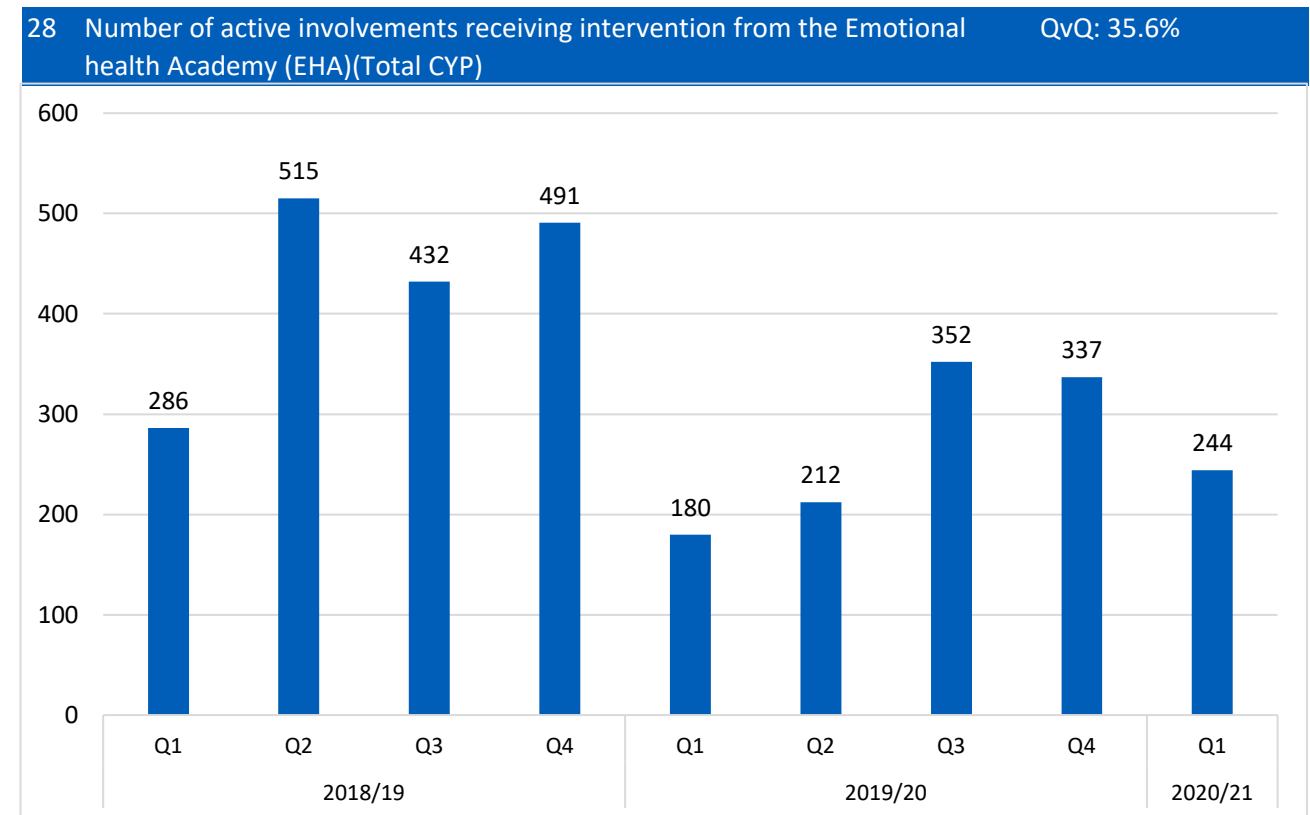
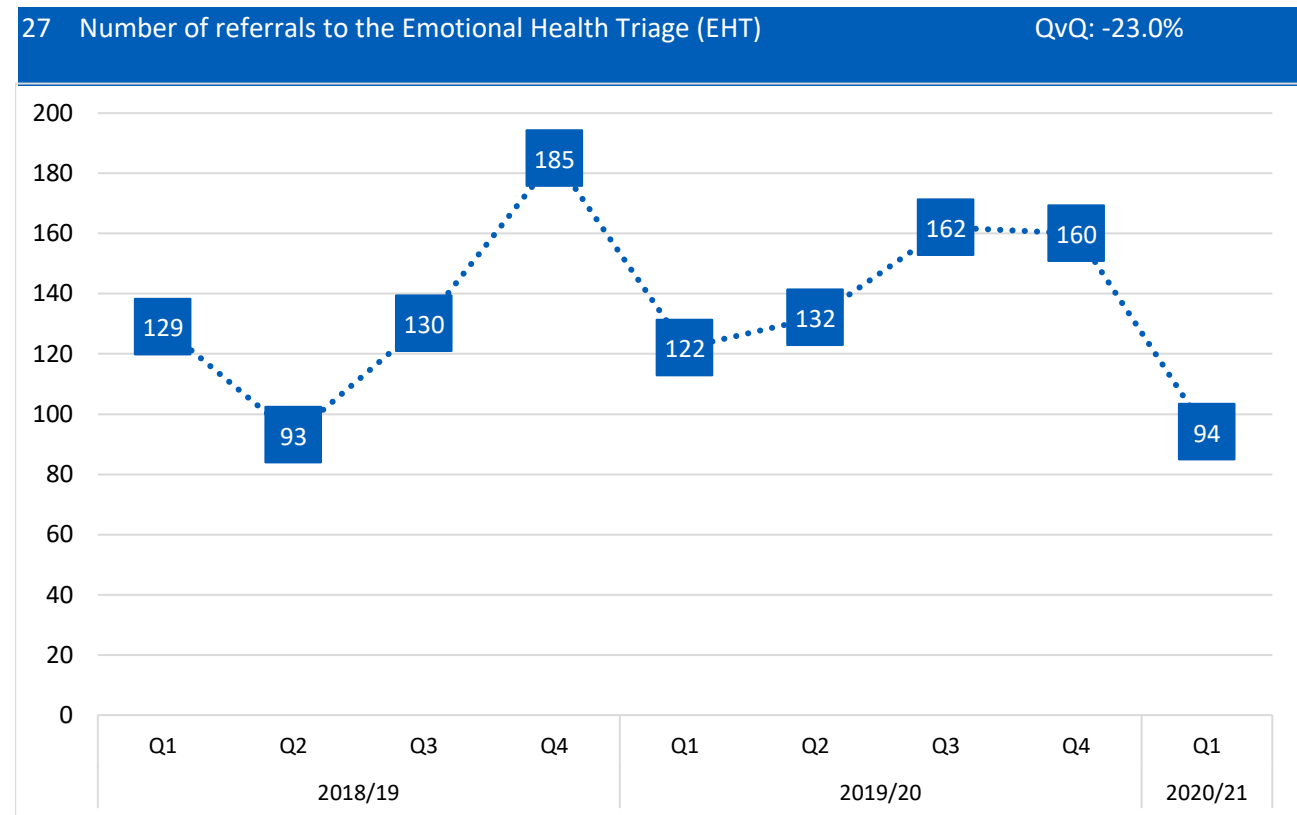
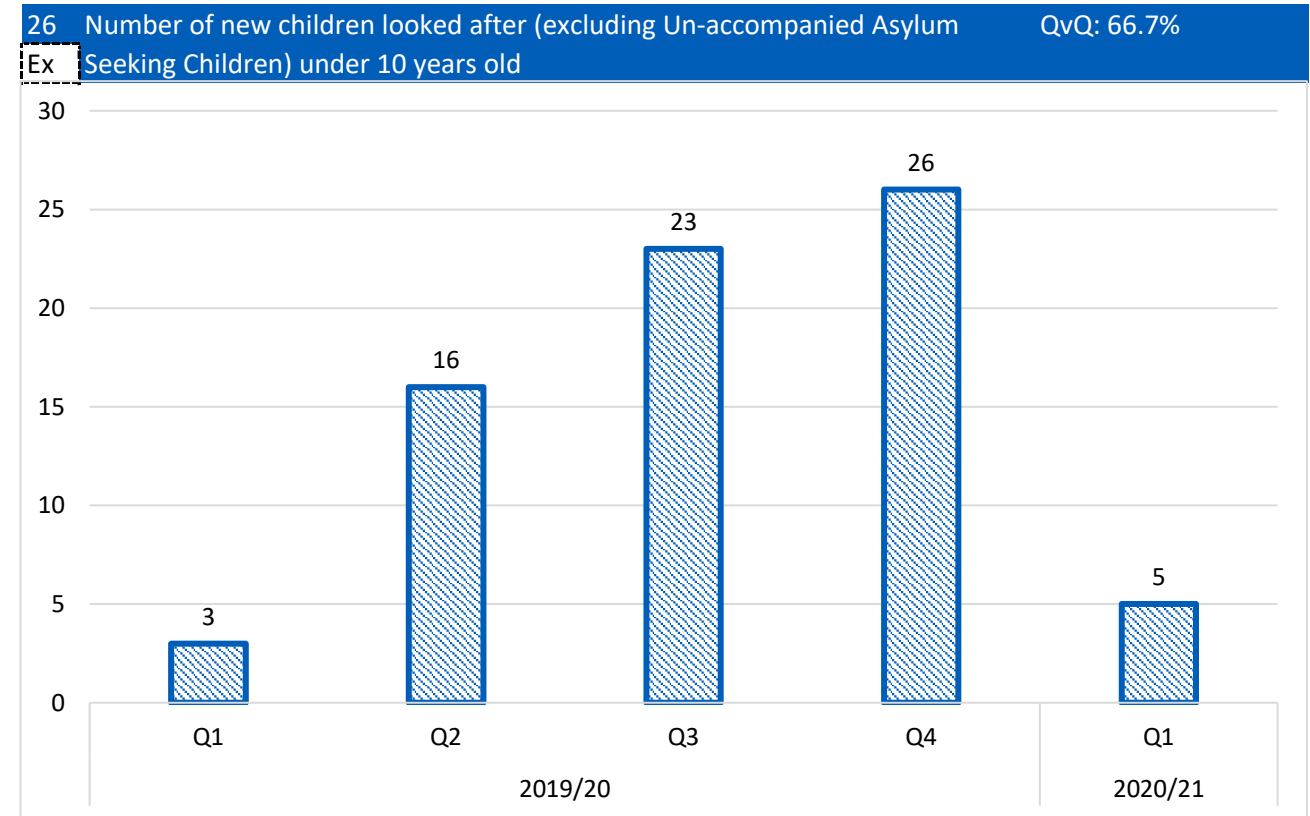
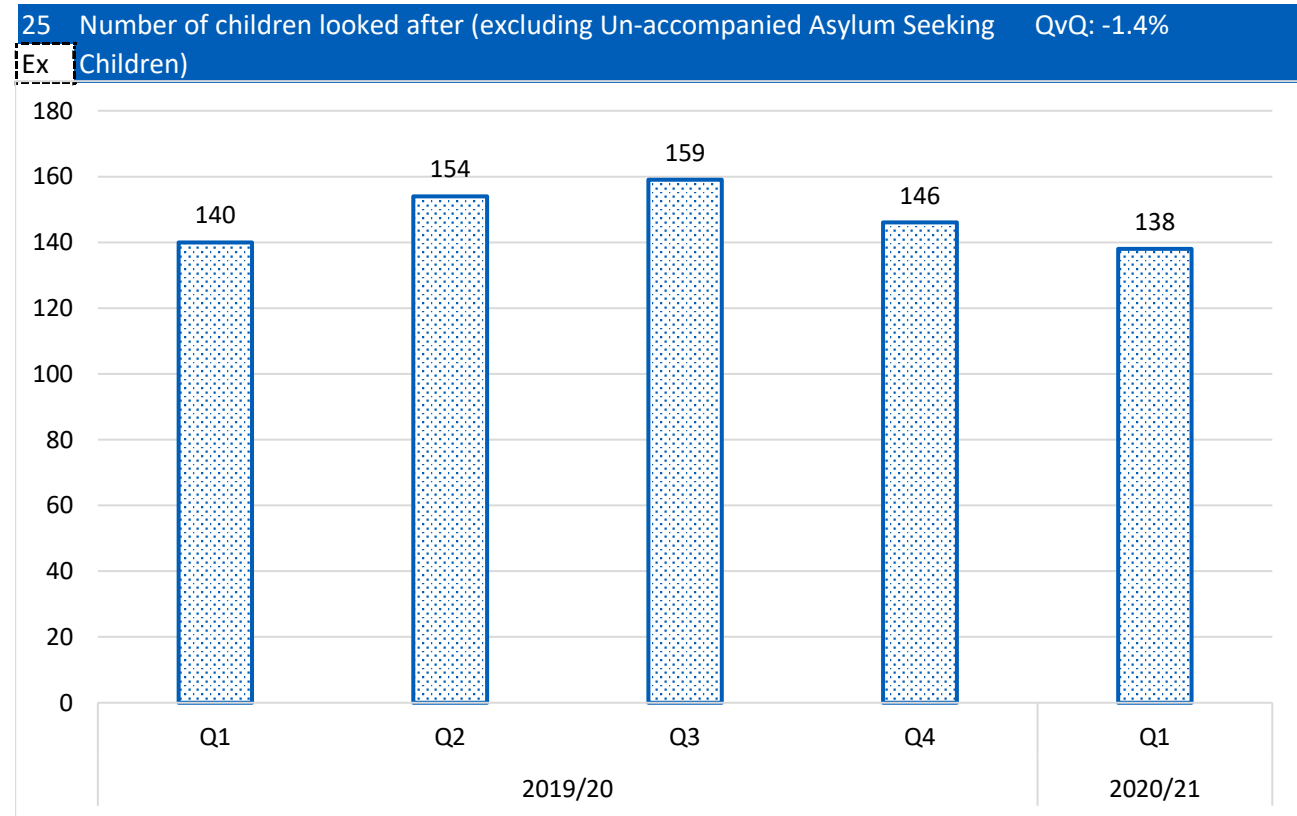
Appendix A: District Wide Health Check 2019/20 (current qtr v same qtr last year)

Economy (Grey) | Social Care (blue) | Environment (Green)



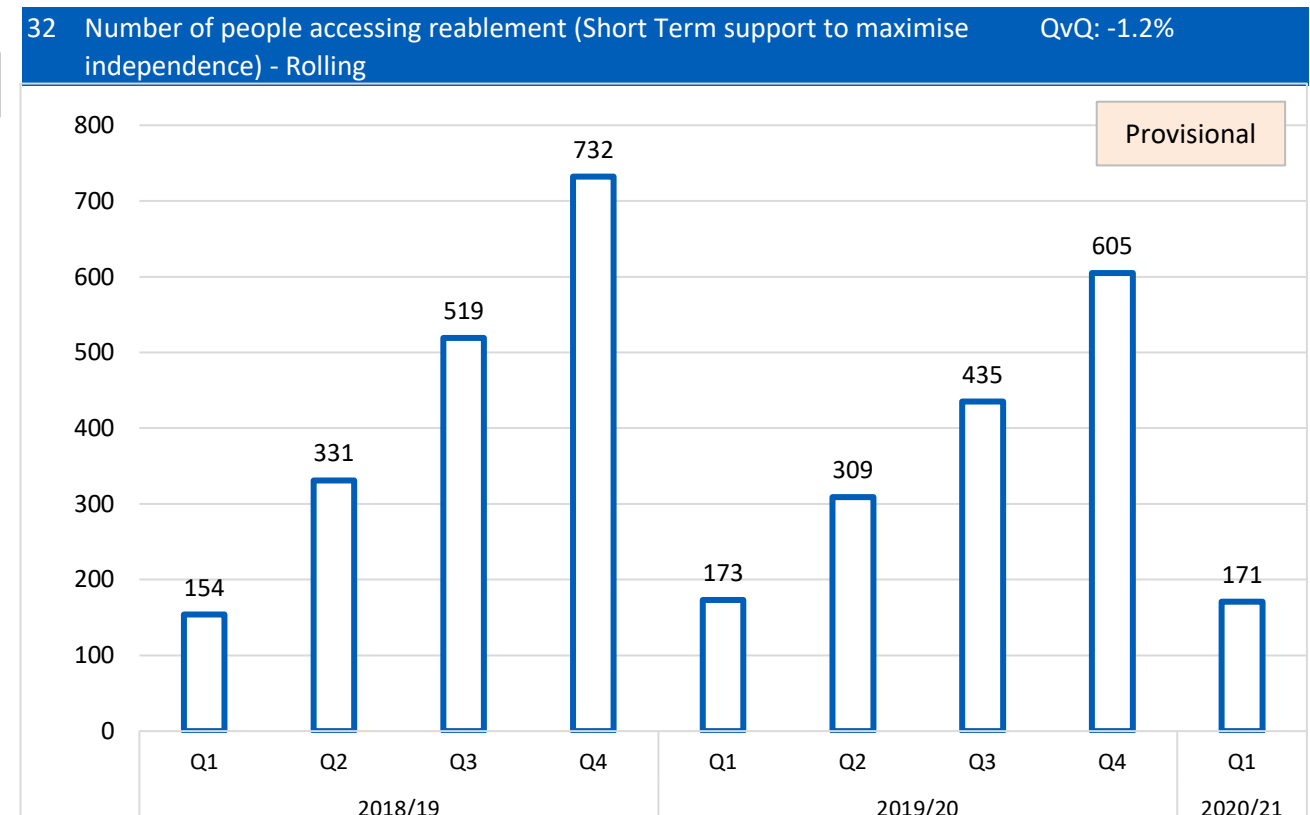
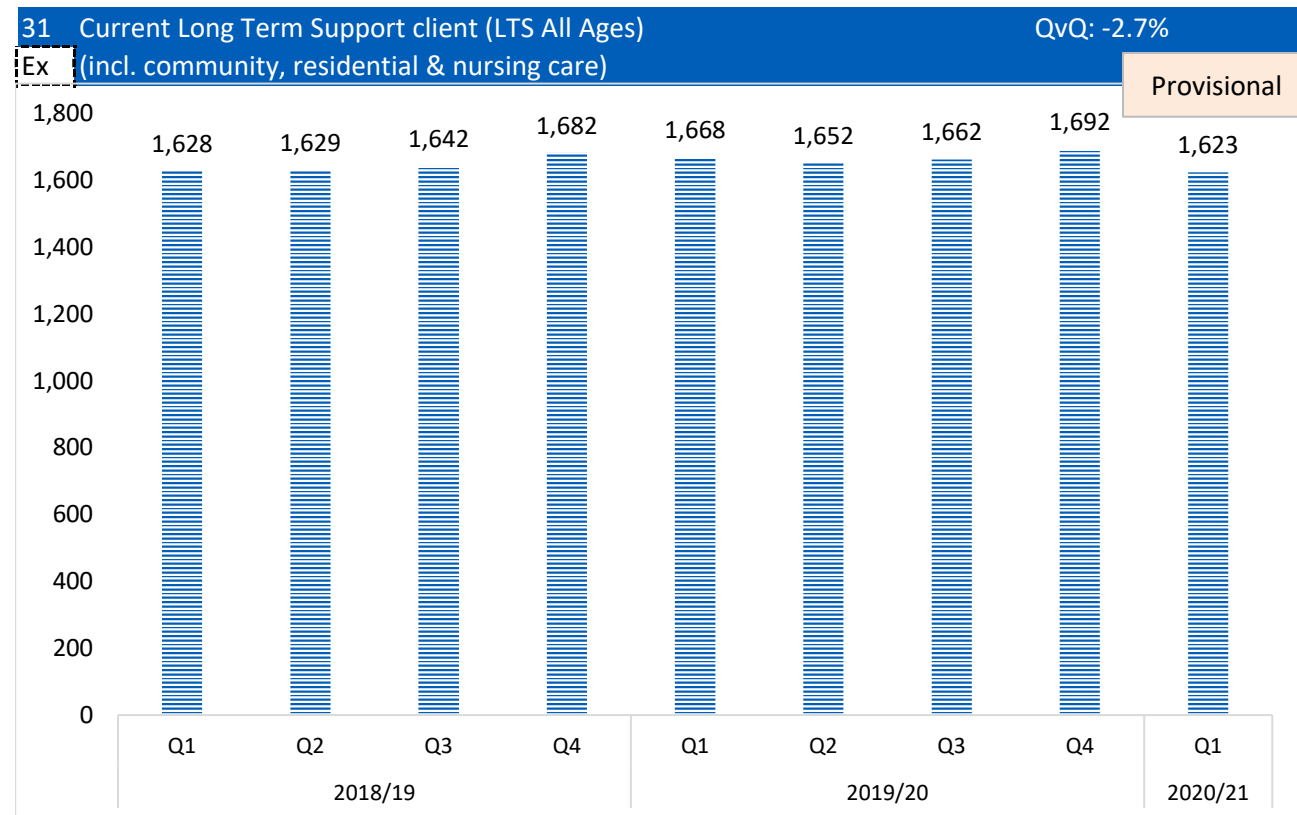
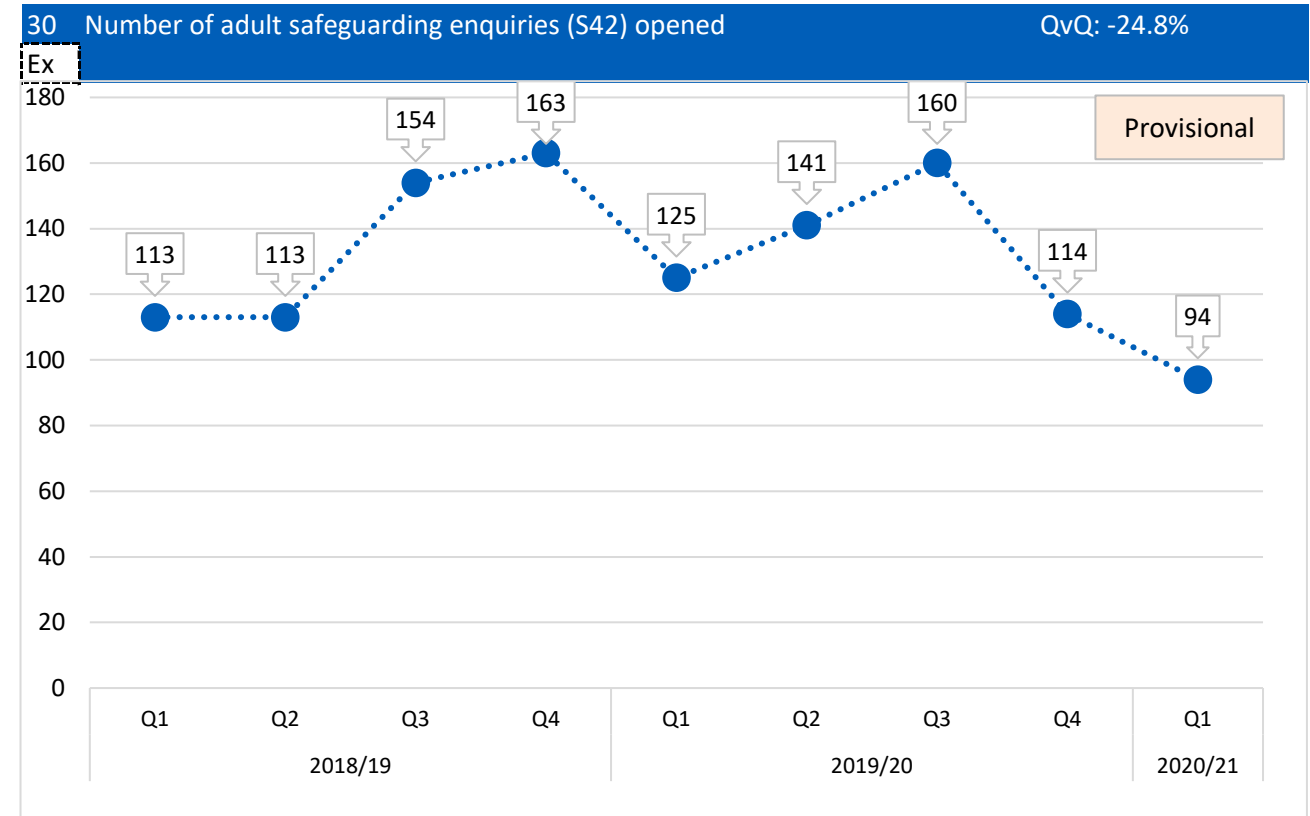
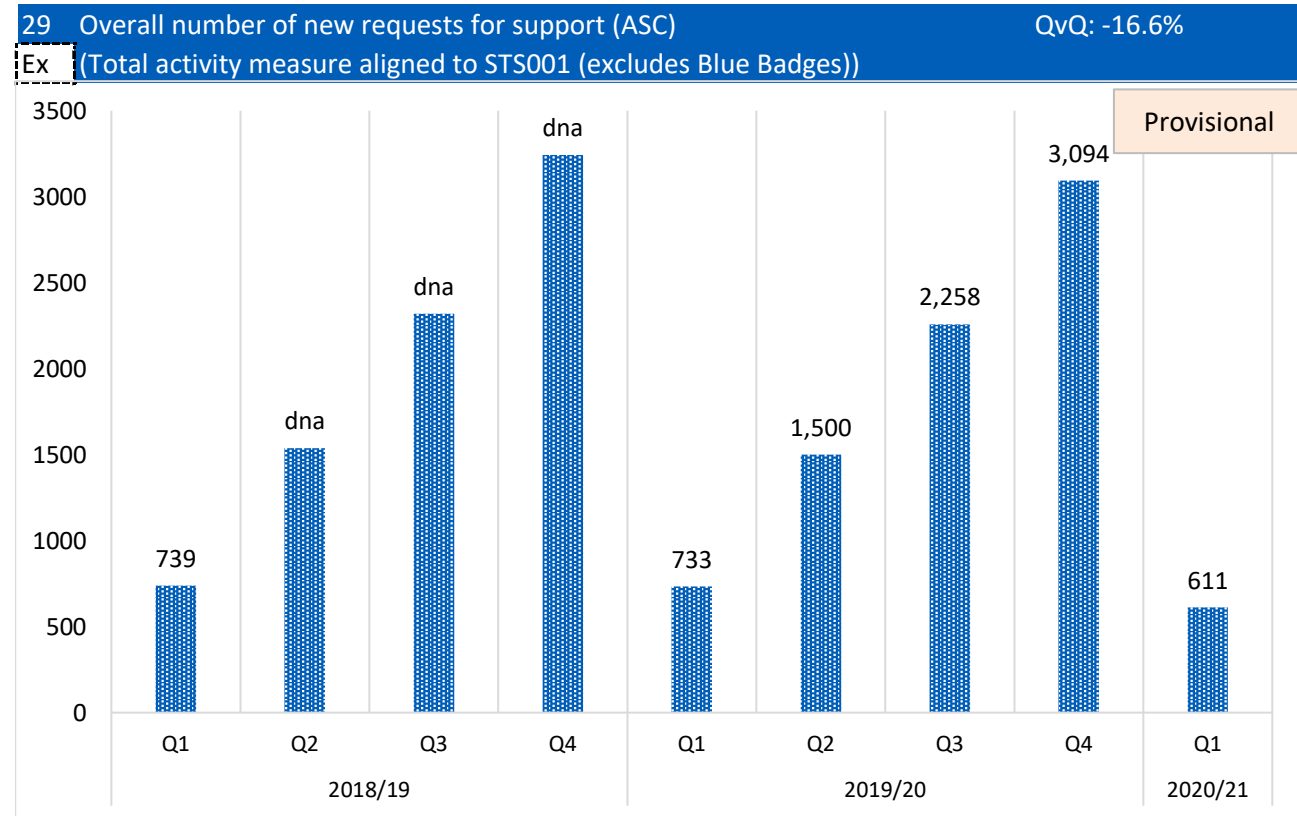
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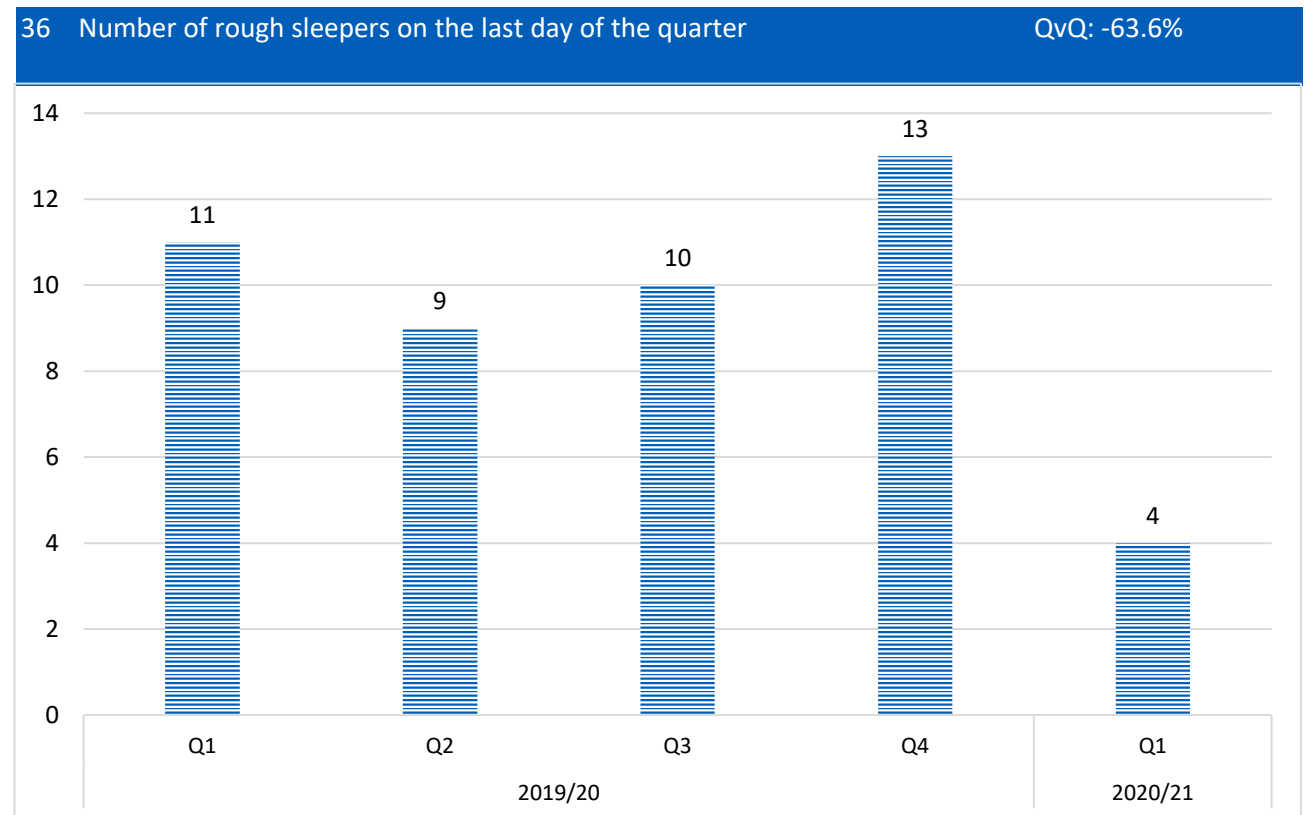
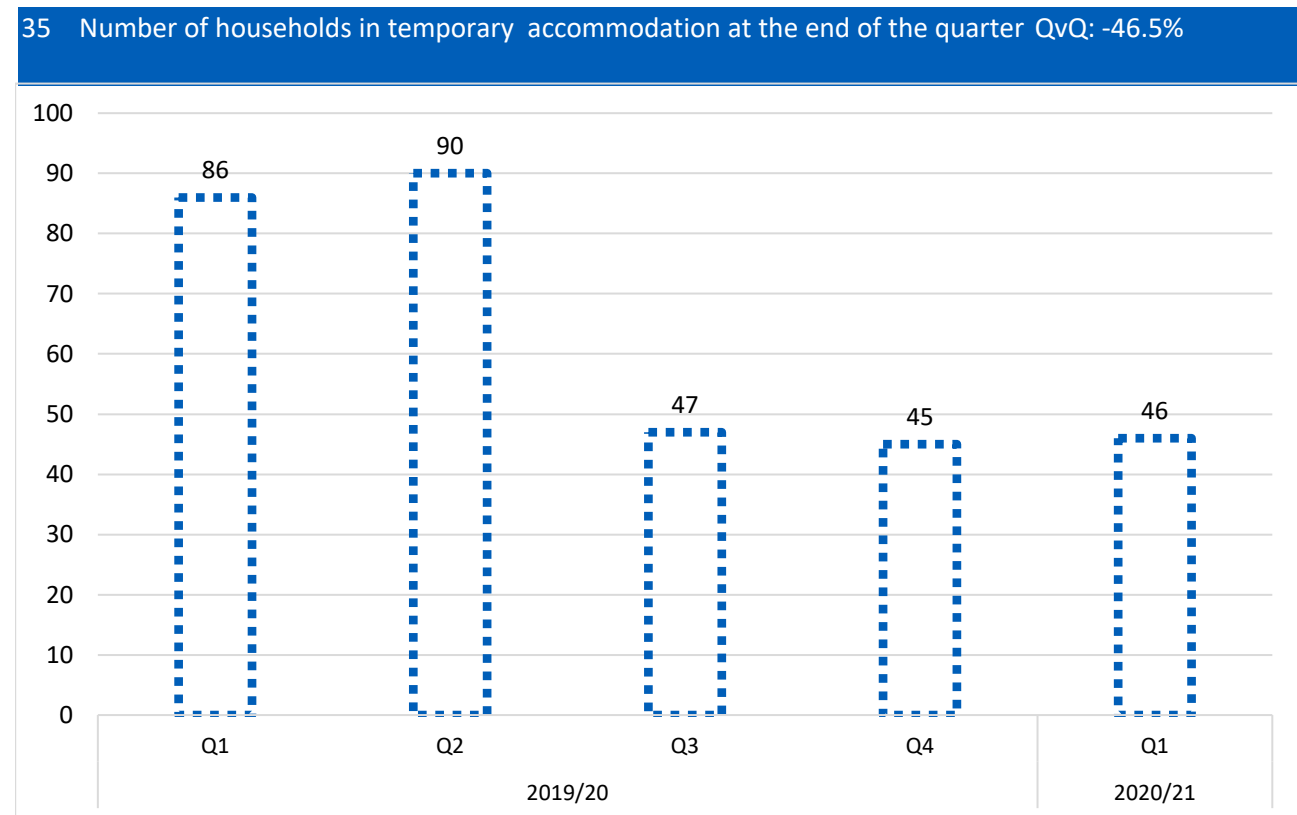
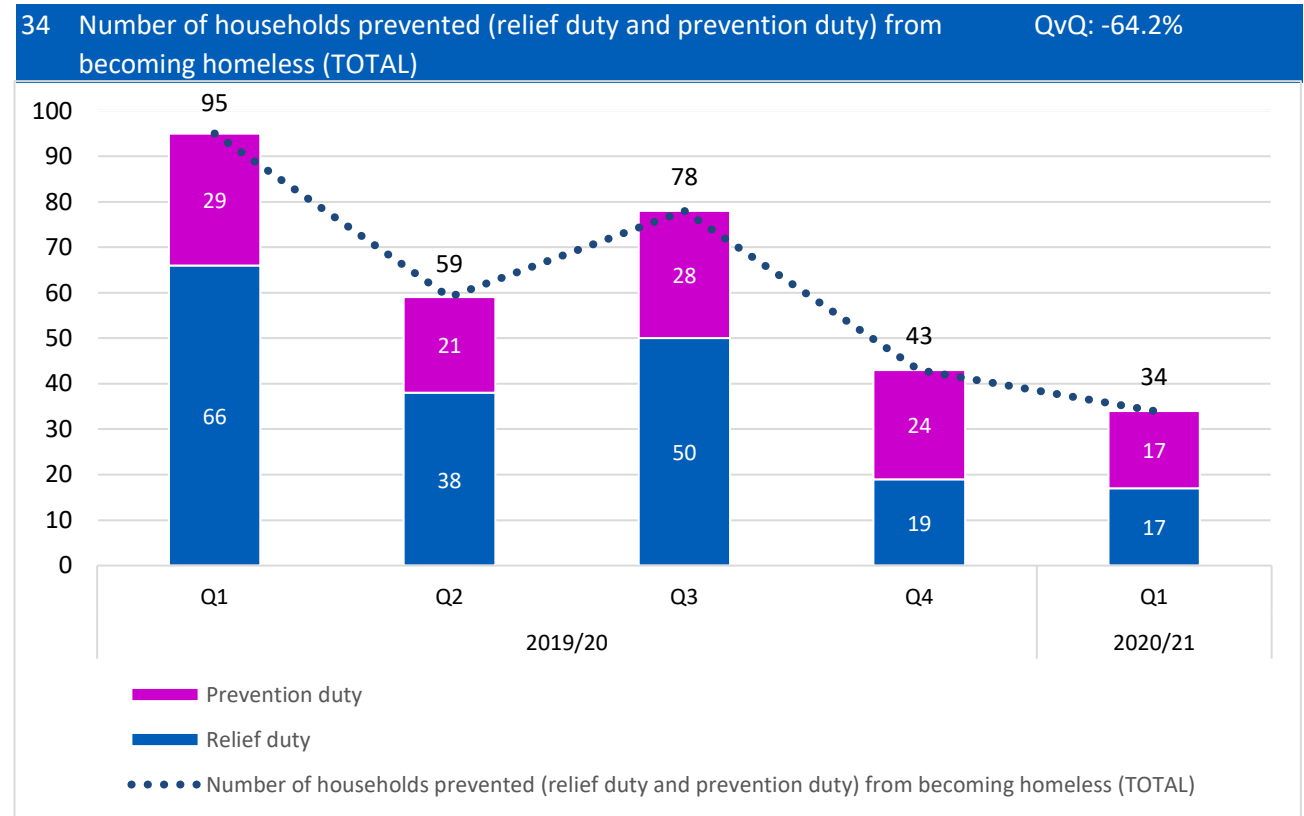
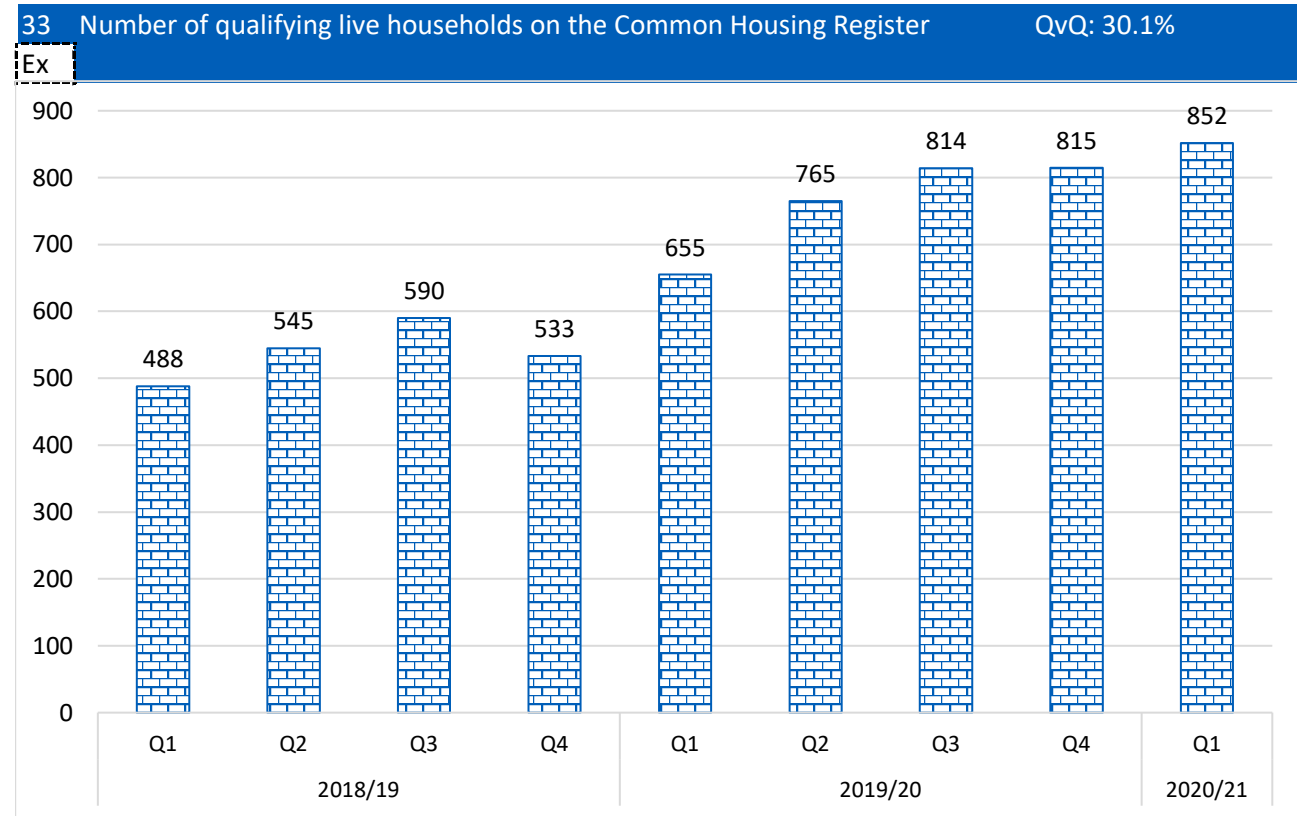
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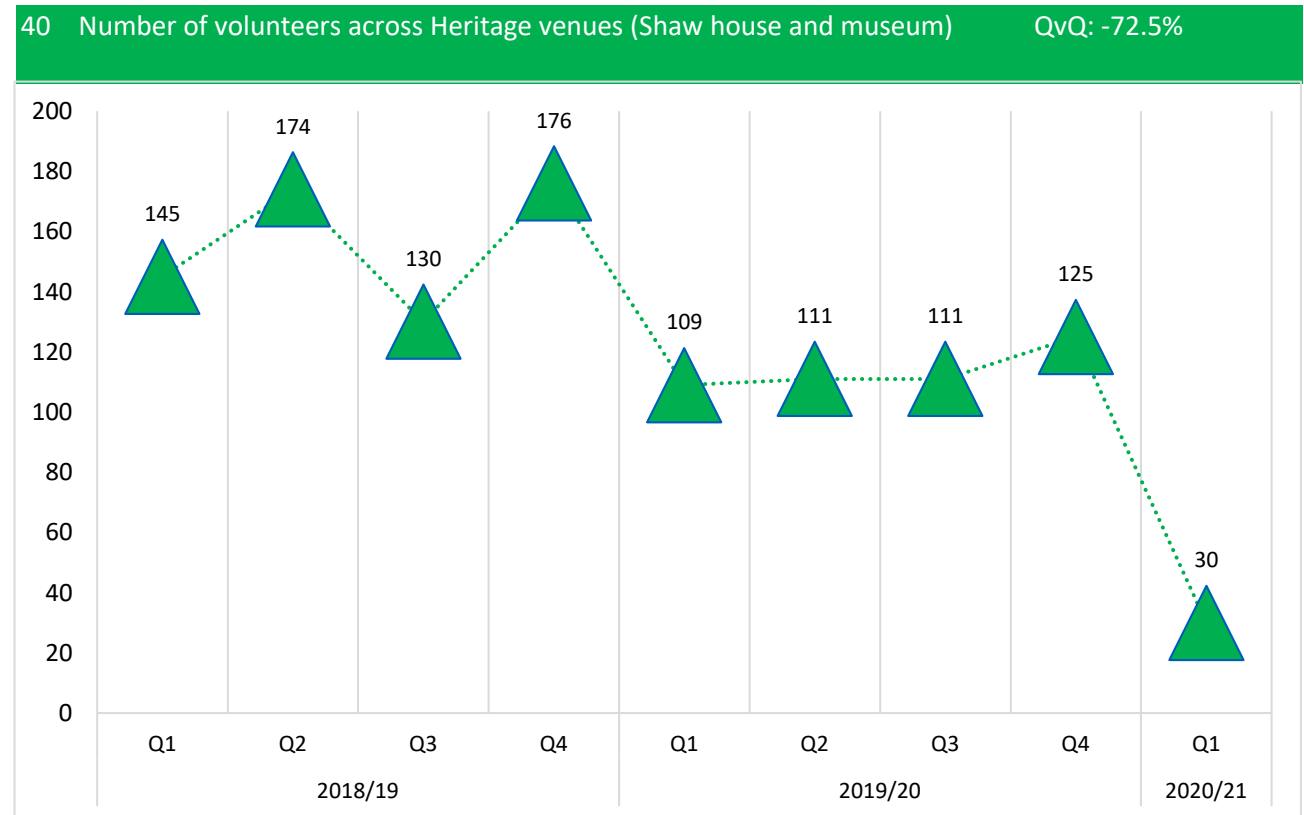
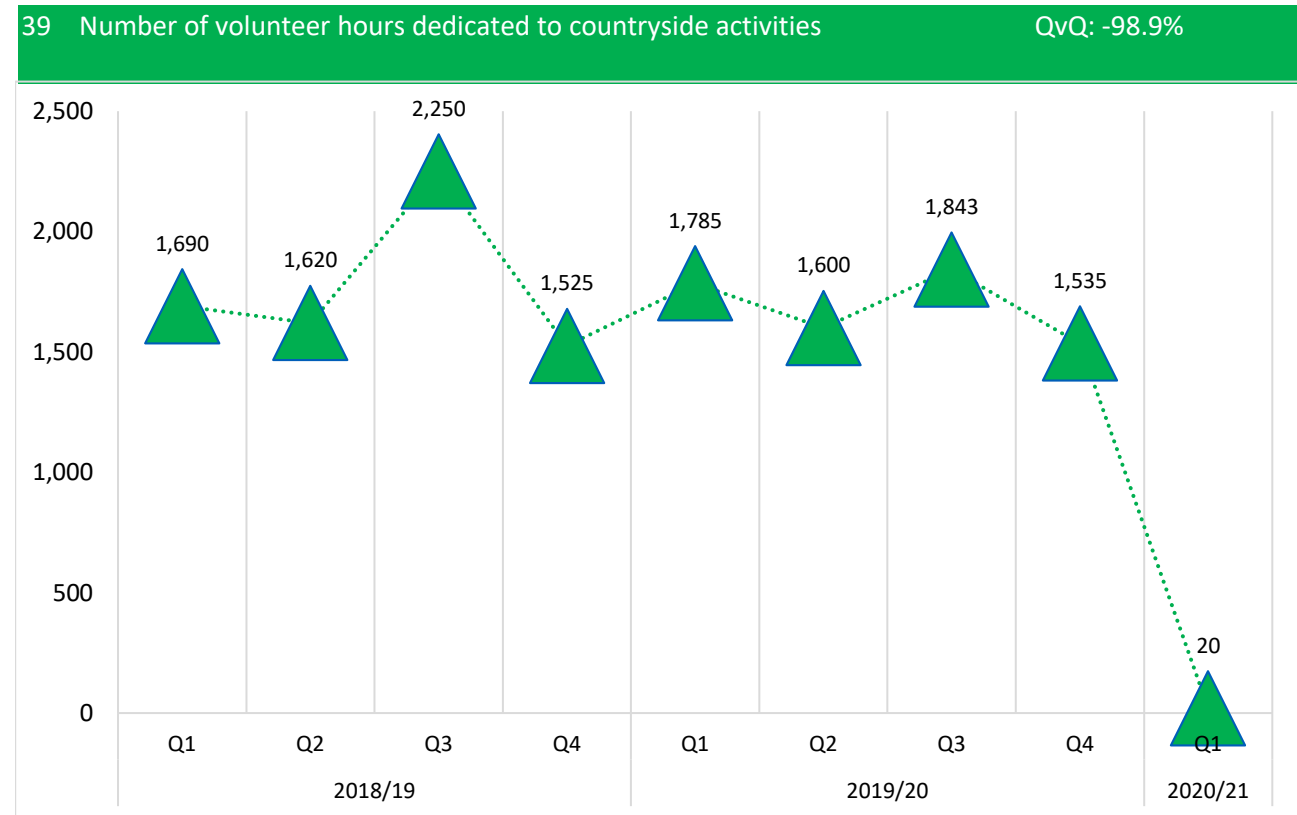
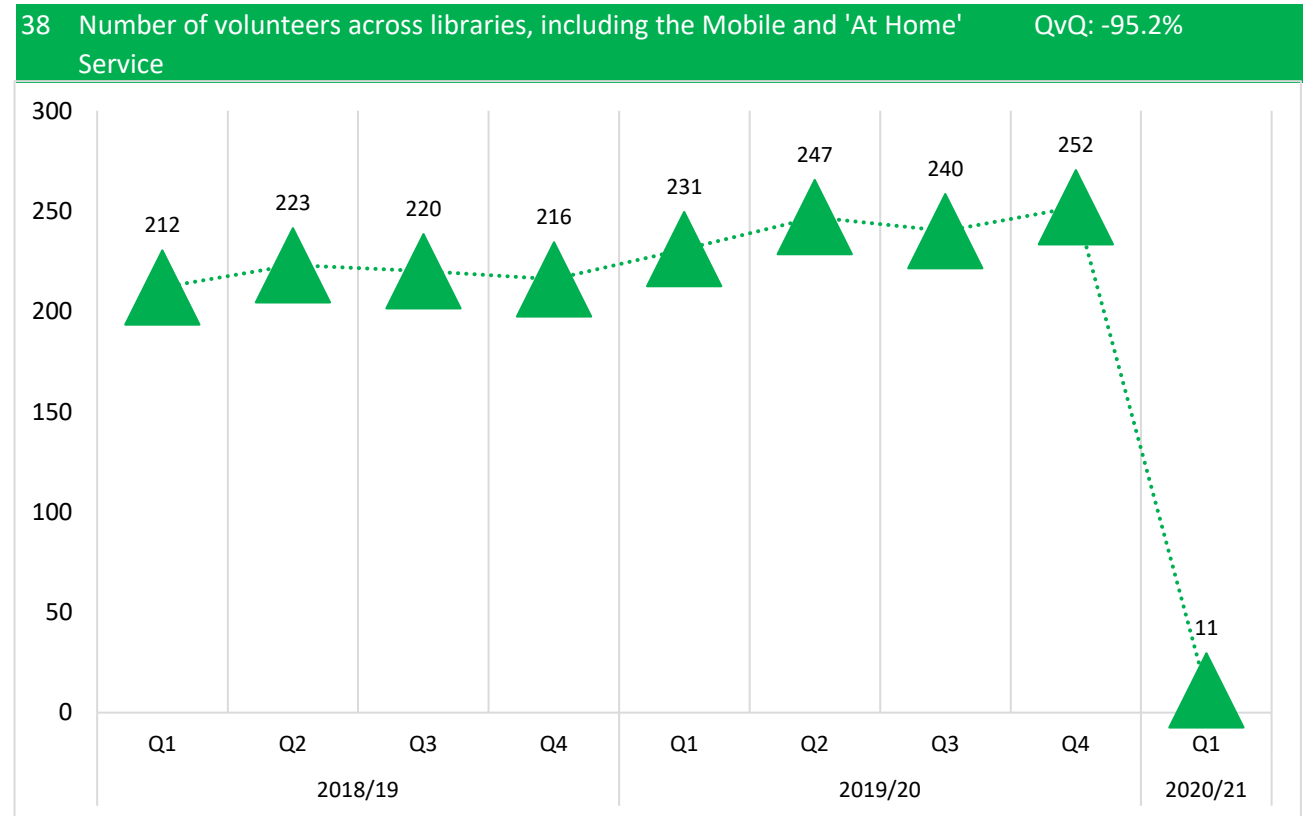
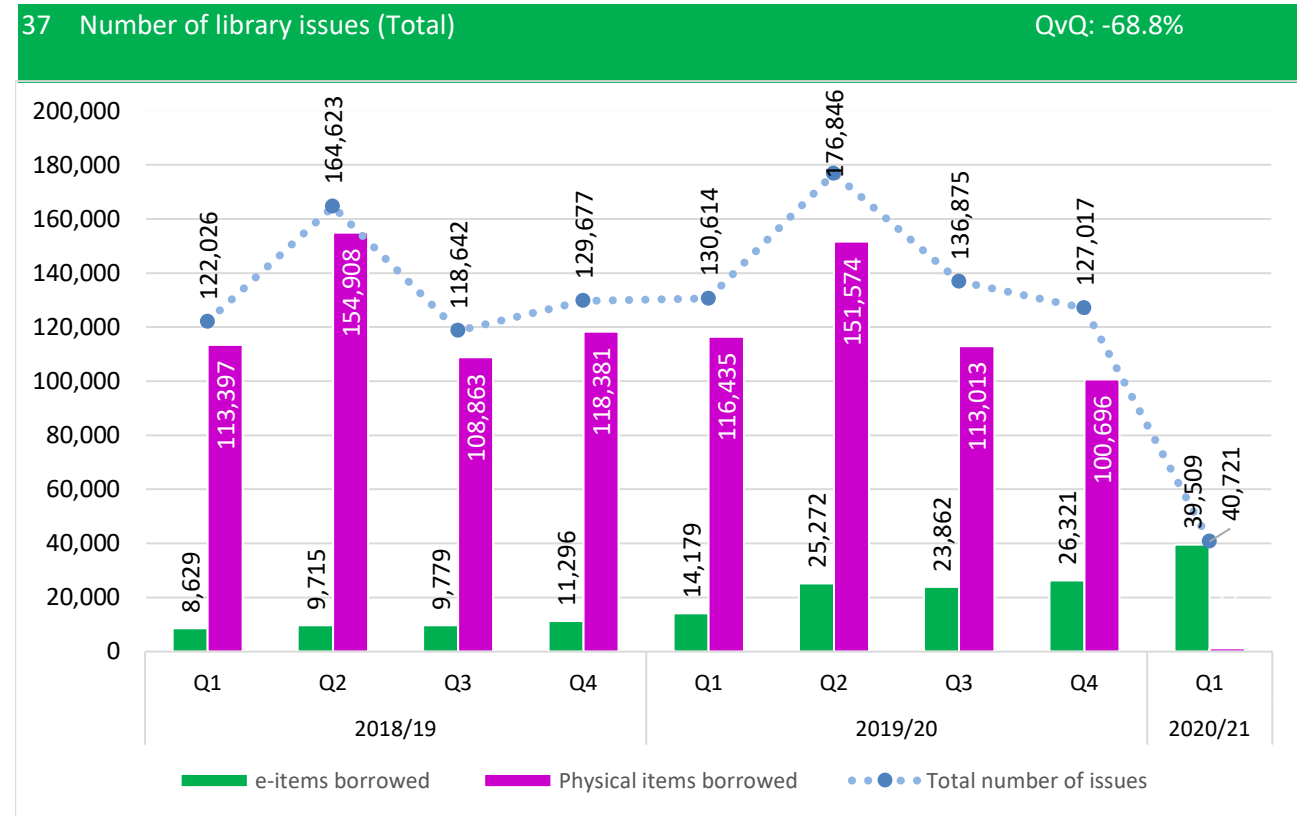
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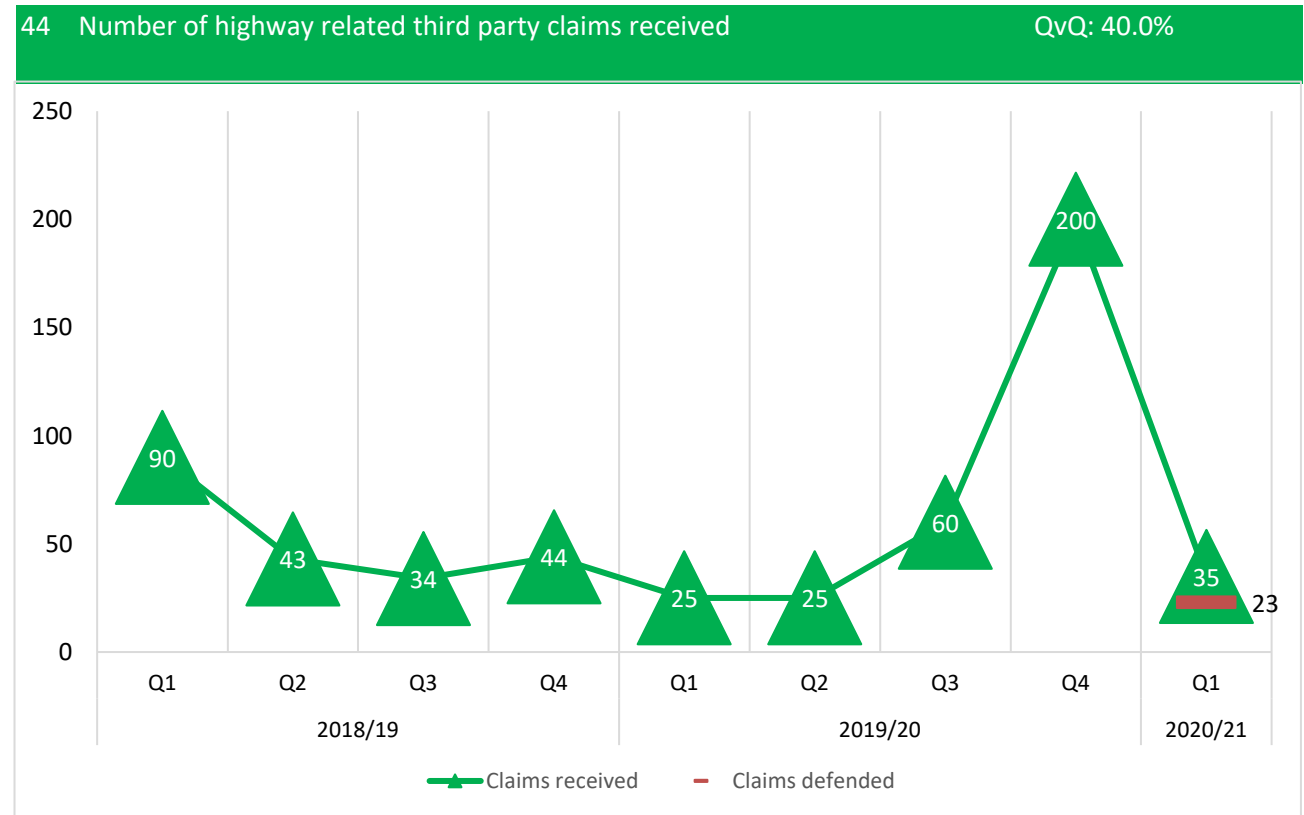
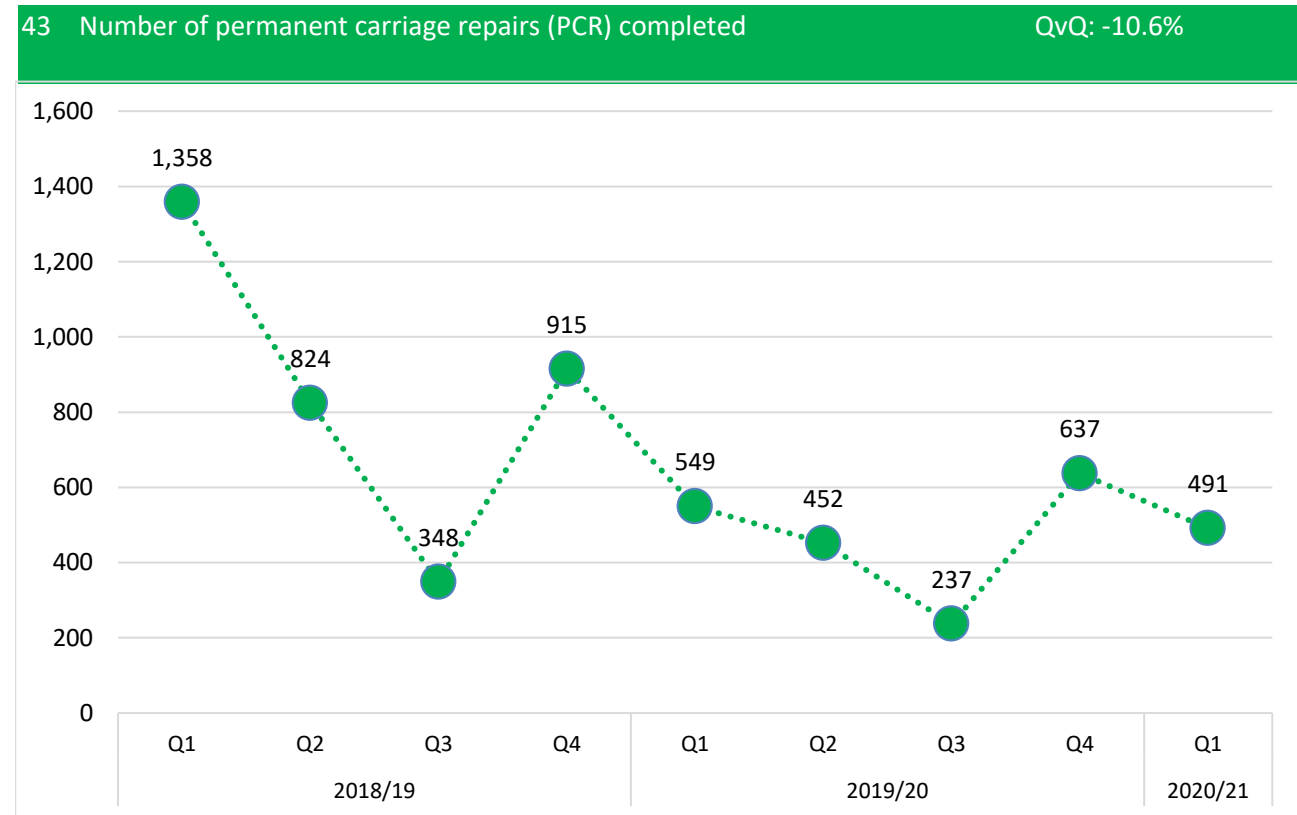
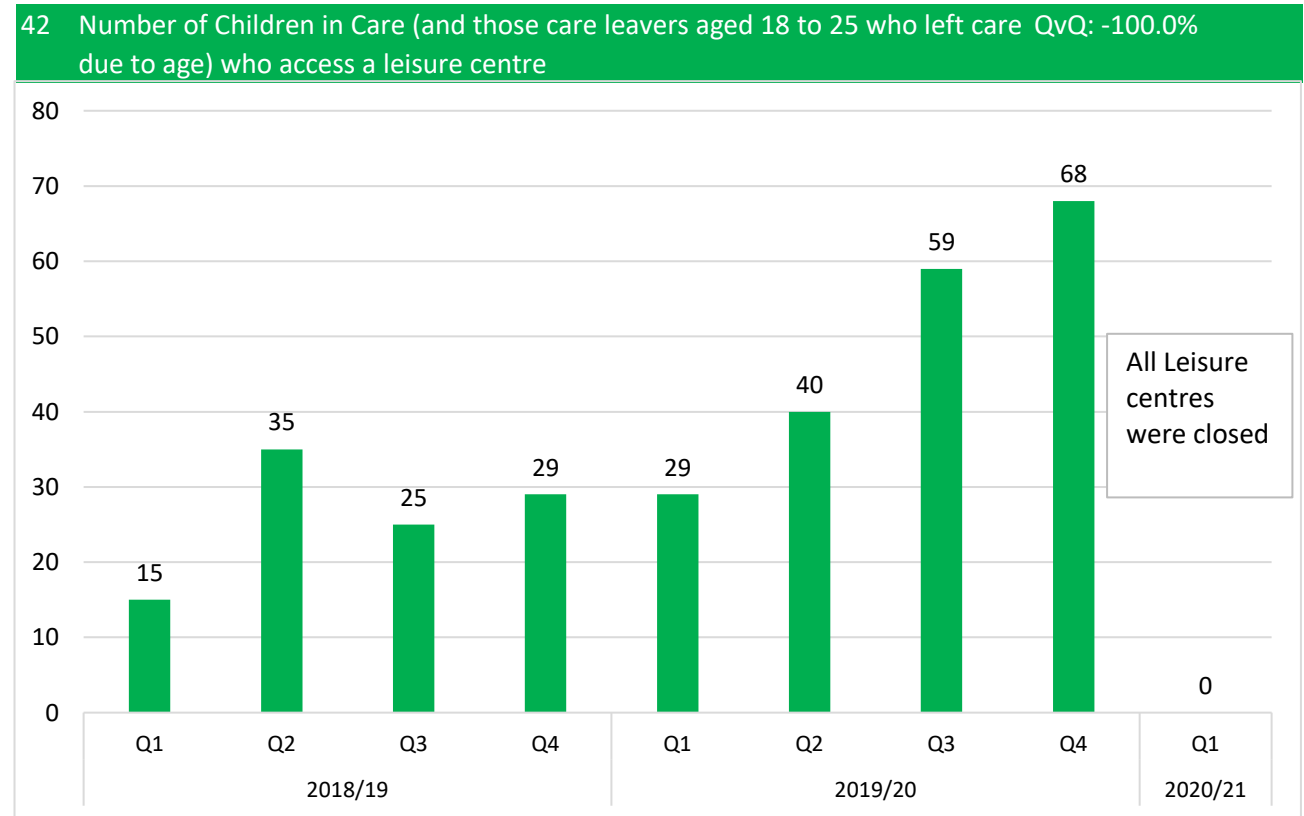
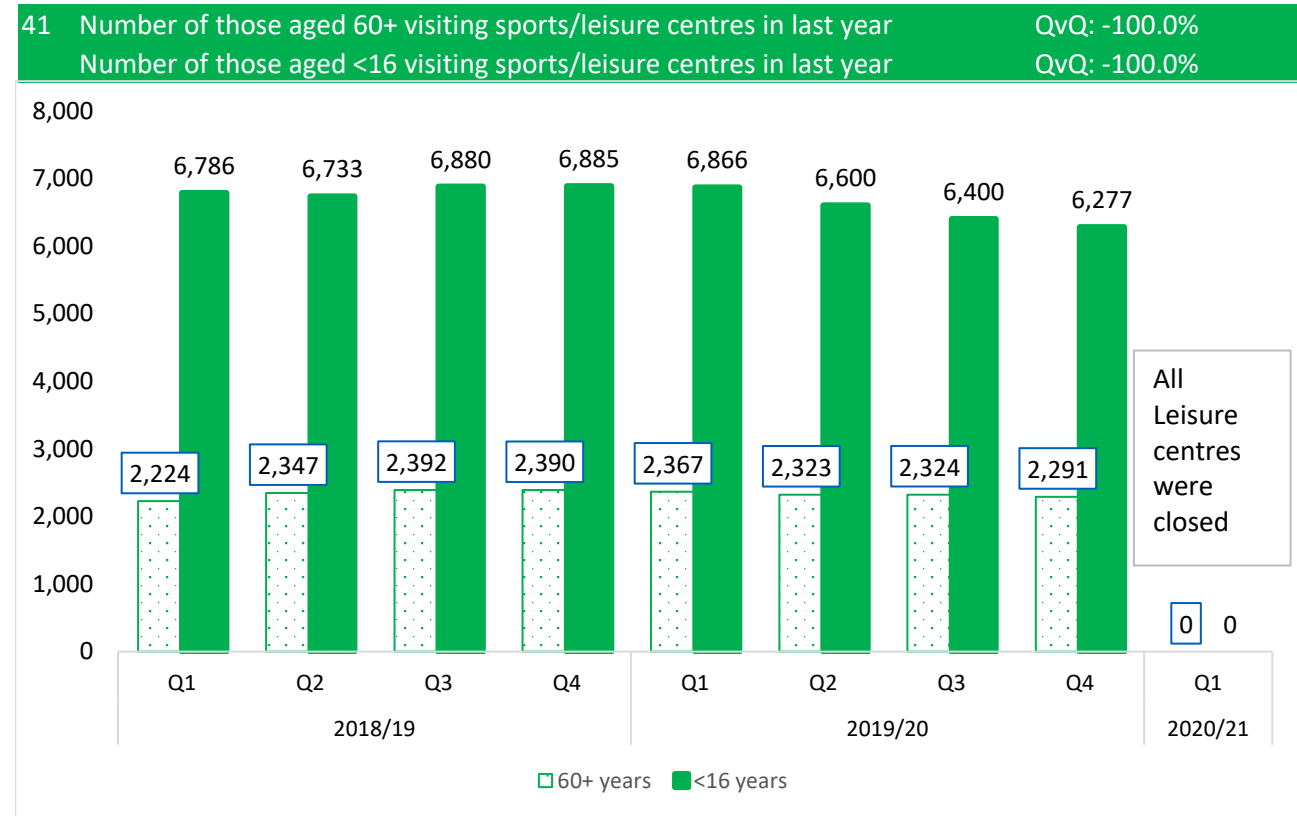
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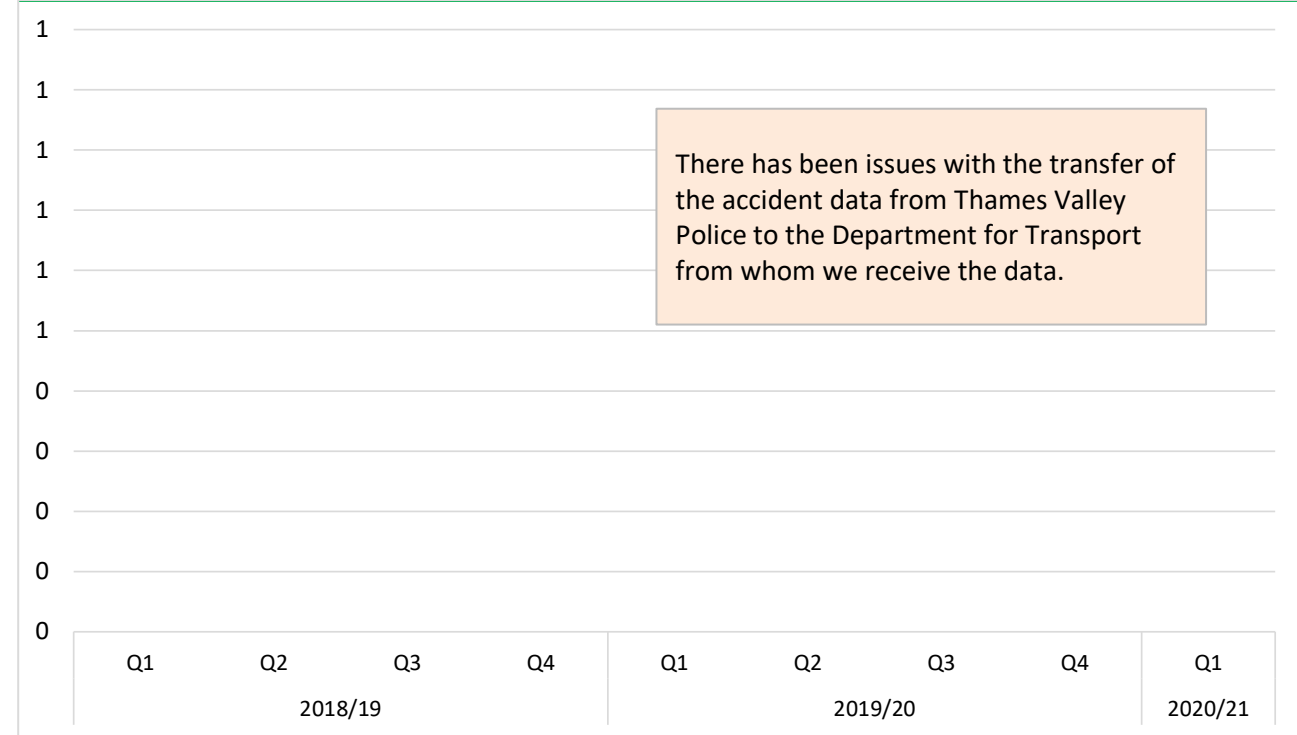
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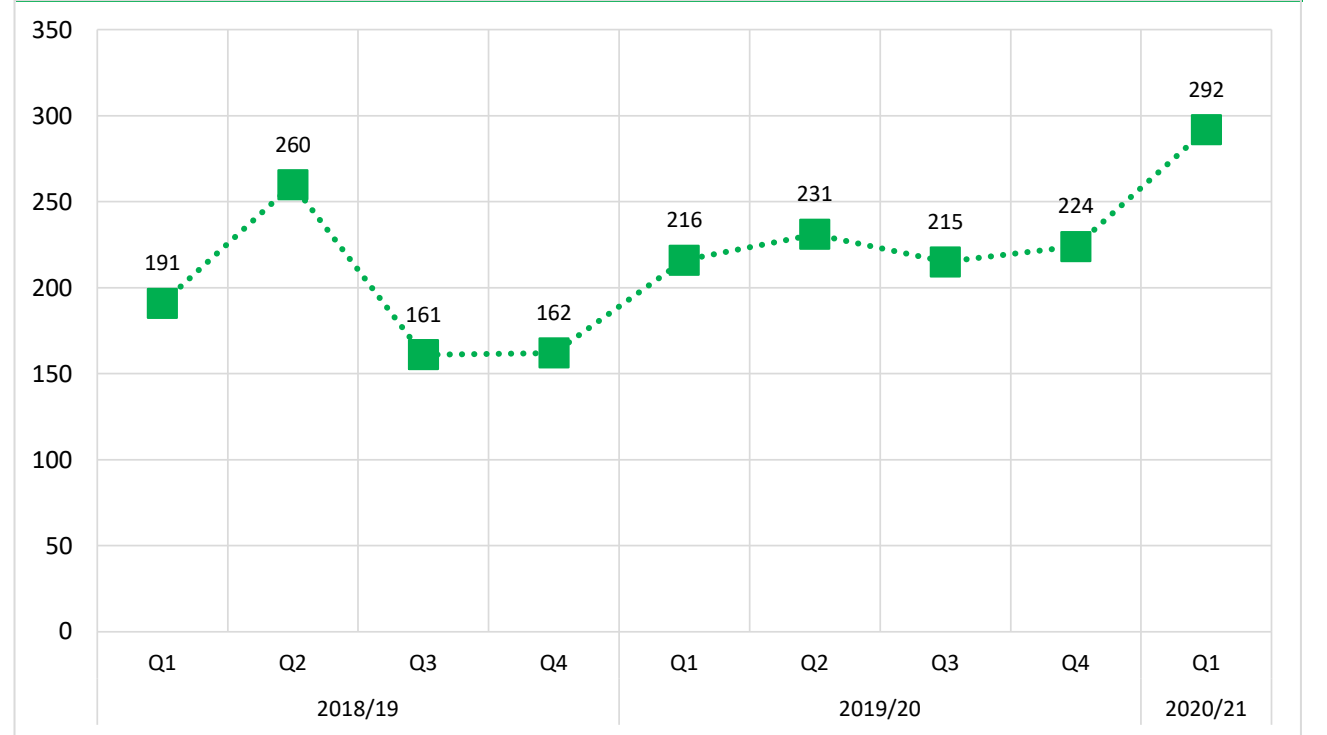
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45 Number of people killed or seriously injured on roads in West Berkshire (incl. Highway Agency roads) QvQ: -



46 Number of flytips reported QvQ: 35.2%



Andy Sharp / Pete Campbell			Children and Family Service				Q1 2020/21	AMBER
Indicator Ref:			% of Children in Care where the child has been visited in the past 6 weeks (or 12 weeks if this is the agreed visiting schedule)				Type: Snapshot	
Executive	2018/19 Year End	2019/20 Year End	2020/21				Target	Polarity
			Q1	Q2	Q3	Q4		
RAG	■	■	◆				≥95%	Higher is better
Qrtly outturn	-	-	-					
YTD outturn	(164/173) 94.8%	(145/158) 91.8%	(63/150) 42.0%					

REASON FOR AMBER:

We are only classing a visit as 'statutory' if it is carried out face to face. The coronavirus pandemic has meant that this has not always been possible in recent weeks. Performance rises to 96% if telephone and video meetings are also included. We have also chosen not to exercise the 'easements' that have been afforded by the Coronavirus Act 2020.

REMEDIAL MANAGEMENT ACTION BEING UNDERTAKEN, ALTERNATIVE PLANS AND EXPECTED IMPROVEMENT:

Visits are increasingly being carried out face to face and, provided that this can continue, performance against this indicator will improve. The target remains achievable by year end and no remedial action is required.

IMPACT ON OTHER MEASURES: Not applicable

STRATEGIC ACTIONS REQUIRED: None required.

Joseph Holmes / Andy Walker			Finance & Property				Q1 2020/21	RED
Indicator Ref:			Non domestic rates collected as percentage non domestic rates due				Type: Snapshot	
Executive	2018/19 Year End	2019/20 Year End	2020/21				Target	Polarity
			Q1	Q2	Q3	Q4		
RAG	★	★	■				98.8%	Higher is better
Qrtly outturn	-	-	-					
YTD outturn	(251,705,119/ 355,628,967) 98.4%	(88,068,975/ 89,028,134) 98.9%	(15,038,824/ 55,154,964) 27.27%					
REASON FOR RED:								
For comparison, Q1 2019/20 = (30,558,961/89,903,445) 34.0%								
Covid-19 has had a massive effect on collection. Many businesses have been closed since March resulting in the Council stopping all Direct Debits payments in April or May. Additional relief has been awarded to those who qualify but cash payments have remained limited.								
The Council also decided not to issue any 'recovery' letters or to use any enforcement action.								
REMEDIAL MANAGEMENT ACTION BEING UNDERTAKEN, ALTERNATIVE PLANS AND EXPECTED IMPROVEMENT:								
Decision to be taken next month (August) as to whether recovery and enforcement action can start.								
FINANCIAL IMPLICATIONS: Loss of income to the Council								
IMPACT ON OTHER MEASURES: This will have affected the council's income / cash flow.								
SERVICE PLAN UPDATES REQUIRED: None								
STRATEGIC ACTIONS REQUIRED: None								

Andy Sharp / Paul Coe			Adult Social Care				Q1 2020/21	RED
Indicator Ref: CBgasc2			% of WBC provider services inspected by Care Quality Commission (CQC) that are rated good or better by CQC in the area of "safe"				Type: Snapshot	
Executive	2018/19 Year End	2019/20 Year End	2020/21				Target	Polarity
			Q1	Q2	Q3	Q4		
RAG	■	■	■				100%	Higher is better
Qrtly outturn	-	-	-					
YTD outturn	5/6 83.3%	4/6 66.7%	4/6 66.7%					
REASON FOR RED:								
<p>Birchwood Nursing Home was re-inspected in July 2019 and achieved an overall rating of Requires Improvement (RI); published in September 2019. There were improvements within the 5 domains and 2 achieved a rating of Good, but this did not change the overall rating. The next Inspection is expected in November 2020.</p> <p>Walnut Close was inspected in September 2019 with a published report in December 2019. The Home achieved a rating of RI overall and in all domains with the exception of Caring. One issue for Walnut, causing breaches in regulation leading to an RI rating, related to the fabric of the building and internal maintenance which was deemed to be poor.</p>								
REMEDIAL MANAGEMENT ACTION BEING UNDERTAKEN, ALTERNATIVE PLANS AND EXPECTED IMPROVEMENT:								
<p>An external consultant was commissioned to review environment and practice in Birchwood and work directly with the home on specific areas of activity to improve the rating for 2020. This work began towards the end of 2019 and is ongoing during 2020. Further action plans have been developed and implemented.</p> <p>Similarities in practice apply across all our homes and it is reasonable to assume all will benefit from actions drawn from this work.</p> <p>Positively; Willows Edge was recently inspected (Feb 2020) and the overall outcome achieved was good in all 5 areas. It is clear that some of the recent work is having a positive impact.</p> <p>Focus in Q1 has been on adapting to and supporting the Coronavirus Pandemic.</p>								

During the Covid pandemic, the CQC has been undertaking virtual assurance checks because site visits are not considered appropriate. These checks have taken place for all four homes during the last two months and no concerns have been raised.

FINANCIAL IMPLICATIONS:

Both Birchwood and Walnut Close had a high number of COVID infections. 2 impacts - closed to new admissions and high number of deaths means occupancy has decreased during Q1

IMPACT ON OTHER MEASURES: None

SERVICE PLAN UPDATES REQUIRED: None, as this is already incorporated in the ASC Service Plan and monitored through the Council Delivery Plan.

STRATEGIC ACTIONS REQUIRED: None

John Ashworth / Gary Lugg			Development and Planning				Q1 2020/21	AMBER
Indicator Ref:			% of planning appeals won				Type: %+	
Executive	2018/19 Year End	2019/20 Year End	2020/21				Target	Polarity
			Q1	Q2	Q3	Q4		
RAG	-	★	◆				65% (England Average)	Higher is better
Qrtly outturn	-	-	-					
YTD outturn	-	51 / 63 81%	5 / 9 55.6%					

REASON FOR AMBER:

There is no particular change in circumstances within the Service that has caused this outcome for the Quarter. Which appeals are submitted, when those appeals are made, and also when those appeals are determined, are outside the control of the Service. There has been an impact on the timeliness of decisions coming through for appeals from the Inspectorate as a result of COVID-19 and some of these decisions may have come through in an earlier Quarter had this particular circumstance not occurred. These decisions all relate to appeals lodged between October 2019 and December 2019. The number of appeals is low and therefore greater percentage swings are likely over the short Quarterly reporting periods as opposed to the full Year End outcome. As this is Quarter 1 it is expected that appeal decisions can balance out over the Year. The live YTD position on this indicator is 64%.

REMEDIAL MANAGEMENT ACTION BEING UNDERTAKEN, ALTERNATIVE PLANS AND EXPECTED IMPROVEMENT:

Monitoring of the Inspectorate's appeal decisions and the comments made in them about the original decisions made (which lead to the need to appeal) are monitored after the receipt of each decision. A Quarterly report is prepared within the Service to summarise the appeal decisions and provide feedback on some of the key findings. This report is presented at the Portfolio Holder Briefings. There is currently no identifiable adverse pattern in respect of appeal decisions. If a pattern was to emerge, any necessary remedial management action would be identified and implemented.

IMPACT ON OTHER MEASURES: None.

STRATEGIC ACTIONS REQUIRED: None.

Andy Sharp / Paul Coe			Adult Social Care				Q1 2020/21	RED
Indicator Ref:			Agree and publish a strategic framework to improve the employment opportunities of vulnerable people				Type: text	
Executive	2018/19 Year End	2019/20 Year End	2020/21				Target	Polarity
			Q1	Q2	Q3	Q4		
RAG			■				September 2020	-
Qrtly outturn	-	-						
YTD outturn	-	-	Delayed					
<p>REASON FOR RED:</p> <p>This piece of work has not progressed significantly during Q1 due to competing priorities and the challenge of engaging with other partners during a time of change and uncertainty.</p> <p>REMEDIAL MANAGEMENT ACTION BEING UNDERTAKEN, ALTERNATIVE PLANS AND EXPECTED IMPROVEMENT:</p> <p>Some focused work has now been undertaken but the target date does not currently seem achievable, however an alternative data of December 2020 would be possible. Please note that a new Provider has now begun to deliver the Supported Employment service (commissioned through the Voluntary Sector Prospectus) and they will be an important partner.</p> <p>FINANCIAL IMPLICATIONS: None</p> <p>IMPACT ON OTHER MEASURES: None</p> <p>SERVICE PLAN UPDATES REQUIRED: New target date of end of December 2020.</p> <p>STRATEGIC ACTIONS REQUIRED: None</p>								

Technical Conventions

This report sets out the Council's progress against its Priorities for Improvement set out in the [Council Strategy](#). Performance is presented by priority and augmented with Influencer measures to further describe the operating environment and / or challenges.

Activities are monitored within the council priorities and RAG rated by projected year end performance, e.g. a prediction of whether the target or activity will be achieved by the end of the financial year (or, for projects, by the target date):

Red (R)	Indicates that we have either not achieved (or do not expect to achieve) the activity or target by year end, or the specified target date.
Amber (A)	Means we are behind schedule, but still expect to achieve or complete the measure or activity by year end, or the specified target date.
Green (G)	Means we have either achieved or exceeded (or expect to achieve or exceed) what we set out to do.
Annual	Indicates that the measure that can only be reported against at a particular point in time e.g. at quarter 4.
Baseline	Means that the measure is not targeted and the results are provided as a baseline for future monitoring.
Data not available (dna)	Indicates that the quarterly data is not yet available and will be updated at a later date, usually the following quarter.
Data not provided (dnp)	Means that data has not been provided and will be updated at a later date, usually the following quarter
(E)	Indicates a result is an estimate and will be updated during the year, as and when data becomes available.
(P)	Means a result is provisional and subject to further validation e.g. from an external body, and will be updated during the year, as and when data becomes available.

Where a measure is reported as 'amber' or 'red', an exception report is provided. This identifies the reasons for this assessment and shows what remedial action has been put in place to either bring the measure back on target or to mitigate the consequence of it not being achieved; and whether any Strategic action is required.

Benchmarking

Where possible our progress is compared to all English single tier and county councils, where available, by quartile and rank. Due to the timescales involved in central government publication these are usually available 6-12 months in arrears.

Influencer Measures

Non-targeted measures are reported to either illustrate the demand on a service or provide context for the demand, e.g. economic activity.

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Treasury Management Annual Report 2019/20

Committee considering report:	Executive on 3 September 2020
Portfolio Member:	Councillor Ross Mackinnon
Date Portfolio Member agreed report:	13 August 2020
Report Author:	Gabrielle Esplin
Forward Plan Ref:	EX3947

1 Purpose of the Report

- 1.1 This report summarises the results of the Council's management of cash-flow, borrowing and investments in the financial year 2019/20.

2 Recommendation

- 2.1 That the contents of this report be noted.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	The Council's budget for loans principal paid, and interest paid and received, forms part of the revenue Budget for Levies and Interest. The net revenue cost of borrowing and investment in 2019/20 was £10.8 million. This mainly consists of £11.7 million payments of principal and interest on long term loans to fund capital expenditure, not including principal and interest on debt embedded in the waste PFI contract and borrowing for commercial property, which form part of the Place and Resources budgets respectively. The cost of long term borrowing was offset by £379k interest earned on investments managed in house and £505k from the pre-payment of pension contributions to the Berkshire Pension Fund. Overall the cost of borrowing less income from investments was £78k below the budget for 2019/20.
Human Resource:	N/A

Legal:	Loans and investments are arranged in line with the Borrowing and Investment Strategy which was first approved by the Council on 5 March 2019, with revisions approved the Council on 9 January 2020.			
Risk Management:	The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Borrowing and Investment Strategy. Adherence to the strategy in 2019/20 is shown in this report.			
Property:	The Council's investments also include property held for the purpose of generating revenue income. The report summarises the current value of this property and the rate of return on investment achieved in 2019/20.			
Policy:	The Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA's) <i>Treasury Management in the Public Services: Code of Practice</i> which requires treasury management performance to be reported to the Executive, in line with the Council's Borrowing and Investment Strategy			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		No

B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		No
Environmental Impact:		x		N/A
Health Impact:		x		N/A
ICT Impact:		x		N/A
Digital Services Impact:		x		N/A
Council Strategy Priorities:	x			The management of long term borrowing enables capital funds to be available for investment in infrastructure and other assets which help the delivery of all the Council Strategy priorities.
Core Business:	x			Treasury management activity ensures that sufficient funds are available on a day to day basis to enable the Council's business to continue. Income earned from investments also contributes to revenue funds available for the running of Council services.
Data Impact:		x		No impact on the rights of data subjects
Consultation and Engagement:	Portfolio Holder for Finance and Property, Director of Resources, Head of Property and Finance, Chief Financial Accountant, Treasury Accountant			

4 Executive Summary

- 4.1 Return on the Council's investments and the cost of borrowing is influenced by the UK and global economy. Throughout 2019/20 UK economic growth was slow and interest rates remained low. Interest rates fell even lower at the end of 2019/20 due to the Covid 19 pandemic, with the Bank of England (BoE) base rate being cut from 0.75% to 0.25% and then to 0.1% in March 2020.
- 4.2 The Council's borrowing and investments the beginning and end of 2019/20 were as follows:

	31.3.19 Balance £000	Movement in 2019/20 £000	31.3.20 Balance £000	Weighted Average Interest Rate at 31.3.20 %	Weighted Average Term at 31.3.20 (Years)
Long term loans from Public Works Loans Board (PWLB)	200,438	1,924	202,362	3.33%	31.7
Short Term Borrowing from other Local authorities	8,500	- 4,500	4,000	1.06%	0.1
Debt embedded in the PFI Contract	13,652	- 681	12,971	6.10%	12.5
Total borrowing	222,590	- 3,257	219,333		
Less Short-term investments	36,020	- 3,770	32,250	0.78%	0.2

- 4.3 Three new annuity loans totalling £7.7 million were taken from the PWLB in August 2019 to fund capital expenditure in 2019/20. These loans were for periods between 30 and 50 years at interest rates ranging from 1.58% to 1.84%. £5.8 million of existing loans was repaid in 2019/20.
- 4.4 Long term borrowing in comparison with the operational boundary and authorised limit for borrowing, set in the Council's Investment and Borrowing Strategy 2019/20 is as follows:

	2019/20 Maximum £000	31.3.20 Actual £000	2019/20 Operational Boundary £000	2019/20 Authorised Limit £000	Overall Operational Boundary Complied with?	Overall Authorised Limit Complied with?
Long Term Borrowing for Operational Assets	207,534	202,362	245,029	255,029	Yes	Yes
Other long term liabilities (PFI Debt)	13,652	12,971	12,971	12,971		
Short Term borrowing	9,512	4,000	15,000	15,000		
Total	230,698	219,333	273,000	283,000		

- 4.5 Although the overall Operational Boundary and Authorised Limit were complied with throughout the year, the sub-limit for PFI debt within the overall authorised limit was exceeded because the limit was set in error at the level of the forecast balance as at 31 March 2020, whereas it should have been set in line with the balance outstanding at 1 April 2019. The sub limit for PFI debt will be corrected in the 2020/21 strategy.
- 4.6 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. From time to time it is also necessary to take out short term loans to cover temporary cash-flow pressures. During the year, the Authority's investment balances ranged between £20.0 million and £53.4 million. An average of £9.9 million of this sum was held in instant access deposit accounts with UK banks rated Prime 1 by the Moody's credit agency and/or in a money market fund rated

AAA by Moody's. In addition, £30.3 million, on average, was held in fixed term deposits with Building Societies for an average term of 258 days at an average rate of 1.06% and with other local authorities for an average term of 87 days at an average rate of 0.79%. Total interest earned on these investments, net of the cost of short term borrowing was £379k or 0.94% of the average amount invested.

- 4.7 The Council's borrowing and Investment Strategy sets a limit £5 million to be invested at one time with any one institution. On two occasions the amount held in the Council's current account exceeded this amount by a maximum of £364k because an unexpected sum of income was paid into the account late in the day. Also on five occasions the amount held in deposit accounts or the money market fund exceeded this limit by up to £11k, because the amount deposited did not allow for interest due to be credited to the account. On all occasions the account balance was brought back within the £5 million limit within one working day. Treasury procedures have been amended to ensure that the investment limit is not exceeded in future due to the payment of interest.
- 4.8 The Council also prepaid £14.8 million pension contributions to the Royal Borough of Windsor and Maidenhead (RBWM) in April 2019 and earned 3.4% interest on this sum. The overall rate of return including the pre-payment of pension contributions was 1.61%.
- 4.9 The table below shows total amount of interest paid and received in 2019/20 in respect of long and short term borrowing and investments in comparison with the budget.

	Budget 2019/20	Actual 2019/20 £000	Variance £000
Interest on Long term borrowing for capital spend	5,259	5,263	4
Principal Repaid of long term borrowing for capital spend	5,768	5,772	4
Provision for future repayment of long term borrowing	699	699	0
Interest paid on short term borrowing	9	10	1
Interest earned from investments	- 797	- 884	-87
Net Revenue cost of borrowing and investment	10,938	10,860	-78

- 4.10 Interest earned on investments was higher than expected because the Council gained more than expected from the pre-payment of pension contributions because the amount set aside in 2019/20 to contribute to the pension fund deficit was slightly higher than the amount required to be paid to RBWM.
- 4.11 In addition to its cash investments, the Council also holds investments in the form of commercial property with a value of £61.8 million at 31 March 2020. These investments generated net investment income of £1.15 million in 2019/20, which represents a net rate of return of 1.9%.

5 Supporting Information

- 5.1 The Council has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve treasury management semi-annual and annual reports.
- 5.2 The original Investment and Borrowing Strategy for 2019/20 was approved by the Council on 5 March 2019 and revisions to the 2019/20 Strategy were approved by the

Council on 9 January 2020. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.

- 5.3 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 5.4 The 2017 Prudential Code also includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy for 2019/20, complying with CIPFA's requirement, was also approved by full Council on 5 March 2019.

External Context

Economic Background

- 5.5 The UK's exit from the European Union was one of the major influences on the UK economy and markets during the financial year 2019/20. However the outcome of December's General Election removed a lot of the uncertainty and looked set to provide a 'bounce' to confidence and activity.
- 5.6 The headline rate of UK Consumer Price Inflation UK Consumer Price Inflation fell to 1.7% in February 2019, below the Bank of England's target of 2%. Labour market data remained positive. The unemployment rate was 3.9% in the three months to January 2020 while the employment rate hit a record high of 76.5%. The average annual growth rate for pay excluding bonuses was 3.1% in January 2020 and the same when bonuses were included, providing some evidence that a shortage of labour had been supporting wages.
- 5.7 UK GDP growth in Q4 2019 was reported as flat by the Office for National Statistics; service sector growth slowed; and production and construction activity contracted on the back of concerns over the impact of global trade tensions on economic activity. The annual rate of GDP growth remained below-trend at 1.1%.
- 5.8 However COVID-19, which had first appeared in China in December 2019, started spreading across the globe causing falls in financial markets not seen since the Global Financial Crisis.
- 5.9 The Bank of England, which had held policy rates steady at 0.75% through most of 2019/20, moved in March to cut rates to 0.25% from 0.75% and then swiftly thereafter brought them down further to the record low of 0.1% in response to the economic impact of the virus. The UK government also introduced a number of measures to

help businesses and households impacted by a series of ever-tightening social restrictions, culminating in pretty much the entire lockdown of the UK.

Financial markets

- 5.10 Financial markets sold off sharply as the impact from the coronavirus worsened. After starting positively in 2020, the FTSE 100 fell over 30% at its worst point with stock markets in other countries seeing similar huge falls. In March Sterling touched its lowest level against the dollar since 1985. The measures implemented by central banks and governments helped restore some confidence and financial markets have rebounded in recent weeks but remain extremely volatile. Gilt yields fell substantially, with the 5-year benchmark falling from 0.75% in April 2019 to 0.26% on 31st March. The 10-year benchmark yield fell from 1% to 0.4%, the 20-year benchmark yield from 1.47% to 0.76% over the same period. 1-month, 3-month and 12-month bid rates averaged 0.61%, 0.72% and 0.88% respectively over the period.
- 5.11 Since the start of the calendar 2020, the yield on 2-year US treasuries had fallen from 1.573% to 0.20% and from 1.877% to 0.61% for 10-year treasuries. German bund yields remain negative.

Credit review

- 5.12 In Q4 2019 Fitch affirmed the UK's AA sovereign rating, but assigned a negative outlook. Fitch also affirmed UK banks' long-term ratings and assigned a stable outlook. Standard & Poor's also affirmed the UK sovereign AA rating and revised the outlook to stable from negative. The Bank of England announced its latest stress tests results for the main seven UK banking groups. All seven banks passed the test with an aggregate level of tier one capital at twice their level before the 2008 financial crisis.
- 5.13 Credit Default Swap rates give an indication of how likely the market thinks banks and other borrowers are to default. Rates remained between 0.30% and 0.55% in January and February but rose sharply in March as the potential impact of the coronavirus on bank balance sheets gave cause for concern. Spreads declined in late March and through to mid-April but remain above their initial 2020 levels. NatWest Markets Plc (non-ring-fenced) remains the highest at 1.28% and National Westminster Bank Plc (ring-fenced) still the lowest at 0.56%. The other main UK banks are between 0.65% and 1.23%, with the latter being the thinly traded and volatile Santander UK credit default swap.
- 5.14 Fitch downgraded the UK sovereign rating to AA- in March which was followed by a number of actions on UK and Non-UK banks. This included revising the outlook on all banks on the counterparty list to negative, with the exception of Barclays Bank, Rabobank, Handelsbanken and Nordea Bank which were placed on Rating Watch Negative, as well as cutting Close Brothers long-term rating to A-. Having revised their outlooks to negative, Fitch upgraded the long-term ratings on Canadian and German banks but downgraded the long-term ratings for Australian banks. HSBC Bank and HSBC UK Bank, however, had their long-term ratings increased by Fitch to AA-.

Summary of Treasury Management Position for 2019/20

5.15 On 31st March 2019, the Authority had external borrowing, net of funds invested, of £186.6m. By 31st March 2020 this had increased slightly to £187.1m. Movement in borrowing and investments is analysed in Table 1 below:

Table 1: Treasury Management Summary

	31.3.19 Balance £000	Movement in 2019/20 £000	31.3.20 Balance £000	Weighted Average Interest Rate at 31.3.20 %	Weighted Average Term at 31.3.20 (Years)
Long term loans from Public Works Loans Board (PWLB)	200,438	1,924	202,362	3.33%	31.7
Short Term Borrowing from other Local authorities	8,500	- 4,500	4,000	1.06%	0.1
Debt embedded in the PFIC contract	13,652	- 681	12,971	6.10%	12.5
Total borrowing	222,590	- 3,257	219,333		
Less Short-term investments	36,020	- 3,770	32,250	0.78%	0.2

Long Term Borrowing Activity

External Borrowing

5.16 With the exception of debt embedded in the waste PFI contract, all the Council's long term borrowing is with the Public Works Loans Board (PWLB), which has in recent years represented the cheapest and least risky form of borrowing available to Local Authorities. Movement in the Council's PWLB loans during 2019/20 is summarised below.

Table 2: Movement in PWLB Loans in 2019/20

	Annuity Loans to Fund Capital Expenditure £000	Maturity Loans to Fund Investment in Commercial Property £000	Maturity Loans Inherited from Berkshire County Council £000	Total PWLB Loans £000
PWLB Loans outstanding at 31/3/19	117,680	62,253	20,505	200,438
New Loans for fund capital expenditure in 2019/20	7,696	-	-	7,696
Less Loan repayments made in 2019/20	- 5,772	-	-	- 5,772
Net Increase in PWLB Borrowing	1,924	-	-	1,924
PWLB Loans Balance at 31/3/20	119,604	62,253	20,505	202,362

5.17 Three new annuity loans totalling £7.7 million were taken in August 2019 to fund capital expenditure in 2019/20. These loans were for periods between 30 and 50 years at interest rates ranging from 1.58% to 1.84%.

5.18 After we had taken these loans, the PWLB raised the cost of certainty rate borrowing on 9th October 2019 by 1% to 1.8% above UK gilt yields, as HM Treasury was

concerned about the overall level of local authority debt. PWLB borrowing remains available but the margin of 180bp above gilt yields appears relatively very expensive. Market alternatives are available and new products will be developed; however, the financial strength of individual authorities will be scrutinised by investors and commercial lenders.

- 5.19 The Chancellor’s March 2020 Budget statement included significant changes to Public Works Loan Board (PWLB) policy and launched a wide-ranging consultation on the PWLB’s future direction. The consultation contains proposals to allow authorities that are not involved in “debt for yield” activity to borrow at lower rates. There is also a proposal to stop local authorities using PWLB loans to buy commercial assets primarily for yield, without impeding their ability to pursue their core policy objectives of service delivery, housing, and regeneration. The consultation also broaches the possibility of slowing, or stopping, individual authorities from borrowing large sums in specific circumstances. The deadline for the consultation has been extended to 31 July 2020 and new lending terms are expected to take effect in the latter part of this calendar year or early in 2021.

The Capital Financing Requirement and Internal Borrowing

- 5.20 The CIPFA code requires the Council to report annually on its Capital Financing Requirement (CFR). This represents the total amount of capital expenditure incurred by the Council, which has not been financed by capital receipts, government grants, developers’ contributions or other external sources of funding, less any loans for capital purposes which have already been repaid and provision set aside for future repayment of loans. The CFR can also be described as the Council’s underlying need to borrow for capital investment. The Council has pursued a strategy of keeping external borrowing below its underlying level of need, by offsetting part of the need to borrow to fund capital investment against its useable reserves and working capital. This offset against reserves is known as internal borrowing. This approach reduces amount borrowed and invested and helps to reduce interest costs and the risks associated with borrowing and investing. The relationship between actual borrowing and the CFR is shown in Table 3 below:

Table 3: Internal Borrowing

	31.3.19		31.3.20
	Balance	Movement	Balance
	£000	£000	£000
Total borrowing to Fund Capital Expenditure	200,438	1,924	202,362
Capital Financing Requirement (excluding PFI Debt)	226,468	429	226,897
Internal Borrowing to Fund Capital Expenditure	26,030	- 1,495	24,535

Minimum Revenue Provision (MRP)

- 5.21 As well as making £5.8 million repayments of maturity loans, we also set aside £277k of rents received from commercial property for future repayment of maturity loans to fund commercial property (0.4% of the outstanding balance) and £699k for future repayment of the maturity loans inherited from Berkshire County Council

(BCC) (3% of the outstanding balance). Provision for repayment of former BCC loans is funded from the revenue budget for capital financing.

- 5.22 The percentage set aside for commercial property is lower than that for former BCC loans because we plan to use the proceeds of future disposals of commercial property to repay part of the debt. In addition all the loans for commercial property have an outstanding term of between 47 and 49 years, whereas £16.6 million of the former BCC loans have outstanding terms of between 11 and 16 years, with the remainder due in 36 years.
- 5.23 The total provision for repayment of PWLB loans in 2019/20, including loan repayments made in the year, was £6.7m. This represents 3.0% of our Capital Financing Requirement at 31 March 2020 which indicates that we are currently on track to repay all our outstanding long term debt (including internal borrowing) over an average of 34 years. The total Minimum Revenue Provision for repayment of debt in 2019/20 also includes £681k repayment of PFI debt, which was included in waste contract payments. The Council's total MRP reported for 2019/20 was therefore £7.4 million.

Treasury Investment Activity in 2019/20

- 5.24 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. From time to time it is also necessary to take out short term loans to cover temporary cash-flow pressures. During the year, the Council's investment balances, net of temporary borrowing, ranged between £20.0 million and £53.4 million, due to timing differences between income and expenditure. The investment position and short term borrowing position at the start and end of the year is shown in table 4 below.

Table 4: Investments and Short Term Borrowing

	Credit Rating (Moody's Short Term)	Balance at 31.3.19 £000	Movement in 2019/20 £000	Balance at 31.3.20 £000	Weighted Average term of 2019/20 investments (days)	Weighted Average Interest Rate of 2019/20 Investments %	Interest Received/Paid in 2019/20 £000
Instant Access deposit accounts:							
Nat West Bank	P1	1,365	938	2,303	1	0.29%	6
Bank of Scotland	P1	3,701	299	4,000	1	0.58%	17
Santander UK Bank	P1	2	4,948	4,950	1	0.50%	8
Goldman Sachs Sterling Liquidity Money Market Fund	AAA MMF	4,952	45	4,997	1	0.66%	29
Fixed Term Investments							
Building Societies	Unrated	26,000	- 11,000	15,000	258	1.06%	305
Other Local Authorities	Unrated	-	1,000	1,000	87	0.79%	24
Total investments		36,020	-3770	32,250		0.97%	389
Short Term Borrowing for Management of Cashflow		8,500	- 4,500	4,000	18	0.84%	10
Net Investments		27,520	730	28,250		0.94%	379

- 5.25 In addition to investments which were managed in house, the Council also prepaid £14.8 million pension contributions to the Royal Borough of Windsor and Maidenhead in April 2019, which is the equivalent of pooling part of our investments

with the Berkshire Pension Fund. By pre-paying pension contributions we earned a discount of 3.4% or £505k, which we treated as part of our interest earned on investments. Total net interest earned was therefore £884k which represents a return of 1.61% on the average value of the investment fund across the year, including pension contributions repaid.

Assessment of Security and Liquidity

- 5.26 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 5.27 These aims were achieved by keeping no more than £5 million in each of 3 instant access bank deposit accounts which are all rated Prime 1 by the Moody's credit agency (indicating very low risk of default in the short term) and up to £5m in a highly liquid AAA rated money market fund. This approach ensures that up to £20 million is available at very short notice to cover the Council's outgoings. The Nat West account pays a lower rate of interest than the other deposit accounts and the money market fund because it is linked to the Council's current account, which gives the bank less certainty over the balance available at the end of each day.
- 5.28 Funds which are not expected to be needed to cover outgoings in the short term are normally placed with one of the top 25 Building Societies (by asset value) or with other local authorities for fixed periods, normally between three and twelve months, in order to attract a higher rate of interest. Fixed term deposits with building societies present a higher risk of default than bank deposits.
- 5.29 In March 2020, the Council appointed Arlingclose to provide independent advice on our treasury management strategy and activities. Arlingclose provided the following assessment of the risk and return of our investment portfolio in comparison with the other English unitary authorities whom they advise.

Table 5: Summary of Security, Liquidity and Yield of Investments at 31 March 2020

	West Berkshire	19 English Unitaries Average
Internal Investments	£32.2m	£68.0m
Security		
Average Credit Score (time-weighted) (1)	9.32	4.22
Number of Counterparties / Funds	10	15
Liquidity		
Proportion Available within 7 days	50%	51%
Proportion Available within 100 days	69%	67%
Average Days to Maturity	92	52
Yield		
Return on Internal Investments Held at 31/3/20	0.71%	0.60%

(1) Higher score indicates higher risk

5.30 This analysis indicates that West Berkshire's investment portfolio carries higher risk than other authorities advised by Arlingclose. This is mainly because of our policy of investing with the larger building societies, most of which are not rated by the main credit rating agencies, for up to 365 days. However this is reflected by a slightly higher rate of return on our internal investments.

5.31 The Treasury Management team will review our treasury management policies over the next few months in consultation with our advisors with a view to reducing our level of risk while avoiding a significant reduction in return.

Performance against Budget

5.32 The table below shows the actual cost of principal and interest payments and provision for future repayment of long term debt, together with net interest earned on investments (including interest earned on pension contributions pre-paid), in comparison with the budget.

Table 6: 2019/20 Budget for Principal and Interest Paid and Received

	Budget 2019/20 £000	Actual 2019/20 £000	Variance £000
Long Term Borrowing			
Interest on Maturity Loans inherited from BCC	1,033	1,033	-
Provision for future repayment of maturity loans inherited from BCC	699	699	-
Interest on annuity loans to fund capital expenditure	5,768	5,772	4
Repayment of annuity loans to fund capital expenditure	4,226	4,230	4
Total Cost of Long term borrowing	11,726	11,734	8
Investment income			
Deposit accounts and money market funds	- 83	- 54	29
Fixed term investments	- 351	- 335	16
Prepayment of Pensions	- 372	- 505	- 133
Total interest earned	- 806	- 894	- 88
Interest Paid on short term loans	9	10	1
Interest on Investments net of interest on short term loans	- 797	- 884	- 87
Net revenue cost of borrowing and investment	10,938	10,860	- 78

- 5.33 The revenue budget for borrowing and investment forms part of the Levies and Interest budget, but does not include levies paid to the Environment Agency and the Thames Valley Magistrate's Court service or savings target from the Commercialisation agenda. The figures above also do not include principal and interest paid on PFI debt which forms part of the Waste Service budget in the Place Directorate or interest and provision for payment of loans for commercial property which form part of the Finance and Property budget in the Resources Directorate.
- 5.34 The cost of principal and interest payments for long term borrowing was largely in line with the budget. The target for interest on investments was overachieved by £88k. Interest earned on pre-payment of pensions was higher than expected, because the amount set aside in 2019/20 to contribute to the pension fund deficit was slightly higher than the final amount required to be paid to the pension fund. This was offset by a fall in interest rates on deposit accounts and fixed term investments towards the end of the year.

Outlook for 2020/21

- 5.35 As explained above, interest rates decreased sharply in the latter part of 2019/20 and remain very low. It is therefore expected that interest on investments will be significantly lower in 2020/21 than in 2019/20. In addition we did not pre-pay pension contributions in 2020/21 because the pension fund advised that this might lead to a risk of higher contributions being payable in future years if returns on pension fund investments in 2020/21 are poor, as seems likely in the current

economic climate. This will have a significant impact on interest earned in 2020/21. We currently forecast that net interest will be approximately £420k below target in 2020/21.

- 5.36 However it is now expected that the amount of new long term borrowing required to fund capital expenditure in 2019/20 and 2020/21 will be lower than was allowed for in the revenue budget for capital financing for 2020/21. It is therefore currently expected that a saving in the cost of long term borrowing will offset the reduction in investment income and that the overall revenue budget for borrowing and investment in 2020/21 will be in balance. Forecast income from investments and the cost of borrowing will be closely monitored and an updated forecast will be reported to the Executive at the end of Quarter 2 2020/21.

Non-Treasury Investments

- 5.37 The definition of investments in CIPFA’s revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in the Investment Guidance issued by Ministry of Housing, Communities and Local Government’s (MHCLG), in which the definition of investments is further broadened to also include all such assets held partially for financial return.
- 5.38 The Authority also held £61.8 million of such investments in the form of commercial property acquired since 2018 for the purposes of generating income. No new properties were acquired in 2019/20. A full list of the Authority’s non-treasury investments is shown in appendix A. The current value of these properties will be included in the 2019/20 financial statements.
- 5.39 These investments generated £1.15 million of investment income in 2019/20, after taking account of direct costs and future liabilities for maintenance and repayment of debt. This represented a rate of return of 1.9%.

Compliance with Key Performance Indicators

- 5.40 Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 7 below.

Table 7: Compliance with Operational Boundary and Authorised Limit

	2019/20 Maximum £000	31.3.20 Actual £000	2019/20 Operational Boundary £000	2019/20 Authorised Limit £000	Overall Operational Boundary Complied with?	Overall Authorised Limit Complied with?
Long Term Borrowing for Operational Assets	207,534	202,362	245,029	255,029	Yes	Yes
Other long term liabilities (PFI Debt)	13,652	12,971	12,971	12,971		
Short Term borrowing	9,512	4,000	15,000	15,000		
Total	230,698	219,333	273,000	283,000		

- 5.41 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. Total debt was below the operational boundary throughout the year. However the sub-limit for PFI debt within the overall operational boundary and authorised limit was exceeded because the

limit was set in error at the level of the forecast balance as at 31 March 2020, whereas it should have been set in line with the balance outstanding at 1 April 2019. (PFI debt is repaid as part of monthly waste contract payment at a rate of approximately £57k per month).

Table 8: Compliance with Counterparty Limits

	2019/20 Maximum £000	2019/20 Limit £000	No of Occasions on which Limit Exceeded
UK Local Authorities (including Police and Fire Authorities and similar public bodies)	-	5,000	None
UK Building Societies			
Ranked 1 to 11	5,000	5,000	None
Ranked 12 to 21	4,000	4,000	None
Ranked 22 to 25	-	3,000	None
UK Banks & Other Financial Institutions rated at least Prime 1 by Moody's	5,364	5,000	5
UK Banks & Other Financial Institutions rated at least Prime 2 by Moody's	-	4,000	None
UK Banks & Other Financial Institutions rated at least Prime 3 by Moody's	-	3,000	None
UK based Money Market Funds (AAA rated by Moody's)	5,003	5,000	2
Registered Charities, Public Sector Bodies and Council owned companies/joint ventures	-	5,000	None

5.42 On two occasions the amount held in the Council's current account exceeded the £5 million limit by a maximum of £364k, because an unexpected sum of income was paid into the account late in the day. Also on five occasions the amount held in deposit accounts or the money market fund exceeded their limits by up to £11k, because the amount deposited on the day did not allow for interest due to be credited to the account. On all occasions the account balance was brought back within the £5 million limit within one working day. Treasury procedures have been amended to ensure that the investment limit is not exceeded in future due to the payment of interest. Every effort will also be made to ensure that the Treasury team are aware in advance of any income due to be received and the amount planned to be invested in each account each day will be kept slightly below the maximum limit to allow for unexpected income.

Maturity Structure of Borrowing

5.43 This indicator is set to control the Authority's exposure to refinancing risk. Compliance with the upper and lower limits set on the maturity structure of borrowing in the revised 2019/20 Borrowing and Investment Strategy was as follows:

	31.3.20 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	5%	50%	0%	Yes
12 months and within 24 months	3%	50%	0%	Yes
24 months and within 5 years	8%	50%	0%	Yes
5 years and within 10 years	17%	50%	0%	Yes
10 years and above	68%	50%	0%	No

5.44 In the original Borrowing and Investment Strategy for 2019/20 there was a limit for borrowing over 15 years of 90% of total borrowing. This limit was changed in error in the revised strategy to 50% over 10 years. The original limit for borrowing over 15 years was complied with. This limit will be corrected in the 2020/21 strategy.

6 Other options considered

6.1 Not applicable as this report is to note only.

7 Conclusion

7.1 A net rate of return of 0.94% was achieved on investments managed in house, in comparison with the BoE base rate which remained at 0.75% for most of 2019/20

7.2 As a result of the sharp drop in interest rates in March 2019, we currently forecast that net interest will be approximately £420k below target in 2020/21. However it is expected that the amount of new long term borrowing required to fund capital expenditure in 2019/20 and 2020/21 will be lower than was allowed for in the revenue budget for capital financing for 2020/21. A saving in the cost of long term borrowing is therefore expected to offset the reduction in investment income and the overall revenue budget for borrowing and investment in 2020/21 is expected to be in balance.

7.3 The overall rate of return achieved by West Berkshire Council was higher than the average rate earned on internally managed investments by the other English Unitary Authorities supported by Arlingclose, whom West Berkshire appointed as treasury advisors for the first time in March 2020. This was partly achieved by investing with unrated building societies for up to 365 days, which also makes the risk of investment default as measured by Arlingclose higher than average. The Treasury Management team will therefore review our investment policies over the next few months in consultation with Arlingclose, with a view to reducing our level of risk while avoiding a significant reduction in return.

8 Appendices

8.1 Appendix A – List of non-treasury investments

Subject to Call-In:

Yes: No:

- The item is due to be referred to Council for final approval
- Delays in implementation could have serious financial implications for the Council
- Delays in implementation could compromise the Council's position
- Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months
- Item is Urgent Key Decision
- Report is to note only

Wards affected: None specifically

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Document Control

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Version:		Date Modified:	
Author:			
Owning Service			

Change History

Version	Date	Description	Change ID
1			
2			

Appendix A

Investment Property Held at 31 March 2020

Name and Address of Property	Property Type	Value at 31/3/20 £000
Lloyds Bank 104 Terminus Road, Eastbourne	Retail	2,800
Aldi/Iceland, Cleveland Gate Retail Park, Gisborough	Retail Warehouse	6,380
303 High Street and 2 Waterside South, Lincoln	Retail	6,014
Dudley Port Petrol Filling Station, Tipton	Petrol Filling Station	3,731
3&4 The Sector, Newbury Business Park	Office	18,801
79 Bath Road, Chippenham	Retail Warehouse	9,648
Ruddington Fields Business Park, Mere Way, Nottingham	Office	6,931
Sainsburys, High Street, Northallerton	Retail	7,460
Total Value		61,765

2020/21 Revenue Financial Performance Quarter One

Committee considering report:	Executive on 3 September 2020
Portfolio Member:	Councillor Ross Mackinnon
Date Portfolio Member agreed report:	14 August 2020
Report Author:	Melanie Ellis
Forward Plan Ref:	EX3905

1 Purpose of the Report

1.1 To report on the in-year financial performance of the Council's revenue budgets.

2 Recommendation

2.1 To note the Quarter One forecast of £590k under spend.

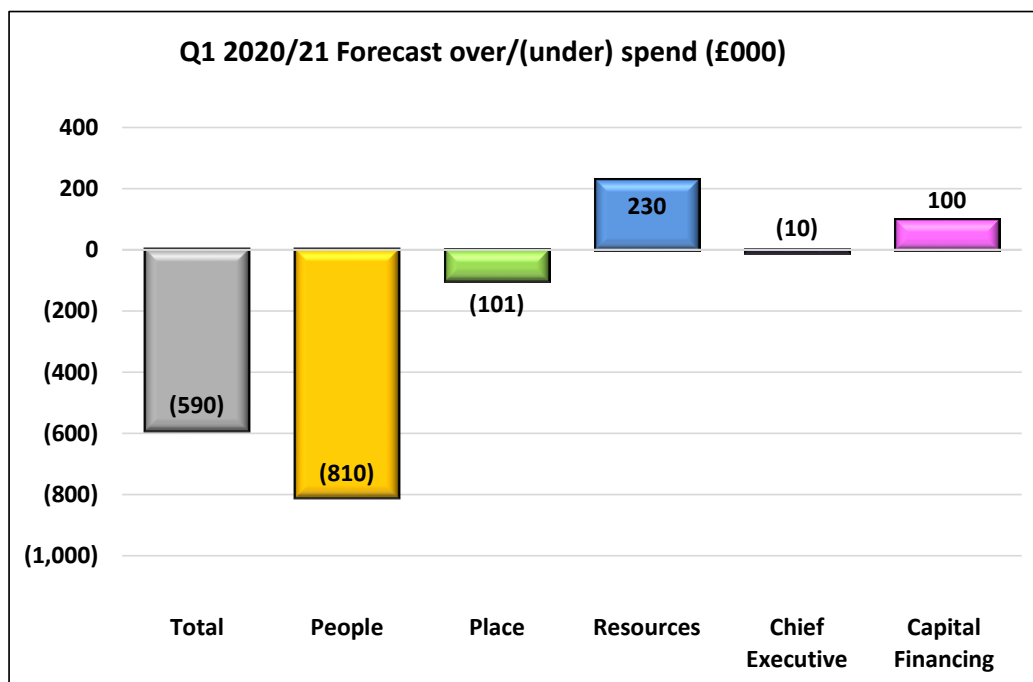
3 Implications and Impact Assessment

Implication	Commentary
Financial:	The financial implications are included in detail throughout the report. Any over or under spend remaining at year end would impact on the Council's level of reserves. Melanie Ellis 22.7.20
Human Resource:	None
Legal:	None
Risk Management:	Risks to next years' budget are included where relevant in the report. Where identified these will form part of the budget build process for 2021/22.
Property:	Impact on income due to an unlet commercial property.
Policy:	No

	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		Y		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		Y		
Environmental Impact:		Y		
Health Impact:		Y		
ICT Impact:		y		
Digital Services Impact:		y		
Council Strategy Priorities:		y		Business as usual
Core Business:		y		
Data Impact:		y		
Consultation and Engagement:	Budget holders, Heads of Service and Directors.			

4 Executive Summary

4.1 The Quarter One forecast is an under spent of £590k, which is 0.5% of the Council's 2020/21 net revenue budget of £130m.



4.2 The People Directorate is forecasting an under spend of £810k, arising from Adult Social Care (ASC) and Children and Family Services (CFS).

- In ASC, long term services is forecast to be £844k under spent, generated by higher levels of deceased clients due to Covid-19, with an additional 51 deaths compared to the same quarter last year. There is a forecast income pressure of £311k in the four council care homes due to falling occupancy.
- In CFS, the forecast under spend of £247k is in placements, where since the end of the financial year 2019/20, there has been a decrease in the number of clients. The Quarter One forecast allows for an increase to client numbers during the financial year, as there are indications that the impact of Covid-19 pressures on families may result in an increase in children entering care.

4.3 The Place Directorate is forecasting an under spend of £101k.

- There is a £76k under spend in Development and Planning largely due to vacancies in the Minerals and Waste team and additional rental income in the Housing service. Development control income is forecast to under achieve, after taking account of Covid-19 grants, due to a reduced level of planning applications.
- Public Protection and Culture are forecasting an over spend of £75k arising from income pressures in Shaw House, building control and libraries.
- Transport and Countryside are forecasting an under spend of £99k mainly from increased energy from waste and garden waste subscriptions which are anticipated to exceed target.

- 4.4 The Resources Directorate has a £230k forecast over spend. The main variances are:
- In Finance and Property, an over spend of £123k has arisen from a vacant commercial property and unbudgeted rates and service charges, that will need to be factored into next year's budget.
 - Legal and Strategic Support is forecasting an over spend of £115k from unachievable income in land charges, graphics, digital transformation and an as yet unmet savings target (which may be compensated via the Covid-19 grant).
- 4.5 The Capital Financing Quarter One forecast position is a £100k over spend, which relates to a corporate commercialisation target that is not achievable. This will be removed as part of the 2021/22 budget build.
- 4.6 The 2020/21 savings and income generation programme of £3.2m, is 82% Green, 16% Amber and 2% Red.

Covid-19 impact on the 2020/21 budget

- 4.7 There will continue to be a significant impact on the 2020/21 budget due to Covid-19. To date, the Council has been awarded three tranches of expenditure funding from Central Government to mitigate the initial impact of Covid-19 totalling £8.6m of un-ring-fenced funding. In addition to this there will be funding for lost income, which could total between £1m and £2m depending on the terms of the funding.
- 4.8 The latest assessment is that the funding provided by Government and the income scheme below are sufficient for the 2020-21 Financial Year based on current estimates. Clearly, these can fluctuate, and will in light of further impacts from the Covid-19 outbreak. The Council also has general reserves to support further impacts and these are above the minimum level set by the s151 officer. Further detail is provided in the main report.
- 4.9 Service Covid related expenditure, lost income and unmet savings are being recorded and estimated and reported to GOLD. The latest forecast through to March 2021 is that the Council faces expenditure and income pressures of £10.7m for 2020/21. At Quarter One, £1.5m of the grant funding has been transferred to services. This will continue to be transferred on a quarterly basis. The assumptions in budget monitoring is that there will be enough funding to cover all losses. The longer term position will require further analysis and announcements from Central Government on the funding position for Local Government, before the impact on 2021/22 and beyond is known.
- 4.10 The Council has submitted a fourth forecast to Central Government on the Covid-19 financial impact at the end of July and awaits any response to this and the finalisation of the income guarantee scheme.

Conclusion

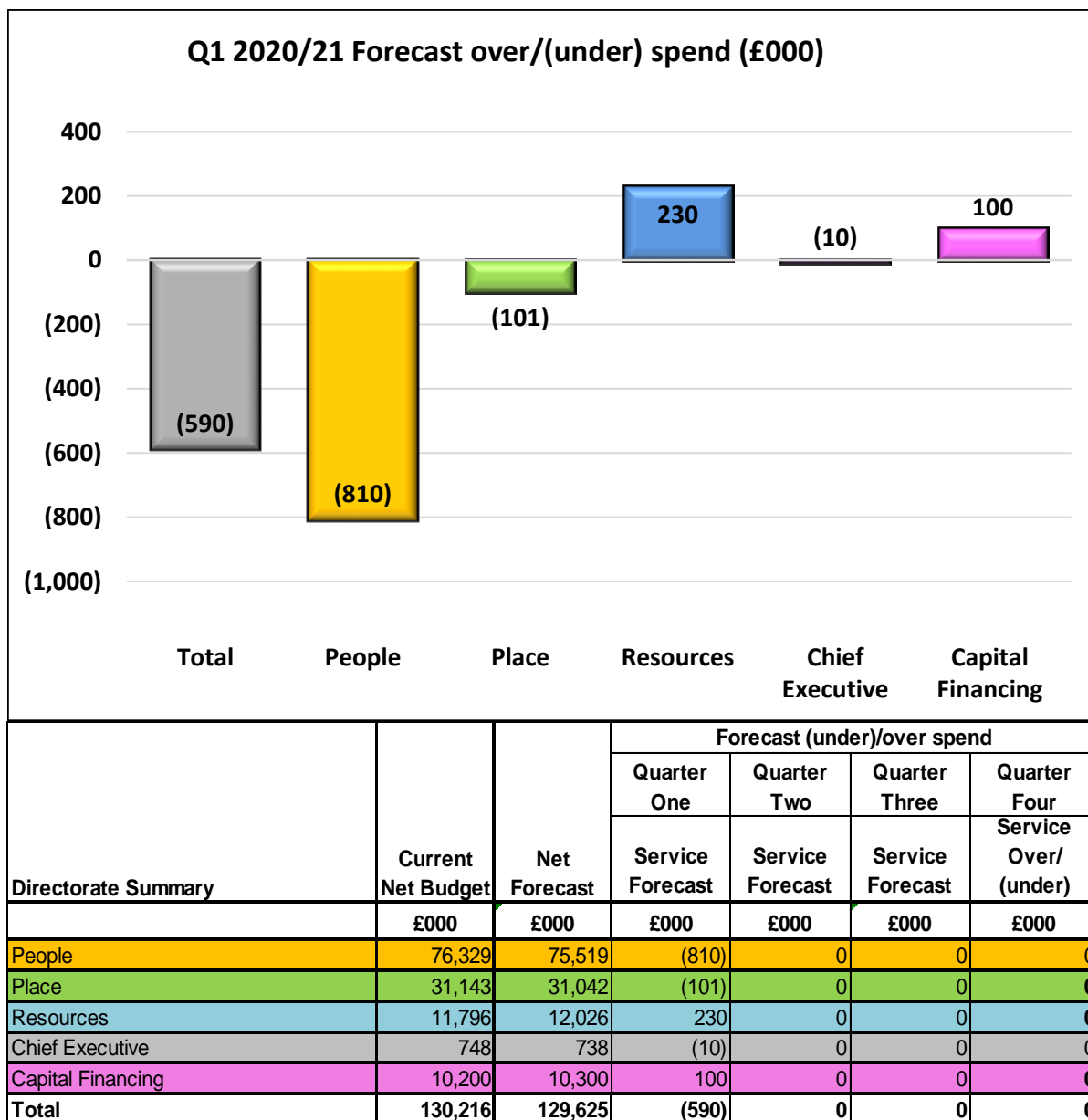
- 4.11 The Council is forecasting an under spend of £590k. The report highlights each directorate position and any implications for budget setting in 2021/22. There is a £3.2m savings and income generation programme which is forecasting 82% achieved at Quarter One. The Covid-19 grant funding received from Government to date, and the

Council’s level of general fund reserves mean that the Council is well placed to focus its efforts on response and recovery from the Covid-19 in the current financial year.

5 Supporting Information

Introduction

5.2 The Quarter One forecast is an under spend of £590k. This is 0.5% of the Council’s 2020/21 net revenue budget of £130m. The Directorate forecasts are shown in the charts below:



5.3 The Service forecasts are shown in the following chart:

2020/21 Revenue Financial Performance Quarter One

	Current Net Budget	Net Forecast	Forecast over/ (under) spend			
			Quarter One	Quarter Two	Quarter Three	Quarter Four
			Service Forecast	Service Forecast	Service Forecast	Over/ (under) spend
	£000	£000	£000	£000	£000	£000
Adult Social Care	50,508	49,920	(588)	0	0	0
Children & Family Services	17,179	16,931	(247)	0	0	0
Executive Director	336	340	3	0	0	0
Education DSG funded	(444)	(444)	0	0	0	0
Education	8,830	8,851	22	0	0	0
Public Health & Wellbeing	(80)	(80)	0	0	0	0
People	76,329	75,519	(810)	0	0	0
Executive Director	197	197	0	0	0	0
Development & Planning	3,180	3,104	(76)	0	0	0
Public Protection & Culture	3,895	3,970	75	0	0	0
Transport & Countryside	23,871	23,772	(99)	0	0	0
Place	31,143	31,042	(101)	0	0	0
Executive Director	101	101	0	0	0	0
Commissioning	799	742	(58)	0	0	0
Customer Services & ICT	2,983	3,042	59	0	0	0
Finance & Property	2,887	3,010	123	0	0	0
Human Resources	1,704	1,694	(10)	0	0	0
Legal and Strategic Support	3,322	3,437	115	0	0	0
Resources	11,796	12,026	230	0	0	0
Chief Executive	748	738	(10)	0	0	0
Capital Financing	11,197	11,297	100	0	0	0
Movement through Reserves	(996)	(996)	0	0	0	0
Capital Financing	10,200	10,300	100	0	0	0
Total	130,216	129,625	(590)	0	0	0

NB: Rounding differences may apply to the nearest £k.

People Directorate

5.4 The Directorate is forecasting an under spend of £810k, arising from Adult Social Care (ASC) and Children and Family Services (CFS).

- In ASC, long term services is forecast to be £844k under spent, generated by higher levels of deceased clients due to Covid-19, with an additional 51 deaths compared to the same quarter last year. There is a forecast income pressure of £311k in the four council care homes due to falling occupancy. Covid-19 has had a significant impact on client numbers, but the full impact is not yet clear. Forecasts are based on a number of assumptions that will be updated monthly during the financial year.
- In CFS, the forecast under spend of £247k is in placements. Since the end of the financial year 2019/20, there has been a decrease in the number of clients,

particularly in-house fostering placements and unaccompanied asylum seekers (UASC). The Quarter One forecast allows for an increase to client numbers during the financial year, as there are indications that the impact of Covid-19 pressures on families may result in an increase in children entering care.

Place Directorate

5.5 The Directorate is forecasting an under spend of £101k.

- There is a £76k under spend in Development and Planning largely due to vacancies in the Minerals and Waste team and additional rental income in the Housing service. Development control income is forecast to under achieve, after taking account of Covid-19 grants, due to a reduced level of planning applications.
- Public Protection and Culture are forecasting an over spend of £75k arising from income pressures in Shaw House, building control and libraries.
- Transport and Countryside are forecasting an under spend of £99k mainly from increased energy from waste and garden waste subscriptions which are anticipated to exceed target.

Resources Directorate

5.6 The Directorate has a £230k forecast over spend. The main variances are:

- In Finance and Property, an over spend of £123k has arisen from a vacant commercial property and unbudgeted rates and service charges, that will need to be factored into next year's budget.
- Legal and Strategic Support is forecasting an over spend of £115k from unachievable income in land charges, graphics, digital transformation and an as yet unmet savings target (which may be compensated via the Covid-19 grant).

Chief Executive

5.7 An under spend of £10k is being forecast in the contingency budget.

Capital Financing and Risk Management

5.8 The Quarter One forecast position is a £100k over spend, which relates to a corporate commercialisation target that is not achievable. This will be removed as part of the 2021/22 budget build.

Covid-19 impact on the 2020/21 budget

5.9 There will continue to be a significant impact on the 2020/21 budget due to Covid-19. To date, the Council has been awarded three tranches of expenditure funding from Central Government to mitigate the initial impact of Covid-19 totalling £8.6m of un-ring-fenced funding. In addition to this there will be funding for lost income, which could total between £1m and £2m depending on the terms of the funding.

5.10 The Council has received other specific funding as part of the response to Covid-19. There are a range of funds, and some of the key areas include:

- £29m for business grants to specific businesses

- £548k local council tax welfare support
- £108k for supported bus services
- £140k for high streets
- £1,401k for infection control
- £540k Public Health test and trace
- £170k new burdens funding
- £124k for active travel funding (capital) for cycling and walking provision

5.11 The funding received from Government to date, and the Council’s level of general fund reserves mean that the Council is well placed to focus its efforts on response and recovery from the Covid-19 in the current financial year.

5.12 The table below sets out some of the key items raised during Covid-19 and the response provided through the Council.

Item	Response
<p>Additional expenditure pressures – especially:</p> <ul style="list-style-type: none"> - Adult Social Care - Leisure services - Community Hub - Housing 	<p>Government have provided non ring-fenced funding of £8.6m to support the Council in its response to Covid-19. This figure has been received in three separate tranches.</p> <p>The Council monitors this on a weekly basis.</p> <p>The latest assessment is that the funding provided by Government and the income scheme below are sufficient for the 2020-21 Financial Year based on current estimates. Clearly, these can fluctuate, and will in light of further impacts from the Covid-19 outbreak. The Council also has general reserves to support further impacts and these are above the minimum level set by the s151 officer.</p>
<p>Income pressures, the most significant being:</p> <ul style="list-style-type: none"> - Car parking income - Adult Social Care - Other Sales, fees and charges 	<p>Government have provided an income share scheme. The details, at the time of writing, have not been provided in full, but the overview is:</p> <ul style="list-style-type: none"> - That the Council funds the first 5% of losses - That the Council shares 25% and Government 75% of all further losses.

Item	Response
Cashflow risks	Government provided up front funding of, for example, business grants and paused the payment required for business rates
<p>Specific grants provided by Government for key areas of activity, for example (though not exhaustive);</p> <ul style="list-style-type: none"> - £1.4m for care home infection grant - £0.1m for high street support - £0.5m for outbreak control - £0.6m for Council Tax support - £0.1m for Active Travel 	These funds are being applied to support service specific pressures and/or to provide services through the grant.
Losses on Council Tax and Business Rates	<p>The Council Tax collection rate has held up well to date; collection is marginally down, but the Council did offer the ability to amend the two months of non Council Tax payment to early in the financial year.</p> <p>The Council made a quick early decision in March to suppress business rates recovery and the initial direct debit to support businesses. The Government have also provided a significant amount of business rates reliefs.</p> <p>The Government have announced that the collection fund deficit can be spread across a three year period rather than one year. This option will be considered as part of the budget setting process for the March Council.</p>
Impact on 201-22 budget setting	<p>The long term flow of changed costs and lost income is difficult to estimate in detail. However, the budget for the year ahead is being prepared with adjustments for Covid-19.</p> <p>The Government has also paused the roll out of the fair funding review and further retention of business rates which reduces by just over £1m the savings requirement for 2021-22 on the assumption that all changes are paused, including the rest of business rates baselines.</p>

5.13 The longer term position will require further analysis and announcements from Central Government on the funding position for Local Government, before the impact on 2021/22 and beyond is known. The Government have announced a pause to the fair

funding review for 2021/22 and so the Council is planning for a similar financial settlement for 2021/22 as it received in 2020/21.

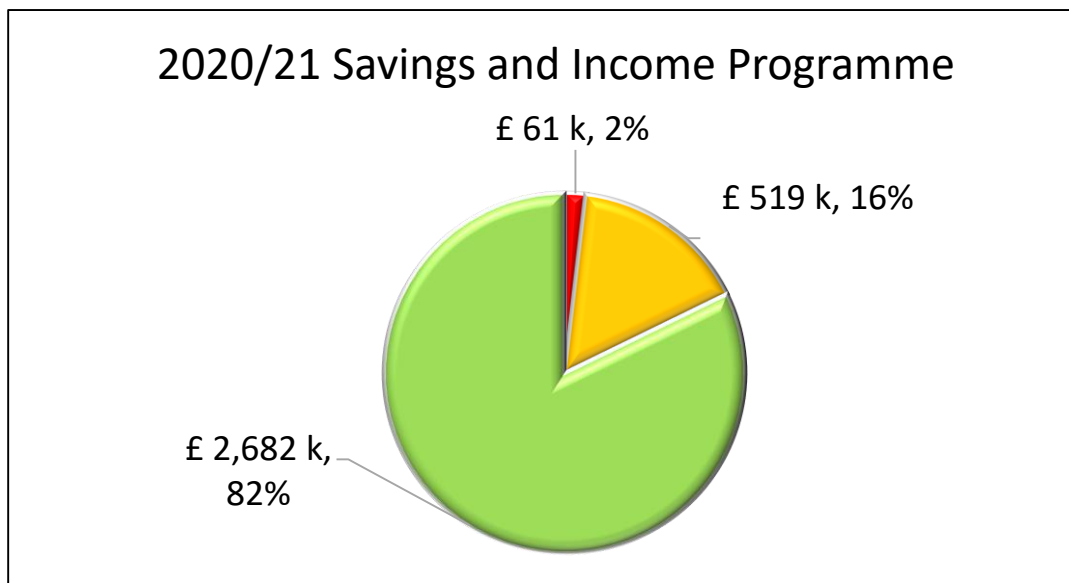
5.14 Service Covid related expenditure, lost income and unmet savings are being recorded and estimated and reported to GOLD. The latest forecast through to March 2021 is that the Council faces expenditure and income pressures of £10.7m for 2020/21, though these estimates fluctuate significantly and are dependent on how the Covid-19 response progresses and people's behavioural change to this. The Main areas of financial pressure for the Council are:

- Adult Social Care costs
- Children's service costs
- Reduced or delayed planning income
- Reduced car parking income
- Additional leisure services costs
- Funding the Community Hub
- Loss of income from other Council service areas

5.15 At Quarter One, £1.5m of the grant funding has been transferred to services. This will continue to be transferred on a quarterly basis. The assumptions in budget monitoring is that there will be enough funding to cover all losses. The longer term position will require further analysis and announcements from Central Government on the funding position for Local Government, before the impact on 2021/22 and beyond is known.

2019/20 Savings and income generation programme

5.16 In order to meet the funding available, the 2020/21 revenue budget was built with a £3.2m savings and income generation programme. The programme is monitored using the RAG traffic light system. The status of the programme is shown in the following charts



Proposals

5.17 To note the Quarter One forecast.

6 Other options considered

6.1 None.

7 Conclusion

7.1 The Council is forecasting an under spend of £590k. The report highlights each directorate position and any implications for budget setting in 2021/22. There is a £3.2m savings and income generation programme which is forecasting 82% achieved at Quarter One. The Covid-19 grant funding received from Government to date, and the Council’s level of general fund reserves mean that the Council is well placed to focus its efforts on response and recovery from the Covid-19 in the current financial year.

8 Appendices

8.1 Appendix A – Forecast position

8.2 Appendix B – Budget changes

Appendix A – Forecast position

	Budget		Forecasted Performance						
	Original Budget for 2020/21 £	Revised Budget for 2020/21 £	Expenditure			Income			Net
			Annual Expenditure Budget for 2020/21 £	Annual Expenditure Forecast for 2020/21 £	Expenditure Variance for 2020/21 £	Annual Income Budget for 2020/21 £	Annual Income Forecast for 2020/21 £	Income Variance for 2020/21 £	Net Variance £
Adult Social Care	50,220,510	50,508,430	69,413,620	69,316,677	-96,943	-18,905,190	-19,396,180	-490,990	-587,933
Childrens and Family Services	17,102,250	17,178,510	19,155,130	18,943,760	-211,370	-1,976,620	-2,012,600	-35,980	-247,350
Executive Director - People	249,440	336,440	336,440	339,930	3,490	0	0	0	3,490
Education (DSG Funded)	-444,000	-444,000	108,034,100	108,034,100	0	-108,478,100	-108,478,100	0	0
Education	8,829,540	8,829,540	12,221,200	12,081,910	-139,290	-3,391,660	-3,230,540	161,120	21,830
Public Health & Wellbeing	-80,000	-80,000	5,951,590	5,911,590	-40,000	-6,031,590	-5,991,590	40,000	0
People	75,877,740	76,328,920	215,112,080	214,627,967	-484,113	-138,783,160	-139,109,010	-325,850	-809,963
Corporate Director - Economy & Environment	197,080	197,080	197,080	197,080	0	0	0	0	0
Development and Planning	3,070,650	3,179,740	6,007,530	5,769,190	-238,340	-2,827,790	-2,665,450	162,340	-76,000
Public Protection and Culture	3,903,550	3,895,150	9,255,920	9,264,420	8,500	-5,360,770	-5,294,770	66,000	74,500
Transport and Countryside	23,795,330	23,871,190	34,800,030	34,655,930	-144,100	-10,928,840	-10,883,950	44,890	-99,210
Place	30,966,610	31,143,160	50,260,560	49,886,620	-373,940	-19,117,400	-18,844,170	273,230	-100,710
Executive Director - Resources	120,870	100,870	100,870	100,870	0	0	0	0	0
Commissioning	814,420	799,340	10,300,370	10,268,570	-31,800	-9,501,030	-9,526,830	-25,800	-57,600
Customer Services and ICT	2,970,540	2,982,920	3,837,330	3,786,780	-50,550	-854,410	-744,540	109,870	59,320
Finance and Property	2,823,670	2,886,810	47,634,510	46,913,470	-721,040	-44,747,700	-43,903,390	844,310	123,270
Human Resources	1,723,870	1,703,670	2,103,600	2,138,220	34,620	-399,930	-444,550	-44,620	-10,000
Legal and Strategic Support	3,004,900	3,321,920	4,007,460	3,989,620	-17,840	-685,540	-552,430	133,110	115,270
Resources	11,458,270	11,795,530	67,984,140	67,197,530	-786,610	-56,188,610	-55,171,740	1,016,870	230,260
Chief Executive	833,510	747,830	757,830	747,830	-10,000	-10,000	-10,000	0	-10,000
Chief Executive	833,510	747,830	757,830	747,830	-10,000	-10,000	-10,000	0	-10,000
Capital Financing & Management	11,196,770	11,196,770	11,974,340	11,659,340	-315,000	-777,570	-362,570	415,000	100,000
Movement Through Reserves	-117,000	-996,310	-996,310	-996,310	0	0	0	0	0
Risk Management	0	0	0	0	0	0	0	0	0
Capital Financing and Risk Management	11,079,770	10,200,460	10,978,030	10,663,030	-315,000	-777,570	-362,570	415,000	100,000
Total	130,215,900	130,215,900	345,092,640	343,122,977	-1,969,663	-214,876,740	-213,497,490	1,379,250	-590,413

Appendix B – Budget Changes

Service	Original Net Budget	Approved Budget B/F from 2019/20	Changes not requiring approval	Approved by S151 & Portfolio Holder	Requiring Executive Approval	Approved Budget C/F to 2021/22	Current Net Budget
	£000	£000	£000	£000	£000	£000	£000
Adult Social Care	50,221	288					50,508
Children and Family Services	17,102	76					17,179
Executive Director	249	87					336
Education DSG funded	(444)						(444)
Education	8,830						8,830
Public Health & Wellbeing	(80)						(80)
Communities	75,878	451	0	0	0	0	76,329
Executive Director	197						197
Development & Planning	3,071	76	33				3,180
Public Protection & Culture	3,904		(8)				3,895
Transport & Countryside	23,795	71	5				23,871
Place	30,967	147	30	0	0	0	31,143
Executive Director	121		(20)				101
Commissioning	814	4	(19)				799
Customer Services & ICT	2,971	12					2,983
Finance & Property	2,824		63				2,887
Human Resources	1,724		(20)				1,704
Legal and Strategic Support	3,005	85	232				3,322
Resources	11,458	101	236	0	0	0	11,796
Chief Executive	834		-86				748
Capital Financing & Management	11,197						11,197
Movement through Reserves	(117)	(699)	(180)				(996)
Capital Financing	11,080	(699)	(180)	0	0	0	10,200
Total	130,216	0	0	0	0	0	130,216

Capital Financial Performance Report Quarter One 2020/21

Committee considering report:	Executive on 3 September 2020
Portfolio Member:	Councillor Ross Mackinnon
Date Portfolio Member agreed report:	13 August 2020
Report Author:	Shannon Coleman-Slaughter
Forward Plan Ref:	EX3906

1 Purpose of the Report

The financial performance report provided to Members on a quarterly basis reports on the under or over spends against the Council's approved capital budget. This report presents the Quarter One financial position.

2 Recommendations

No recommendations have been made within this report. Members are to note:

- (a) The forecast financial position as at Quarter One.
- (b) £124k of additional external funding from the Phase One of the Emergency Active Travel Fund has been received by the Council. Under delegated authority, the S151 Officer and Portfolio Holder agreed allocation of the funding to the Transport and Countryside programme in 2020/21.
- (c) A further application is to be submitted (August 2020) for Phase Two Emergency Active Travel funding, with an indicative sum of £495k.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	At the end of Quarter One expenditure of £50.9 million has been forecast against a revised budget of £56.4million, an overall forecast underspend of £5.5 million.
Human Resource:	Not applicable

Legal:	Not applicable			
Risk Management:	Any significant delays in project delivery impact on the provisional budget for 2021/22 and subsequent years.			
Property:	Not applicable			
Policy:	Not applicable			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Environmental Impact:		X		
Health Impact:		X		
ICT Impact:		X		
Digital Services Impact:		X		

Council Strategy Priorities:		X		
Core Business:		X		
Data Impact:		X		
Consultation and Engagement:	Joseph Holmes, Executive Director for Resources, s151 Officer Andy Walker, Head of Finance & Property Capital Strategy Group			

4 Executive Summary

4.1 At the end of Quarter One expenditure of £50.9million has been forecast against a revised budget of £56.4million, an overall forecast underspend of £5.5 million.

Directorate Summary	Quarter One			
	Budget at Quarter One	Forecast Expenditure	Forecast (under)/Over Spend	Forecast spend as a % of budget
	£'000	£'000	£'000	%
People	£17,813	£15,476	(£2,337)	86.9%
Place	£31,038	£27,882	(£3,156)	89.8%
Resources	£7,592	£7,556	(£36)	99.5%
Totals	£56,443	£50,914	(£5,529)	90.2%

4.2 The main contributing factors to the forecast position are:

- (a) Education Services is forecasting a £2.3 million underspend driven primarily by a delay in the Eastern Area PRU project (£758k) through delays in agreeing new lease terms with the Parish Council, and a forecast underspend against the planned maintenance budget (£702k). The planned maintenance budget has been impacted by the COVID pandemic with delays in feasibility studies and commencement of works and the current construction industry market environment.
- (b) Transport and Countryside are forecasting a £3.1 million underspend primarily relating to the Robinhood Roundabout and A4 development (£1.5 million). The project is funded from section 106 funding which has yet to be received creating a delay in commencing the project. A number of projects across the transport programme have forecast underspends due to delays in commencing projects through the national COVID lockdown.

- 4.3 A future risk identified relating to the COVID pandemic is the potential for engaged suppliers to default on contractual obligations through financial difficulties. Budget managers and CSG are currently undertaking a review to highlight projects with potential suppliers of concern and where there is a risk of default and/or the potential to retender agreed contracts at potentially higher cost.

5 Supporting Information

Introduction

- 5.1 A capital budget for 2020/21 of £42.5 million was set by Council in March 2020 with funding of £21.4 million from external grants, £6.2 million of section 106 contributions (s106) and Community Infrastructure Levy (CIL), with £14.8 million of expenditure planned to be funded from external borrowing. The repayment of principal sums and interest on loans used to fund capital expenditure are met from the revenue budget for capital financing and risk management. Forecast spend against this budget is reported in the Revenue Financial Performance Report.
- 5.2 During the financial year budget changes may occur, mainly as a result of budgets brought forward from prior financial years, additional grants, s106 and CIL allocations received in year and expenditure re-profiled in future financial years. Changes of less than £250k can be approved by the s151 Officer in conjunction with the portfolio holder, all other changes must be approved by Capital Strategy Group (CSG) and reported to Executive as set out in the Council's Financial Regulations. As part of the budget monitoring process, the forecast year end position of the capital projects is reviewed and proposals for unutilised budgets to be re-profiled into subsequent financial years is reviewed by Capital Strategy Group (CSG). Appendix A provides a breakdown of budget changes as at Quarter One.

Background

- 5.3 Total forecast capital expenditure for financial year 2020/21 as at Quarter One is £50.9 million against a revised capital programme of £56.4 million, generating a forecast underspend position of £5.5 million.

Directorate Summary	Quarter One			Forecast spend as a % of budget
	Budget at Quarter One	Forecast Expenditure	Forecast (under)/Over Spend	
	£'000	£'000	£'000	%
People	£17,813	£15,476	(£2,337)	86.9%
Place	£31,038	£27,882	(£3,156)	89.8%
Resources	£7,592	£7,556	(£36)	99.5%
Totals	£56,443	£50,914	(£5,529)	90.2%

- 5.4 The main contributing factors to the forecast position are:
- (a) Education Services is forecasting a £2.3 million underspend driven primarily by a delay in the Eastern Area PRU project (£758k) through delays in agreeing new lease terms with the Parish Council, and a forecast underspend against the

planned maintenance budget (£702k). The planned maintenance budget has been impacted by the COVID pandemic with delays in feasibility studies and commencement of works and the current construction industry market environment.

- (b) Transport and Countryside are forecasting a £3.1 million underspend primarily relating to the Robinhood Roundabout and A4 development (£1.5 million). The project is funded from section 106 funding which has yet to be received creating a delay in commencing the project. A number of projects across the transport programme have forecast underspends due to delays in commencing projects through the national COVID lockdown.

5.5 A future risk identified relating to the COVID pandemic is the potential for engaged suppliers to default on contractual obligations through financial difficulties. Budget managers and CSG are currently undertaking a review to highlight projects with potential suppliers of concern and where there is a risk of default and/or the potential to retender agreed contracts at potentially higher cost.

The People Directorate

People Directorate	Quarter One		
	Budget at Quarter One	Forecast Spend in Year	Forecast (under)/Over Spend
	£'000	£'000	£'000
Adult Social Care	£1,867	£1,867	£0
Children & Family Services	£20	£20	£0
Education Services	£15,926	£13,589	(£2,337)
Totals	£17,813	£15,476	(£2,337)

5.6 The directorate is forecasting capital expenditure of £15.4 million against a £17.8 million budget. The forecast underspend position of £2.3 million is fully attributable to Education Services. The Education Services forecast position is being driven by key underspends against:

- (a) Delays in the Eastern Area PRU (£758k) development as lease negotiations with the Parish Council remain ongoing.
- (b) Planned maintenance budget is forecast to underspend in year (£702k) as a result of planning roofing repairs at risk of not being undertaken in the financial year as a result of the current market environment post the COVID lockdown.

The Place Directorate

Place Directorate	Quarter One		
	Budget at Quarter One	Forecast Spend in Year	Forecast (under)/Over Spend
	£'000	£'000	£'000
Development & Planning	£4,528	£4,822	£294
Public Protection & Culture	£2,458	£2,325	(£133)
Transport & Countryside	£24,052	£20,735	(£3,317)
Totals	£31,038	£27,882	(£3,156)

5.7 The directorate is forecasting capital expenditure of £27.8 million against a budget of £31.0 million. The forecast underspend position of £3.1 million is through:

- Transport and Countryside: A delay in the Robinhood Roundabout and A4 development through delayed receipt of section 106 funding (£1.5 million).
- Transport and Countryside: A number of projects across the transport programme have forecast underspends due to delays in commencing projects through the national COVID lockdown.
- Public Protection and Culture: Underspends have been forecast against annual maintenance budgets (Shaw House £69k and Museum (£63.5k).
- Development and Planning are forecasting a £294k relating to purchases of temporary accommodation.

The Resources Directorate

Resources	Quarter One		
	Budget at Quarter One	Forecast Spend in Year	Forecast (under)/Over Spend
	£'000	£'000	£'000
Customer Services & ICT	£4,877	£4,837	(£40)
Finance & Property	£2,312	£2,312	£0
Human Resources	£32	£32	(£0)
Strategic Support & Legal	£371	£375	£4
Chief Executive	£0.00	£0.00	£0
Totals	£7,592	£7,556	(£36)

5.8 The directorate is forecasting capital expenditure of £7.55 million against a budget of £7.59 million. The main driver of the forecast directorate underspend of £36k is ICT and relates to forecast underspends against Remote Access System Maintenance (£45k) and a refresh of the corporate MFD Fleet (£25k), offset by a forecast overspend against expenditure on Windows licences (£30k).

Proposals

No proposals are made within this report. Report is to note only.

6 Other options considered

No other options were considered.

7 Conclusion

7.1 At Quarter One expenditure of £50.9 million has been forecast against the revised budget of £56.4 million, resulting in a forecast underspend of 9% of the approved Capital Programme.

8 Appendices

8.1 Appendix A – Budget Changes as at Quarter One

Subject to Call-In:

Yes: No: X

The item is due to be referred to Council for final approval	<input type="checkbox"/>
Delays in implementation could have serious financial implications for the Council	<input type="checkbox"/>
Delays in implementation could compromise the Council's position	<input type="checkbox"/>
Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months	<input type="checkbox"/>
Item is Urgent Key Decision	<input type="checkbox"/>
Report is to note only	X

Officer details:

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2020/21 Budget Changes as at Quarter One

Service Area	Original Budget 2020/21 £000	Budget Agreed by CSG to be Re-profiled from 2019/20 £000	Other Changes to 2020/21 Budget £000	Revised Budget for 2020/21 £000	Explanation of Other Agreed Changes	Approved by CSG
PEOPLE DIRECTORATE						
Adult Social Care	£1,388	£226	£254	£1,867	Revenue contribution to capital (RCCO) ref Modernising ASC £84k/ Notrees Heating - £170k	30.04.20
Children & Family Services	£20	£0	£0	£20		
Education Services	£14,375	£1,551	(£0)	£15,926		
Total for Communities Directorate	£15,783	£1,777	£253	£17,813		
PLACE DIRECTORATE						
Development and Planning	£1,753	£2,664	£111	£4,528	Housing ICT System - £111k	27.02.20
Public Protection & Culture	£1,160	£1,094	£204	£2,458	PPP One System - £204k	27.02.20
Transport & Countryside	£19,449	£1,556	£3,047	£24,052	New DFT Challenge Funding (£3.048)	
Total for Environment Directorate	£22,362	£5,313	£3,363	£31,038		
RESOURCES DIRECTORATE						
Customer Services and ICT	£2,041	£2,836	£0	£4,877		
Finance & Property	£2,108	£135	£69	£2,312	RCCO for Income Manager - £70k	30.04.20
Human Resources	£0	£32	£0	£32		
Strategic Support & Legal	£237	£134	£0	£371		
Chief Exec	£0	£0	£0	£0		
Total for Resource Directorate	£4,386	£3,136	£70	£7,592		
Totals	£42,531	£10,226	£3,686	£56,443		