



To: The Members of the **Thames Basin Heaths Joint Strategic Partnership Board**

**Committee Members:**

Councillor Liam Lyons, Woking Borough Council  
Councillor Joss Bigmore, Guildford Borough Council  
Councillor David Cornish, Wokingham Borough Council  
Councillor Martin D'Arcy, Waverley Borough Council  
Councillor Gary Elson, Woking Borough Council  
Councillor Jonathan Glen, Hampshire County Council  
Councillor Marisa Heath, Surrey County Council  
Councillor David Hilton, Royal Borough of Windsor and Maidenhead  
Councillor Adrian Newell, Rushmoor Borough Council  
Councillor James Radley, Hart Borough Council  
Councillor Karen Randolph, Elmbridge Borough Council  
Councillor Chris Turrell, Bracknell Forest Borough Council  
Councillor Myles Willingale, Runnymede Borough Council  
Councillor Victoria Wheeler, Surrey Heath Borough Council

A meeting of the **Thames Basin Heaths Joint Strategic Partnership Board** will be held Virtually - Public Meeting on **Wednesday, 22 June 2022 at 10.00 am**. The agenda will be set out as below.

This meeting will be broadcast via Surrey Heath Borough Council's YouTube Channel

---

**AGENDA**

		<b>Pages</b>	<b>Presenter</b>	<b>Time</b>
<b>1</b>	<b>Election of Chairman</b>			
	To elect a Chairman for the Thames Basin Heaths Joint Strategic Partnership Board for the 2022/23 municipal year.			
<b>2</b>	<b>Apologies for Absence</b>			
	To receive any apologies for absence.			
<b>3</b>	<b>Minutes of Previous Meeting</b>	<b>1 - 6</b>		
	To confirm as a correct record the minutes of the meeting of the Thames Basin Heaths Joint Strategic Partnership Board held on 18 <sup>th</sup> November 2021.			

If you require further information, please contact: Katharine Simpson  
Telephone: 01276 707157  
Email: [democratic.services@surreyheath.gov.uk](mailto:democratic.services@surreyheath.gov.uk)  
Published: Wednesday, 15 June 2022

<b>4</b>	<b>Strategic Access Management and Monitoring Project Update</b>	<b>7 - 36</b>	Ruth Shelton	1 hour
	To receive a presentation from Ruth Shelton, Natural England, on the work of the Strategic Access Management and Monitoring (SAMM) Project Team since the Board's last meeting.			
<b>5</b>	<b>Natural England Strategic Overview</b>		Marc Turner	15 minutes
	To receive a presentation from Mark Turner, Natural England, on the work to manage the Special Protection Area and Natural England's aspirations for the Thames Basin Heath Special Protection Area.			
<b>6</b>	<b>Thames Basin Heaths Strategic Access Management and Monitoring Project Financial Update</b>	<b>37 - 46</b>	Jenny Wadham	15 minutes
	To receive a report setting out the financial position of the Thames Basin Heaths Strategic Access Management and Monitoring project.			
<b>7</b>	<b>Investment Working Group Update</b>	<b>47 - 66</b>	Jenny Wadham / Cllr Glen	15 minutes
	To receive a report providing an update on the work of the Investment Working Group.			
<b>8</b>	<b>Exclusion of Public and Press</b>			
	To resolve that the press and public be excluded from the meeting during consideration of the Financial Advisor's presentation as it involves the likely disclosure of exempt information relating to the financial and business affairs of any particular person (including the authority hold that information) as defined in paragraph 3 of Part 1 the Schedule 12A the Local Government Act 1972			
	(3) Information relating to the financial or business affairs of any particular person (including the authority).			
<b>9</b>	<b>Investment Update</b>		Greg Reading/ Amar Jandoo	15 minutes
	To receive an update from Arlingclose on the investments made by the Joint Strategic Partnership Board.			
<b>10</b>	<b>Date of Next Meeting</b>			
	The next scheduled meeting of the Thames Basin Heaths Joint Strategic Partnership Board will take place on Wednesday 16 <sup>th</sup> November 2022 at 10am.			

If you require further information, please contact: Katharine Simpson  
Telephone: 01276 707157  
Email: [democratic.services@surreyheath.gov.uk](mailto:democratic.services@surreyheath.gov.uk)  
Published: Wednesday, 15 June 2022

**Minutes of a Meeting of the Thames Basin Heaths Joint Strategic Partnership Board  
18 November 2021**

**Present:** Councillor Jan Harwood, Guildford Borough Council (Chairman)  
Councillor Martin D'Arcy, Waverley Borough Council  
Councillor Gary Elson, Woking Borough Council  
Councillor Jonathan Glen, Hampshire County Council  
Councillor Marisa Heath, Surrey County Council  
Councillor David Hilton, Royal Borough of Windsor and Maidenhead  
Councillor Marina Munro, Rushmoor Borough Council  
Councillor James Radley, Hart District Council  
Councillor Angus Ross, Wokingham Borough Council  
Councillor Chris Turrell, Bracknell Forest Borough Council

**In Attendance:** Ernest Amoako, Woking Borough Council  
Sarah Bunce, Natural England  
Daria Dadum, Natural England  
John Devonshire  
Duncan Fisher, Wokingham Borough Council  
Julie Gil, Bracknell Forest Borough Council  
Bethan Griffin, Rushmoor Borough Council  
Victoria Huth, Natural England  
Benjamin Moye, Guildford Borough Council  
Miranda Petty, Natural England  
Greg Reading, Arlingclose  
Ruth Shelton, Natural England  
Jack Thompson, RSPB  
Jane Reeves, Surrey Heath Borough Council  
Zoe Shorter, Natural England  
Jennifer Wadham, Hampshire County Council

**Observers:** Councillor Jerry Hyman, Waverley Borough Council

**9 Minutes of Previous Meeting**

**RESOLVED** that the minutes of the meeting of the Thames Basin Heaths (TBH) Joint Strategic Partnership Board (JSPB) held on 17<sup>th</sup> June 2021 be approved as a correct record.

**10 Strategic Access Management and Monitoring Project Update**

Ruth Shelton, Strategic Access Management and Monitoring (SAMM) Project Manager, Natural England gave a presentation in respect of the work taking place as part of the SAMM project. The presentation summarised the project team's activities since the Board's last meeting and included updates on staffing, warden activity, educational work and monitoring activity.

It was reported that two additional areas of SANG had been developed since the Board's last meeting, Runfold Ridge in Tongham and Horsley Meadows in Horsley. This took the

total number of Suitable Alternative Natural Greenspaces (SANGs) across the Thames Basin Heath area to 74.

The Board was informed that, although covid-19 restrictions had impacted on the work of wardens in the early part of the season, wardening of the Special Protection Area (SPA) had continued over the summer and into the autumn. A successful Heathweek had taken place in July with 14 activities delivered by the SAMM Team and a further 13 activities delivered by partners. The activities being well received by those who attended and planning for Heathweek 2022 was underway. One activity 'Zoe's Sensory Scavenger Hunt' had been particularly popular with 110 people taking part and this would be continued outside Heathweek. Pitstop sessions had been resumed enabling wardens to engage with visitors to the SPA on a more regular basis and between June and October a total of 22 Pitstops had been delivered and 47 events had been carried out.

The SAMM Team continued to develop its educational offer with curriculum linked sessions that could be delivered either remotely, in school or out on the heath and sessions were also available to uniformed groups. A short video had been produced and a Heathland Discovery Pack had been developed to help raise awareness of the resources available to educational settings. It was suggested that a copy of the pack and details of the sessions that could be delivered by the SAMM Team should be emailed to the Directors of Education in each local authority area requesting that they forward the information to schools.

Visitor data showed an increase in the number of visitors to the SANG during 2021 when compared to previous years however numbers were lower than during the first period of Government restrictions during the pandemic. In December 2020 a remote SANGS survey accessible via QR codes had been set up at sites across the SPA and by the end of October 2021, a total of 694 replies had been submitted. With 328 responses being received in High Season (March to August 2021) and 366 responses being received during the two low season periods (December 2020 to February 2021 and September to October 2021).

Analysis of the visitor survey responses had found that the top three main reasons given for visiting the SANG were:

<u>Reason</u>	<u>High Season</u>	<u>Low Seasons</u>
Dog Walking	156	176
Walking	100	127
Family outings	34	39

The data collected showed that most visits were of between 30 minutes and 1 hour in duration and that the main way of getting to the SANG during the Low Season was on foot and in the High Season by car. The majority of those answering the survey gave proximity to home as their main reason for selecting a particular SANG to visit. Other draws to a particular SANG included good parking provision, the ability to let dogs off a lead and the choice of routes available. When asked about potential improvements to a SANG, 25% of responders stated that no improvements were required; the most common improvement cited by visitors as being necessary was a need for more bins for dog waste.

It was confirmed that in order to ascertain whether the increase in the use of SANG during the pandemic restrictions was a temporary one or if it was the start of a longer term trend visitor numbers would continue to be monitored.

It was noted that in previous years, similar visitor surveys had been carried out at the SPA sites, and these would be resumed following their suspension during the pandemic.

Whilst proximity to an area was cited as a significant driver for visiting a particular SANG, having spatial data on where new developments were being located would assist Natural England with the planning of new areas of SANG and the improvements that might be needed at existing SANG. It was agreed that Local Planning Authorities would be approached for this information. The Board was reminded that it was not uncommon for SANGS to be developed ahead of the housing development associated with it and this did distort figures to an extent.

The Board was informed that the possibility of using anonymised location data from smart phones to measure visitor numbers had been explored however at the current time the data collected was not yet granular enough to be of much use. The possibility would be revisited as the technology progressed.

It was queried what effect the imposition then subsequent removal of car parking charges on the Surrey County Council owned sites in 2018 and 2020 respectively had had on visitor numbers and whether there was any correlation with the number of visitors visiting SANGs in the vicinity of these sites, for example Chobham, Wisley & Ockham and Whitmoor, during the period.

The success of Healthland Hounds as a way of encouraging responsible dog ownership was acknowledged and the Board questioned whether more could be done to engage dog owners who were not part of the Facebook group. It was noted that signs encouraging responsible dog walking were displayed at the entrances to site between March and June. It was suggested that these could be supplemented by additional signs referencing the Good Dog Guide and information about what a dog under control looks like. The Board was informed that the RSPB had carried out research on signage and this would be shared with the SAMM Team. It was agreed that the matter would be followed up outside the meeting.

It was requested that Natural England provide the Board with an overview of their work to manage the SPA and their aspirations for the SPA in the Thames Basin Heath area at a future meeting.

The Board thanked the SAMM Team for their informative update.

## **11 Financial Update**

The Board received a report summarising the current financial position of the SAMM Project.

It was noted that at the end of the 2020/21 financial year the balance on the Endowment Fund was £14.869million. Of this, £10.101million was held in investments, £730,000 was dividend income to be reinvested and the remaining £4.038million accrued from tariff income and bank interest, was currently held as a cash balance.

Of the £4.768million held as cash £3.2million had been approved for investment by the Board at its meeting on 19<sup>th</sup> November 2020; however the investment had been delayed by the need to set up a new account with the chosen fund (CCLA Diversified Income Fund).

As at 29<sup>th</sup> October 2021, a total of £537,071 had been received in tariff income for the 2021/22 financial year. It was projected that a further £2.566million of tariff income and £505,000 of dividend income would be received by the end of the 2021/22 financial year. At year end, it was projected that there would be £3.126million to be added to the

Endowment Fund. Expenditure was projected to be £482,000, this represented an underspend of £83,000 on agreed budgets due to vacancies at Natural England.

Current projections indicated that further income tariff of £1.822million and £2.031million would be received respectively in the 2022/23 and 2023/24 financial years taking the projected total income to March 2024 to £25.921million. By the end of the 2028/29 financial year it was projected that total tariff income would have reached £32.461million with no further tariff income expected after that date.

It was noted that the majority of the income for the SAMM project was received from developer contributions towards housing and this would eventually taper off. A number of planning applications for solar panel farms had recently been approved in Hampshire and it was questioned whether these could have Community Infrastructure Levy payments attached to them.

**RESOLVED** that:

- i. The actual financial position for the year ended 31<sup>st</sup> March 2021, as shown in appendix 1 of the report, and previously approved by the Board, be noted.
- ii. The projected financial position for the three financial years to 31<sup>st</sup> March 2021 be noted.
- iii. The actual cash balance held within the Endowment Fund as at 31<sup>st</sup> March 2021 of £4.768million, with a £3.2million investment pending, and the projected balance of £8.722million before further investment by 31<sup>st</sup> March 2024 be noted.

## **12 Investment Working Group Update**

The Board received a report providing an update from the Investment Working Group.

The Board was reminded that Arlingclose had been appointed as independent financial advisors to the Board on 1<sup>st</sup> December 2018, on an annual rolling contract at a cost of £10,000 plus VAT per annum (subject to an annual inflationary uplift in line with RPI). If the Board was minded to terminate the contract with Arlingclose then notice had to be given to Arlingclose by 1<sup>st</sup> September for the year ahead.

It was noted that any investments undertaken on behalf of the Board were made in accordance with the agreed Investment Strategy and based on the following key principles:

- Annual expenditure needed to be funded was expected to be in the region of £500,000, rising with inflation.
- A balance of £1.5million should be kept within the Maintenance Fund (approximately 3 years of expected running costs).
- Risk should be kept as low as possible whilst ensuring it was sufficient to meet the expected expenditure.
- A target return of 2-3% above inflation was considered to be appropriate.
- The interest paid on cash balances held by the Administrative Body was unlikely to be sufficient to meet the target return.

The Board was informed that projections indicated that at the end of the 2021/22 financial year there would be £4.7million in the Endowment Fund. A figure that was projected to have risen to £6.6million in 2022/23 and £8.7million in 2023/24.

Financial modelling, using current income projections and various scenarios with different rates of investment returns and inflation indicated that the current investment returns were

at an appropriate level to enable the project to continue in perpetuity, noting the uncertainties surrounding long term projections.

**RESOLVED** that:

- i. The Investment Strategy, as set out in appendix 1, of the report be noted.
- ii. The Responsible Investing Policy, as set out in appendix 2 of the report, be noted.
- iii. The annual timescales for terminating the contract with Arlingclose be noted.
- iv. The amounts available for investments, as set out in Table 1 of the report, and the projected cash flow scenarios, detailed in Appendix 3 of the report, be noted
- v. The requirements and practical implications limitations specifically outlined in paragraphs 36-42 of the report, surrounding any investment decisions made by the JSPB before any investments can be made by the Administrative Body on behalf of the JSPB be noted.

### **13 Exclusion of Public and Press**

**RESOLVED** that the press and public be excluded from the meeting during consideration of the Financial Advisor's presentation as it involves the likely disclosure of exempt information relating to the financial and business affairs of any particular person (including the authority hold that information) as defined in paragraph 3 of Part 1 the Schedule 12A the Local Government Act 1972.

### **14 Financial Advisor's Presentation**

Greg Readings, Arlingclose, gave a presentation in respect of the performance of the investments made by the Board to ensure the long term financial security of the SAMM project.

The Board was reminded that to date £10.2million had been invested on their behalf and a further £3.2million would be invested by the end of the current financial year. To date, the Board had benefitted from an annualised income rate of 4.8% and received £1,008,087 in income from these investments.

The Board was informed that Arlingclose had prepared their advice on the basis that there was £1.5million available to invest in the current financial year and approximately £2.3million would be available to invest during the next financial year. It was proposed that the £1.5million available for investment should be split; with £0.5million being invested in the Aegon Diversified Monthly Income Fund and £1million being invested in the M&G Global Dividend Fund. Looking ahead into the new financial year it was proposed that up to £3million be invested in the Fidelity Global Enhanced Income Fund. It was noted that Hampshire County Council, the Administrative Body for any investments, did not currently hold any investments with the Fidelity Global Enhanced Income Fund and it would be necessary to set up an account with the Fund in advance of an investment being made.

A precis of the implications for the financial industry that were emerging following the recent COP26 environmental summit and the Government's UK Green Finance Roadmap was provided.

**RESOLVED** that:

The Thames Basin Heaths Joint Strategic Partnership Board (JSPB) agrees:

- i. To instruct Hampshire County Council, in their capacity as the Administrative Body to make on the JSPB's behalf the following investments as recommended by Arlingclose as soon as practicably possible within the constraints of the Administrative Body's own governance:
  - a. £500,000 in the Aegon Diversified Monthly Income Fund
  - b. £1million in the M&G Global Dividend Fund
  - c. The remaining balance, currently projected at approximately £3million, available within the Endowment Fund as at 31<sup>st</sup> March 2022 be invested in the Fidelity Global Enhanced Income Fund, subject to a minimum investment of £500,000 and maximum investment of £3million.

The Board notes that:

- i. The Administrative Body (Hampshire County Council) cannot provide financial advice and will not be involved in decision making and therefore accepts no responsibility for any decisions made by the JSPB.
- ii. The Administrative Body (Hampshire County Council) will not progress making the investment until the minutes documenting the instructions have been approved by the JSPB. Approval by email from a majority of the JSPB members will be taken as sufficient evidence that the minutes accurately reflect the instructions of the JSPB.

*N.B. Councillor Jonathan Glen, Hampshire County Council, abstained from the vote due to his being a representative of the Administrative Body.*

## **15 Dates of Future Meetings**

It was agreed that meetings of the Thames Basin Heath Joint Strategic Partnership Board would be held on the following dates in 2022:

- Wednesday 22<sup>nd</sup> June 2022 at 10am
- Wednesday 16<sup>th</sup> November 2022 at 10am

## **16 Any Other Business**

The Board was informed that Councillor Angus Ross, Wokingham Borough Council, would not be standing for re-election when his current term of office came to an end in May 2022. The Board thanked Councillor Ross for the support that he had given to the partnership's work and wished him well for the future.



THAMES BASIN HEATHS JOINT STRATEGIC PARTNERSHIP BOARD (JSPB)

Date: 22 June 2022

Subject: SAMP Project Update

Report of: Strategic Access Management and Monitoring (SAMP) Project

**Recommendations:**

- To NOTE the contents of the report on SAMP project activity
- To APPROVE a request to recruit an additional year round warden to fill the Full Time Equivalent (FTE) staffing budget
- To APPROVE requests for data regarding SANG use from all Local Authority Partners
- To CONFIRM that it is the Boards intention for the tariff to increase in line with inflation on an annual basis as discussed in the November 2020 meeting.
- To OFFER GUIDANCE on succession planning within the project

**Purpose of the Report:**

To provide the JSPB with an update on SAMP activity since the last meeting in November 2021.

**Summary**

This paper sets out for Members the SAMP project's activities and achievements since the last meeting in November 2021, recent monitoring work and plans for the next 6 months.

**Brief Project Overview for new Board Members.**

I have been asked to provide a very brief project overview for the newly elected councilors who are now sitting on the JSPB. I hope this meets that requirement.

The Thames Basin Heaths Partnership is a landscape-scale partnership of local councils, land managers and nature conservation bodies working together to conserve the heathland of the Thames Basin Heaths Special Protection Area (SPA) across

Surrey, Hampshire, and Berkshire. The story of this innovative and nationally significant project began back in 2005 when the Special Protection Area (SPA) that sits at its core was notified. The designation occurred due to the areas international importance to three rare Annex 1 birds, the Nightjar, the Woodlark and the Dartford Warbler.

In 2009 the JSPB in conjunction with Natural England produced a delivery framework to mitigate the impact of an increasing residential population on the SPA. A 'buffer zone' (400m to 5km) was established around the SPA and each new residential development built within the zone is required to provide 'Suitable Alternative Natural Greenspaces' (SANG's) for the new residents to use. In addition, each development pays a tariff which supports the work of the SAMM project in perpetuity. An additional zone has been established (5km to 7 km) which carries a smaller portion of requirements. Payment of the tariff and its investment is managed by Hampshire County Council. We currently use approximately 30% of the annual income to fund the SAMM project activities and the remaining 70 % is invested.

The team of highly trained and deeply knowledgeable SAMM wardens focus on finding innovative ways to connect local people with nature, to get them talking about heathland and share simple messages about sticking to main paths; spreading the word about SANGs and wildfire awareness, all with a view to protecting the rare heathland species of the SPA. The team host quarterly meetings of the 'Access Management and Monitoring Partnership' (AMMP) to enable all 26 partners to discuss issues and share best practice. We also gather and analyse data about usage of the SPA and SANG's. We share our findings with as wide a group as possible and provide information about the populations of the Annex 1 birds. More details about the project's activities are housed in the body of this report.

## **Contents of report**

1. SAMM project staffing and recruitment	page 2
2. Wardening	page 3
3. Access to Special Protection Area land	page 7
4. Communications and events	page 7
5. Education	page 15
6. SPA and SANGs monitoring	page 22
7. Other news	page 27
8. Looking ahead	page 38

## **1. SAMM project staffing and recruitment**

- 1.1. We are delighted to report that we have six seasonal wardens in post.
- 1.2. Very unusually recruitment has been challenging this year and the SAMM project has faced the same difficulties as the entire conservation sector.
- 1.3. As a result, we only had three seasonal wardens in post for March 2022. Happily, an additional round of recruiting attracted some excellent candidates and a second batch of seasonal wardens started at the beginning of May 2022. All training and inductions have now been completed and all seasonal wardens are confident in their role.
- 1.4. Ruth Papworth and Steven Lockett are returning seasonal wardens having worked for the project previously. We are glad to welcome them back. Zhinlap Tamang has come to the SAMM team after being an apprentice with Natural England a few years ago.
- 1.5. We are supporting Sam Kendall, Dan Rogers and Louis Harrington-Edmans as seasonal wardens in their very first roles within the conservation sector.
- 1.6. In order to try and ease any difficulties in recruitment next year we are looking to deepen the pool of prospective candidates by offering opportunities for individuals to gain knowledge and experience of our work.
- 1.7. To this end we have started to offer work experience placements and job shadowing opportunities.
- 1.8. We have also improved our connections with the local colleges that offer conservation courses such as Merrist Wood and Sparsholt College. Students from Merrist wood who are studying wildlife and conservation came a spent an afternoon with us. We took them on a guided walk across Heather Farm SANG and the SPA. We introduced them to this amazing project and explained the issues facing designated sites and their management. Sparsholt college have expressed interest in a similar offering. We expect these to become annual events.
- 1.9. The new seasonal wardens have integrated with the existing team brilliantly and have helped us to deliver all the amazing results we will detail throughout this report.
- 1.10. Currently all positions are filled in line with the agreed project structure as shown below



However several of the team work part time rather than full time. This means that instead of having a team of 13 working full time we are a team of 12.2. This is 0.8 down in terms of Full Time equivalent (FTE) posts as shown below. The salary of another full-time role at advisor level would be completely covered by the differences in FTE across the team.

Role	Level	FTE
Project manager	Senior Advisor	0.8
Team Leader	Senior Advisor	1
Senior warden	Lead Advisor	1
Communications Officer	Lead Advisor	1
Data Analyst	Lead Advisor	0.8
Education officer	Lead Advisor	1
4 year-round wardens	Advisor	3.6
6 seasonal wardens (Each for 6 months so 0.5 FTE)	Advisor	3
		12.2

1.11. With the board's approval we would like to recruit another full-time year-round warden this year. This will give us another team member to help deliver this important work with no increase in agreed salary budget.

## 2. Wardening

2.1. The project provides a warden service on the SPA. During the September to April season we cover 5 days a week, and from March to mid-September we work 7 days per week from 07:00 to 19:00 (daylight permitting).

- 2.2. We are well prepared for Heath Week 2022 (25<sup>th</sup>-31<sup>st</sup> July), with 25 events in the itinerary so far! We are working together and with partners to plan exciting and engaging events, completing risk assessments, hiring vehicles and getting the resources together.

We will be repeating some successful events which were new last year e.g Zoe's 'Sensory Scavenger Hunt' and 'Heathland Herbivores' together with our popular classics e.g 'Butterflies & Other Things with Wings'. We are teaming up with partners for the first time e.g Hampshire & Isle of Wight Amphibian & Reptile Group and Royal Berkshire Fire & Rescue to mirror similar events that we do currently with Amphibian and Reptile Conservation Trust & Surrey Fire & Rescue to span all three counties.

- 2.3. We have been hosting many pop-ups this year and have recently purchased an off-road trolley to allow us to do this in places that were previously out of reach. We've made a new goal for each seasonal warden to attend or host two pop-ups or events per month on the weekend, which is going well so far. We are making extra effort to roll out our wardening presence evenly across the counties, despite access issues relating to small car parks that restrict some events.

- 2.4. Due to the efficiency of the new methodology and the dedication of the TBH SAMM team, we surveyed all 75 SANGs between December 2021 and early March 2022. This totalled 75 hours of wardening time and is the first time we've surveyed every SANG, despite there being the highest number of SANGs to date. We surveyed each SANG for one hour, counting and interviewing people. In total, 262 interviews took place and 836 people were counted. Results are presented in Section 6.  
The team is planning to undertake SANG surveys this summer at a subset of sites, to be able to compare data to the winter results. We are also planning to resume the car park transects this summer.

- 2.5. Over winter 2021, we volunteered with numerous partners including Hampshire County Council Countryside Team at Castle Bottom and Surrey County Council where we litter-picked SANGs as a team. Most recently, we attended a community event in Upper Hale, Farnham to lead a guided walk and were also present at 'Wild About Woking' with Woking Borough Council and Surrey Wildlife Trust.

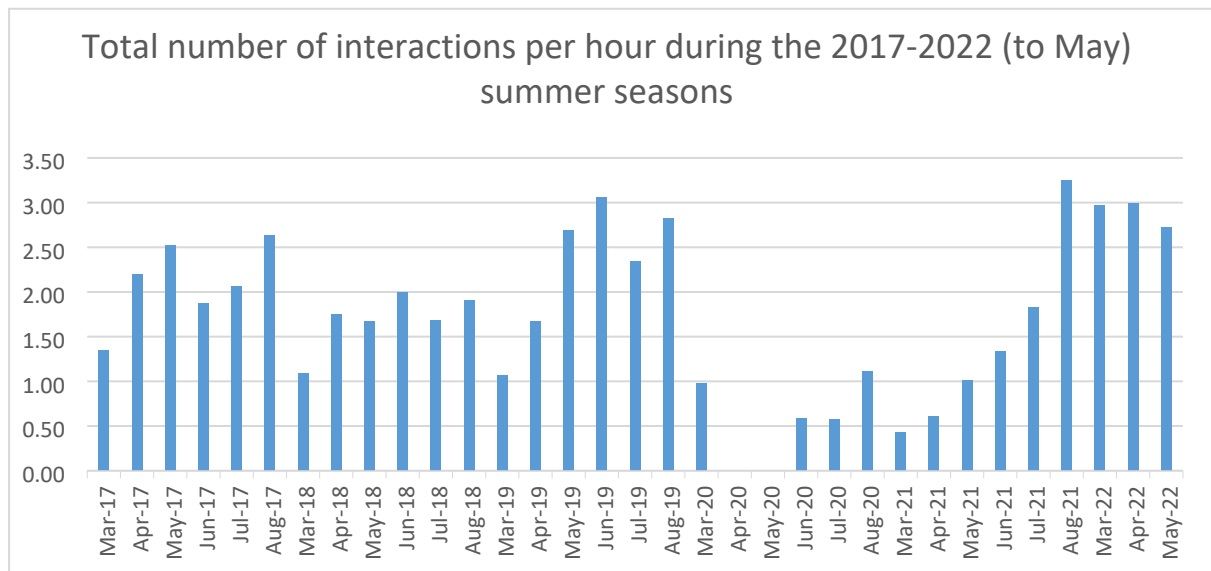
- 2.6. The following table sets out the number of hours of warden activity delivered on the SPA between November 2021 and May 2022, inclusive (Table 1):

**Table 1. Wardening activity delivered on the SPA between November 2021 and May 2022.**

<b>November 2021</b>	Total hours warded	223.59	<b>December 2021</b>	Total hours warded	117.19
	Number of interactions	505		Number of interactions	412
	Interactions per hour	2.26		Interactions per hour	3.51
	Number already spoken to	83		Number already spoken to	49
	Leaflets handed out	793		Leaflets handed out	486
	Number of dogs	335		Number of dogs	231
	Number of dog walkers (5+ dogs)	6		Number of dog walkers (5+ dogs)	7
	Average already spoken to	16.4%		Average already spoken to	11.9%
<b>January 2022</b>	Total hours warded	156.6	<b>February 2022</b>	Total hours warded	161.34
	Number of interactions	488		Number of interactions	409
	Interactions per hour	3.11		Interactions per hour	2.53
	Number already spoken to	116		Number already spoken to	145
	Leaflets handed out	395		Leaflets handed out	179
	Number of dogs	299		Number of dogs	257
	Number of dog walkers (5+ dogs)	8		Number of dog walkers (5+ dogs)	12
	Average already spoken to	23.8%		Average already spoken to	35.4%
<b>March 2022</b>	Total hours warded	280.48	<b>April 2022</b>	Total hours warded	541.98
	Number of interactions	832		Number of interactions	1625
	Interactions per hour	2.97		Interactions per hour	2.99
	Number already spoken to	137		Number already spoken to	138
	Leaflets handed out	1303		Leaflets handed out	2267
	Number of dogs	499		Number of dogs	813
	Number of dog walkers (5+ dogs)	9		Number of dog walkers (5+ dogs)	21
	Average already spoken to	16.4%		Average already spoken to	8.5%

<b>May 2022</b>	Total hours warded	475.6
	Number of interactions	1294
	Interactions per hour	2.72
	Number already spoken to	217
	Leaflets handed out	1831
	Number of dogs	554
	Number of dog walkers	9
	Average already spoken to	16.8%

2.7 The number of hours wardened and the number of interactions per hour returned to pre-Covid-19 levels (Fig. 1), a testament to the dedication of our wardens, especially considering that the six seasonal wardens had joined the SAMM Team later than in previous years (see section 1.1).

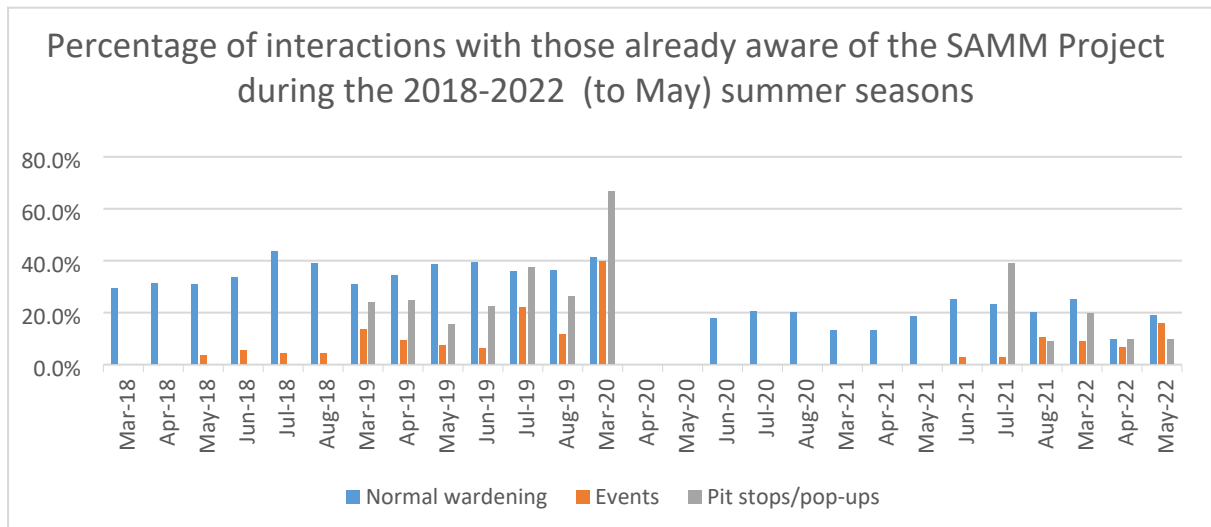


**Figure 1.** Total number of interactions per hour during the sensitive period (March to August) between 2017 and May 2022.

2.8 The easing of Covid-19 restrictions has allowed the Team to re-start regular events and pop-ups (pit-stops), alongside regular wardening (Fig. 2). In May, in particular, the number of interactions were double those in 2021 (1,294 vs 621), despite 20% fewer hours wardened in 2022 compared to 2021, due to the last three seasonal wardens starting that month, compared to March in previous years.

2.9 Thirty-three pitstops/pop-ups and 49 events were possible between November 2021 and May 2022.

2.10 Figure 2 shows the percentage of monthly interactions on the SPA with members of the public that were already aware of the SAMM project since March 2018. On average, 25.3% of individuals encountered whilst ‘normal wardening’ said that they were already aware of the project. This figure was up from the 21.3% to October 2021, but still lower than the average 35% between March 2018 and February 2020. However, with an increase in the number of users to the SPA since the pandemic began, it is not surprising that a lower proportion of people had previously interacted with the Team.



**Figure 2.** Average percentage of monthly interactions with members of the public that were already aware of the SAMM project from March 2018 to May 2022.

### 3. Access to Special Protection Area land

3.1. There have been no issues or changes. Feedback from landowners remains very positive and we thank all partners for their ongoing support.

3.2. Extensions to our existing access agreements have been agreed by all Partners. The agreements have been renewed through to 30th June 2023.

### 4. Communications

**Partnership working** In response to reports of large numbers of out-of-control dogs at Sheet’s Heath near Brookwood in Surrey, we mounted a mini-campaign to spread the word about this fragile site. Sarah Bunce and Tim Britt Searle organised a series of site popups and were joined by staff from Woking Borough Council and the Rural Crime PCSO for the Woking Beat (Fig. 3). This was followed up with social media posts and articles on our website asking visitors to avoid nesting areas, and if in doubt to keep to the woodland perimeter.





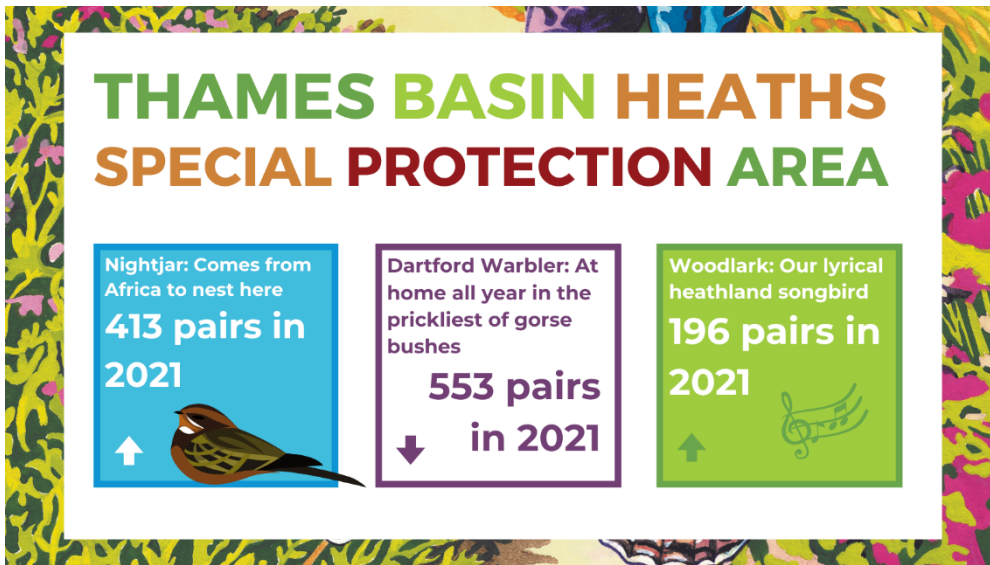
**Figure 3.** Our wardens Tim and Steven at a pop-up with a Rural Crime PCSO officer.

4.2 When a local resident shared his concerns about the number of dogs at Chobham Common in Surrey, we stepped up our on-site presence, with extra wardening hours, popups and a group warden day.

### **Special Protection Area Bird Survey**

4.3 As you know, the Thames Basin Heaths Special Protection Area was created to protect three species of rare bird, the Nightjar, Woodlark and Dartford Warbler. The numbers are monitored by a team of volunteers coordinated by 2Js Ecology and we're delighted to share the 2021 results announced in January 2022.

4.4 Figure 4 illustrates the latest bird numbers. The Nightjars had a particularly good season with 413 territories recorded in 2021, the highest on record, up from the previous high of 404 in 2020. And we're really happy to see the number of Woodlarks increasing gradually. The picture for Dartford Warblers is more complicated, the number of territories is down on the previous season when exceptionally high numbers were recorded, but it's not considered a cause for concern. Their numbers were steady on most sites although there were significant reductions on Chobham Common and Ash Ranges. At Chobham, wildfires in 2020 reduced the area of suitable habitat, while on Ash, restricted access may have resulted in an underestimate. A brief spell of severe wintry weather may also have affected the population, particularly on large sites such as Ash where there is limited shelter from snow.



**Figure 4.** Summary of number of pairs of Nightjar, Dartford Warbler and Woodlark found on TBH SPA in 2021.

### National Heathland Conference

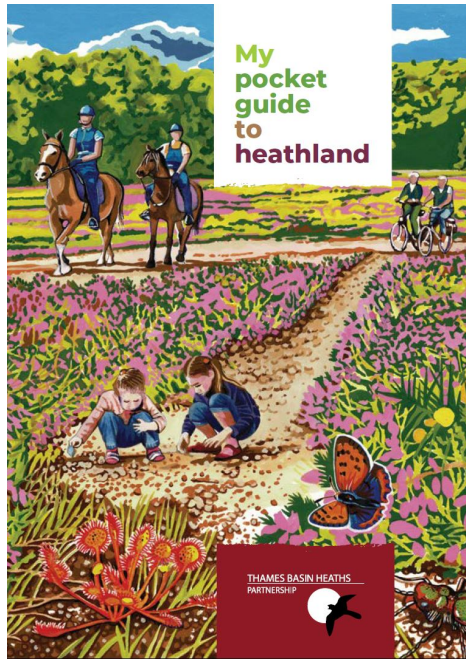
4.5 We attended the National Heathland Conference, held at Ufford Park near Woodbridge in Suffolk in May. It's a great opportunity to meet like-minded people and compare notes. Ruth Shelton and Daria Dadam gave an engaging presentation about our work on the Thames Basin Heaths.

### Communications

4.6 The period November to June is always a busy one for communications, with the start of a new ground-nesting bird season to remind the public about, last season's results to relay and signage to review, as well as day to day SANG promotion and social media & website content to keep fresh.

### Leaflets and branding

4.7 The third of our project leaflets as now been revamped to fit in with the branding of our other leaflets. The educational booklet "My pocket guide to heathland" (Figure 5), originally put together by the Berks, Bucks and Oxon Wildlife Trust. Artist Tim Bernhard has painted another beautiful heathland scene for us, part of which appears on the cover of the new edition of booklet (shown below).



**Figure 5.** The new educational booklet “My pocket guide to heathland”.

4.8 We regularly hand out three key leaflets:

- A5 booklet listing SANGs called **Greenspace on your doorstep**. Redesigned in 2019 and downloadable from:  
<https://www.tbhpartnership.org.uk/content/uploads/2020/03/Greenspace-on-your-doorstep.pdf>
- A5 foldout leaflet about the heaths, redesigned in the winter 2020/2021:  
<https://www.tbhpartnership.org.uk/content/uploads/2021/05/TBH-Leaflet-2021.pdf>.
- A6 booklet aimed at children and families called **My pocket guide to heathland**. The new version can be downloaded from:  
<https://www.tbhpartnership.org.uk/content/uploads/2022/04/TBH-Pocket-Guide-to-Heathland.pdf>

#### Website

4.9 Our website can be found at [www.tbhpartnership.org.uk](http://www.tbhpartnership.org.uk) and continues to be used to promote our key messages. The website content is designed to inform and inspire visitors and to promote usage of Suitable Alternative Natural Greenspaces (SANGs).

4.10 The website has recently had improvements to freshen its appearance and bring it into line with the fonts and colours used on the three leaflets and other materials.

4.11 Looking at the period as a whole, in the period 1st November 2021 to 31st May 2022 there have been **55,692** page views across the whole website. Compared to **70,901** in the same period in 2020/21. A disappointing decrease of 21% overall. The number of visits to the homepage was up 14% and the number of visits to the 'Greenspace on your doorstep' pages was down 28%, so the decrease may reflect that the SANGs are becoming better known.

4.12 Top 10 most visited areas of the website since 1st November 2021 have been:



4.13 The news and blogs page features regular entries from the team, including a wide range of articles about our work and the wildlife and history of the heaths. Recent articles have included news about how to protect heathland wildlife, our activities and events, SANGs and heathland-inspired road names.

4.14 The online directory of SANGs, **Greenspace on your doorstep**, has long been an important part of the website and continues to be the most visited section. Since we updated you in October 2021, three more entries have been added, bringing the published total to **seventy-seven SANGs**. Each entry has a section on how to find it, a description, a link to a route on OutdoorActive (formally ViewRanger) and a photograph gallery. Our Communications Officer Sarah Bunce is working to refresh each of the entries, bringing some of the older text and photographs up-to-date.

4.15 In the period 1st November 2021 to 31st May 2022 there were **31,791** visits to SANG pages and the five most visited pages were:

- Buckler’s Forest (Bracknell Forest Council) – 2,783 views
- Hartland Country Park (Hart District Council) – 1,698 views
- Brooklands Community Park (Elmbridge Borough Council) – 879
- Brookwood Country Park (Woking Borough Council) – 836 views
- Chertsey Common, Longcross (Runnymede Borough Council) – 789 views

### Social media

4.16 Our social media platforms continue to spread our key messages. We are on Facebook, Twitter and Instagram.

4.17 Social media statistics as of 31<sup>st</sup> May 2022 show our following is gradually increasing as we become better known (Table 2).

**Table 2.** Summary of monthly social media statistics for October and May between 2020 and 2022.

<u>Followers</u>	<b>October 20</b>	<b>May 21</b>	<b>October 21</b>	<b>May 22</b>
<b>Facebook</b>	1,031	1,188	1,315	1,482
<b>Twitter</b>	644	751	793	872
<b>Instagram</b>	260	340	399	505

The number of followers does not adequately reflect our reach on social media. Table 3 illustrates figures for this year so far.

**Table 3.** Summary of monthly reach via social media between January and May 2022.

<u>Reach</u>	<b>Jan 22</b>	<b>Feb 22</b>	<b>Mar 22</b>	<b>Apr 22</b>	<b>May 22</b>
<b>Facebook</b>	9,815	35,492	13,079	42,848	13,483
<b>Twitter</b>	11,200	16,200	16,900	23,400	10,600
<b>Instagram</b>	760	1,446	486	903	736

4.18 A few examples of recent high-performing posts:

 **Thames Basin Heaths Partnership**  
Published by Sarah Bunce · 15 February · 🌐

We're asking for everyone's help again this season 😊

If you're visiting the heaths of #Surrey, #Hampshire & #Berkshire... from 1st March 2022 we're asking you to please keep to main paths and to keep dogs out of low-growing vegetation, like heather, gorse and grass 🙏

This'll help protect the rare birds that nest on the ground here. The birds give the heaths a huge amount of protection, so protecting birds protects heaths! Protecting heaths protects birds!... See more

**THAMES BASIN HEATHS  
SPECIAL PROTECTION AREA**



**Keep to main paths**



**Keep dogs out of vegetation**

29,657 People reached    1,090 Engagements    ↑ +25.8x higher Distribution score    [Boost again](#)

- We've tagged over 20 posts (on each platform) with the hashtag **#PawsOnPathsPlease** and many of our partner organisations have supported this campaign, using the same hashtag. The most successful post in terms of reach was one that went out in mid-February, reminding visitors about the start of the nesting season. It reached over 29,000 on Facebook.
- A post in mid-February, about the emergence of Adders reached 3,500 on Facebook and 2,300 on Twitter.

- Warden Nicola Buckland wrote a post about the 'After Life' bench at Lightwater Country Park that was liked by Ricky Gervais and was our top performing March post on Twitter, reaching over 4,300 people.
- An April Fool's post crafted by Seasonal Warden Steve Luckett 'announced' a top secret reintroduction of the long-extinct Thames Bison. The Basin Bison went down a storm on social media reaching over 8,000 people on Facebook alone.
- Understandably the sad fire at Ash Ranges in April caught people's attention and 6,400 people saw our post on Twitter and 2,800 on Facebook.
- Pleasingly, posts about our events have done extremely well. For example, three posts about our 'Spring into Nature' events for the Easter holidays reached 4,000, 5,500 and 8,300 on Facebook; and a post about a walk called 'Heathland For Beginners' reached over 7,000 on Facebook.

**Top Tweet** earned 4,347 impressions

Warden Nicky's taking a pew on the 'After Life' bench at Lightwater Country Park in Surrey. What a wonderful way to encourage people to reach out 😊

More on our website at:  
[tbhpartnership.org.uk/news/hope-is-e...](http://tbhpartnership.org.uk/news/hope-is-e...)

#ThamesBasinHeaths  
 #LightwaterCountryPark #AfterLife  
 @rickygervais pic.twitter.com/9v36sugAa9



**Top media Tweet** earned 2,054 impressions

We're so excited to be the first to announce that a small herd of Thames Bison has been reintroduced at a secret location on the #ThamesBasinHeaths, where they're helping to shape the heathland landscape. More on our website at...

[tbhpartnership.org.uk/news/ancient-b...](http://tbhpartnership.org.uk/news/ancient-b...)  
 pic.twitter.com/HthjjsLUiw



Heath Week

4.19 Heath Week will be back again this year, **Monday 25<sup>th</sup> to Sunday 31<sup>st</sup> July**. We're yet again teaming up with the Fire & Rescue Services to bring visitors a Wildfire Roadshow. Other exciting things in the pipeline include two Reptile Roadshow events,

a joint-venture with Forestry England to showcase the history and wildlife of the commercial forestry areas, a mindfulness walk, several Nightjar walks and a session on how to use your phone to identify wildlife. We'll be working hard to publicise these events via local newspaper articles, parish magazine listings, social media and posters on site noticeboards.

### Partnership Newsletter

4.20 Started in May 2019, the Thames Basin Heaths Partnership Newsletter goes out quarterly to organisations across the partnership. It shares a variety of news stories, including our own news, news from land managers and news about SANGs. Please contact [sarah.bunce@naturalengland.org.uk](mailto:sarah.bunce@naturalengland.org.uk) if you would like to be added to the circulation list. The next issue will be published in September 2022.

[Click here to view the latest newsletter in your browser.](#)

## **5. Education**

- 5.1 During the period of this update, “Our Amazing Heathlands” schools programme continued to reach more schools and their students. Word is spreading about our educational offering and feedback has been great.
- 5.2 From 1<sup>st</sup> January to 10<sup>th</sup> June, the Education and Engagement Officer has engaged with more than 1500 children and adults through the schools programme, sessions for uniformed groups, guided walks and talks. During this time, 40 sessions were delivered – including 25 to children from primary schools near to the SPA.

### **Schools – Our Amazing Heathlands**

- 5.3 The goal of our schools programme is to meaningfully connect school children and their teachers to wildlife and their local heathlands through fun and engaging activities. Sessions focus on:
1. Nature connections
  2. Heathland and its species
  3. Threats to heathland
  4. How to help look after heathland and its species

These curriculum-linked sessions can be delivered remotely, in school or out on the heath and are designed to introduce fantastic plants and animals (including rare ground-nesting birds) and cover threats to the landscape – including wildfire and disturbance.



The aim is for children to go home after a session inspired by their nature experiences and tell their family and friends about our amazing heathlands and what everyone can do to help keep them safe.

- 5.4 There are onward opportunities for the children to join in with 'Help the Heath' and design posters encouraging visitors to do the right thing when visiting. (#BeWildfireAware, avoid disturbance, pick up dog waste and not littering).

### Nature connections

- 5.5 Enhancing peoples nature connectedness is really important part in encouraging people to look after our heaths. Research has indicated that enhancing a person's nature connectedness, leads to pro-nature behaviours and improved mental health. This underpins all of our educational offerings – encouraging people to stop, look and listen and notice what is around them.

### Advertising our offering

- 5.6 All primary schools (c.220) within 5km of the SPA were contacted via email and offered the opportunity of some heathland-themed engagement for the children. This would initially be via assembly or classroom visit, but could be extended to a heathland visit if possible.
- 5.7 Articles were written for local community magazines raising awareness about our educational offerings and this has proved a good way to spread the word. To encourage schools to get involved, we have produced a video to highlight the benefits of learning about heathland.
- 5.8 Educational opportunities are also promoted via social media and blogs on the website (Fig. 6). Here are a couple of examples: Spring on the heath / Connections with nature

Teachers, let us help you connect your children with nature

FREE fun & engaging opportunities to put your local heathland at the heart of your curriculum!

THAMES BASIN HEATHS PARTNERSHIP

Our Amazing Heathlands

Perfect for KS1 & KS2

www.tbhpartnership.org.uk/schools • Online • In classroom • On heath •

Figure 6. Educational opportunities are promoted via our website, as well as blog and social media.

## New sessions

- 5.9 As a way of being able to run heathland sessions and continue nature connections over the winter months, we have developed a “*Heathland in the Dark*” session that is perfect for uniformed groups. The best feedback was “*That was one of my favourite meetings, it was SO dark!*”
- 5.10 We have also developed a classroom-based session that focuses-in on heathland birds. It covers bird anatomy, lots of detail about Nightjars, Woodlarks and Dartford Warblers, ground-nesting and comparisons with more common birds.
- 5.11 We delivered our first session to nursery-aged children and provided some resources for a heathland visit they had planned.

## Additional new sites

- 5.12 We now have agreements in place to be able to run educational session on Surrey County Council heaths (Chobham Common, Whitmoor Common, Ockham and Wisley Common) and Forestry England’s Bramshill. This has enabled us to offer sessions across a wider area than previously.

## New resources

- 5.13 New resources have been developed to support both our in class and on heath sessions (Fig. 7 and Fig. 8). These are designed to help focus the children’s attention and provide a handy reminder of what was covered after the session has finished.

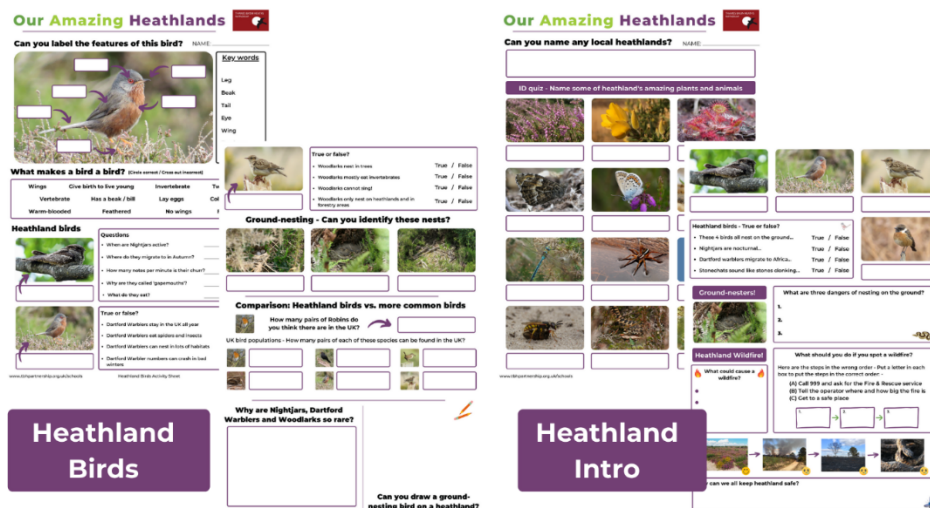


Figure 7. Worksheets designed to be completed during a class session - to keep children focused and provide a resource to use in the future.



Figure 8. Various resources that can be used during an on-heath session

## Feedback

5.14 Feedback has been incredibly positive (Fig 9). Here is a selection:

**Yr. 4 Child** – *“I liked spotting things in the heathland, the whole walk and listening to the birds chirp”*

**Yr. 4 Child** – *“I liked exploring!”*

**Yr. 4 Child** – *“I liked learning Dartford warblers have red eyes”*

**Yr. 1 Teacher – Wildmoor Heath School, Crowthorne**

*“Thank you so much for Tuesday, the children really enjoyed finding out more of the heath and the spotter sheet was perfect.”*

**Yr. 1 Child** – *“I had the best time ever!”*

**Yr. 6 Teacher – Wildmoor Heath School, Crowthorne**

*“Thanks so much once again for such a great morning of exploring, discovery and learning. The class were really engaged and can't wait to go out again in the spring/summer to discover more! The fungi most definitely fascinated many of them, including the adults! Thanks again for a great trip. We hope to do it again in the summer.”*

**Teacher – Briars Nursery, Lightwater**

*“Thank you so much for visiting today. It was so interesting and I have never seen the children so engaged. Some of the children drew pictures after you had gone of the plants you showed them. When they left, they were telling their parents all about the talk you gave them.*

*I think this is such a wonderful idea to go to schools to talk about nature.”*

**Teacher – Briars Nursery, Lightwater**

*“The children at the Cabin still talk about your visit.*

*You have definitely inspired a new generation of children to listen, look and respect our natural wildlife and habitats.*

We will definitely stay in touch for a visit next year and will spread the word amongst our local schools. Thanks again!"

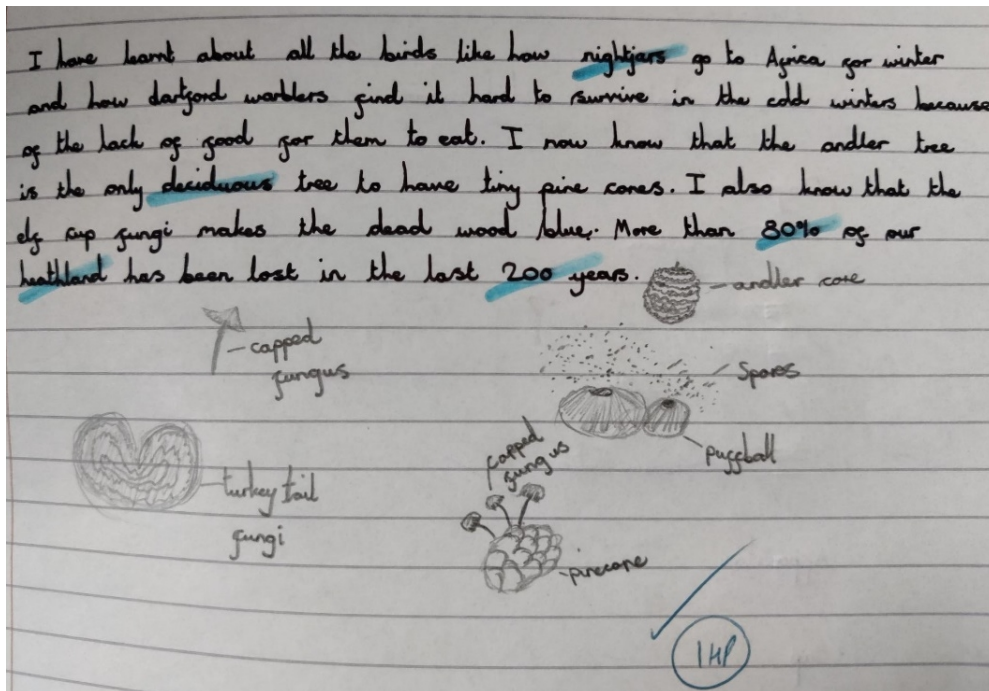


Figure 9. A Year 6 child's work after a heath walk

Yr. 4 Teacher – Potters Gate School

"I was just talking about how amazing the lesson was to one of the teachers who forwarded your email. We all loved it and found it so interesting - thank you. We can't wait for your return after half-term.

We are going to work on creating some posters [Fig. 10] before you return, giving each group a topic to work on – how to protect the heathlands, how to identify different plants you find etc. I am also setting them 'homework' of going to the heathlands over the half-term, and they will have their identification booklets you gave them too."

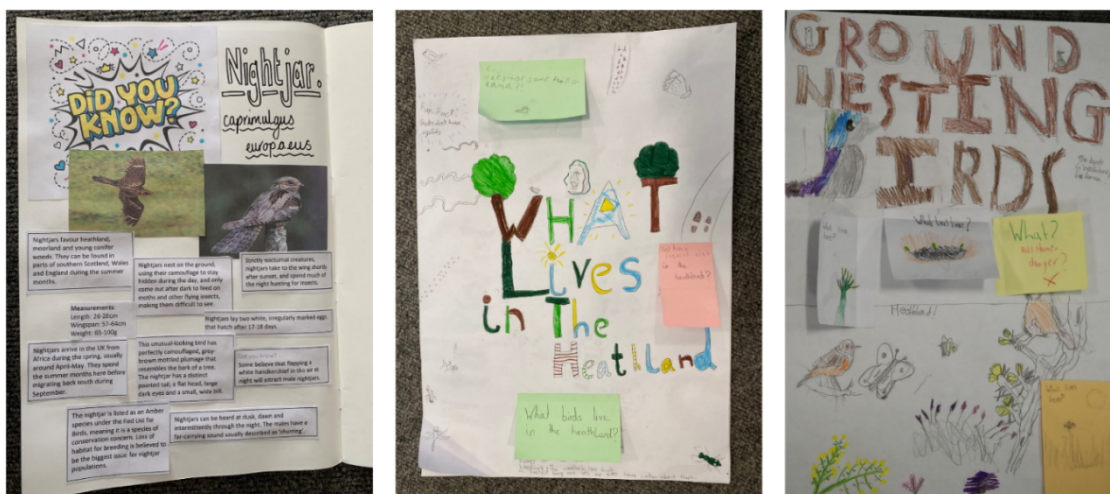


Figure 10. Year 4s at Potters Gate School designed posters about heathlands and the ground-nesting birds

## Heathland INSET training

5.15 In April 2022, a heathland-themed INSET session was delivered to the entirety of the staff at Wildmoor Heath School. The school is within a two-minute walk of Wildmoor Heath and the teachers often take groups out onto the heath. The aim of the session was to equip teachers with the skills and knowledge to be able to better link the amazing resource on the school's doorstep to their educational aims and encourage them to embed the heathland into the curriculum. It was also used as a further opportunity to promote the sessions we offer and get some teacher insight to be able to improve our offering.

The plan will be to offer this INSET training to other schools that are on the fringes of the SPA.

## Secondary Schools

5.16 Now that the Natural History GCSE has been given the green light, we are monitoring developments to see how learning about heathland can feed into this. This will be a great way to get heathland into secondary schools.

5.17 In April 2022, a conservation careers session was delivered to the Year 10 students from the Winston Churchill School, Woking. It provided an opportunity to encourage students to consider a career in conservation, whilst promoting responsible heathland use and the TBHP too.

5.18 We are working with the [Thames Valley Learning Partnership](#) to look at opportunities to get secondary school children in Berkshire involved with some practical heathland conservation tasks in the Autumn term.

## Uniformed Groups

5.19 There continues to good demand from uniformed groups and we have sessions designed to introduce children to their local heathlands and enable them to work towards badges. In order to meet further badge requirements, the on-heath activities can be supplemented with the 'Help the Heath' poster challenge.

Feedback example: *"The cubs had a fantastic time, it was so nice to see how much interest they took in things that usually pass them by – the gorse, the birdsong. . . It was wonderful to see a Dartford Warbler too, even if only fleetingly! The session was just what we were looking for and hopefully will encourage the cubs to spend more time on the common and appreciate the habitat."*

## Wildfire Education – [www.tbhpartnership.org.uk/wildfire](http://www.tbhpartnership.org.uk/wildfire)

5.20 Wildfire education is covered in all sessions, so all participants learn about the causes and consequences of a fire. They also find out about what to do if they discover a fire. Progress with developing a standalone session (to be delivered in partnership with local fire and rescue services has been slow, but we continue to work with Surrey FRS

to move this forward. The plan to trial targeted school assemblies in areas where heathland wildfires have occurred is still ongoing.

**Our Amazing Heathlands – Education Webpage** [www.tbhpartnership.org.uk/schools](http://www.tbhpartnership.org.uk/schools)

5.21 The [education webpage](#) continues to be updated.

It provides information for local teachers about free educational offerings and how they can get involved.

**Heathland at Home –** [www.tbhpartnership.org.uk/activities](http://www.tbhpartnership.org.uk/activities)

5.22 This webpage continues to provide visitors with a range of fun heathland-themed arts, crafts and games. This page is now detailed in the new TBH leaflet to help further spread the word.

**Citizen Science**

5.23 As part of efforts to boost the nature connectedness of visitors to the heathland, we continue to encourage visitors to take a closer look at the nature around them. A big part of this is to encourage them to get involved in [citizen science](#).

Silver-studded Blue Watch has returned in 2022 (Fig. 11), with the first sighting at the end of May. We are, once again, asking people to keep an eye out for this amazing butterfly, let us know using #SilverStuddedBlue and also report it via iRecord. More information can be found [here](#).



**Figure 11.** Advert for the Silver-studded Blue Citizen Science project.

5.24 To help people ID and record the wildlife they spot on their walks, we ran a “[Discovering Nature with Your Phone](#)” walk. It introduced them to some of the best nature identification and recording apps.

- 5.25 In order to connect people with the heathlands they visit, we also ran a “Heathland for Beginners” walk. It introduced people who walk on their local heathland regularly, but didn’t really know much about it, to a wonderful, but fragile landscape.

Some feedback from these events: -

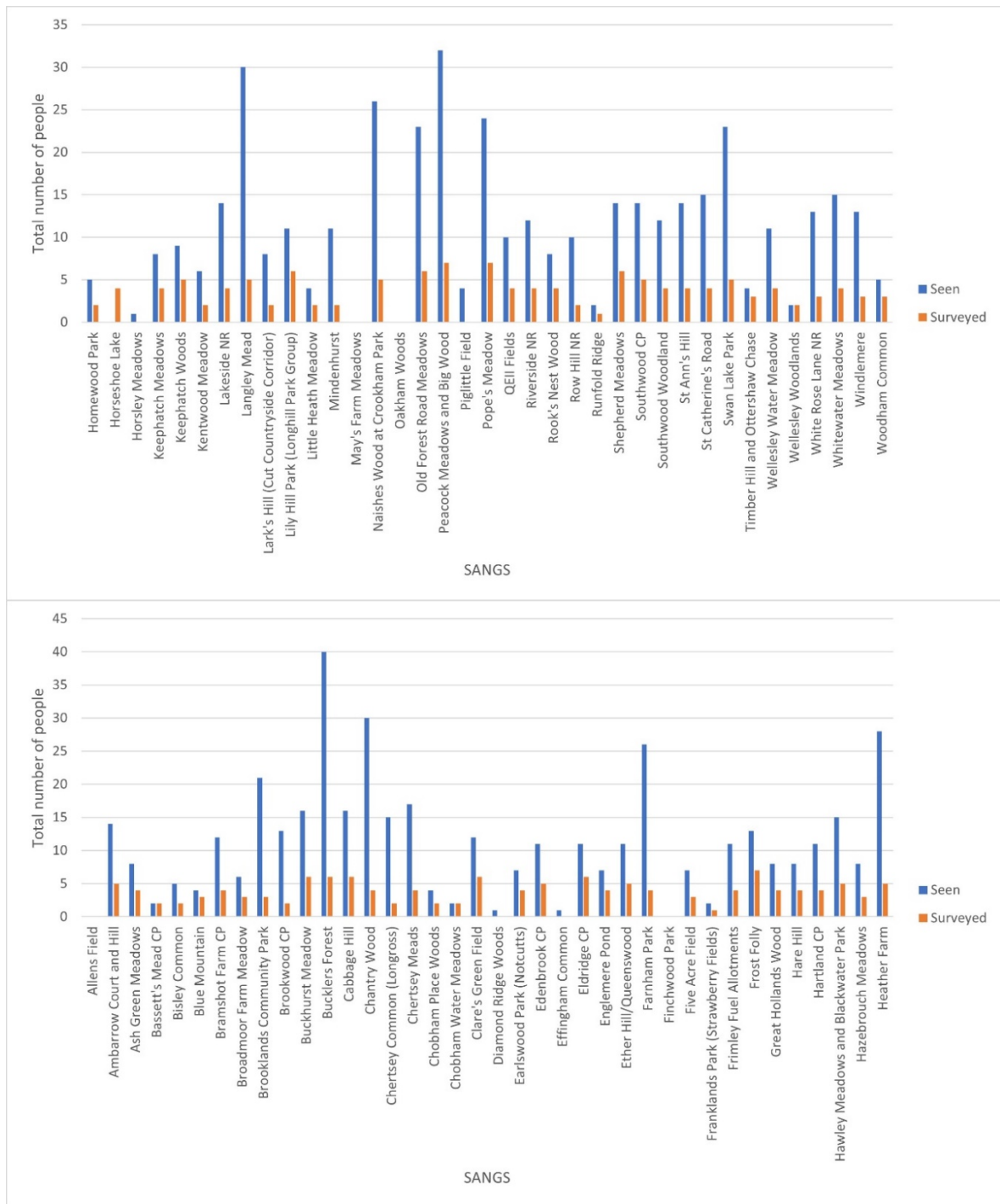
*“The 2 hours flew by and we seemed to cover a lot of ground and learnt loads in that short time. Having learnt about the special environment heathland provides, I can see how important it is to protect these landscapes for the future.”*

*“I knew nothing about bird song and hoped this would be a good way to make a start on identifying a few basic songs. I came away feeling like I could match some birds to their songs. A whole new skill and all right on my doorstep.”*

*“Thank you for the “Discovering nature with your phone walk”. I have been out in my garden recording all the wildlife. I even submitted sightings to a spider recording scheme!”*

### **Winter 2021/2022 Visitor Surveys on all SANGs**

- 6.1 From December 2021 to March 2022 the SAMM Team undertook visitor surveys at all 75 SANGs that were open at the time, the first time a complete coverage was attempted. Compared to previous years, the methodology was changed to one-hour survey, instead of two-hour, at each site to cover all sites.
- 6.2 A total of 262 surveys were undertaken at 68 sites, with a further seven SANGs (Allens Field, Daimond Ridge Woods, Effingham Common, Finchwood Park, Horsley Meadows, Oakham Woods, and Piglittle Field) surveyed without encountering people able to undertake our questionnaire (Fig. 12). Overall, surveyors encountered 836 people across all sites.

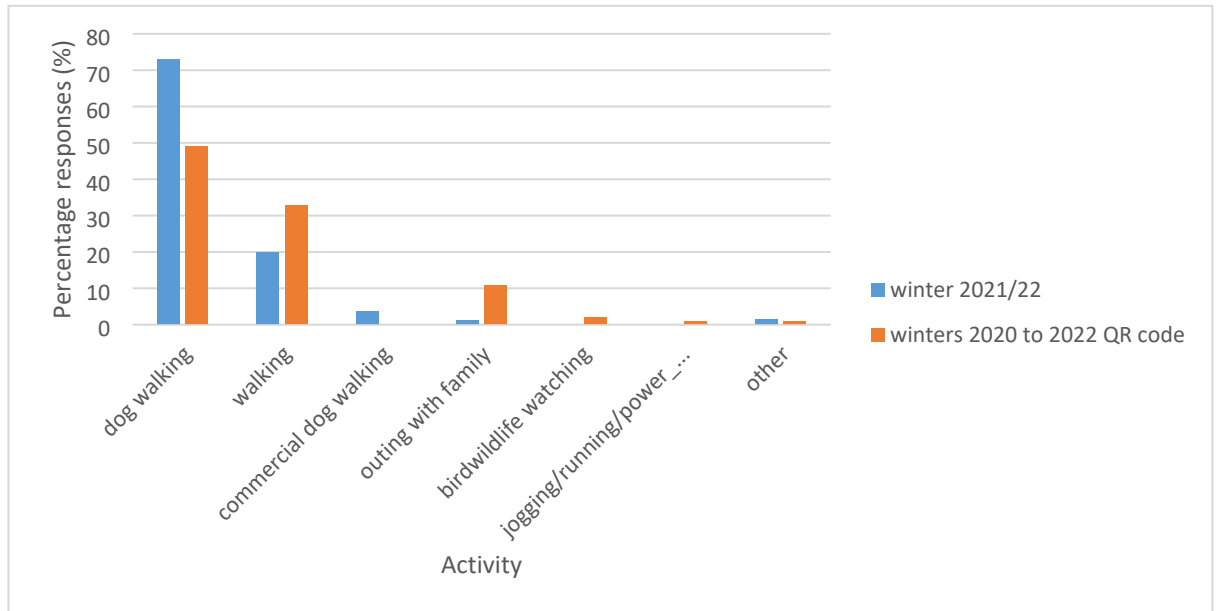


**Figure 12.** Number of people seen (blue) and surveyed (orange) at each of the 75 SANGS surveyed in winter 2021/22. Total number of responses: 262.

6.3 In December 2020 we set up a QR-code-based SANGS survey to collect data despite Covid-19 restrictions. The survey is still ongoing, and results from the winter responses received using this method (covering 46 SANGS and 483 responses between December 2020 and March 2022 during all months of December, January, February and March) are compared to the survey carried out in person over the winter 2021/22, below.

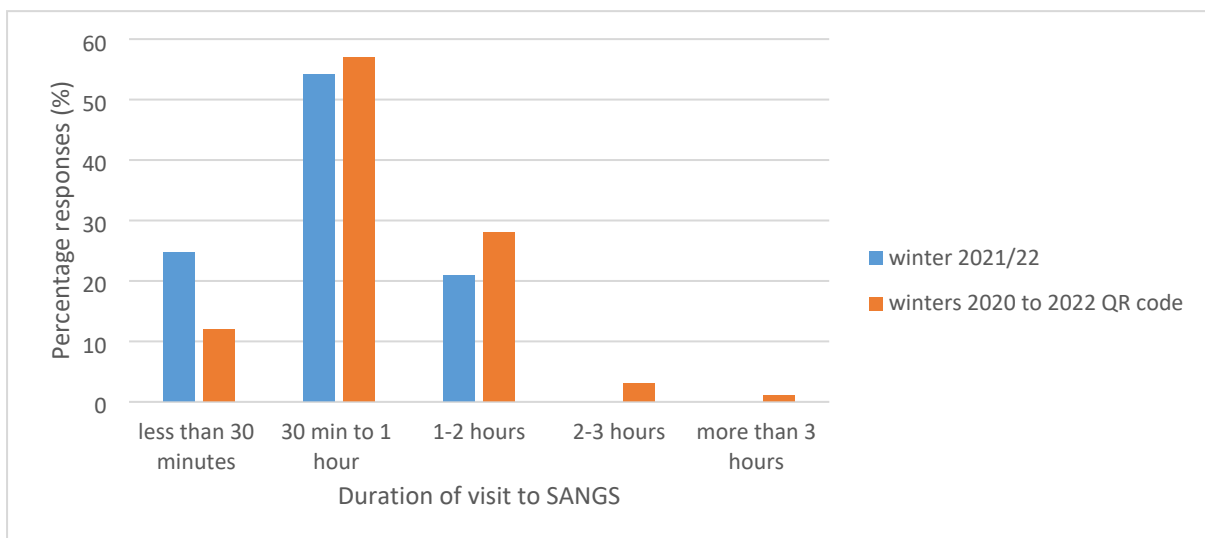


6.4 The main activity undertaken was dog-walking (including commercial) (>70%), followed by non-dog walking (20%) and other activities; the hierarchy of responses was similar to the one obtained through the QR code survey (49% dog-walking and 33% walking)(Fig. 13).



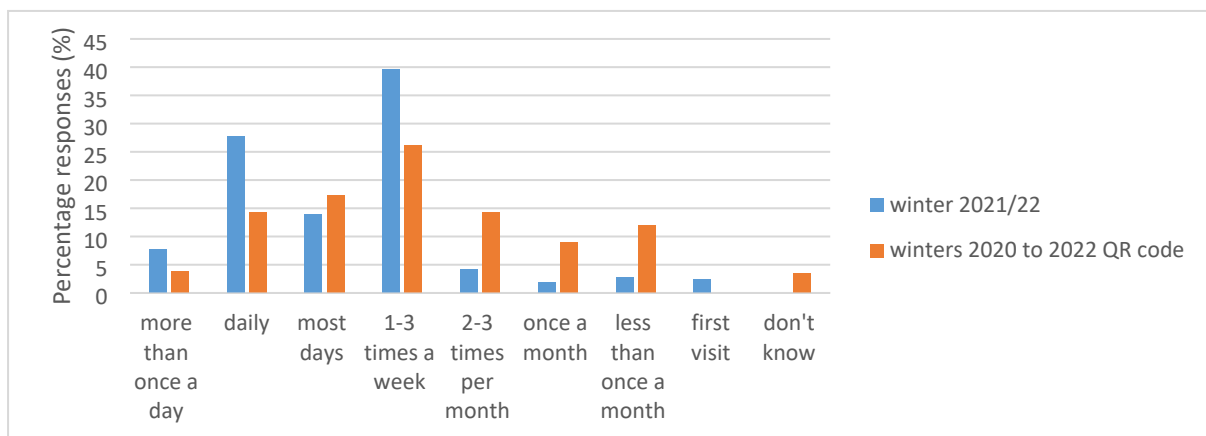
**Figure 13.** Summary of the frequency of the main activity undertaken on TBH SANGS during winter 2021/22 (blue; n=262) and winters 2020 to 2022 (orange; n=483).

6.5 Both surveys showed that the majority of visits lasted from 30 mins to an hour, but whilst in winter 2021/22 the second most common length of time was less that 30 minutes, over the last two winters longer visits were more frequent (Fig. 14).



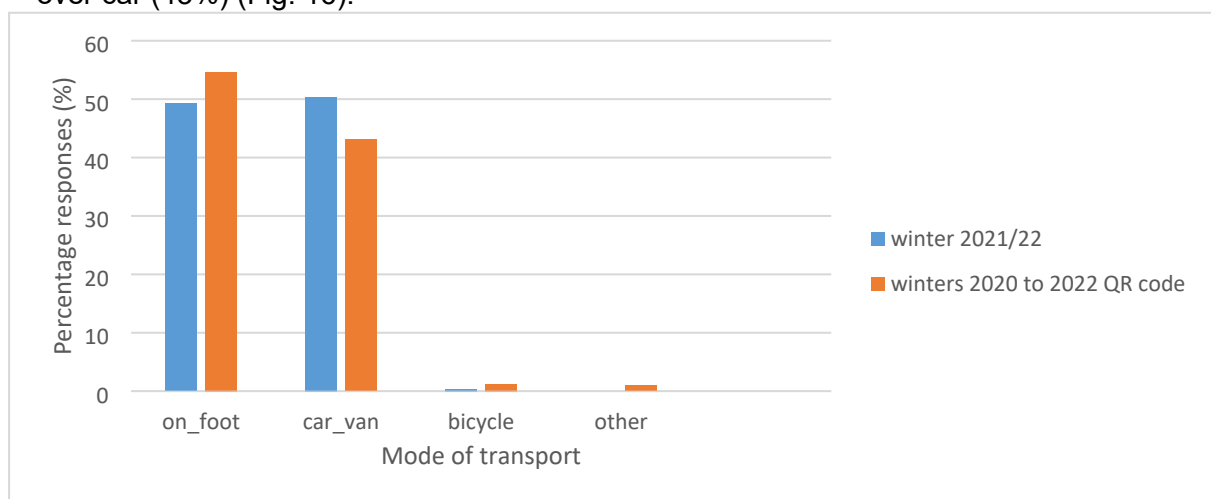
**Figure 14.** Summary of the length of visits to the TBH SANGS during winter 2021/22 (blue; n=262) and winters 2020 to 2022 (orange; n=483).

6.4 Just over a third of respondents in 2021/22 stated they visited SANGS one to three times a week (39%), followed by daily or nearly-daily visits (27% and 14%, respectively) (Fig. 15). A similar pattern was observed with the QR codes over the last two winters (26% 1-3 times a week, 17% most days, 14% daily) (Fig. 15). People visited SANGS equally on weekdays and weekends in the majority of cases (61%), although half as many respondents said that they used the site only during weekends (31%), followed by weekends-only (but this total would have been impacted by a disproportionate surveying effort on weekdays) (5%), with the remaining answers taken by first or very recent-users. The questions was not asked in the QR-code survey.



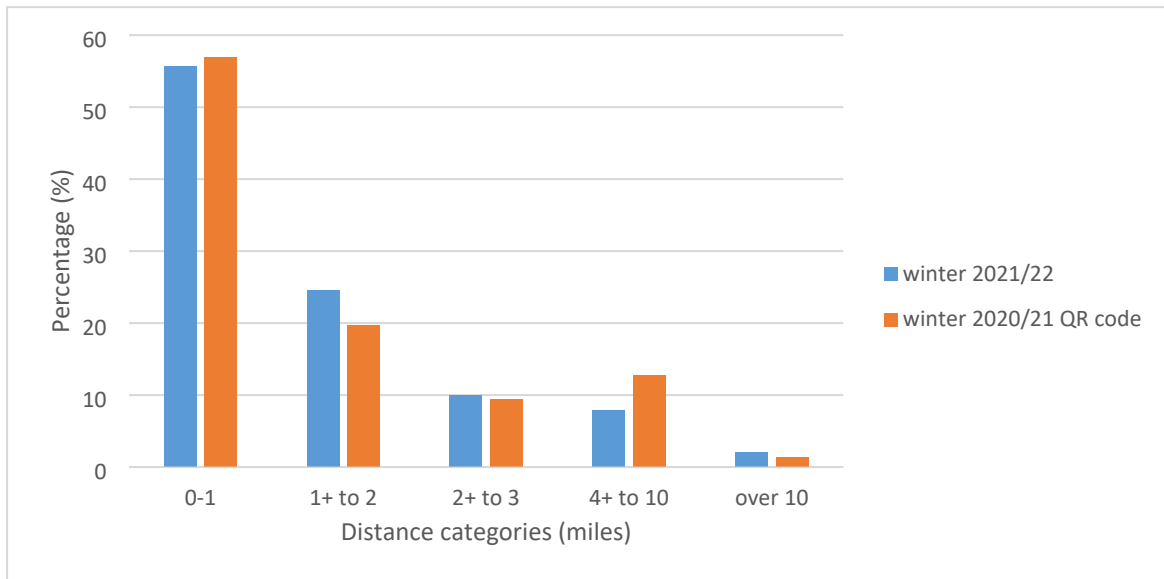
**Figure 15.** Summary of the frequency of visits to the TBH SANGS during winter 2021/22 (blue; n=262) and winters 2020 to 2022 (orange; n=483).

6.6 The main mode of transport to a SANGS was split evenly between private vehicle (50%) and on foot (49.9%). This was more evenly split than in previous QR-code based surveys where in winter there was a tendency for people to arrive by foot (55%) over car (43%) (Fig. 16).



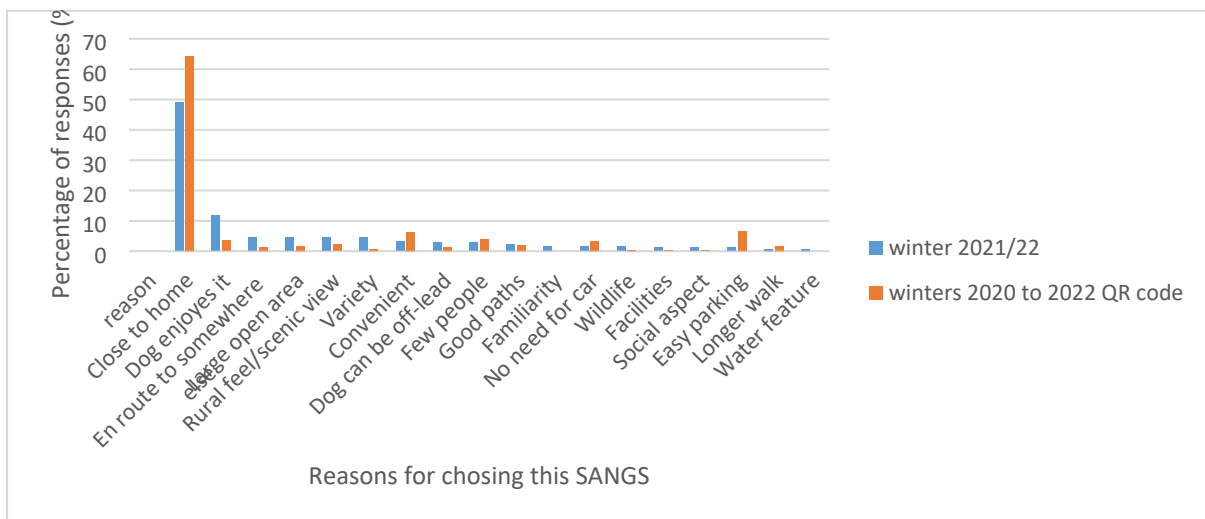
**Figure 16.** Summary of frequency of mode of transport used to access TBH SANGS during winter 2021/22 (blue; n=262) and winters 2020 to 2022 (orange; n=483).

6.7 The majority of people arrived within 1 mile of the SANGS followed by the up-to-2-mile category, a result in accordance with the previous QR-code-based survey (Fig. 17), which was based on 46 sites. This suggests that usage of SANGS is undertaken mostly by local people.



**Figure 17.** Distance travelled from home to TBH SANGS during winter 2021/22 (blue; n=262) and winters 2020 to 2022 (orange; n=483).

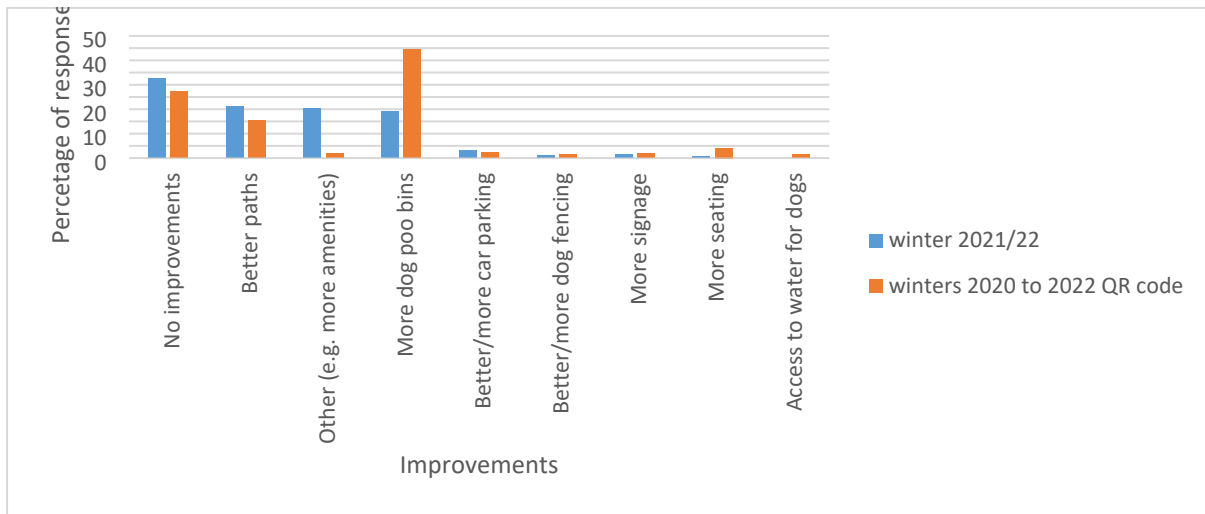
6.8 When asked to list the main aspects of the SANGS which particularly attracted the visitor to the site, most responses mentioned proximity to home as a key reason for visiting in both surveys, followed by their suitability for dogs in winter 2021/22 and convenience (proximity and ease of parking) in the QR-code survey (Fig. 18).



**Figure 18.** Summary of the frequency with which characteristics of a SANGS were listed as important aspects by visitors during winter 2021/22 (blue; n=262) and winters 2020 to 2022 (orange; n=455).

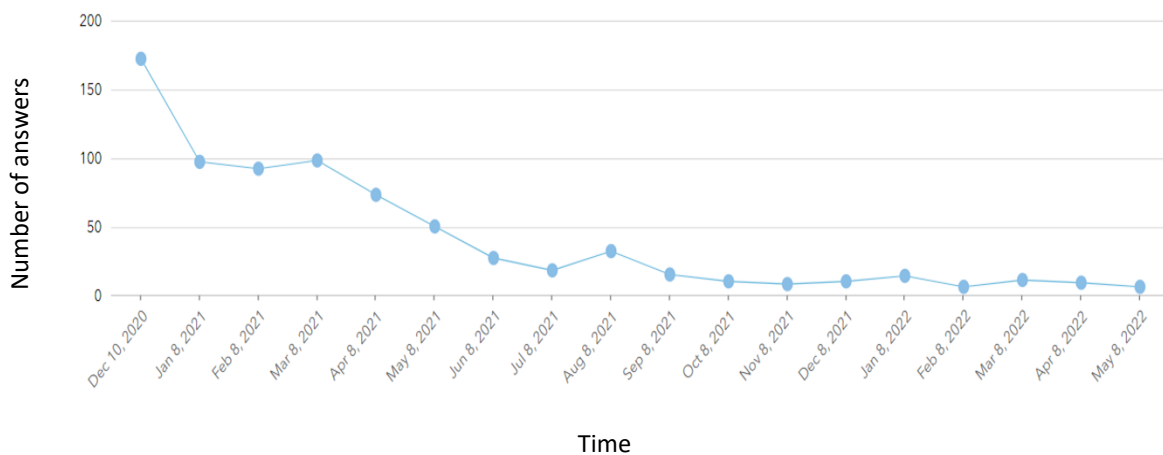
6.9 Visitors were also given the opportunity to tell us what aspects of a SANGS needed improving: the most frequent answer in the winter 2021/22 survey was no improvements needed, followed by better paths, more amenities (e.g. coffee-cart, dog-washing facilities, toilets), and more bins, whilst the most frequent answer over

multiple winters was more dog-poo bins, followed by “No improvements” and better paths (Fig. 19).



**Figure 19.** Summary of the frequency each improvement was suggested by visitors to the TBH SANGS during winter 2021/22 (blue; n=262) and winters 2020 to 2022 (orange; n=439).

6.10 In summary, the two surveys gave comparable answers, providing us a further tool to carry out SANGS survey when resources (i.e. wardens’ time) are limited. However, the interest in taking part in the QR-code survey has been decreasing with time (Fig. 20), suggesting that in-person surveys cannot be completely substituted by other means.



**Figure 20.** Number of answers to the QR-based survey from December 2020 to May 2022 (n=766).

## 7. Other news

7.1. The team continue to work incredibly hard and very effectively despite the challenges we all face as a result of the global pandemic.

7.2. The challenges of recruiting, inducting and team building were met well by all involved and have set a template for our future recruitment

- 7.3. It has not been possible to separate out the impact of *COVID-19* and its variants from the body of this report, rather it forms an integral part.
- 7.4. Some of the team members have tested positive for the virus. The source of the infections appears to have been outside of work in each case and we have been effective in not transmitting it amongst the team. Most have now fully recovered however Project manager Ruth Shelton is experiencing some 'Long Covid' symptoms. At the time of writing this report I am pleased to say that we are all testing negative. The team have coped well with the extra pressures these illnesses has placed on them particularly during the induction periods.
- 7.5. The office at Heathland House is open again and available for the teams use. We are operating under a DEFRA approved Room Ventilation Assessment (RVA) which has proven to be very effective in containing any infections. Last week DEFRA provided us with a CO2 monitor which will help us to explore further easing of restrictions within the office. We continue to work remotely and meet outdoors where possible.
- 7.6. We have had some communications with the various planning departments involved in this project. We ask the board to please confirm that it is their intention that the tariff paid by developers within the buffer zone be increased annually in line with inflation in order to avoid any further large increases as discussed in the November 2020 meeting.

## **8. Looking ahead**

- 8.1. With your support we will recruit to fill the upcoming year-round warden vacancy and will report on this for the next meeting.
- 8.2. Since we last met the team have spent some time considering our succession plans and looking for ways that we might be able to 'future proof' the SAMM project.

As you know we currently benefit from the excellent work conducted by 2js Ecology to gather the necessary data about the annex 1 bird species that lie at the core of this project. The 2js agree that by 2032 we will need to be doing things differently and we are in the process of determining what that might look like. We are in the process of identifying a series of options and the cost implications of each. We will present these to the Board on 22<sup>nd</sup> June and ask for some guidance.

- 8.3. Also, on the subject of succession planning, Communications officer Sarah Bunce has indicated that she would like to move to part time in May 2023 and is looking towards

retirement. Sarah has been an essential constant within the team for many years now and holds responsibility for several elements vital to the project's smooth operation. We would like to ask the Boards opinion about recruiting an additional communications officer now to ensure a smooth handover of these responsibilities. It would also provide us with additional resource in the short term which may allow us to open new communication opportunities and spread our message to a wider audience. The increase in project budget will be detailed on 22<sup>nd</sup> June.

- 8.4. We will continue with our core message of asking heathland visitors to stick to main paths and keep dogs out of vegetation.
- 8.5. We will continue to build on our 'Be Wildfire Aware' messaging and build our relationship with Surrey Fire & Rescue Service's Wildfire and Rural Partnership. We will also continue to work with Berkshire and Hampshire fire services.
- 8.6. We will continue to update 'Greenspace on your doorstep' with new SANGs opening and continue to promote these through wardening, social media and the Heathland Hounds website.
- 8.7. We will be continuing to build a range of educational activities that can be used by a teacher to introduce heathland into further subject areas with the aim of encouraging them to embed heathland into their curriculum, rather than heathland making a one-off appearance in the students' lives and then disappearing.
- 8.8. We will be looking at how best to supplement the data sets we have with additional data and will consider benefits of installing additional people counters on the SPA and report on this for the next meeting.
- 8.9. We consider new residents within the buffer zone to a key audience. We continue to plan a program to deliver our message to people as they move in.

<b>Committee/Panel:</b>	Thames Basin Heaths Joint Strategic Partnership Board
<b>Date:</b>	22 <sup>nd</sup> June 2022
<b>Title:</b>	Thames Basin Heaths Financial Statement
<b>Report From:</b>	Administrative Body

**Contact name:** Jenny Wadham, Principal Accountant, Hampshire County Council

**Tel:** 03707 798929

**Email:** [Jennifer.wadham@hants.gov.uk](mailto:Jennifer.wadham@hants.gov.uk)

### **Purpose of the Report**

1. The purpose of this report is to present an update to the Joint Strategic Partnership Board (JSPB) on the financial position of the Thames Basin Heaths Strategic Access Management and Monitoring (SAMM).
2. The report includes the actual financial position at 31<sup>st</sup> March 2022 and the projected financial position for the three years to 31<sup>st</sup> March 2025.

### **Recommendations**

3. That the financial position for the year ended 31<sup>st</sup> March 2022, as shown in Appendix 1, is agreed.
4. That the transfer from the Maintenance Fund to the Endowment Fund to maintain a balance of £1.5m in the Maintenance Fund is noted.
5. That the projected financial position for the three financial years to 31<sup>st</sup> March 2025 is noted.
6. That the balance held within the Endowment Fund at 31<sup>st</sup> March 2022 of £14.793m, held as £7.932m as investments and £6.862m cash (with £5.7m investments pending) is noted.

### **Executive Summary**

7. The final outturn for the year ended 31<sup>st</sup> March 2022 is net income after project expenditure of £2.094m, which has been added to the Endowment Fund balance.
8. Dividend and interest income for the 2021/22 financial year was sufficient to fund 93% of the project expenditure, and although future income projections are by their nature subject to a degree of uncertainty, it is anticipated that the dividend and interest income will be sufficient to fully fund the project expenditure from the 2023/24 financial year, and therefore also anticipated that the current and projected balances within the Endowment Fund will provide sufficient income for the SAMM to be maintained in perpetuity.
9. As at 31<sup>st</sup> March 2022 the balance held in the Endowment Fund was £14.793m, of which £7.932m was held in investments and £6.862m was held as a cash balance by the Administrative Body. Of the £6.862m held as cash, £5.7m has already been approved for investment by the Board, with investments due to be completed imminently. A further £1.5m was held as a cash balance in the Maintenance Fund to pay for project expenditure.
10. It is projected that a further £2.558m will be added to the Endowment Fund in the 2022/23 financial year from tariff and dividend income, which (after taking into account pending investments) will give an anticipated total of £3.720m held as a cash balance and available to be invested.
11. Based on current projections of income and expenditure, the balance on the Endowment Fund would increase to £22.726m by 31<sup>st</sup> March 2025, of which £9.095m is projected to be held as a cash balance by the Administrative Body.
12. As per the current investment strategy, the balance on the maintenance fund is being maintained at £1.5m, with any balances above or below that level transferred to or from the Endowment Fund.

### **Financial Position for the Year Ended 31 March 2021**

13. The financial position at 31<sup>st</sup> March 2022 is summarised in the table in Appendix 1, and shows total net income after project expenditure of £2.094m was received for the 2021/22 financial year.
14. Total income received by the Administrative Body for the year was £2.602m, consisting of £2.130m tariff income collected by the Local Planning Authorities (LPAs), £459,626 dividend income and £12,767 interest on cash balances held. Actual tariff income for the



year was £973,000 lower than the projection reported to the JSPB in the November 2021 meeting, however this is offset by an increase in the projected income for future years.

15. Costs of £508,251 were incurred in the 2021/22 financial year, a £26,364 increase on the projected position mainly due to Natural England recruiting to the warden vacancies.

### **Projected Financial Position for the 2022/23 to 2024/25 Financial Years**

16. A summary of the projected financial position for the three years to 31st March 2025 is shown in Appendix 2.

17. These projections are based upon the tariff income forecasts provided by partner LPAs and expenditure forecasts provided by Natural England. Interest is assumed on cash balances at the current rate and dividends are projected at an annual rate of 5% of investment market values.

18. Across these three years, further total net income is projected of £7.933m, consisting of £7.697m tariff income, £1.760m dividend income and £0.252m interest, offset by £1.776m expenditure. However, these future projections should be viewed with caution given the relatively high degree of uncertainty in relation to future income.

### **Future Financial Sustainability of the SAMM**

19. The original SAMM business plan and tariff income calculations considered that a total of approximately £30m in tariff income would be needed (over an assumed period of 17 years in which developments would be built) to provide a capital sum sufficient to generate income to fund the anticipated annual expenditure in perpetuity.

20. Since the commencement in April 2011, to date a total of £20.927m in tariff income has been received. Based on information provided by each of the partners, it is projected that £2.7m tariff income will be received in the 2022/23 financial year, with further projected tariff income of £2.5m in each of the 2023/24 and 2024/25 financial years, taking the projected total tariff income to March 2025 to £28.623m.

21. Current projections for future years would potentially increase the total tariff income receivable by a further £6.535m to £35.158m by 2028/29, with no further tariff income receipts expected after that date. However, again an element of caution is required when viewing these income projections over future years.

22. In addition to the tariff income, to date £1.371m has been received in dividend income and interest on the cash balances, with £0.466m dividend income and interest projected for the 2022/23 financial year, rising to a projected annual total of £0.781m by the 2024/25 financial year.
23. Significantly the dividend income and interest in the 2021/22 financial year was sufficient to fund 93% of expenditure for the year, and it is projected that dividend income and interest will be sufficient to fully fund expenditure from the 2023/24 financial year onwards. These projections are on the basis that the pending investments will be made and assumes a 5% dividend return.
24. The SAMM business plan also allowed for expenditure of approximately £500,000 per annum on an ongoing basis, increasing with inflation each year. Actual ongoing expenditure (with inflation) is expected to be £573,212 for 2022/23, rising to £609,713 by 2024/25, based on current approved staffing and activity levels. After a delayed start, expenditure projections are now broadly in line with the original business plan.

### **Endowment Fund and Maintenance Funds**

25. As at 31<sup>st</sup> March 2021, £1.5m was held in the Maintenance Fund and a total of £14.793m was held in the Endowment Fund - £7.932m as investments and £6.862m as a cash balance, as shown in Appendix 3.
26. The SAMM agreement provided for the income to be divided 30% to the Maintenance Fund to pay for project expenditure, and 70% to the Endowment Fund to accumulate sufficient balances to fund future project expenditure and the cost of long-term maintenance and protection of the SPA.
27. The JSPB has subsequently agreed that the Maintenance Fund should be kept at £1.5m (being equivalent to approximately three years of annual expenditure) with any balance above or below that level transferred to or from the Endowment Fund.
28. Under section 5.3 of the SAMM agreement the JSPB is responsible for reviewing the value and performance of the Endowment Fund on a regular basis. The agreement envisaged that the management of the balance in the Endowment Fund would be undertaken by an Independent Financial Advisor, and under the direction of the JSPB, Arlingclose were appointed as the Independent Financial Advisors from 1st December 2018 on a rolling annual contract.

29. To date total investments of £10.2m have been made. An additional £4.7m has been specifically approved by the Board for investment with those investments due to be completely imminently, and a further amount for investment of up to £3m depending on the final outturn for the 2021/22 financial year was also approved by the Board. Based on the final outturn, an additional £1m will be invested, giving total pending investments of £5.7m.
30. The value of the investments held decreased by £2.170m (21%) between 31 March 2021 and 31 March 2022. However, this should be seen in the context of the long term investment approach agreed by the Board with a focus on income rather than capital growth. A full review of the performance of the investments is considered separately on the agenda, in the presentation by Arlingclose.
31. Based on the current projections of income and expenditure, it is expected that a further £2.558m from tariff income, dividend income and bank interest will be added to the Endowment Fund in the 2022/23 financial year, which after the pending investments would give a total of £3.720m held as a cash balance available to be invested.
32. Over the next three financial years the Endowment Fund held as a cash balance is expected to increase to £9.095m by March 2025. This is on the assumption that the balance within the Maintenance Fund will be maintained at £1.5m.
33. Cash fund balances are held by the Administrative Body, currently receiving interest at an assumed rate of 0.75%. Under the terms of the SAMM agreement, the Administrative Body is required to pay interest at not less than 0.25% below the Bank of England base rate, with that base rate currently standing at 1% since 5<sup>th</sup> of May 2022.

## Conclusions

34. At £2.094m the net income received by the Administrative Body on behalf of the JSPB for the year ended 31 March 2022 was £1.032m less than the £3.126m projected position presented at the previous JSPB meeting on 19<sup>th</sup> November 2021, however, this is offset by higher projected future income receivable, with the precise timings of receipts difficult to predict and therefore the reduction for the year does not warrant concern.
35. The overall tariff income receivable is projected to potentially exceed the original SAMM business plan, and significantly the dividend income and interest receivable is anticipated to be sufficient to fund the on-going maintenance costs of the SAMM in perpetuity, achieving the financial aims of the partnership.

36. The cash balance within the Maintenance Fund is being kept at a level sufficient to fund annual maintenance for several years should there be an unexpected downturn in income, which is a very prudent approach.
37. The investments held within the Endowment Fund have decreased in value quite significantly over the year, however this should be viewed in the context of the JSPB's agreed long term investment approach with the focus on annual income, with dividend and interest income still funding 93% of the project expenditure for the year.
38. The cash balance held within the Endowment Fund is kept under review by the JSPB and investments are being made periodically under advice from Arlingclose as independent financial advisors and under instruction from the JSPB, to adhere to the principle of maximising the return within investment guidelines set by the JSPB as envisaged by the SAMM agreement.

## Appendix 1 - Financial Summary to 31 March 2022

Income	Cumulative to 2019/20 £	2020/21 £	2021/22 £	Total £
Bracknell Forest BC	2,902,544	335,981	246,427	3,484,952
Elmbridge BC	482,744	138,133	31,103	651,980
Guildford BC	2,101,320	194,857	292,185	2,588,362
Hart BC	2,677,055	192,285	427,834	3,297,174
Runnymede BC	634,852	11,340	168,103	814,295
Rushmoor BC	1,501,102	259,076	136,771	1,896,949
Surrey Heath BC	1,315,161	250,973	280,752	1,846,886
Waverley BC	576,256	33,243	104,923	714,422
Windsor & Maidenhead RB	166,568	0	238,098	404,666
Woking BC	1,566,050	152,182	86,701	1,804,933
Wokingham BC	3,106,885	197,975	117,047	3,421,907
<b>Total Tariff Income</b>	<b>17,030,537</b>	<b>1,766,045</b>	<b>2,129,944</b>	<b>20,926,526</b>
Interest	160,455	7,807	12,767	181,029
Dividend Income	419,182	310,800	459,626	1,189,608
<b>Investment Income</b>	<b>579,637</b>	<b>318,607</b>	<b>472,393</b>	<b>1,370,637</b>
<b>Total Income</b>	<b>17,610,174</b>	<b>2,084,652</b>	<b>2,602,337</b>	<b>22,297,163</b>
<b>Expenditure</b>				
Project costs Natural England	2,488,692	404,598	463,600	3,356,890
Administration fee Natural England	101,980	12,363	12,383	126,726
Financial Administration HCC	175,400	20,502	21,015	216,917
Investment advice	13,383	10,180	11,253	34,816
<b>Total Expenditure</b>	<b>2,779,455</b>	<b>447,643</b>	<b>508,251</b>	<b>3,735,349</b>
<b>Net Income/(Expenditure)</b>	<b>14,830,719</b>	<b>1,637,009</b>	<b>2,094,086</b>	<b>18,561,814</b>

## Appendix 2 – Projected Income and Expenditure 2021/22 to 2024/25

	Previous years	Projected 2022/23	Projected 2023/24	Projected 2024/25
Income	£	£	£	£
Bracknell Forest BC	3,484,952	250,000	250,000	250,000
Elmbridge BC	651,980	86,000	86,000	86,000
Guildford BC	2,588,362	500,000	500,000	-
Hart BC	3,297,174	441,510	307,623	296,206
Runnymede BC	814,295	200,372	364,181	801,065
Rushmoor BC	1,896,949	583,640	451,454	643,259
Surrey Heath BC	1,846,886	120,000	120,000	120,000
Waverley BC	714,422	99,510	19,910	2,230
Windsor & Maidenhead RB	404,666	56,595	56,595	19,320
Woking BC	1,804,933	248,492	248,492	248,492
Wokingham BC	3,421,907	80,005	80,005	80,005
<b>Total Tariff Income</b>	<b>20,926,526</b>	<b>2,666,124</b>	<b>2,484,260</b>	<b>2,546,577</b>
Interest on cash balances	181,029	69,000	84,000	117,000
Dividend Income	1,189,608	396,580	681,580	681,580
<b>Investment Income</b>	<b>1,370,637</b>	<b>466,580</b>	<b>765,580</b>	<b>780,580</b>
<b>Total Income</b>	<b>22,297,163</b>	<b>3,131,704</b>	<b>3,249,840</b>	<b>3,327,157</b>
<b>Total Expenditure</b>	<b>3,735,349</b>	<b>573,212</b>	<b>593,024</b>	<b>609,713</b>
<b>Net Income/(Expenditure)</b>	<b>18,561,814</b>	<b>2,558,492</b>	<b>2,656,816</b>	<b>2,717,444</b>

### Appendix 3 – Projected Endowment Fund Balance

	2021/22 Actuals £	2022/23 Projected £	2023/24 Projected £	2024/25 Projected £
Tariff Income and interest	2,142,711	2,735,124	2,568,260	2,645,577
70% to Endowment Fund	1,500,809	1,914,587	1,797,782	1,851,904
30% to Maintenance Fund	641,904	820,537	770,478	793,673
Expenditure	508,251	573,212	593,024	609,713
<b>Maintenance Fund:</b>				
Balance brought forward	1,500,000	1,500,000	1,500,000	1,500,000
Transfer (from)/to income	133,654	247,325	177,454	183,960
Transfer (to)/from endowment fund	(133,654)	(247,325)	(177,454)	(183,960)
<b>Balance carried forward</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>
<b>Endowment Fund:</b>				
<i>Held as cash balances by Administrative Body</i>				
Balance brought forward	4,767,728	6,861,817	3,720,308	6,377,124
Transfer (from)/to income	1,500,809	1,914,587	1,797,782	1,851,904
Investment	0	(5,700,000)	0	0
Transfer (to)/from maintenance fund	133,654	247,325	177,454	183,960
<b>Balance carried forward</b>	<b>6,402,191</b>	<b>3,323,728</b>	<b>5,695,544</b>	<b>8,412,988</b>
Dividend income to be reinvested*	459,626	396,580	681,580	681,580
<b>Total balance carried forward</b>	<b>6,861,817</b>	<b>3,720,308</b>	<b>6,377,124</b>	<b>9,094,568</b>
<i>Held in investments</i>				
Balance brought forward	10,101,130	7,931,600	13,631,600	13,631,600
Investment made	0	5,700,000	0	0
Profit/(Loss) on investment **	(2,169,529)	0	0	0
<b>Balance carried forward</b>	<b>7,931,600</b>	<b>13,631,600</b>	<b>13,631,600</b>	<b>13,631,600</b>
<b>TOTAL ENDOWMENT FUND</b>	<b>14,793,417</b>	<b>17,351,909</b>	<b>20,008,725</b>	<b>22,726,169</b>

\* The investment income to be reinvested has been estimated at 5%

\*\* Based on market value at 31<sup>st</sup> March 2022 and excluding any exit costs

This page is intentionally left blank



**THAMES BASIN HEATHS****Decision Report**

<b>Decision Maker:</b>	Thames Basin Heaths Joint Strategic Partnership Board
<b>Date:</b>	22 <sup>nd</sup> June 2022
<b>Title:</b>	Update on behalf of the Investment Working Group
<b>Report From:</b>	Administrative Body

**Contact name:** Jenny Wadham

**Tel:** 03707 798929

**Email:** Jennifer.Wadham@hants.gov.uk

**Purpose of the Report**

1. The purpose of this report is to present an update to the Joint Strategic Partnership Board (JSPB) on the investments made and the investment strategy.

**Recommendations**

- 2 That a new member be appointed to the Investment Working Group (IWG) to ensure three Board members are on the IWG.
- 3 That the Investment Strategy as presented by the IWG in Appendix 1 be noted.
- 4 That the Responsible Investing policy as presented by the IWG in Appendix 2 be noted.
- 5 That the annual timescales for terminating the contract with Arlingclose be noted.
- 6 That the amounts available for investment as set out in Table 3 and the projected cashflow scenarios set out in Appendix 3 be noted.
- 7 That the JSPB notes the requirements and practical implications and limitations specifically outlined in paragraphs 39-46, surrounding any investment decisions made by the JSPB before any investments can be made by the Administrative Body on behalf of the JSPB.

**Executive Summary**

8. The IWG was set up to review and recommend appropriate policies / actions to the JSPB in respect of matters relevant to managing the investments of the JSPB, with final decisions being taken by the JSPB as set out in the SAMM agreement. Membership of the IWG is reviewed biannually, with the next review due in November 2022, however, as the current membership consists of only two Board members, a third member is sought to join the group.
9. The current Investment Strategy is presented in Appendix 1, and the current Responsible Investing policy is presented in Appendix 2. There are no changes proposed to either document by the IWG.
10. Arlingclose are contracted as independent financial advisors to the Board on an annual rolling basis. Should the JSPB wish to terminate the contract, notice must be given to Arlingclose by 1<sup>st</sup> September for the year ahead.
11. A total of £10.2m has been invested to date. A further £5.7m has been approved for investment by the JSPB, with those investments due to be made by the Accounting Body on behalf of the JSPB imminently. The performance of those investments is considered separately to this report in the presentation by Arlingclose.
12. After adjusting for pending investments, there is currently a total of £1.162m held as a cash balance in the Endowment Fund and therefore available to be invested. It is anticipated that this amount will increase to £3.720m by 31<sup>st</sup> March 2023, based on tariff income projections provided by the Local Planning Authority (LPA) partners.
13. Any investment decisions made by the JSPB are solely at its own risk, and the Administrative Body accepts no responsibility for the decisions made. There are a number of requirements that must be met before any investments will actually be made by the Administrative Body on the JSPB's behalf, including that the JSPB's instructions are both clearly documented and in accordance with the independent financial advice, and the JSPB must ensure that these requirements are fully complied with.
14. There are also practical implications and limitations that must be taken into consideration, arising from the arrangement used to make the investments as the JSPB is not a separate legal entity. These are set out in more detail later in this report.

### **Investment Working Group**

15. The IWG was set up to review and recommend appropriate policies / actions to the JSPB in respect of matters relevant to managing the investments of the JSPB, with final decisions being taken by the JSPB as set out in the SAMM agreement.

16. The terms of reference for the IWG are included within the Investment Strategy (Appendix 1) and provide for a minimum of three Board members plus a representative of the independent financial advisors. Membership is to be reviewed bi-annually, with the next review due by November 2022.
17. The Investment Working Group currently consists of two Board Members as follows:
  - Councillor Jonathan Glen, Hampshire County Council
  - Councillor David Hilton, Royal Borough of Windsor and Maidenhead
18. Therefore, a third Board member is sought to join the group.

### **Investment Strategy Statement**

19. The current Investment Strategy of the JSPB is shown in Appendix 1.
20. The Investment Strategy is based on the following broad principles:
  - Annual expenditure needing to be funded is expected to be in the region of £500,000, rising with inflation.
  - A balance of £1.5m (increased from £1m at the November 2020 JSPB) should be kept within the Maintenance fund, equating to approximately three years of expected running costs.
  - Keeping risk as low as possible whilst ensuring it is sufficient to meet the expected expenditure – a “sensible risk”.
  - A target return of 2-3% above inflation was considered to be appropriate.
  - The interest paid on cash balances held by the Administrative Body (currently 0.75%) is unlikely to be sufficient to meet the target return.
21. The Investment Strategy also includes a Responsible Investment Policy, which is included as Appendix 2 to this report.
22. There are no changes to either of these documents proposed by the IWG.

### **Independent financial advisors – contract management**

23. At the JSPB meeting on 21 September 2018, the JSPB voted to appoint Arlingclose as independent financial advisors to the board. As the JSPB is not a separate legal entity, this appointment was made through the Administrative Body to the JSPB, Hampshire County Council, on the JSPB’s behalf through a modification to the existing Treasury Management Advisory Service contract Hampshire County Council holds with Arlingclose.

24. The contract with Arlingclose to provide independent financial advice to the Board began on 1 December 2018, and is renewed annually on a rolling basis until the JSPB gives written notice to the contrary at least 3 months prior to the contract renewal date (i.e. by 1<sup>st</sup> September each year). The charge for the contract was £10,000 plus VAT for the first year, increasing by RPI inflation each year thereafter, using the RPI figure prevailing at the time of the contract anniversary, with all fees billed annually in advance. The amount paid for this independent financial advice during the 2021/22 financial year was £11,253.
25. The JSPB has requested that Arlingclose attend the six monthly JSPB meetings to give an overview of the performance of the investments made and to give advice on future potential investments.

### Update on investments made

26. To date, a total of £10.2m has been invested in funds recommended by Arlingclose as shown in Table 1 below:

<b>Table 1 – Investments made</b>			
Date of JSPB meeting where agreed	Fund	£m	Date investment made
06/12/2018	Aegon (was Kames) Diversified Monthly Income Fund	2.0	20/12/2018
19/11/2020	Aegon (was Kames) Diversified Monthly Income Fund	1.0	22/01/2021
06/12/2018	CCLA Property Fund	2.0	28/12/2018
06/12/2018	Schroder Income Maximiser Fund	1.0	21/12/2018
06/12/2018	Schroder Income Maximiser Fund	1.0	19/02/2019
19/11/2020	Ninety One (previously Investec) Diversified Income	3.2	22/01/2021
	<b>Total Investments</b>	<b>10.2</b>	

27. In addition, a further £5.7m has been approved for investment by the JSPB, with the actual investments due to be made imminently.

<b>Table 2 – Investments pending</b>
--------------------------------------

Date of JSPB meeting where agreed	Fund	£m	Date investment made
19/11/2020	CCLA Diversified Income	3.2	pending
18/11/2021	Aegon Diversified Monthly Income Fund	0.5	pending
18/11/2021	M&G Global Dividend Fund	1.0	pending
18/11/2021	Fidelity Global Enhanced Income Fund*	1.0	pending
	<b>Total Investments</b>	<b>5.7</b>	
*The JSPB approved a minimum of £0.5m and a maximum of £3.0m subject to the final balance in the Endowment Fund as at 31 <sup>st</sup> March 2022.			

28. The investments are expected to be made as soon as practicably possible, as there will inevitably be a time delay between the JSPB meeting at which the investments are approved and the actual investment date.
29. However, there have been unexpected delays in opening the account for the CCLA Diversified Income fund. In addition, changes to the Prudential Code in December 2021 (which prevent Councils from accessing external borrowing from the Public Works Loan Board if they have invested for commercial return) have resulted in further delays whilst Hampshire County Council has fully reviewed the Code changes to satisfy itself that these rule changes have not affected its borrowing eligibility due to investments held / due to be made. All approved but currently pending investments are now expected to be completed in July.
30. The current performance of those investments is considered separately on the agenda, in the presentation by Arlingclose.

### Updated Cash Flow Forecast

31. The current projected tariff income and Fund balances for the financial years to 31<sup>st</sup> March 2025 are shown in Table 3 below. Potential financial modelling scenarios to 2090/91 (being 80 years after the commencement of the SAMM agreement) using the current income projections and various average inflation rates and various average rates of return on investments are shown in Appendix 3.
32. As has been highlighted to the JSPB previously, there are significant difficulties in making accurate long-term projections, and variations in tariff income, project costs, inflation and investment returns could have a significant impact on the long-term financial viability of the partnership.

<b>Table 3</b>	<b>2021/22 Actuals £'000</b>	<b>2022/23 Projected £'000</b>	<b>2023/24 Projected £'000</b>	<b>2024/25 Projected £'000</b>
Total tariff income	2,130	2,666	2,484	2,547
Interest	13	69	84	99
Dividend income	460	397	682	682
End of year balances held as cash funds by the Administrative Body				
Maintenance Fund	1,500	1,500	1,500	1,500
Endowment Fund	1.162*	3,720	6,377	9,095

\*Adjusted by £5.7m to reflect the pending investment.

33. Tariff income forecasts have been consolidated by the Administrative Body using projections from the respective planning authority partners. It is important that partners ensure their forecasts are as accurate as possible and that the Administrative Body is informed of changes in a timely manner, so that figures can be updated to assist the JSPB in making sound investment decisions.
34. The scenarios modelled in Appendix 3 show a range of the funds being fully depleted by 2062/63, to continuing in perpetuity, as shown in table 4 below. However, this modelling contains a number of assumptions with a very high level of uncertainty and is therefore for indicative purposes only.

<b>Table 4</b>		<b>Rate of investment return</b>		
		<b>2%</b>	<b>3%</b>	<b>4%</b>
<b>Year in which money runs out</b>				
<b>Rate of inflation</b>	<b>2%</b>	2070/71	2084/85	N/A
	<b>3%</b>	2062/63	2070/71	2084/85

## Investment Decisions

35. Investment decisions are to be made by the JSPB and all risks associated with these investments rest solely with the JSPB. The Administrative Body cannot provide financial advice and therefore accepts no responsibility for the decisions made.
36. The JSPB is not a separate legal entity, and therefore any investments made by the JSPB are made by Hampshire County Council as the administrative body, however all risks associated with these investments rest with the JSPB and not Hampshire County Council. All income from these investments is attributable to the JSPB, as are any gains or losses in the value of the investments.
37. It is important to note that this arrangement for making the investments does have some practical implications and limitations that the JSPB has previously been made aware of, but are set out again below.
38. Under accounting standard IFRS 9 introduced in 2019, changes in the fair value of investments during any given financial year must be presented as a revenue gain or loss in that financial year. There is currently a statutory override in place for local authorities that means these gains or losses must then be reversed and charged to reserves. For as long as the statutory override is in place, there is therefore a net nil impact of these gains or losses on the revenue budget unless an investment is sold. The statutory override as currently agreed expires at the end of March 2024 and the JSPB needs to acknowledge that if it is not extended or replaced with a similar alternative, any fair value gains or losses will be an in-year revenue charge to the JSPB.
39. Despite this, any gains or losses will only ever be realised should the JSPB sell any of its investments, which it will only do after taking advice from Arlingclose, and which it does not plan to do at present as a long-term investor.
40. Furthermore, the investments will be subject to Hampshire County Council's Treasury Management Statement limits (the HCC TMSS), which limits both the total amount and types of investment that can be made.
41. The HCC TMSS is approved in February each year for the year ahead and any planned investments made on behalf of the JSPB will need to be included within this. It is therefore recommended that the JSPB determines the expected investment amount for the year ahead at the autumn JSPB meeting each year.
42. Assuming any proposed investments are within the HCC TMSS limits, before any investments will be made by Hampshire County Council on behalf of the JSPB, there are a number of requirements that must be met:

- Any instructions from the JSPB must clearly document the amount to be invested or sold, the investment to be bought or sold, and the date on which the investment to be made (subject to the practical considerations as set out above)
  - The investment instructions must have fully taken account of, and be in accordance with, written financial advice provided to the JSPB, as required by the SAMM agreement.
43. If these requirements are not met, Hampshire County Council will not make the investments on behalf of the JSPB.
44. The JSPB should also be aware that potential investments would be subject to any relevant minimum/maximum limits and timing restrictions of particular funds.

### **Conclusions**

45. The above report sets out the investment update from the Investment Working Group.



## **Appendix 1 – The JSPB Investment Strategy Statement**

### **Thames Basin Heath Joint Strategic Partnership Board Investment Strategy Statement**

In 2009 the Thames Basin Heath Joint Strategic Partnership Board (JSPB) was formed as part of the Thames Basin Heaths SPA – Strategic Access Management and Monitoring Project Memorandum of agreement.

#### **1. Introduction.**

- 1.1. The South East Plan (2009) contained proposals for over 55,000 new residential dwellings around the SPA and includes a specific policy identifying a series of mitigation measures which new developments must provide in order to avoid having an adverse effect on the SPA.
- 1.2. The mitigation to be provided by all new residential dwelling includes the provision of a Strategic Access Management and Monitoring Project. Each Local Authority is required to collect a fixed tariff from developers for each new dwelling and to transfer these as a contribution towards a joint fund for the Project. The contributions will be collected and administered by the Administrative Body.
- 1.3. It was agreed that the first Administrative Body would be Hampshire County Council.
- 1.4. The JSPB was established to provide the vehicle for joint working between local authorities and other organisations responsible for protection of the Thames Basin Heaths SPA. The Contribution Fund provides for:
  - 1.4.1. The provision of a Project Coordinator including any recruitment costs, redundancy costs and other related employment costs.
  - 1.4.2. Wardening of the SPA sites
  - 1.4.3. Survey and monitoring of visitor numbers and patterns, planning applications and the three-bird species on the SPA
  - 1.4.4. Interpretation and education services including the provision of an Education and Communications Officer including any recruitment costs, redundancy costs and other related employment costs associated with this role.
  - 1.4.5. Treasury functions and other management fees
  - 1.4.6. A long-term fund to enable the Project to be funded in perpetuity

This document defines the governance arrangements for the long-term fund.

#### **2. Investment Working group**

- 2.1. The Investment Working Group (IWG) will be a Working Group of the JSPB.
- 2.2. The Investment Group will consist of a minimum of three members who are nominated by the JSPB together with the current Independent Financial Advisor (IFA), Arlingclose.

- 2.3. Where a member of the IWG is a Councillor from Hampshire County Council, the member will not be involved in deciding which investments to make.
- 2.4. Any involvement of officers of the Administrative Body will not be in a decision making or advisory capacity and will be purely to support financial administration, as set out in the SAMM Agreement. The Administrative Body cannot provide financial advice.
- 2.5. Membership of the IWG will be reviewed bi-annually.
- 2.6. The Investment Group will meet at least six monthly and, on an ad-hoc basis as required. With a plan of meetings at the beginning of each financial year, taking into account commitments of partners. At least 10 days' notice of any ad-hoc meeting will be given for each meeting. The Working Group may meet "electronically" if required. In such a circumstance it will be made clear by what date members are required to respond.
- 2.7. The JSPB will delegate authority to the IWG, in consultation with the Chairman, to take immediate action to sell an investment should it become apparent that the investment is likely to fail.
- 2.8. The Investment Group will report all recommendations to the JSPB, these will be made by the councillor members having considered the advice of the IFA.
- 2.9. It is proposed that representatives of the IFA should attend the relevant JSPB meetings.
- 2.10. The role of the Group is to review and recommend appropriate policies/actions to the JSPB in respect of the following:
  - 2.10.1. The Strategic Asset Allocation of the Fund.
  - 2.10.2. The investment performance of the Fund.
  - 2.10.3. New investment products/mandates and their suitability for investment by the Fund.
  - 2.10.4. To recommend the appointment or termination of investment mandates.
  - 2.10.5. Such other matters as may be relevant to managing the investments of the Fund.
- 2.11. The final decisions on any proposed investment will be made by the JSPB.

### **3. Investment Objectives**

- 3.1. Investment objective were agreed at the JSPB meeting of the 21<sup>st</sup> September 2018.
- 3.2. Approximately £1 million should be kept in cash in the Maintenance Account, to fund projected expenditure for a period of two years. This sum will be reviewed annually.
- 3.3. The primary aim would be to generate income, rather than capital growth.
- 3.4. The investment should have the lowest risk possible.
- 3.5. A target rate of return on investment should be calculated using the current balance held within the Endowment Account, plus a reasonable assumption of the future income (as provided by the Partners) to give a

target percentage rate of return required to meet projected costs in perpetuity.

- 3.6. The IFA would be asked to advise on a recommended mix of investment types anticipated to meet that target rate of return at the lowest risk, and specific funds that would meet these requirements.
- 3.7. The JSPB should acknowledge that the target rate of return will vary, depending on actual income and expenditure, and that the target percentage rate of return may not be achieved. In either of those circumstances it would be necessary to review and revise the investment strategy, and/or to review and revise both the planned expenditure and the SAMM charges accordingly.

#### **4. Investment strategy statement.**

- 4.1. This is the first such statement published by the JSPB and it will be reviewed regularly by the IWG and at no more than 2 -year intervals. Recommendations will be made to the JSPB who will consider any proposed changes.

##### **A requirement to invest fund money in a wide range of instruments.**

- 4.1.1. The JSPB policy is that the fund should have a highly diversified investment portfolio spread across different asset classes and different asset managers using differing approaches as appropriate. This ensures that the fund money is invested in a wide range of instruments.
- 4.1.2. JSPB has established an Investment Working Group which meets bi-annually to review the fund's performance, asset allocation and ability to meet its target return. In addition, the Investment Working Group reviews potential new investment ideas and products and opines whether such ideas are consistent with the investment strategy of the fund and a suitable investment.
- 4.1.3. The Investment Working Group receives advice from suitably qualified Independent Financial Adviser, Arlingclose.
- 4.1.4. To achieve sufficient diversification the fund divides assets across 4 broad buckets: equities, bonds, real assets and absolute return strategies. The size of each bucket will vary depending on investment conditions.
- 4.1.5. Any investment strategy will have associated risks, including primarily that of not meeting the returns required to ensure the long-term ability of the fund to pay for the work of Natural England who are currently the project delivery team. To mitigate these risks the Investment Working Group regularly reviews both the performance and the expected returns from the portfolio to measure whether it has met and is likely to continue to meet its return objective,

## **5. The JSPB's assessment of the suitability of particular investments and types of investments.**

- 5.1. In assessing the suitability of investments JSPB takes into account a number of factors including prospective return, risks, concentration or diversification of risk as well as geographic and currency exposures.
- 5.2. Performance benchmarks are set for the fund as a whole (target return UK CPI+3%) as well as for individual allocations.
- 5.3. In ensuring the suitability of investments the JSPB pays regard to both the potential returns and risk (including possible interactions with other investments in the portfolio). JSPB will also consider the reputational risk of being connected with or investing in any investment proposal. JSPB expects its managers to consider Environmental, Social and Governance issues when making an investment.
- 5.4. The IFA will advise the IWG on returns and the volatility of those returns from investments on a quarterly basis.

## **6. The JSPB's approach to risk, including the ways in which risks are to be measured and managed**

- 6.1. The JSPB will seek the lowest risk consistent with meeting the investment objectives.
- 6.2. Looking specifically at investment risk JSPB is of the view that diversification of the fund investment portfolio will help to minimise investment risk (volatility of returns). The fund targets a long-term return of UK CPI+3%; this would be sufficient for it to meet its long-term liabilities. In setting the investment strategy, the JSPB decided that this return should be achieved with a low degree of volatility –the fund targets volatility below 10% per annum over the medium term.
- 6.3. As a patient long-term investor, the fund is prepared to ride-out short-term volatility in investment markets and may, if suitable opportunities arise, adapt its investment strategy accordingly.

## **7. The JSPBs policy on how social, environmental or corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments.**

The JSPB accepts that there are differing views on how social, environmental and corporate governance considerations should be taken into account and believes that no “one size fits all” policy can possibly be implemented across a diverse portfolio. Nevertheless, JSPB seeks to protect its reputation as an institutional investor and ensures that its investment managers take into account these issues when selecting investments for purchase, retention or sale. JSPB will not place social, environmental or corporate governance restrictions on its managers but relies on them to adhere to best practices in the jurisdictions in which they are based, operate and invest. For clarification a separate Responsible Investing policy has been drafted and forms part of this Investment Strategy Statement.

## Appendix 2 – Responsible Investment Policy

### Thames Basin Heaths Joint Strategic Partnership Board Responsible Investment Policy

#### 1. Introduction

This policy defines the commitment of the Thames Basin Heaths Joint Strategic Partnership Board (TBHJSPB) to Responsible Investment (RI). Its purpose is to detail the approach that TBHJSPB aims to follow in integrating Environmental, Social and Governance (ESG) issues into its investments.

The policy will be reflected in the Investment Strategy Statement.

#### 2. Responsible Investment Values and Principles

The TBHJSPB values and principles reflect the need to deliver long term investment returns in order to secure long term funding for the Boards Access management and Monitoring programme. The values and principles recognise the importance of assessing sources of risk and opportunity over an extended time horizon and emphasise the importance of diligent stewardship as part of engaged asset ownership.

#### Responsible Investment Values:

<b>Consultative</b>	The RI priorities are a reflection of the views of the members of the Thames Basin Heaths Joint Strategic Partnership Board, and of evolving best practice within the management of Local Government investments.
<b>Being Proactive</b>	A proactive approach to evaluating ESG risks and opportunities is more likely to result in long term benefits for the TBHJSPB and is aligned with fulfilling our fiduciary duty.
<b>Engagement</b>	<p>The TBHJSPB considers engagement to be a route for exerting a positive influence over investee companies and encouraging responsible corporate behaviour.</p> <p>We will be supportive of targeted dialogue by investment managers in situations where positive changes can be brought about to align governance, environmental and social standards with our investment needs.</p>
<b>Collaborative</b>	The TBHJSPB recognises that working collaboratively can achieve greater influence than acting unilaterally. The TBHJSPB seeks to align itself with likeminded investors through collective vehicles in which it is invested.
<b>Flexible</b>	The TBHJSPB considers that its RI policy and approach should be reviewed regularly in order to continue recognising and reflecting best practice where appropriate and addressing emerging priorities.

## **Responsible Investment Principles**

The RI principles translate our values and commitments into responsible investment practices which can help to deliver a sustainable and sufficient return on our investments. Our RI principles inform the stewardship arrangements we have agreed with advisors Arlingclose as our provider of investment management advice.

A summary of the key Responsible Investment principles:

- Effectively manage financially material ESG risks to support the requirement to protect returns over the long term;
- Apply a robust approach to effective stewardship;
- Seek long term returns from well governed assets;
- Responsible investment is core to our skills, knowledge and advice;
- Seek to innovate, demonstrate and promote RI leadership and ESG best practice;
- Achieve improvements in ESG through effective partnerships that have robust oversight by the investment managers.
- Share ideas and best practice to achieve wider and more valuable RI and ESG outcomes.

The implementation of the RI policy is through the advice of Arlingclose who are responsible for provision of investment advice to TBHJSPB.

### **3. Priorities**

Identifying core priorities for RI is an important part of focussing the attention of Arlingclose on the issues of greatest importance to the TBHJSPB. The issues we have identified as being of primary concern to us as asset owners are:

- Climate change – choosing investments where the managers recognise and manage the risks and opportunities investments face from climate change;
- Corporate Governance – promoting the case for well managed companies which implement fair and just employment practices;

The above mentioned are our main priorities. However, there are a number of other RI issues which are of interest to the TBHJSPB and which will be kept under review, including:

- Where possible, reducing investments in products such as fossil fuels, controversial weapons that have an indiscriminate and disproportional impact on civilian populations, tobacco and alcohol.

### **Climate Change**

The TBHJSPB recognises the imperative to address climate change as a systemic and long-term investment concern, as it poses material risks across all asset classes with the potential for loss of shareholder value including via stranded assets.

The TBHJSPB will endeavour to carry out the following:

- Where Investment managers in which the TBHSPB are invested as recommended by Arlingclose have existing investments in fossil fuel companies, we expect the Investment Manager to ensure that those companies are able to demonstrate planning for the global transition to a low-carbon economy and to meet future emissions reduction targets under the Paris Agreement or other appropriate initiatives. Where they are not, and opportunities for engagement by the Investment Manager and reform of the company or project are not possible or do not exist, then the TBHJSPB will make all reasonable efforts to divest provided that this will result in no material financial detriment, either through increased costs or increased investment risk.
- Where our fiduciary duty allows, we will not consider new active investments in fossil fuel companies directly engaged in the extraction of coal, oil and natural gas as sources of energy which are ignoring the risks of climate change. The TBHJSPB expects Arlingclose to take steps to ensure that the level of exposure to climate change investment risks are evaluated and monitored by Investment Managers. This will be through Arlingclose promoting the use of appropriate investigative and analytical tools by Investment Managers to increase information and regular reporting on performance.

### Corporate Governance

The TBHJSPB will, principally through Arlingclose, promote high standards of employment practices. This will be done through asking Investment Managers to actively seek companies who demonstrate such practices and engaging effectively to encourage these standards within existing investee companies.

### 5. Definitions

<b>Responsible Investment</b>	The integration of environmental, social and corporate governance (ESG) considerations into investment management processes and active ownership practices in the belief that these factors can have an impact on financial performance.
<b>ESG</b>	Environmental, social and governance factors which may impact on company performance and therefore investment returns. Examples include resource management and pollution prevention, climate change impacts, labour management, product integrity, executive compensation, board independence, and audit functions.

<b>Governance</b>	The process and principles by which a company or organisation undertakes its business.
-------------------	--



### Appendix 3 – Projected cash flows

In the following scenarios, inflation has been set at 2% per annum, interest on cash balances at 0.5% per annum, and capital growth on the investments as 0% with varying rates of dividend returns per annum on the investments.

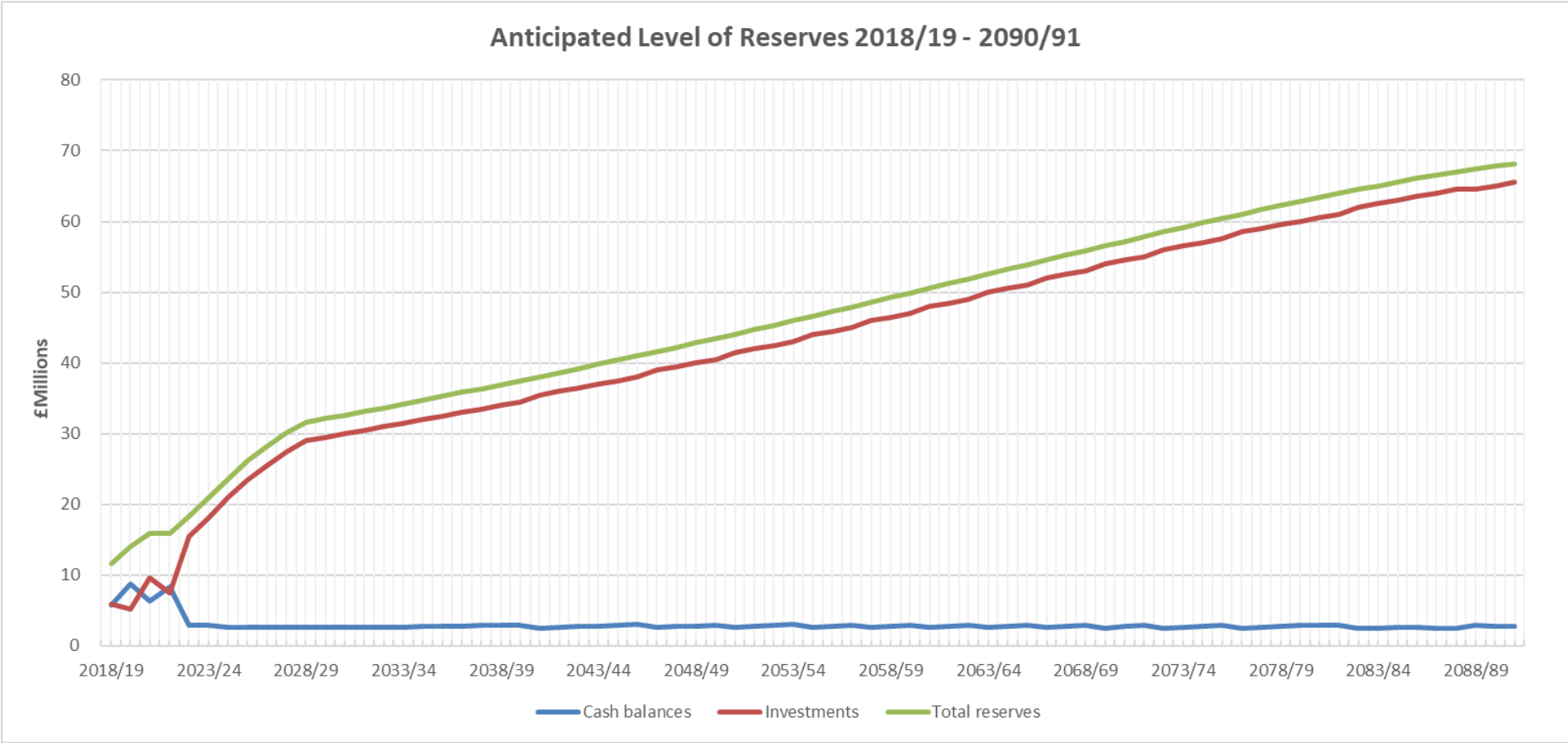
It is assumed that for as long as possible a £1.5m cash balance will be kept in the Maintenance Fund and £1m in the Endowment Fund, with any balance over those amounts being invested.

Projected tariff income has been included as per LPA partner predictions. Expenditure has been included using the 2022/23 forecast, with inflation added for future years.

Year in which money runs out		Rate of investment return		
		2%	3%	4%
Rate of inflation	2%	2070/71	2084/85	N/A
	3%	2062/63	2070/71	2084/85

**Appendix 3a – Projected cash flow using 4% dividend return, 2% inflation**

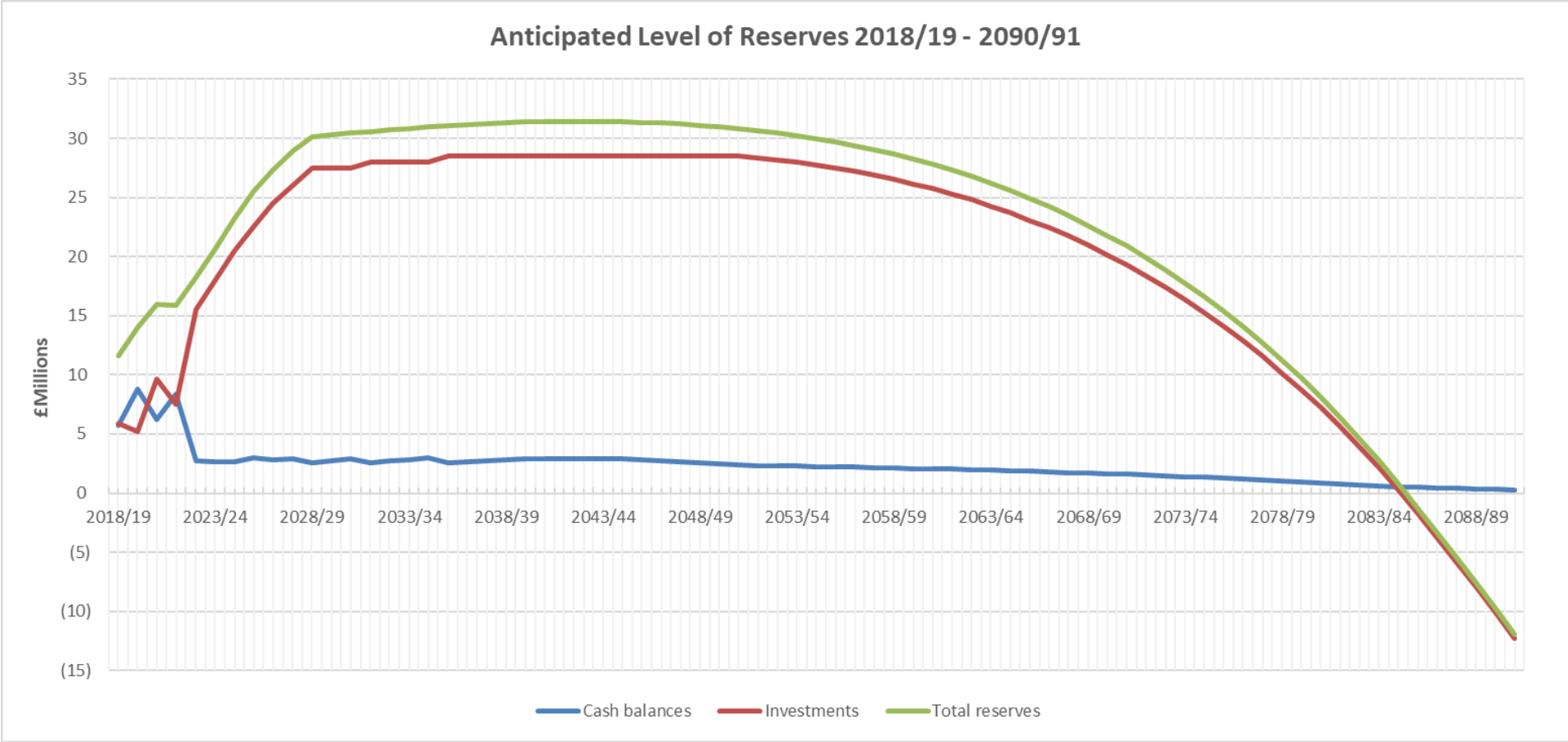
Page 64



If inflation were at **3%** the money would run out in **2084/85**.

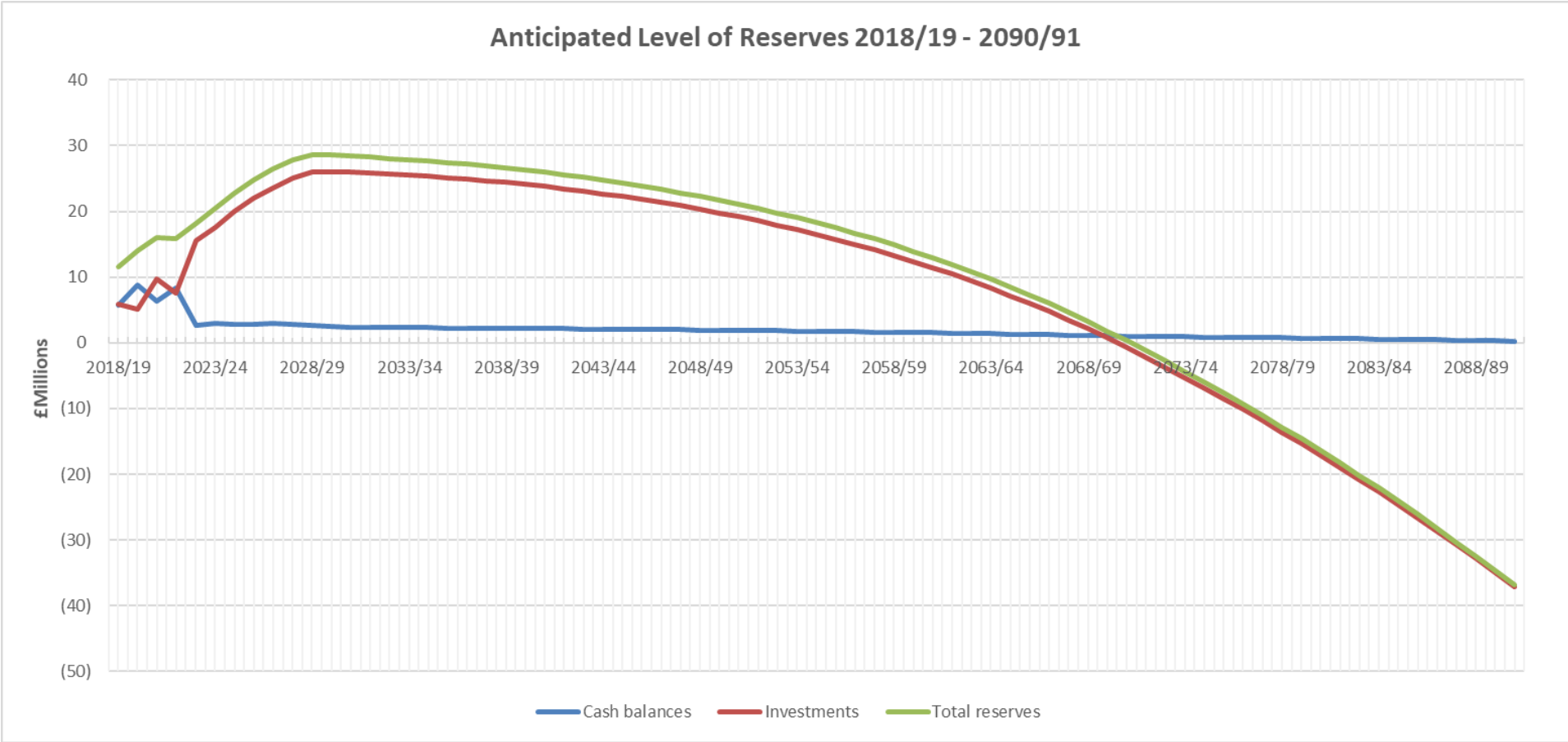
**Appendix 3b – Projected cash flow using 3% dividend return, 2% inflation**

Page 65



Money runs out in **2084/85**. If inflation were at **3%** the money would run out in **2070/71**.

**Appendix 3c – Projected cash flow using 2% dividend return, 2% inflation**



Money runs out in **2070/71**. If inflation were at **3%** the money would run out in **2062/63**.