



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

**Committee Members:**

Councillor Guy Gillbe, Bracknell Forest Borough Council  
Councillor Jonathan Glen, Hampshire County Council  
Councillor Marisa Heath, Surrey County Council  
Councillor David Hilton, Royal Borough of Windsor and Maidenhead  
Councillor Liam Lyons, Woking Borough Council  
Councillor Adrian Newell, Rushmoor Borough Council  
Councillor George Potter, Guildford Borough Council  
Councillor Ian Pittock, Wokingham Borough Council  
Councillor James Radley, Hart District Council  
Councillor Peter Snow, Runnymede Borough Council  
Councillor Liz Townsend, Waverley Borough Council  
Councillor Victoria Wheeler, Surrey Heath Borough Council  
Vacancy, Elmbridge Borough Council

A meeting of the **Thames Basin Heaths Joint Strategic Partnership Board** will be held at Virtually - Public Meeting on **Wednesday, 5 July 2023 at 10.00 am**. The agenda will be set out as below.

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**AGENDA**

		<b>Pages</b>
<b>1</b>	<b>Appointment of Chairman</b>	
<b>2</b>	<b>Minutes of Previous Meeting</b>	<b>1 - 8</b>
	To receive, and confirm as being a correct record, the minutes of the meeting of the Thames Basin Heaths Joint Strategic Partnership Board held on 16 <sup>th</sup> November 2022.	
<b>3</b>	<b>Thames Basin Heaths Strategic Access Management and Monitoring Project Update.</b>	<b>9 - 46</b>
	To receive an update from Ruth Shelton, Natural England, on the progress of the Strategic Access Management and Monitoring Project.	

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**4 Thames Basin Heaths Strategic Access Management and Monitoring Project Financial Update 47 - 56**

To receive an update from Jenny Wadham, Hampshire County Council, on the financial position of the Strategic Access Management and Monitoring Project.

**5 Investment Working Group Update 57 - 76**

To receive an update from Jenny Wadham, Hampshire County Council, on the Investment Working Group's work since the Board's last meeting.

**6 Exclusion of Public and Press**

That the press and public be excluded from the meeting during consideration of Agenda Item 6 as it involves the likely disclosure of exempt 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 holding that information).

**7 Investment Update Presentation**

To receive an update from Arlingclose, the Board's financial advisors, on the investments made by the Joint Strategic Partnership Board and to consider recommendations on further investments.

**8 Date of Next Meeting**

The next scheduled meeting of the Thames Basin Heaths Joint Strategic Partnership Board will take place on Wednesday 6<sup>th</sup> December 2023 at 10am.

**Minutes of a Meeting of the Thames Basin Heaths Joint Strategic Partnership Board  
16 November 2022**

**Present:** Councillor Chris Turrell, Bracknell Forest Borough Council (Chairman)  
Councillor David Cornish, Wokingham Borough Council  
Councillor Martin D'Arcy, Waverley 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 Victoria Wheeler, Surrey Heath Borough Council  
Councillor Sylvia Whyte, Runnymede Borough Council

**Advisors in Attendance:** Daria Dadum, Natural England  
Tom Hayward, BBOWT  
Robert Hutchinson, Surrey Wildlife Trust  
Victoria Huth, Natural England  
Greg Readings, Arlingclose  
Stephen Rudd, Natural England  
Ruth Shelton, Natural England  
Zoe Shorter, Natural England  
Jack Thompson, RSPB

**Officers in Attendance:** Simon Cridland, Bracknell Forest Borough Council  
Julie Gil, Bracknell Forest Borough Council  
Jennifer Wadham, Hampshire County Council

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

**Apologies:** Councillor James Radley, Hart District Council  
Councillor Karen Randolph, Elmbridge Borough Council

**10 Minutes of Previous Meeting**

Minute 3: Strategic Access Management and Monitoring Project Update

It was agreed that officers would be asked to confirm that annual tariff increases in line with inflation were being implemented. It was noted that some partner authorities would need to revise Supplementary Planning Documents (SPDs) or produce new SPDs to facilitate this. Board members were asked to check with their authorities the status of the tariff increases.

Minute 4: Natural England Strategic Overview

It was reported that this item would be deferred to a future meeting following the departure of Mark Turner, from the SAMM Team. It was requested that once they were in post, the new post holder was to produce a report on the matter within the first month of their appointment.

**RESOLVED** that the minutes of the meeting of the Thames Basin Heaths (TBH) Joint Strategic Partnership Board (JSPB) held on 22<sup>nd</sup> June 2022 be confirmed as being a correct record.

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### **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 summarized the project team's activities since the Board's last meeting on 22<sup>nd</sup> June 2022 and included updates on staffing, wardening activity, educational work and monitoring activity.

It was reported that recruitment for next year's seasonal wardens was now underway with the expectation that the SAMM Team would recruit 6 full time seasonal wardens to work between 1<sup>st</sup> March 2023 to 1<sup>st</sup> September 2023. Recruitment for both seasonal and year round roles in 2022 had been difficult both for the SAMM Team and the wider conservation sector during the past year and work was taking place to explore how potential applicants might be encouraged to apply for roles within the SAMM Team in future years for example through the use of job shadowing and work experience; notwithstanding this a number of seasonal wardens that had worked on the SAMM Project previously had expressed interest in working for the team again in 2023.

Between June 2022 and September 2022 a total of 1,826.72 hours of wardening activity had been delivered, the wardening team had 5,537 interactions with members of the public and 27 pitstops and 49 events had been held across the TBH area. In July 2022 the number of interactions had been almost double those in 2019, 2,415 compared to 1,311 with only 12% more hours wardened in 2022 compared to 2019.

Heath Week 2022 which had run from 25<sup>th</sup> to 31<sup>st</sup> July 2022 had again been popular; over the course of the week, 27 events had been hosted by both the SAMM Team and partners. In late October Halloween events were held in Yateley, Wildmoor Heath and Lightwater Country Park and the Team would be working with Surrey County Council to run Christmas Wreath making workshops across the area. Looking forward to 2023, work was underway to progress Heath Week 2023 and the Team was working with Surrey Fire and Rescue Service on Easter Fire Week, a new venture aimed at raising awareness of wild fires. Following complaints about litter, originating from open bins in HMP Coldingley in Bisley, blowing across Bisley Common, a litter pick had been held and one of the seasonal wardens had worked with the Prison Governor to find a solution to the problem including moving the bins inside the prison fence line and the employment of a full time litter picker.

The Team was also developing better relationships on the ground with community volunteer groups including Horsell Common Preservation Society, Surrey Wildlife Trust at Whitmoor and Ockham and Surrey Countryside partnership at Bullswater and links had been made with the owner of a collection of vintage fire engines that would be displayed alongside modern fire engines at future wildfire awareness events, to ameliorate any disappointment if the Fire Service was required to attend an emergency and was not able to be present.

The Education Programme continued to be developed with 90 sessions being delivered to 3,145 children and adults between 1<sup>st</sup> January and 31<sup>st</sup> October 2022. In October 2022, the Team participated in the Junior Citizen programme for the first time engaging with almost 700 children.

The Team was also looking at ways to develop the Access Management and Monitoring Partnership meetings and make them more valuable to partners. The quarterly meetings with landowners and land managers provided partners with an opportunity for networking and education with hybrid meetings themed on a particular subject for example habitat development and wild fires. The last meeting had been attended by 23 people from 17 organisations. A closed area of the JSPB's website had been developed specifically for partners and this had received positive feedback with Surrey County Council exploring the possibility of developing a similar area on their website.

Data collected from the visitor counters showed that whilst visitor numbers to the Special Protection Area (SPA) had fallen since the lifting of Government pandemic restrictions the number of visitors continued to be higher than pre-pandemic visitor numbers. It was not yet clear whether the increase in numbers was due to an increase in the number of individuals visiting the SPA or whether it was due to a change in behaviour for example repeat visits from particular individuals; it was hoped that the 2023 visitor survey would help answer the question.

Arising from the Board's questions and comments the following points were noted:

- Concerns that the wrong stones had been used on the paths along the Esso pipeline which meant that horses were no longer able to use them and the new paths were wider than the ones they replaced were noted. It was agreed that the matter would be followed up.
- It was acknowledged that the education programme promoted the SPA which in turn would encourage people to visit however it was considered that educating people about the SPA would give them a greater understanding of the rarity of the habitat which in turn would encourage people to protect it.
- It was confirmed that Heathland Hounds linked with Fire Service Dog wardens and the K9 patrols.
- It was agreed that data on the use of Chobham Common would be shared with Councillor Wheeler.

The Board noted the update and commended the work of the SAMM Team.

## **12 Thames Basin Heaths Strategic Access Management and Monitoring Project Financial Update.**

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

It was reported that the projected balance in the Endowment Fund on the 31<sup>st</sup> March 2023 was £17.279million, of which £13.632 million is expected to be held in investments and £3.647million held in cash.

At year end, 31<sup>st</sup> March 2023, Hampshire County Council, in its capacity of Administrative Body, was expecting to receive £3.061million of income for the year. Of this £2.666million would come from tariff income collected by Local Planning Authorities, £317,264 forecast dividend income and £78,000 forecast interest due on cash balances held. In the first six months of the 2022/23 financial year, a total of £1.365million of tariff income had been received, approximately 50% of the full year forecast. Due to the impact that rising inflation was having on index linked fees, it was forecast that year end expenditure would be slightly over budget at £575,768.

Based on the information provided by partners, it was projected that £2.5million of tariff income would be received in the 2023/24 and 2024/25 financial years taking the projected tariff income to £28.623million by March 2025. Current projections saw the total tariff income increasing by a further £6.535million to £35.158million during the 2028/29 financial year, with no further tariff income receipts expected after that date.

**RESOLVED** that:

- i. The projected financial position for the three financial years to 31<sup>st</sup> March 2025 is noted.
- ii. The projected balance held within the Endowment Fund at 31<sup>st</sup> March 2023 of £17.279million, consisting of £13.632million held in investments and £3.647million in cash, and the projected cash balance of £8.678million before any further investment by 31<sup>st</sup> March 2025 is noted.

### **13 Investment Working Group Update**

The Board received a report providing an update on the work of the JSPB's Investment Working Group.

It was reported that since the JSPB's last meeting, the Investment Working Group had met twice when there had been significant discussion about the recent changes in the economic climate, the significant increase in inflation levels and the impacts that these might have on the Board's investments both in the short term and the long term. It was acknowledged that it had been agreed that investments would be made initially due to the historically low interest rates which exposed partners to the risk that it might not be possible to continue the SAMM Project in

perpetuity and the Board was investing with a view to the long term future of the project.

The Board was reminded that Arlingclose had been contracted to provide financial advice to the JSPB on a twelve month rolling contract until the Board gave written notice to terminate the contract at least three months prior to the contract renewal date, i.e. by 1<sup>st</sup> September each year.

Concern by some Board Members that the Board's adopted Responsible Investment Policy did not accurately define environmental, social and corporate governance and the role they played in responsible investment was noted. It was agreed that this would be followed up by the Investment Working Group separately.

The Board was reminded that because it was not a separate legal entity any investments approved by the JSPB were in actuality made by Hampshire County Council in its capacity as the Administrative Body and any investments would need to comply with Hampshire County Council's approved Treasury Management Strategy.

**RESOLVED** that:

- i. The existing Investment Strategy, as set out in Appendix 1 of the report, be noted
- ii. The existing 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 investment, as set out in Table 3 and the projected cashflow scenarios set out in Appendix 3 of the report be noted.
- v. The JSPB note the requirements and practical implications and limitations specifically outlined in paragraphs 37-44 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.

#### **14 Exclusion of Public and Press**

**RESOLVED** that the public and press be excluded from the meeting during the consideration of the Financial Advisor's presentation as it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

- (3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).

#### **15 Investment Update**

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 a total of £11.7million had been invested in a variety of funds recommended by Arlingclose, the Board's appointed financial advisors and investment of a further £4.2million in CCLA Diversified Income Fund and Fidelity Global Enhanced Income Fund was pending. An unrealized capital loss of £940,891 was noted however it was stressed that this money would only be lost in the event that the holdings were sold.

It was noted that interest rate increases allied to changes made to the structure of the CCLA Diversified Income Fund meant that it no longer aligned with the Board's stated income targets and it was recommended that the pending investment of £3.2million agreed by the Board on 19<sup>th</sup> November 2020 should be suspended and the funds returned to the cash balance and invested elsewhere. Following delays to the opening of the account with Fidelity Global Enhanced Income Fund it was recommended that the pending £1million investment agreed by the Board on 18<sup>th</sup> November 2021 should be put on hold and the funds invested elsewhere.

It was acknowledged that the current economic climate and the predicted recession would cause a fall in investment income however it was stressed that the Board's investments were a long term investment aimed at ensuring the continuation of the SAMM project in perpetuity. It was also noted that falling share prices meant it was possible to buy a larger number of shares than might otherwise be possible.

**RESOLVED** that the Thames Basin Heaths Joint Strategic Partnership Board (JSPB) agrees:

- i. To instruct Hampshire County Council (HCC) as Administrative Body not to make the pending £3.2m investment in CCLA Diversified Income Fund, and to instead return these funds to the cash balance available for investment as recommended by Arlingclose. Thereby rescinding the original instruction by the Board for investment on the JSPB's behalf at the 19<sup>th</sup> November 2020 meeting.
- ii. Recognising the delay in opening the Fidelity account, to instruct Hampshire County Council (HCC) as Administrative Body to put on hold the pending £1.0m investment in the Fidelity Global Enhanced Income Fund originally approved by the Board for investment on the JSPB's behalf at the 18<sup>th</sup> November 2021 meeting, and to return these funds to the cash balance available for investment as recommended by Arlingclose.
- iii. To instruct Hampshire County Council (HCC) as Administrative Body to make on the JSPB's behalf the following investments as recommended by Arlingclose as soon as practically possible within the constraints of the Administrative Body's own governance:
  - £1.5m Aegon Diversified Monthly Income Fund
  - £1.8m Ninety One Diversified Income Fund
- iv. To instruct Hampshire County Council (HCC) as Administrative Body that once the year end position is known for the 2022/23 financial year, to make on the JSPB's behalf the following investment as recommended by Arlingclose as soon as practically possible within the constraints of the Administrative Body's own governance:
  - The remaining balance available within the Endowment Fund as at 31<sup>st</sup> March 2023 in the Fidelity Global Enhanced Income Fund, subject to a minimum investment of £500,000 and maximum



investment of £4.0m. This investment to encompass and not be in addition to the £1.0m approved investment in this fund put on hold above.

The Board noted:

- 1) That 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.
- 2) That the Administrative Body (Hampshire County Council) will not progress making the investments until the minutes documenting the investment instructions have been approved by the JSPB. Approval by e-mail from a majority of the JSPB members will be taken as sufficient evidence that the minutes accurately reflect the instructions of the JSPB.

#### NOTES

Councillor Jonathan Glen, Hampshire County Council, abstained from the vote due to his being an elected representative of the Administrative Body.

Councillor Sylvia Whyte, Runnymede Borough Council, abstained from the vote due to this being the only meeting of the Board she had attended.

## **16 Dates of Future Meetings**

It was agreed that future meetings of the Thames Basin Heath Joint Strategic Partnership Board would take place on the following dates:

- Wednesday 5<sup>th</sup> July 2023 at 10am
- Wednesday 6<sup>th</sup> December 2023 at 10am.

It was agreed that, for the benefit of new members, a brief precis of the purpose of the SAMM Project and the Board's role would be included in the agenda of the July meeting.

The Chairman thanked all those councillors who were not planning to stand for re-election in 2023 for their support.

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THAMES BASIN HEATHS

JOINT STRATEGIC PARTNERSHIP BOARD (JSPB)

Date: 5<sup>th</sup> July 2023

Subject: SAMM Project Update

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

**Recommendations:**

- i. To NOTE the contents of the report on SAMM project activity
- ii. To NOTE recruitment updates
- iii. To APPROVE a change to seasonal warden recruitment (page 3)
- iv. To APPROVE a change to a five-year cycle for the Carpark Transects (page 37)

**Purpose of the Report:**

To provide the JSPB with an update on SAMM activity since the last meeting in November 2022.

**Summary**

This paper sets out for Members the SAMM project’s activities and achievements since the last meeting in November 2022, 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 Greenspace’ (SANG) for the new residents to use. Alongside this, 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. An update on the investment fund forms part of each JSPB meeting.

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 raising 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

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### 1. SAMM project staffing and recruitment

- 1.1. We are delighted to inform Members that our year-round warden Nicky Buckland was successful in her application for the new Communications Officer role to work alongside our current Communications Officer Sarah Bunce. She started her new role on 20<sup>th</sup> February 2022. She has retained some of her wardening responsibilities which she will hand over to the replacement year-round warden once they are in post.
- 1.2. This year-round warden role is currently advertised on the Civil Service Jobs website, and we hope to interview in July for a start date in September.
- 1.3. We are also delighted to inform Members that we have a wonderful team of seasonal wardens this year. We had five wardens start on 27<sup>th</sup> February 2023 before the ground nesting bird season officially starts (two full time and three part time). This is the first time we have started them this early and it has proven to be hugely beneficial. It meant the seasonal wardens could get a head start in their training and get out to warden on the heaths sooner. Their contracts run until the 15<sup>th</sup> September when nesting season officially ends.

- 1.4. In order to achieve our goal of having 6 full-time seasonal wardens we engaged in a second round of recruitment. We had two more (one full time and one part time) starting on 24<sup>th</sup> April 2023. Their contracts also end on 15<sup>th</sup> September.
- 1.5. In total for 2023 we have 5.6 full-time equivalents (FTE) seasonal wardens.
- 1.6. Recruitment within the SAMM team and the wider conservation sector has proven difficult again this year. This is illustrated by the need to advertise the roles twice and conduct two induction periods to assemble the terrific team we have.
- 1.7. Given that this is the second year we have experienced these difficulties and there is no indication that the recruitment situation is likely to improve before next year we would like to propose a change to the seasonal recruitment strategy.
- 1.8. Currently we aim to recruit six wardens for a six-month seasonal contract. Following careful consideration, we have determined that the most effective course of action would be to recruit two year-round wardens and two seasonal wardens for a trial period of two years to gauge their effectiveness.
- 1.9. We have tabulated the advantages and disadvantages of these proposed changes overleaf for your consideration.

**Table 1.** Advantages and disadvantages of proposed changes to wardening structure.

<b>Model</b>	<b>Advantages</b>	<b>Disadvantages</b>
<p><b>Current</b> 6 seasonal wardens</p>	<ul style="list-style-type: none"> <li>• Larger number of wardens for nesting season</li> <li>• Lots of fresh ideas for seasonal intake</li> <li>• Invigorated team</li> </ul>	<ul style="list-style-type: none"> <li>• Recruitment challenges               <ul style="list-style-type: none"> <li>○ Time needed to recruit</li> <li>○ Small number of candidates</li> </ul> </li> <li>• Repeat induction period required</li> <li>• Coaching and training for 6 individuals in this challenging role</li> <li>• Annual repeat of coaching and training</li> <li>• Time needed to organise startup kit including IT and H&amp;S provision for 6 each year.</li> </ul>
<p><b>Proposed</b> 2 year-round wardens and 2 seasonal wardens for 2 years</p>	<ul style="list-style-type: none"> <li>• Larger number of wardens year round</li> <li>• Fresh ideas from seasonal intake</li> <li>• Invigorated team</li> <li>• Knowledge retention</li> <li>• Single induction period</li> <li>• Potential to have full team fully trained for start of nesting season</li> <li>• Increased capacity for planning during winter</li> </ul>	<ul style="list-style-type: none"> <li>• Active warden count reduced by 2 during nesting season</li> <li>• Annual repeat of training and coaching of seasonal staff</li> </ul>

	<ul style="list-style-type: none"> <li>• Year-round support for education</li> <li>• Improved partner relationships</li> <li>• Increased efficiency with no increase in cost.</li> </ul>	
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- 1.10. The salary costs of the proposed changes are equal to the current model.
- 1.11. With the board’s approval we would like to adopt the proposed team structure with immediate effect and begin recruitment.
- 1.12. If the board approves these changes and we are successful in our recruitment the salary costs for 2023/24 will be higher than budgeted due to the increased staff number during winter 23
- 1.13. This increase can be absorbed into the current project budget due to the successful award of the SPA Visitor Survey which came in comfortably under budget (please see page 28 in Section 6)

**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. This year we have trialed some new ways of wardening with the aim of being more inclusive for all abilities and it has been successful. Our seasonal warden Jeremy experimented with mini pop-ups and a ‘Come and meet the Warden’ board. Our new mini pop-ups require only a small, lightweight foldable table (3kg), some leaflets and a chair. For those that are unable to walk around for hours they can easily adopt this style when needed and it has been highly effective. After a visit to Bird Aware Solent to see their ways of working, Jeremy suggested adopting the idea of placing an A-board stating ‘Come and meet the Warden’ by an entrance point. As a result, visitors have seen to be approaching us more and instigating more conversations with us. They come to us with questions and are already interested in knowing more, which has opened up a whole new dialogue.
- 2.3. Last Autumn/Winter we held several seasonal events with various themes, including a ‘Halloween Heathland’ at three locations which were very positively received and reached 171 people. We did three Christmas wreath making events and have been asked back to SCC’s Christmas pop-up as we “were the stars of the day.”
- 2.4. We held two new events to celebrate ‘World Forestry Day.’ Nicky held an event with Forestry England on Bramshill and Wardens Mike and Ruth created and led a guided walk on Lily Hill Park SANG (Suitable Alternative Natural Greenspace) called ‘Treemendous Trees. We like to lead events on SANGs to encourage their use and Lily Hill was perfect for this as it has a wide variety of native and non-native species.

- 2.5. We participated in the Yateley, Blackwater & Derby Green ‘Great Big Green Week’ and attended the Sustainability Fair at Yateley Green for the second year running. We were able to talk to a large amount of SPA users for the first time and get them excited to explore new ‘Greenspace on your Doorstep.’
- 2.6. We helped organise Wildfire Awareness week for the Easter holidays with SFRS. This was its first year and was pivotal in informing the public about the risks and issues of wildfire before Heath Week this year. The idea came about due to the fact fire engines only attended 4 out of the 5 wildfire events during Heath Week last year as they were tackling wildfires! It was thought that earlier engagement of the public on this subject was needed. Wildfire Awareness Week went really well, and we can build on it for next year. We did 5 wildfire events that reached 250-300 people. They were designed to be fully interactive and there was lots for the kids to do. The HH wildfire event went very well with the fire dog present. This was fantastic in engaging the dog owning target audience. Since litter can be a fire fuel, we decided to do a partnership litter pick, as a result we rid 8 sacks of litter from within Chobham Common. They thanked us massively for our help and support during the planning process and week and said they couldn’t have done it without us.
- 2.7. We are in the midst of planning Heath Week 2023 (24th-30th July) and so far, have 26 events planned with various partners and other organisations, including SFRS, Hart DC, SWT, ARC Trust, BVCP and FE. We are holding our usual repertoire of events and hoping for even more partners to get involved with hosting their own events too. We have put extra focus on leading more guided walks for multiple reasons; they require fewer staff, have a limited number of attendees so we can pick places with smaller car parks we may not have used for events before. Lastly, they allow for a lengthier and higher level of engagement and as a result, a deeper understanding may be achieved. The Hampshire ‘Reptile & Amphibian Roadshow’ is being repeated for a second year. It was so popular last year we had complaints that we needed more parking to accommodate the 251 people spoken to. As a result, we have switched location within the same site to allow for this.
- 2.8. This year the Defence Infrastructure Organisation (DIO) reached out to us to discuss leading some joint pop-ups. The Access team had gained an Access & Recreation Advisor who wanted to use these to engage with the public and potentially bring along a soldier to highlight how well hidden they can be in the landscape. Seasonal Warden Kay took this on and has booked in two pop-ups a month from June to the end of the season, spread out across MOD land on the SPA, with a combination of new and old pop-up locations.
- 2.9. Over the winter season we completed 79 SANG surveys, surveying each SANG for one hour, counting and interviewing people. This summed up to 256 interviews. This year, we will have 79 SANGs to survey, and we started earlier in the season. We felt that it would be interesting to gather data on how

SANGs are used during the GNB season so we decided to see if we could sustain summer SANG surveys too. Progress is good and we will report our findings as soon as they are collated.

2.10. We successfully completed 7 planned car park transects last season after a 3-year hiatus. This year we have trained 7 seasonal staff and have already completed 3 transects and plan to carry out 6 more to return to our pre-covid amount of 9 per season.

2.11. Over winter we attended lots of volunteer work parties on the SPA with our partners. These are a great chance to talk to local people about the project and spread our message, as well as improving our partner relationships whilst carrying out direct heathland improvements. We worked with HIWWT on Velmead, Surrey Heathlands Partnership on Brookwood, Hampshire County Council in Yateley and many more. We always seek to ensure we support our partners fairly and consistently.

2.12. The following table (Table 2) sets out the number of hours of warden activity delivered on the SPA between October 2022 and May 2023, inclusive:

**Table 2.** Wardening activity delivered on the SPA between Oct. 2022 and May 2023.

October 2022	Total hours wardened	177.73	November 2022	Total hours wardened	265.5
	Number of interactions	1208		Number of interactions	827
	Interactions per hour	6.80		Interactions per hour	3.11
	Number already spoken to	78		Number already spoken to	156
	Leaflets handed out	831		Leaflets handed out	1214
	Number of dogs	171		Number of dogs	322
	Number of dog walkers (5+ dogs)	5		Number of dog walkers (5+ dogs)	11
	Average % already spoken to	6.46		Average % already spoken to	18.86

December 2022	Total hours wardened	121.5	January 2023	Total hours wardened	153.8
	Number of interactions	439		Number of interactions	1125
	Interactions per hour	3.61		Interactions per hour	7.31
	Number already spoken to	110		Number already spoken to	201
	Leaflets handed out	725		Leaflets handed out	709
	Number of dogs	180		Number of dogs	168
	Number of dog walkers (5+ dogs)	12		Number of dog walkers (5+ dogs)	3



	Average % already spoken to	25.06		Average % already spoken to	17.87
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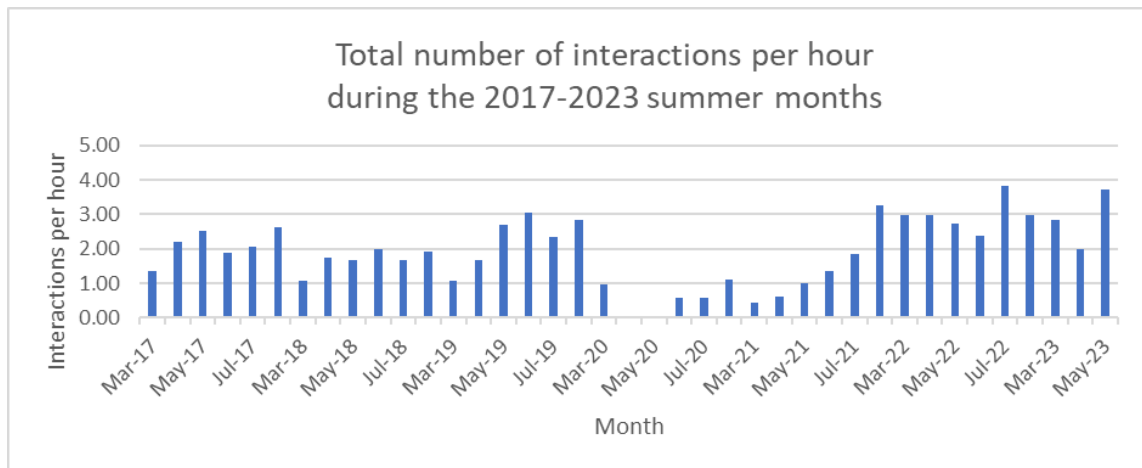
<b>February 2023</b>	Total hours wardened	261.13	<b>March 2023</b>	Total hours wardened	420.24
	Number of interactions	1564		Number of interactions	1194
	Interactions per hour	5.99		Interactions per hour	2.84
	Number already spoken to	102		Number already spoken to	370
	Leaflets handed out	691		Leaflets handed out	1613
	Number of dogs	300		Number of dogs	561
	Number of dog walkers (5+ dogs)	4		Number of dog walkers (5+ dogs)	12
	Average % already spoken to	6.52		Average % already spoken to	30.99

<b>April 2023</b>	Total hours wardened	498.67	<b>May 2023</b>	Total hours wardened	541.72
	Number of interactions	994		Number of interactions	2020
	Interactions per hour	1.99		Interactions per hour	3.73
	Number already spoken to	217		Number already spoken to	480
	Leaflets handed out	1177		Leaflets handed out	1839
	Number of dogs	656		Number of dogs	783
	Number of dog walkers (5+ dogs)	11		Number of dog walkers (5+ dogs)	13
	Average % already spoken to	21.83		Average % already spoken to	23.76

2.13. The number of hours wardened over the winter and for the first three months of the summer season were largely comparable to those of the same period in 2022. It is worth noting, however, that the hours wardened in February and March 2023 were much higher than the same months in 2022, due to the seasonal wardens starting at the end of February, earlier than in previous years.

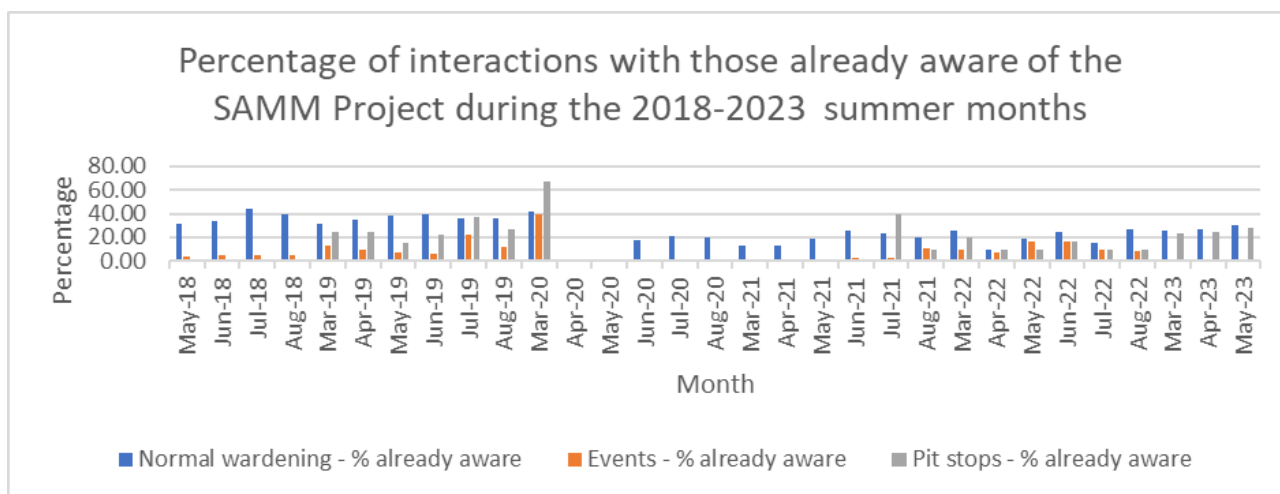
2.14. Twenty-seven pitstops/pop-ups and 42 events were possible between October 2022 and May 2023, as well as 79 winter SANGS surveys.

2.15. The Team interacted with 635 people during pitstops/pop-ups (106 of whom were met as part of Heathland Hounds pop-ups), and 1,233 during the TBH events. May 2023 saw the highest interaction per hour ever recorded for the month (3.73 vs 2.72 in 2022). This was also the second highest interaction per hour ever recorded, only behind the record of July 2022 (3.85 interaction/hr) (Fig. 1).



**Figure 1.** Total number of interactions per hour during the sensitive period (March to August) between 2017 and May 2023.

2.16. 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, during the period May 2022 to May 2023 24.4% of individuals encountered whilst ‘normal wardening’ said that they were already aware of the project. This figure was slightly higher than the average of the previous 12 months (20.2%), but still lower than pre-pandemic average of 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 during the sensitive period (March to August) between 2018 and May 2023.

### 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 are in the process of being renewed through to 30th June 2026.

## 4. Communications

Our most exciting news is that we now have two Communications Officers. Nicola Buckland, warden with the project since July 2015, has been appointed to a new communications role and has joined Sarah Bunce in the 'comms department' as of the end of February.

### Website

4.1. The project's 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).

4.2. Our directory of SANGs is called 'Greenspace on your doorstep' and is consistently the most visited part of the website. As of June 2023, it lists 80 SANGs across Surrey, Hampshire, and Berkshire.

Two new additions since the last report:

Water's Edge, a new lakeside walk in Mytchett, part of the Water's Edge housing development. Managed by Nicholas King Homes.

Folly Heights, a new meadow walk close to Farnham for the Folly Heights development. Managed by Cala Homes.

4.3. Looking at the period since the last report. Since 1st November 2022 there have been **54,104** page views across the whole website. Compared to **58,768** in the same period in 2021/2.

4.4. Looking at the period since the last report. Since 1st November 2022 there have been **54,104** page views across the whole website. Compared to **58,768** in the same period in 2021/2.

4.5. Top 10 most visited areas of the website since 1st November have been:

- Greenspace on your doorstep 27,088
- News & blogs 10,767
- Event listings 3,958
- Home page 3,300
- Wildlife Gallery 1,591
- About us 1,143
- Heathland Hounds 992

- Downloadable content 548
- How can I help? [\[OB\]](#) 427
- Long Valley opening times 304

## Leaflets

4.6. As well as the online directory of SANGs on our website, we also produce a popular free booklet. The current edition was created in 2019 and lists 62 SANGs.

4.7. A new edition is close to completion and will list 82 sites, including two brand new ones that are about to go live.

Of the 20 new entries, many have been open for quite a while, having just missed the last publication cutoff.

Blue Mountain (Bracknell Forest)  
 Chertsey Meads (Runnymede)  
 Finchwood Park (Wokingham)  
 Folly Heights (Waverley)  
 Frimley Fuel Allotments (Surrey Heath)  
 Hartland Country Park (Hart)  
 Hawley Farm (Hart)  
 Horsley Meadows (Guildford)  
 Keephatch Meadows (Wokingham)  
 Mindenhurst (Surrey Heath)  
 Moulsham Meadows (Hart)  
 Oldlands Copse (new – Guildford)  
 Poulter's Meadows (new - Hart)  
 Runfold Ridge (Guildford)  
 Southwood Country Park (Rushmoor)  
 Water's Edge (Surrey Heath)  
 Wellesley Water Meadow (Hart)  
 Whitewater Meadows (Hart)  
 Windlemere (Surrey Heath)  
 Windmill Meadows (Bracknell Forest)

## Social media

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

4.9. Social media statistics as of 12th June 2023 (Table 3) show our following is gradually increasing as we become better known.

**Table 3.** Social media followers as of 12<sup>th</sup> June 2023.

	<b>Oct 20</b>	<b>May 21</b>	<b>Oct 21</b>	<b>May 22</b>	<b>Oct 22</b>	<b>June 23</b>
<b>Facebook</b>	1,031	1,188	1,315	1,482	1,662	1,801
<b>Twitter</b>	644	751	793	872	932	971
<b>Instagram</b>	260	340	399	505	592	694

The number of followers (Table 3) does not adequately reflect our reach on social media (Table 4).

**Table 4.** Social media reach as of as of 12th June 2023.

<u>Reach</u>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>
<b>Facebook</b>	8,299	33,205	23,421	18,547	19,147	10,106
<b>Twitter</b>	13,100	19,300	12,000	14,500	12,500	4,500
<b>Instagram</b>	912	914	690	2,282	1,357	560

A few examples of recent high-performing posts:

 **Thames Basin Heaths Partnership** Published by Sarah Bunce · 30 May at 10:45 ·  

This is the sight we dread! We haven't heard yet what caused the wildfire on Ash Ranges in Surrey to break out on Saturday, but unofficial estimates say that 60 hectares of habitat may have been lost. This is especially shocking news at this time of year, when Nightjars are laying their first eggs. ~Sarah

Please help us spread the [#BeWildfireAware](#) message...

- 👉 No fires or BBQs
- 👉 Dispose of cigarettes responsibly
- 👉 Take all litter home

If you see a fire in the countryside, dial 999 as soon as safe to do so...

1. Get to a safe place and keep your distance
2. Note the location of the fire
3. Call 999 and ask for the Fire & Rescue Service
4. Give as much information as you can



**Facebook post reach** 3,867 **Higher than typical** Typically 196-782

**Facebook post comments** 6 **Higher than typical** Typically 0-3

**Facebook post shares** 17 **Higher than typical** Typically 0-2

**Facebook post reactions** 59 **Higher than typical** Typically 8-26



**Thames Basin Heaths Partnership**

Published by Nicola Buckland · 28 May at 14:45 · 🌐



Chobham Common in Surrey is one of my favourite heaths, so it was a pleasure to help run a celebratory National Nature Reserves Week event alongside Warden Steve yesterday!

With a long and varied military and filming history, there's certainly a lot to talk about when it comes to Chobham Common. As the largest lowland heath National Nature Reserve in the South-East it also boasts high numbers of dragonfly, beetle and spider species, to name a few!

We chatted to lots of visitors enjoying a walk with their dog, visiting as a family to spot wildlife and even a wildlife cameraman in training!  
~Nicky

Thank you to Adam from [Surrey Wildlife Trust](#) for joining us.

[#ThamesBasinHeaths](#) [#NNR](#)

[Natural England in the Thames Solent Area](#) [Natural England](#)  
[Explore Surrey's Countryside](#)



Facebook post reach 1,516 **Higher than typical** Typically 196-783

Facebook post comments 2 **Higher than typical** Typically 0-3

Facebook post shares 3 **Higher than typical** Typically 0-2

Facebook post reactions 42 **Higher than typical** Typically 8-26





**Thames Basin Heaths Partnership**

Published by Nicola Buckland · 24 May at 09:30 · 🌐



A big thank you to the dog walkers that alerted Warden Henry to this campfire at Whitmoor Common in Surrey yesterday. Without prompt calling of the Fire Service the result could have been a heathland fire.

Fortunately Henry spoke to the individuals involved, who were unaware of the potential danger.

Please help spread the word and prevent the spread of wildfire!

[#BeWildfireAware](#) [#ThamesBasinHeaths](#)



**Facebook post reach** 1,231 **Higher than typical** Typically 196-785

**Facebook post comments** 5 **Higher than typical** Typically 0-3

**Facebook post shares** 8 **Higher than typical** Typically 0-2

**Facebook post reactions** 37 **Higher than typical** Typically 8-26

**Top Tweet** earned 807 impressions

May is an exciting time for us here at TBHP!  
The Nightjars are arriving back from Africa  
and we're anticipating the first churrs  
anytime now!

As soon as we hear they're back, we'll let  
you know!

[#ThamesBasinHeaths](#) [#Surrey](#)

[#Hampshire](#) [#Berkshire](#)

[#MoreThanJustNightjars](#) [#Nightjar](#)

[pic.twitter.com/fgJBzj85g4](https://pic.twitter.com/fgJBzj85g4)



## Heath Week

- 4.10. We run ‘Heath Week’ at the start of the school summer holidays every year, with family-oriented activities across the Thames Basin Heaths Special Protection Area to raise awareness of how rare and fragile heathland is. This is our flagship week and a great chance to make a splash about heathland locally. In 2023 Heath Week will run from Monday 24th to Sunday 30th July.
- 4.11. Across July and especially during Heath Week, we aim to achieve the highest number of social media accounts and the highest number of website visits across the year.
- 4.12. The full event line-up can be viewed on our website at: <https://www.tbhpartnership.org.uk/heath-week/>.

## Heathland Hounds

- 4.13. The private Facebook group has 1,560 members as of June 2023.
- 4.14. Group admins Nicola Buckland and Jo Wilsher continue to build positive relationships with dog owners using the SPA, promoting responsible behaviours. Activities include group dog walks on SANGs, pop-ups on the SPA, wardening in Heathland Hounds uniform and supporting partners at dog-friendly events.
- 4.15. The Facebook group continues to thrive, with active members peaking at 783 on 11 Jun 2023. Core messages reach a wider audience via the Twitter and Instagram accounts
- 4.16. The Heathland Heroes initiative was launched via both TBHP and HH social media platforms in May. It focuses on celebrating responsible behaviours on the SPA. Following a positive interaction with a warden, a photograph is taken of the dog and shared with explanatory text.



## 5. Education

### 5.1 Introduction

Our Amazing Heathlands, our heathland-focused schools programme, is run by Michael Jones – our Education & Engagement Officer. The aim of the programme is to meaningfully connect school children and their teachers to wildlife and their local heathlands through fun and engaging activities. People are inspired to take an active role in protecting our heathlands – from minimizing disturbance to ground-nesting birds to reducing wildfires to getting involved in biological recording through citizen science.



# Our Amazing Heathlands

### 5.2 Engagement data

During the period since the last report, the “*Our Amazing Heathlands*” schools programme continued to reach more schools and their children. Word is spreading about our educational offering and feedback has been incredibly positive.

From **1<sup>st</sup> November 2022 to 31<sup>st</sup> May 2023**, the activities of the Education and Engagement Officer directly engaged with **6160** children and adults through the schools’ programme, sessions for uniformed groups, guided walks, and talks (Table 5).

During this time, **119 sessions** were delivered – including **94** to children of primary school age (including uniformed groups).

The remaining sessions included heathland talks to local groups, guided walks and conservation careers talks to secondary school students.

**Table 5.** Summary of the number of engagements and sessions per month from November 2022 to May 2023.

Month	Number of engagements	Number of sessions
November 2022	253	8
December 2022	180	8
January 2023	855	17
February 2023	1161	20
March 2023	2664	19
April 2023	19	1
May 2023	563	29
June 2023 (to 21 <sup>st</sup> June)	465	17

These are high-quality engagements, taking place in sessions ranging between one-hour and up to three-hours. There is time for a deep level of engagement and considerable nature connections.

### 5.3 Historical engagement data

Year on year, the “*Our Amazing Heathlands*” education programme continues to grow (Table 6).

**Table 6.** Summary of number of engagements and number of sessions of the “*Our Amazing Heathlands*” education programme between 2019 and 2023.

Year	Number of engagements	Number of sessions
2019	853	38
2020 (Pandemic year)	644	19
2021 (Pandemic year)	1068	34
2022	3589	107
2023 (to 21 <sup>st</sup> June)	4292	103

Excellent ongoing relationships are being developed with local schools and new schools are being added to the list.

Teachers are encouraged to get their children to help spread the word about how amazing heathland is, but also how fragile it is and how they can raise awareness of issues like wildfire and disturbance. This often takes the form of designing posters to ‘*Help the Heath*’

### 5.4 Schools – Our Amazing Heathlands

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 look after them. This helps to spread our key messages about responsible heathland beyond the direct interactions.

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)

### 5.5 Advertising our offering

220 primary schools have been identified within 5km of the SPA (62 within 1km) and contact is being made with them as and when possible – identifying the best teachers to contact. Schools are offered a range of curriculum heathland-themed engagement and learning opportunities for the children. This offering takes the form of assemblies, classroom sessions and heathland visits, if possible. A number of schools are within walking distance of their local heath, with these children often visiting in the company of their teachers.

Articles have been written for community magazines raising awareness about learning and engagement opportunities and this has proved an effective way to spread the word and create awareness of the Thames Basin Heaths Partnership within the local community.

An introductory [video](#) to highlight the benefits of learning about heathland can be viewed by teachers is used to explain the benefits of the sessions in a quick and engaging format.

Educational and engagement opportunities and celebrations of success are regularly promoted via social media and blogs on the website.

## **5.6 Sessions available**

Several curriculum-linked sessions aimed at a KS1 and KS2 audience have been developed to provide teachers with something that caters for all their needs, including: -

- Introduction to heathland
- Heathland discovery
- Heathland seasons
- Heathland wildfire
- Heathland in the dark
- Heathland species: classification
- Heathland species: adaptation
- Heathland species: food chains
- Heathland - physical and human features
- Heathland plants
- Threats to heathland

## **5.7 Heathland as an outdoor classroom**

There are agreements in place with partners to run educational sessions on the following heathlands: -

- Chobham Common (Surrey CC)
- Whitmoor Common (Surrey CC)
- Ockham and Wisley Commons (Surrey CC)
- Bramshill (Forestry England)
- Wildmoor Heath (BBOWT)
- Lightwater Country Park (Surrey Heath BC)
- Horsell Common (Horsell Common Preservation)

This allows schools across the SPA buffer zone opportunities to visit their local heathland and spread our sessions across the three counties.

Sessions have also been run at Yateley Common Country Park (Hampshire County Council), but these are currently arranged on a session-by-session basis. There are also plans to co-run heathland sessions with Hart District Council later in the summer term.

We are always looking to add to this list to make it easier for schools across the Special Protection Area to visit – often without the need to arrange transport (the cost of which is often a barrier to participation).

## **5.8 Resources**

We continually develop our resources (based on feedback and research) and produce new ones to expand our offering. These resources are designed to be used during sessions to provide focus and give the children something to take away with them as a reminder of their learning. Other resources are available to provide teachers with activities to embed learning after the event and provide extra value to the experience.

## **5.9 “Our Amazing Heathlands” - Feedback**

Feedback has been incredibly positive from children and teachers alike. Teachers are rebooking sessions when they get a new class each academic year and are happy to act as referees for new schools that are interested in recommendations.

Here is a selection of feedback: -

### **Year 2 Teacher (Wildmoor Heath School)**

- *“Thank you so much for our wonderful trip into the Heath. The children loved it. In science we have just covered habitats and food chains and we are now learning about animals including humans and so the walk was a great hook for our topic.”*

### **Year 4 students (Wildmoor Heath School)**

- *“Dear Michael. Thank you so much for taking us on that wonderful trip to the heathland. It was an incredible trip and an amazing experience. The great part was I learnt so much!! I was also amazed when you talked about the rare birds. I can't believe we saw a Dartford Warbler. I came home with so much knowledge.”*
- *“Dear Michael. I loved the heath walk because I learned a lot about the heath and different types of plants. I really loved seeing the Dartford Warbler and the pointy fungi. Nature is my favourite thing and I never knew about the Dartford Warbler.”*
- *“Dear Michael. I think you did really well at talking to us about the heath and all its nature. I found it very interesting. We all had a wonderful time.”*





**Fig. 3** Children from Wildmoor Heath School learning about heathland conservation.

### **Year 5 & 6 Students (New Scotland Hill School)**

- *“It was really interesting because we found out about our heath and the nature that lives there. In just one hour I saw loads of things.”*
- *“It was really good and well organised. It was interesting to learn how many creatures thrive on the winter heath.”*
- *“I enjoyed it because we identified what we saw and made field guides for our own heath.”*
- *“We found a Yellow Staghorn Fungi, which was awesome!”*
- *“It will really help me in science because we sorted the living things on the heath into their categories.”*
- *“It was a really fun experience because I loved finding all the wildlife.”*
- *“I thought it was fascinating to know how many creatures and plants were on the heath on such a cold winters day.”*

### **Forest School Lead (Hurst Lodge School, Yateley)**

- *“I just want to say thank you for your time and enthusiasm on Friday. We all loved seeing you and hearing really interesting facts. You did a brilliant job captivating the students and igniting their interests and we'd love you to come back as soon as possible. The work you do is so important and I*



*believe we can really make a difference.*

- *We look forward to hearing more about reptiles and amphibians too and it was obvious that you really had an amazing impact..."*

#### **Eco Committee Students (Barnsbury Primary School)**

- *"Thank you for the Whitmoor session at school yesterday, Zach loved it. He found it so interesting, he was full of facts when he got home. Thank you so much!"* [Parent]
- *"I really liked it. I learnt it from Michael. I didn't know what a nightjar was. It makes a calling sound." (Had a go at making the noise to show me 😊)* [Year 1]
- *"It was really good. I liked when he mentioned lots of facts about the common and the nightjar."* [Year 3]

### Forest School Lead (Hurst Lodge School, Yateley)

- “Thank you so much for meeting us at the common on Friday. We all had a great time and agreed that it was nice to see the children showing curiosity in nature and enjoying the thrill of finding something on the spotter sheets. The children thrived on the freedom the space gave them. One child said the morning was 10/10 and they all agreed they would go back.
- The children fell silent in the minibus, you wore them out. Some of these children are not so keen to join in with PE lessons, this trip gave them plenty of fresh air and exercise opportunities. Perfect.”

### Year 3 Teacher (Maybury Primary School)

- “Thank you SO much for all your hard work and efforts this week. The Horsell Common trips have been a HUGE success and we are already talking about organising something for the last week of the summer term - I will be in touch!
- Year 4 came back buzzing saying it was brilliant! Thanks so much.
- Just another huge thank you. The staff have raved about how good the visits were and how amazing you were. Credit where credit is due! 😊”

### Forest School Lead (Hurst Lodge School, Yateley)

- “We had the most amazing sessions with Michael - his knowledge and passion are second to none and the students and staff alike feel inspired to help preserve our beautiful heathland.”



Fig. 4 Classwork by Year 4 students - Potter's Gate School, Farnham.

### 5.10 Uniformed Groups

There continues to good demand from uniformed groups and sessions have been designed to introduce children to their local heathlands and enable them to work towards badges. To meet further badge

requirements, the on-heath activities can be supplemented with the ‘Help the Heath’ poster challenge.

Feedback:

**Leader (Horsell Brownsea Cubs)**

- *“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.”*

**Leader (1<sup>st</sup> Windlesham Scouts)**

- *“I think your thanks was left to the Scouts themselves and it was certainly heart felt, as I have never known them to spontaneously burst into applause or tell someone how well they do their job!”*

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

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.

In January and May, the Education Officer participated in [Junior Citizen](#) at Reigate and Guildford. Junior Citizen sessions teach Year 6 children about being safe in the countryside.

Through these sessions, **2222** Year 6 children learned about their local heathlands, the significant issue of wildfire, how to avoid it and what to do if they spot one (Safe place / Ring 999)

These events are a fantastic way to engage with many local children about one of our key messages.



Fig. 5. Junior Citizen - Guildford

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

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

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

### 5.13 Noticing Nature – Wellbeing Walks

In November and December 2022, I ran a series of five weekly ‘Noticing Nature’ walks at Caesar’s Camp near Farnham in collaboration with Farnham Primary Care Network.

These wellbeing walks were designed to introduce local people to the wonderful heathland on their doorsteps. They were advertised directly to the local community in community centres and GP’s surgeries. This community had been identified

In the walks, participants were encouraged to slow down and notice the nature around them. From looking for fungi, to smelling Gorse flowers to listening to the birds close by everyone was able to make meaningful connections with the landscape around them.

One of the weeks focused on mindfulness and was hosted by Elinor Newman from the South Downs National Park Authority.

Aside from the wellbeing benefits for participants, people discovered just how special heathland was – from its amazing species, like nocturnal Nightjars, to how fragile the landscape is. Lots of birds nest on the ground, so are at risk from disturbance (especially from dogs) and destructive wildfire are a real threat.

Connecting people with their local heathland introduces them to the special species that live there, encourages them to look after the area by taking ownership for this special habitat. They can then encourage others to get involved and help protect the landscape.

These walks were discussed at “*Cultivating a Green Health & Wellbeing Movement in Surrey*” - The Surrey Heartlands Green Social Prescribing Programme in May 2023 at WWF-UK in Woking and there was lots of interest in weekly wellbeing walks being set up. Planning for this is ongoing.

#### Feedback

- “*I liked looking at nature with Michael. It made me happy*” [Ryan – a primary aged child, not in school embraced the sessions!]
- “*Having a guided walk made me much more observant, made me slow down to actually see what was around me and enabled me to be much more appreciative. It got me out in the fresh air, moving and meeting other people.*”
- “*It was great being out in the open air on a beautiful day in such an interesting place. I really felt the benefit of the time, both physically and mentally. I would encourage everyone to engage with this project.*”

### 5.14 Teeny Tiny Heathland

Education Officer Michael loves the smaller creatures that inhabit our heathlands and has created a social media series called “Teeny Tiny Heathland.” These posts seek to introduce the mini world of wonder that can be found on our local heathlands. Slowing down to sense what is around you on you walks increases nature connections and more connected people demonstrate an increased level of positive behaviours for the environment. #TeenyTinyHeathland

## **6 SPA and SANGs monitoring SPA Visitor Survey**

- 6.1. Every five years since the project began, we have conducted a survey of the Special Protect Area visitors. This is a very large piece of work and beyond the capacity of the wardening team to deliver and so is let to an external contractor each time. Previous survey results can be found on our website here [Published reports - Thames Basin Heaths \(tbhpartnership.org.uk\)](https://tbhpartnership.org.uk)
- 6.2. We are delighted to inform members that Footprint Ecology have won the contract this year. The survey will commence in July and we will provide an update in our next report

### **Annex 1 Breeding Bird data collection**

- 6.3. The surveying of the extremely important Annex 1 birds the Nightjar, the Woodlark and the Dartford Warbler is underway. 2Js Ecology currently produce a report for us detailing the findings and we will be able to share that with you in our next report
- 6.4. As agreed in the June 2022 JSPB meeting, we are seeking to ensure robust succession planning for this essential information. This piece of work is progressing well, and we will provide a further update in our next report.

### **Visitor Surveys on all SANGs: comparing winters**

- 6.5. Visitor surveys were completed for all SANGS in each of two winters: winter 2021/22 (from December 2021 to March 2022), and winter 2022/23 (from 8 October 2022 to 27 February 2023).
- 6.6. The SAMM Team undertook visitor surveys, achieving full coverage of all SANGS available at the time in each winter: 75 SANGS in winter 2021/22 and 79 in winter 2022/23, a 5-fold increase compared

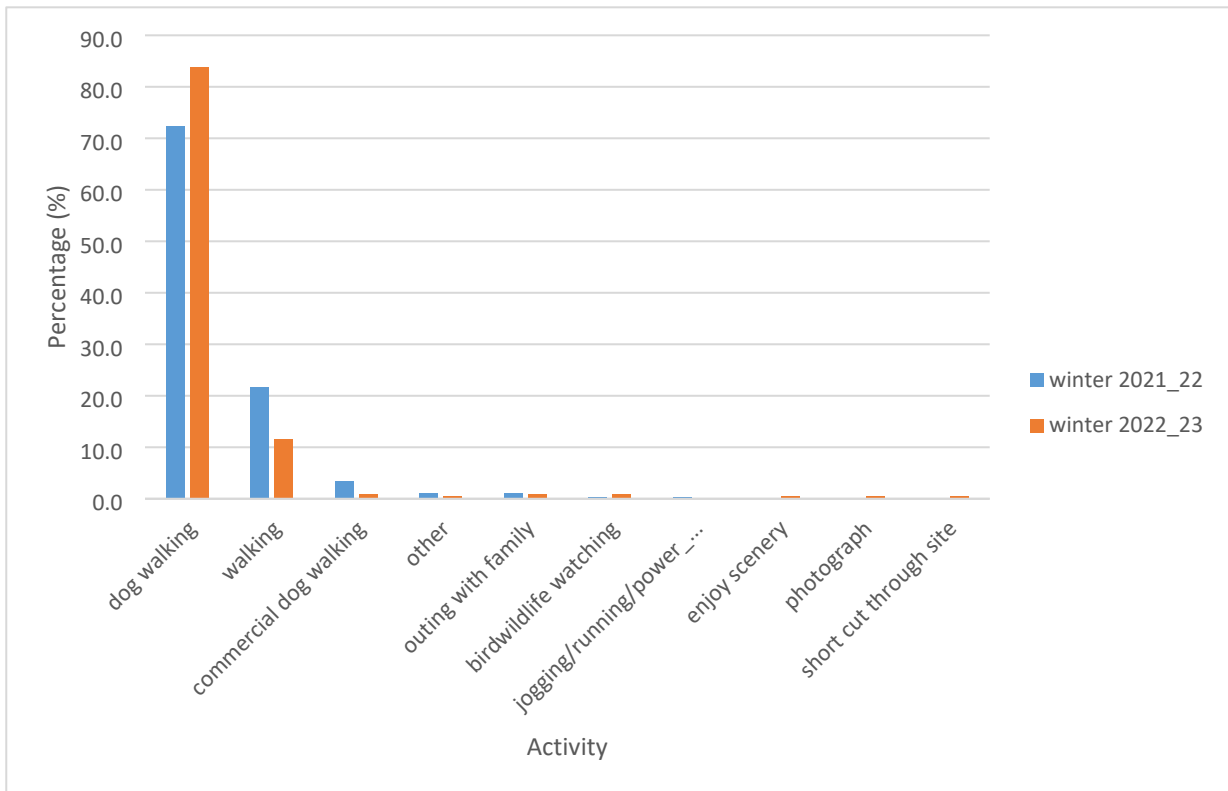
to pre-2021 surveys. This was possible as a result of a streamlined methodology, compared to previous years, where one-hour surveys replaced two-hour ones. The Team also counted all people seen on site.

- 6.7. To compare the two winters, the same methodology was used, including covering each site during the same time of the day, although surveyors were allowed to change the day of the week, or, in the case of 20 SANGS, survey them at weekends instead of weekdays to increase the weekend coverage to 30%, to reflect the number of weekend days compared to weekdays.
- 6.8. Table 7 shows the summary figures for each winter survey. Winter 2022/23 was characterised by more SANGS covered with more people encountered, but despite this a similar number of interviews were undertaken each winter. This highlights the constraints surveyors face, specifically that the time it takes to interview someone cannot be shortened to accommodate more interviews, even when footfall is higher. A maximum of 12 interviews were possible in an hour.

**Table 7.** Summary figures for the winter surveys 2021/22 and 2022/23.

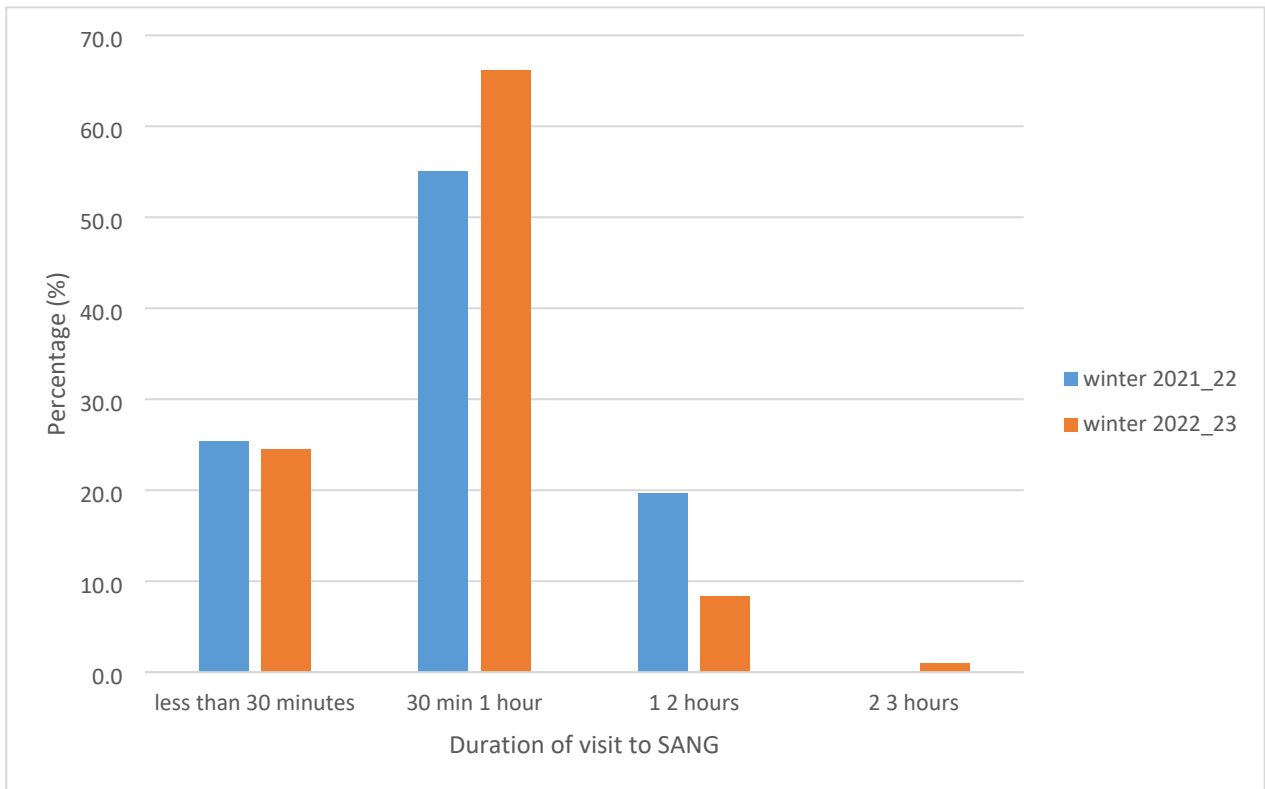
	Winter 2021/22	Winter 2022/23
<b>Number of SANGS surveyed</b>	75	79
<b>Total number of interviews</b>	262	256
<b>SANGS surveyed without interviewed possible</b>	7	4
<b>People counted</b>	836	984

- 6.9. The main activity undertaken by people visiting SANGS was dog-walking in both winters (including commercial dog-walkers) (76% in 2021/22 and 85% in 2022/23), followed by non-dog walking (22% - 2021/22 and 12% - 2022/23); all other activities were represented in much smaller proportions, but nevertheless similar in both winters (Fig 6).



**Fig. 6.** Summary of the frequency of the main activity undertaken on TBH SANGS during winter 2021/22 (blue; n=262) and winter 2022/23 (orange; n=256).

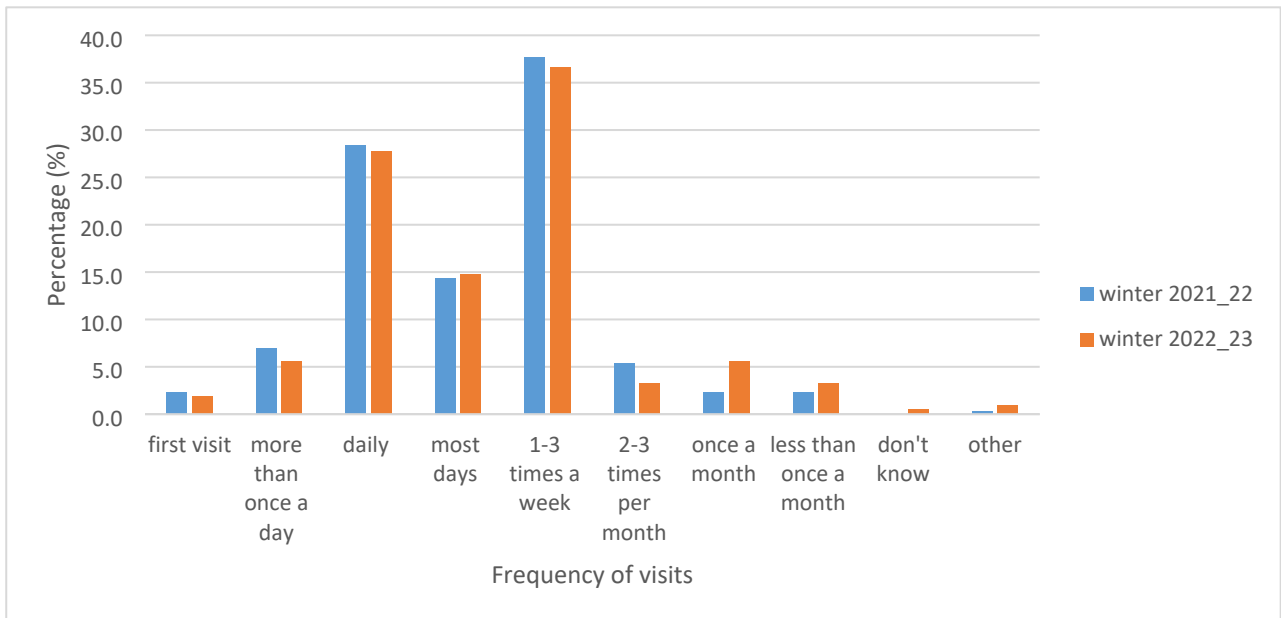
6.10. Surveys in both winters showed that the majority of visits lasted from 30 mins to an hour, followed by shorter visits of less than 30 minutes. The main difference was that whilst in the first winter people visited SANGS more frequently for up to two hours than in the second winter, longer walks of up to three hours were recorded only in winter 2022/23. (Fig. 7).



**Fig. 7.** Summary of the length of visits to the TBH SANGS during winter 2021/22 (blue; n=262) and winter 2022/23 (orange; n=256).

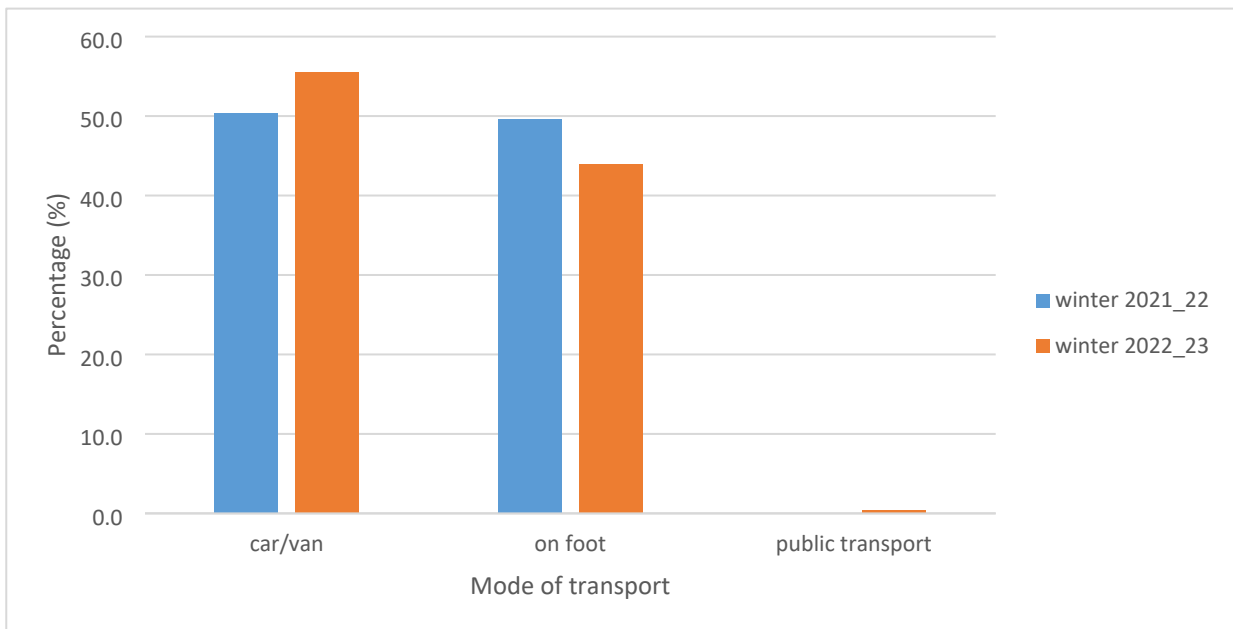
6.11. The frequency of visits was also remarkably similar between winters. Just over a third of respondents in 2021/22 stated they visited SANGS one to three times a week (38%), followed by daily or nearly daily visits (28% and 14%, respectively) (Fig. 8). A similar pattern was observed in winter 2022/23 (37% 1-3 times a week, 28% most days, 15% daily) (Fig. 8). People visited SANGS equally on weekdays and weekends in the majority of cases (64% - 2021/22 and 67% - 2022/23), although in winter 2021/22 six times as many respondents said that they used the site only during weekdays (31%), than weekends-only (5%) (but this total would have been impacted by a disproportionate surveying effort on weekdays), compared to the following winter, where twice as many people stated they visited only on weekdays (22%) compared to weekends only (11%) (in winter 2022/23 31% of surveys were carried out at weekends, suggesting this result is reliable).





**Fig. 8.** Summary of the frequency of visits to the TBH SANGS during winter 2021/22 (blue; n=262) and winter 2022/23 (orange; n=256).

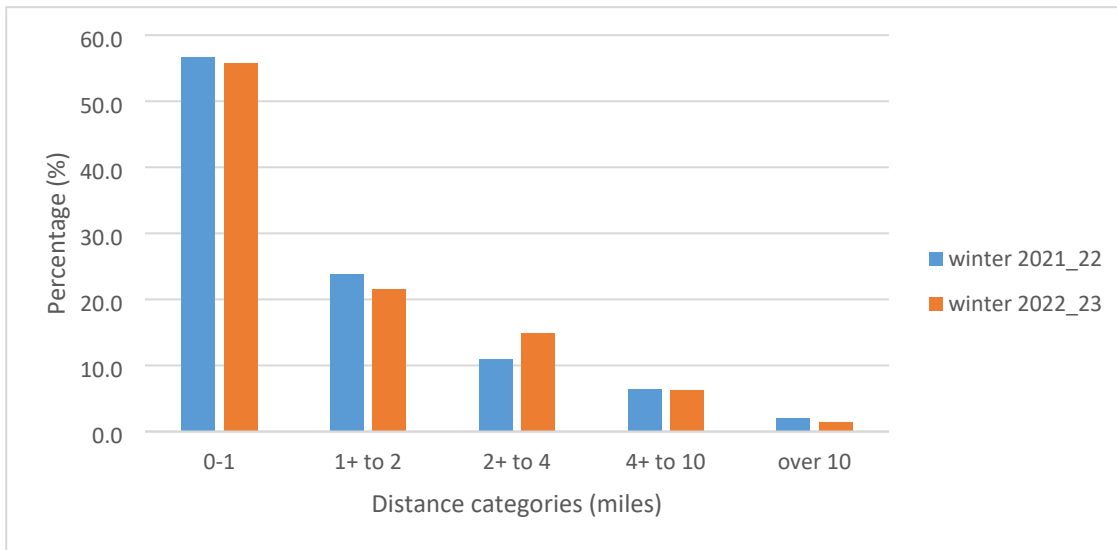
6.12. The main mode of transport to a SANGS was split evenly between private vehicle (50.3%) and on foot (49.7%) in winter 2021/22, but during the following winter people arrived to SANGS by vehicle more often (55.5% vs 44% on foot) (Fig. 9). The Met Office recorded lower-than average temperatures in the TBH SPA zone in winter 2022/23, and slightly above average in winter 2021/22 (Met Office 2023, 2022); this could have influenced the mode of transport.



**Fig. 9.** Summary of frequency of mode of transport used to access TBH SANGS during winter 2021/22 (blue; n=262) and winter 2022/23 (orange; n=256).

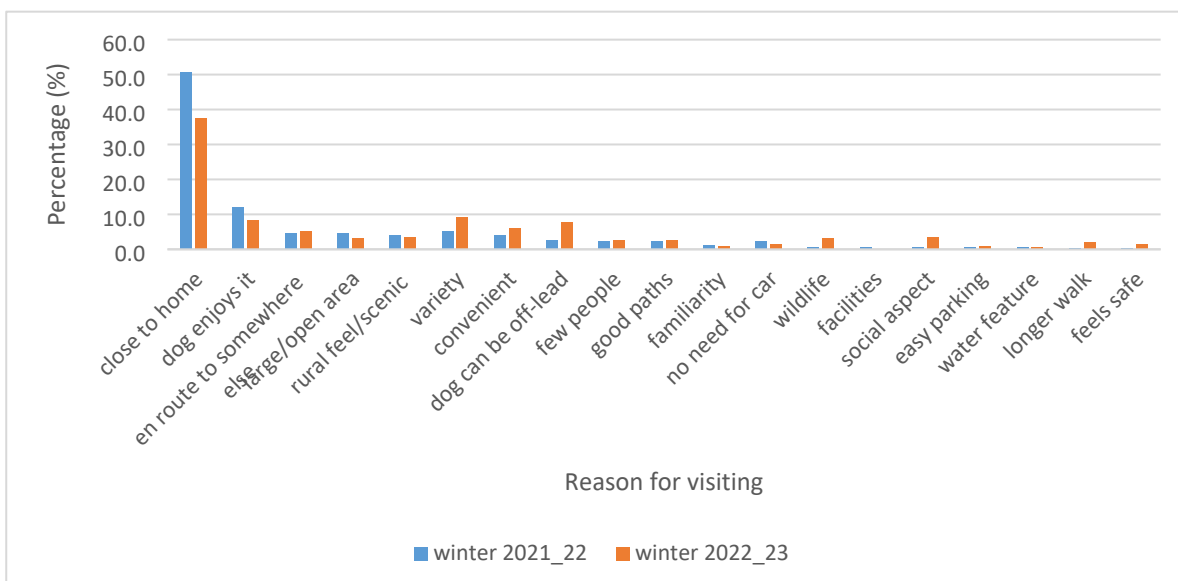
6.13. The majority of people arrived within 1 mile of the SANGS in both winters, followed by the up-to-2-mile category (Fig. 10), a result in accordance with the previous surveys (see the SAMM Project Update

Report June 2022). This suggests that usage of SANGS in winter is consistently undertaken mostly by local people.



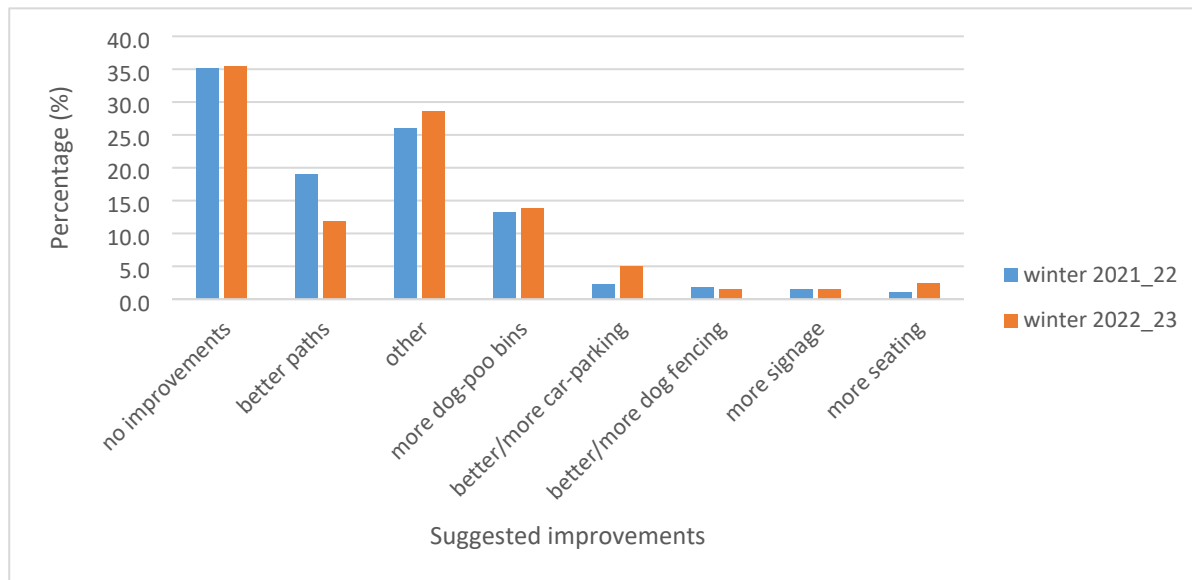
**Fig. 10.** Distance travelled from home to TBH SANGS during winter 2021/22 (blue; n=262) and winter 2022/23 (orange; n=256).

6.14. 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 winters, although it was cited less frequently during winter 2022/23 (51% - 2021/22 and 37% - 2022/23). The second-most mentioned reason for visiting varied between the two years: in 2021/22 “dogs' enjoyment” was the only other reason mentioned by more than 10% of respondents, whilst in winter 2022/23 “variety” was the second most frequent reason (9%). However, it should be noted that when all dog-related categories were combined (“dog enjoys it” and “dog can be off lead”), this became the second-most mentioned reason for visiting in both winters (Figure 11).



**Fig.11.** 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 winter 2022/23 (orange; n=256).

6.15. Visitors were also given the opportunity to tell us what aspects of a SANG needed improving: the most frequent answer in both winters was “no improvements needed”, followed by the need for more amenities (e.g. coffee-cart, dog-washing facilities, toilets, captured under the “other” category), then suggestions of better paths, and more dog-poo bins (Figure 12).



**Fig. 12.** Summary of the frequency each improvement was suggested by visitors to the TBH SANGS during winter 2021/22 (blue; n=262) and winter 2022/23 (orange; n=256).

6.16. In summary, results from the two winters provided very similar answers, which suggests that the behaviour of visitors to SANGS is likely constant over time, at least at the moment. It is therefore suggested that winter SANGS visitor surveys be carried out every other year, alternating it with summer SANGS survey, currently undergoing their first year.

**Car park transects: comparing four years of data**

6.17. Car park transects have been carried out every year with the exception of 2020 and 2021 due to Covid-19 restrictions.

6.18. All six transects were carried out by wardens of the TBH SAMM project. Each warden drove a set route (transect) recording all vehicles found at pre-determined car parks, and the six transects were driven simultaneously each time to avoid double-counting vehicles that may have moved between car parks.

6.19. We use dashboard mounted cameras to record footage of the car park as the transects are driven. The wardens review the footage and submit their findings for analysis.

6.20. A total of 33 hours and 57 minutes were spent driving the transects in 2022. A similar volume of time is engaged reviewing the footage, collating the results, and submitting the results for analysis. In addition,

we must consider the time taken to train participants and to organise the transects when evaluating its effectivity.

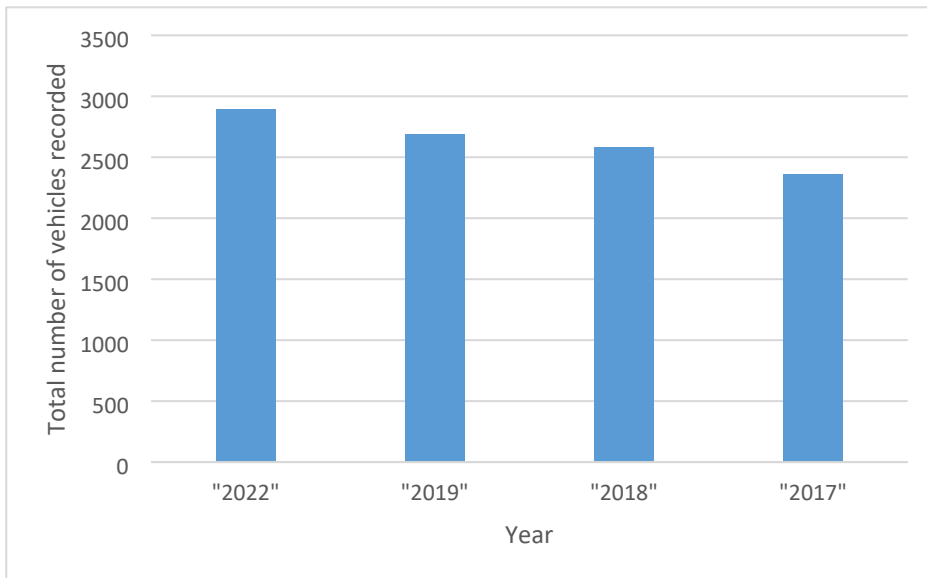
6.21. The last four years of available data were compared, to assess changes that may have occurred over time, and especially comparing pre- to post-pandemic years. For each year, five sessions over the summer were selected to ensure comparability between years: one session at the end of June, two in July, and two in August. Two of the five sessions had covered a weekend (apart from 2019 when three sessions had occurred at the weekend) (Table 8). The numbers of vehicles across the six transects and five sessions were pulled together to provide a total per each year (Fig. 13).

**Table 8.** Dates of the transect sessions for each of the four years considered. Weekends are underlined.

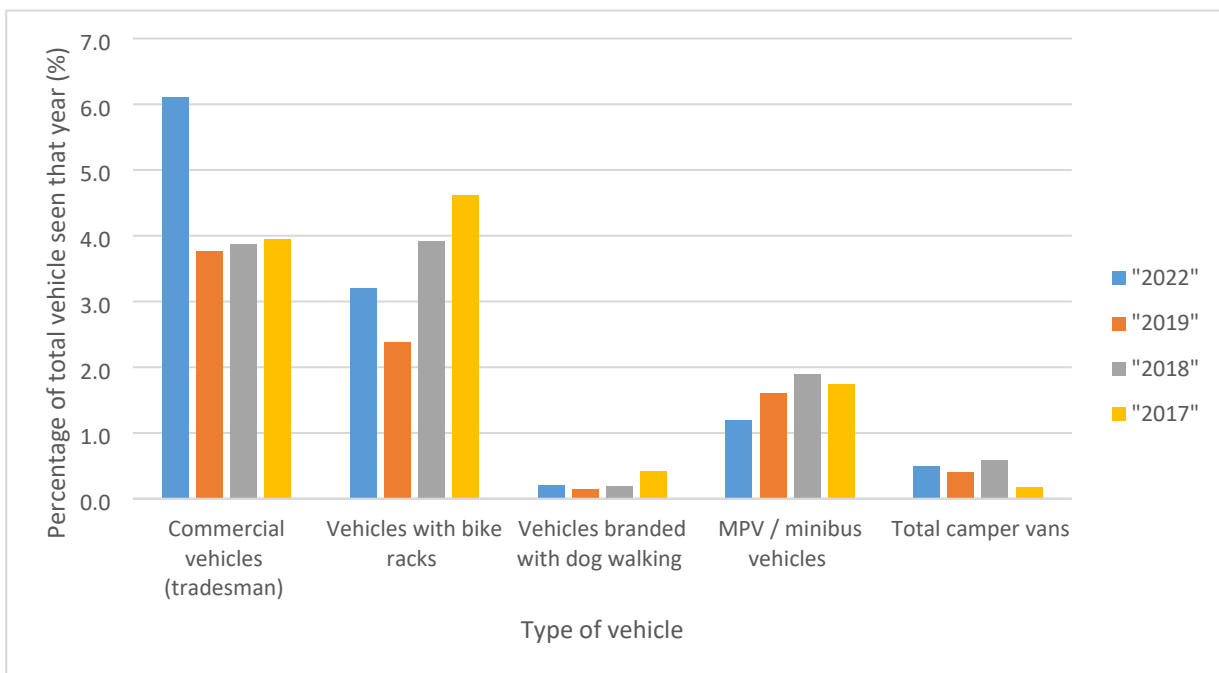
Year	Session 1	Session 2	Session 3	Session 4	Session 5
2022	29 Jun	<u>3 Jul</u>	11 Jul	9 Aug	<u>28 Aug</u>
2019	<u>29 Jun</u>	24 Jul	<u>27 Jul</u>	<u>17 Aug</u>	19 Aug
2018	29 Jun	25 Jul	<u>28 Jul</u>	<u>18 Aug</u>	20 Aug
2017	30 Jun	26 Jul	<u>29 Jul</u>	<u>19 Aug</u>	21 Aug

6.22. Across the four years there was not a noticeable difference in the number of total vehicles recorded year-on-year, and no difference was evident between the pre- and post-pandemic period (2022 vs 2019) (Fig. 13), although 2017 recorded fewer vehicles than 2022. However, this constitutes a five-year interval, so changes could be expected.

6.23. A breakdown of the type of vehicles present in car parks was also provided as a percentage of total vehicles recorded for that year (Fig. 14). In 2022, a higher percentage of commercial vehicles had been recorded compared to previous years, whilst in 2017 and 2018 the percentage of vehicles with a bike rack was higher than in subsequent years. However, overall, the proportion of each vehicle category was relatively similar across all years.



**Fig. 13.** Summary of the total number of vehicles recorded across all transects and five summer visits (June to August) over five years of car park transects.



**Fig. 14.** Summary of the category of vehicles (reported as a percentage of total vehicles) recorded across all transects and five summer visits (June to August) over five years of car park transects.

6.24. Conclusions: there is no evidence of noteworthy changes in the total number of vehicles recorded, nor in the composition of these vehicles, year-on-year. Some differences could be seen between 2022 and 2017, but, over a five-year interval, changes are to be expected.

6.25. We suggest that, going forward, the car park transects should be conducted every five years instead of annually, to minimise the time pressure on the wardens conducting the survey whilst retaining its benefits.

- 6.26. We would like the board's approval to make this change. This will allow us to align carpark transects with the SPA visitor survey (please see page 28)

### References

Met Office 2023. Seasonal Assessment – Winter 2023.  
[https://www.metoffice.gov.uk/binaries/content/assets/metofficegovuk/pdf/weather/learn-about/uk-past-events/summaries/uk\\_monthly\\_climate\\_summary\\_winter2m\\_2023.pdf](https://www.metoffice.gov.uk/binaries/content/assets/metofficegovuk/pdf/weather/learn-about/uk-past-events/summaries/uk_monthly_climate_summary_winter2m_2023.pdf). [Accessed June 2023].

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## 7. Other news

- 7.1. Our Access Management and Monitoring Partner (AMMP) meetings continue quarterly and are well attended. We have now developed a hybrid style to our meetings to facilitate participation
- 7.2. Our January AMMP meeting focused on habitat management, with a speaker from the Butterfly Conversation Trust joining us and our April meeting focused on wildfire and wildfire prevention.
- 7.3. Our Heathland Hounds group continues to be lively and active. Starting in 2016 we currently have over 1,500 members. This group are key to delivering our messages to dog owners and are strong supporters of the SANG network. More details will be given in the presentation.
- 7.4. The winter months are our chance to spend some time planning our strategy for the coming season. We are always keen to ensure we are as effective and efficient as we can be, and these strategy sessions help us to ensure we are.
- 7.5. The team continue to work incredibly hard and very effectively despite the challenges we all face as a result of living with *COVID-19*
- 7.6. The office at Heathland House is well used by the team. It provides an effective hub for our activities, an office and meeting space.

## 8. Looking ahead

- 8.1. With the Boards approval we will begin to recruit for the new year-round warden positions as detailed in Section 1
- 8.2. We will continue with our core message of asking heathland visitors to stick to main paths and keep dogs out of vegetation.
- 8.3. 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.
- 8.4. Interconnectedness continues with the newer Heathland related groups, The Western Thames Basin Landscape Partnership hosted by RSPB and 'Heathland Connected' also hosted by Natural England. We will continue to share knowledge and enable a uniform message across the region.
- 8.5. We continuously update the 'Greenspace on your doorstep' section of our website with each new SANGs as it opens [Greenspace on your doorstep - Thames Basin Heaths \(tbhpartnership.org.uk\)](https://tbhpartnership.org.uk/greenspace-on-your-doorstep). We promote these through wardening, social media and the Heathland Hounds website. [Heathland Hounds - Thames Basin Heaths \(tbhpartnership.org.uk\)](https://tbhpartnership.org.uk/heathland-hounds)
- 8.6. We are very nearly ready to go to press with our updated 'Greenspace on your doorstep' leaflet. The current leaflet has 64 SANGs in it and this new one will have 82.
- 8.7. We expect to secure the new method for collecting the Annex 1 Breeding Bird data soon and will provide an update when possible.
- 8.8. The SPA visitor survey will be conducted throughout the summer, and we hope to share the results with you in our next report.
- 8.9. We will be continuing to build on our excellent range of educational activities.

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<b>Committee/Panel:</b>	Thames Basin Heaths Joint Strategic Partnership Board
<b>Date:</b>	5 July 2023
<b>Title:</b>	Thames Basin Heaths Financial Statement
<b>Report From:</b>	Administrative Body

**Contact name:** Jenny Wadham, Senior Finance Business Partner, 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 2023 and the projected financial position for the three years to 31<sup>st</sup> March 2026.

### **Recommendations**

3. That the financial position for the year ended 31<sup>st</sup> March 2023, 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 2026 is noted.
6. That the balance held within the Endowment Fund at 31<sup>st</sup> March 2023 of £18.848m, held as £13.537m in investments and £5.311m cash is noted.

### **Executive Summary**

7. The final outturn for the year ended 31<sup>st</sup> March 2023 is net income after project expenditure of £3.249m, which has been added to the Endowment Fund balance.
8. Dividend and interest income for the 2022/23 financial year was sufficient to fully fund 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 in perpetuity. However, this is on the assumption that income continues to increase to cover the impact of inflation on expenditure and that expenditure is carefully managed.
9. As at 31<sup>st</sup> March 2023 the balance held in the Endowment Fund was £18.848m, of which £13.537m was held in investments and £5.311m was held as a cash balance by the Administrative Body. Of the £5.311m held as cash, £4m has already been approved for investment by the Board. A further £1.5m was held as a cash balance in the Maintenance Fund to pay for project expenditure.
10. It is projected that £2.896m will be added to the Endowment Fund in the 2023/24 financial year from tariff and dividend income, which (before taking into account the £4m pending investment) will give an anticipated total of £8.207m 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 £26.957m by 31<sup>st</sup> March 2026, of which £13.42m 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 2023**

13. The financial position at 31<sup>st</sup> March 2023 is summarised in the table in Appendix 1, and shows total net income after project expenditure of £3.249m was received for the 2022/23 financial year.
14. Total income received by the Administrative Body for the year was £3.820m, consisting of £3.069m tariff income collected by the Local Planning Authorities (LPAs), £562,075 dividend income and £188,868 interest on cash balances held. Actual tariff income for

the year was £402,515 higher than the projection reported to the JSPB in the November 2022 meeting.

15. Costs of £570,124 were incurred in the 2022/23 financial year, a £5,644 decrease on the projected position due to various small fluctuations.

### **Projected Financial Position for the 2023/24 to 2025/26 Financial Years**

16. A summary of the projected financial position for the three years to 31<sup>st</sup> March 2026 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. With interest rates at a 15-year high, interest has been assumed at the current rate of 4.5% for 2023/24, but a prudent on-going rate of 2%. Dividends have been projected at an annual rate of 5% of investment market values for 2023/24 and a more conservative 4% for future years.
18. Across these three years, further total net income is projected of £8.109m, consisting of £7.289m tariff income, £1.760m dividend income and £0.904m interest, offset by £1.844m 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 £23.955m in tariff income has been received. Based on information provided by each of the partners, it is projected that £2.4m tariff income will be received in the 2023/24 financial year, with further projected tariff income of £2.5m in 2024/25 and £2.3m 2025/26 financial years, taking the projected total tariff income to March 2026 to £31.284m.
21. Current projections for future years would potentially increase the total tariff income receivable by a further £4.158m to £35.442m 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 £2.122m has been received in dividend income and interest on the cash balances, with £1.066m dividend income and interest projected for the 2023/24 financial year, reducing to a projected annual total of £0.823m by the 2025/26 financial year, reflecting the anticipated reduction in interest rates from the current high levels.
23. Significantly the dividend income and interest in the 2022/23 financial year was sufficient to fund 132% of expenditure for the year, and it is projected that dividend income and interest will continue to be sufficient to fully fund expenditure. These projections assume a 5% return for 2023/24 and 4% return thereafter.
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 £598,354 for 2023/24, rising to £628,956 by 2025/26, 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. At 31<sup>st</sup> March 2023, £1.5m was held in the Maintenance Fund and a total of £18.848m was held in the Endowment Fund - £13.537m in investments and £5.311m 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 £15m have been made. A further amount for investment of up to £4m depending on the final outturn for the 2022/23 financial year was previously approved by the Board at the November 2022 meeting. Based on the final outturn, an additional £4m will be invested.
30. The value of the investments held increased by £0.805m (10%) between 31 March 2022 and 31 March 2023, although there is still a cumulative loss to 31 March 2023 of £1.463m. 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 £2.896m from tariff income, dividend income and bank interest will be added to the Endowment Fund in the 2023/24 financial year, which before factoring in the pending £4m investment would give a total of £8.207m 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 £13.42m by March 2026. 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. 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 4.5% since 11<sup>th</sup> of May 2023. For the 2022/23 financial year the average rate of interest received was 2.29%.

## Conclusions

34. At £3.249m the net income received by the Administrative Body on behalf of the JSPB for the year ended 31 March 2023 was £0.763m more than the £2.486m projected position presented at the previous JSPB meeting on 16<sup>th</sup> November 2022, partly due to increased tariff income and partly due to higher interest rates. As has been reported previously, the precise timings of tariff income receipts are difficult to predict and therefore the change in the year does not warrant concern.
35. The overall tariff income receivable is projected to 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. However, this is on the assumption that income will continue to rise to cover inflation on expenditure, and expenditure will continue to be carefully managed.

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 increased in value over the year but have not yet recovered the losses accumulated from prior years. However, this should be viewed in the context of the JSPB's agreed long term investment approach with the focus on annual income rather than capital growth.
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 2023

Income	Cumulative to 2020/21 £	2021/22 £	2022/23 £	Total £
Bracknell Forest BC	3,238,525	246,427	384,612	3,869,564
Elmbridge BC	620,878	31,103	43,916	695,897
Guildford BC	2,296,177	292,185	457,996	3,046,358
Hart BC	2,869,340	427,834	340,746	3,637,920
Runnymede BC	646,192	168,103	(21,541)	792,754
Rushmoor BC	1,760,178	136,771	277,913	2,174,862
Surrey Heath BC	1,566,134	280,752	142,012	1,988,898
Waverley BC	609,499	104,923	52,649	767,071
Windsor & Maidenhead RB	166,568	238,098	18,177	422,843
Woking BC	1,718,232	86,701	154,108	1,959,041
Wokingham BC	3,304,860	117,047	1,218,051	4,639,958
<b>Total Tariff Income</b>	<b>18,796,583</b>	<b>2,129,944</b>	<b>3,068,639</b>	<b>23,995,166</b>
Interest	168,263	12,767	188,868	369,898
Dividend Income	729,982	459,626	562,075	1,751,683
<b>Investment Income</b>	<b>898,245</b>	<b>472,393</b>	<b>750,943</b>	<b>2,121,581</b>
<b>Total Income</b>	<b>19,694,828</b>	<b>2,602,337</b>	<b>3,819,582</b>	<b>26,116,747</b>
<b>Expenditure</b>				
Project costs Natural England	2,893,290	463,600	525,238	3,882,128
Administration fee Natural England	114,343	12,383	12,383	139,109
Financial Administration HCC	195,902	21,015	21,015	237,932
Investment advice	23,564	11,253	11,488	46,305
<b>Total Expenditure</b>	<b>3,227,099</b>	<b>508,251</b>	<b>570,124</b>	<b>4,305,474</b>
<b>Net Income/(Expenditure)</b>	<b>16,467,729</b>	<b>2,094,086</b>	<b>3,249,458</b>	<b>21,811,273</b>

## Appendix 2 – Projected Income and Expenditure 2023/24 to 2025/26

	Previous years	Projected 2023/24	Projected 2024/25	Projected 2025/26
Income	£	£	£	£
Bracknell Forest BC	3,869,563	250,000	250,000	250,000
Elmbridge BC	695,897	86,000	86,000	86,000
Guildford BC	3,046,358	500,000	-	-
Hart BC	3,637,921	251,511	301,978	289,568
Runnymede BC	792,754	364,181	801,065	818,448
Rushmoor BC	2,174,862	451,454	643,259	396,039
Surrey Heath BC	1,988,898	120,000	120,000	120,000
Waverley BC	767,072	19,910	2,230	649
Windsor & Maidenhead RB	422,843	56,595	19,320	19,320
Woking BC	1,959,041	248,492	248,492	248,492
Wokingham BC	4,639,959	80,005	80,005	80,005
<b>Total Tariff Income</b>	<b>23,995,167</b>	<b>2,428,148</b>	<b>2,552,349</b>	<b>2,308,521</b>
Interest on cash balances	369,897	389,000	233,000	282,000
Dividend Income	1,751,683	676,840	541,472	541,472
<b>Investment Income</b>	<b>2,121,580</b>	<b>1,065,840</b>	<b>774,472</b>	<b>823,472</b>
<b>Total Income</b>	<b>26,116,747</b>	<b>3,493,988</b>	<b>3,326,821</b>	<b>3,131,993</b>
<b>Total Expenditure</b>	<b>4,305,473</b>	<b>598,354</b>	<b>616,624</b>	<b>628,956</b>
<b>Net Income/(Expenditure)</b>	<b>21,811,274</b>	<b>2,895,634</b>	<b>2,710,197</b>	<b>2,503,037</b>



### Appendix 3 – Projected Endowment Fund Balance

	2022/23 Actuals £	2023/24 Projected £	2024/25 Projected £	2025/26 Projected £
Income	3,257,506	2,817,148	2,785,349	2,590,521
70% to Endowment Fund	2,280,633	1,972,004	1,949,744	1,813,365
30% to Maintenance Fund	976,873	845,144	835,605	777,156
Expenditure	570,124	598,354	616,624	628,956
<b>Maintenance Fund:</b>				
Balance brought forward	1,500,000	1,500,000	1,500,000	1,500,000
Transfer (from)/to income	406,749	246,790	218,981	148,200
Transfer (to)/from endowment fund	(406,749)	(246,790)	(218,981)	(148,200)
<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	6,861,817	5,311,274	8,208,193	10,918,876
Transfer (from)/to income	2,280,633	1,972,004	1,949,744	1,813,365
Investment	(4,800,000)	0	0	0
Transfer (to)/from maintenance fund	406,749	246,790	218,981	148,200
<b>Balance carried forward</b>	<b>4,749,199</b>	<b>7,530,068</b>	<b>10,375,634</b>	<b>12,878,670</b>
Dividend income to be reinvested *	562,075	676,840	541,472	541,472
<b>Total balance carried forward</b>	<b>5,311,274</b>	<b>8,206,908</b>	<b>10,917,106</b>	<b>13,420,142</b>
<i>Held in investments</i>				
Balance brought forward	7,931,600	13,536,805	13,536,805	13,536,805
Investment made	4,800,000	0	0	0
Profit/(Loss) on investments **	805,205	0	0	0
<b>Balance carried forward</b>	<b>13,536,805</b>	<b>13,536,805</b>	<b>13,536,805</b>	<b>13,536,805</b>
<b>TOTAL ENDOWMENT FUND</b>	<b>18,848,079</b>	<b>21,743,713</b>	<b>24,453,911</b>	<b>26,956,947</b>

\* The investment income to be reinvested has been estimated at 5% for 2023/24 and 4% thereafter.

\*\* Based on market value at 31<sup>st</sup> March 2023 and excluding any exit costs

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**THAMES BASIN HEATHS**

**Decision Report**

<b>Decision Maker:</b>	Thames Basin Heaths Joint Strategic Partnership Board
<b>Date:</b>	5 July 2023
<b>Title:</b>	Update on behalf of the Investment Working Group
<b>Report From:</b>	Administrative Body

**Contact name:** Jenny Wadham, Senior Finance Business Partner, Hampshire County Council

**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 at least two new members be appointed to the Investment Working Group (IWG) to replace departed members.
3. That the existing Investment Strategy as presented by the IWG in Appendix 1 be noted.
4. That the existing 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 pending investment as set out in Table 2 be noted by the JSPB.
7. That the amounts available for investment as set out in Table 3 and the projected cashflow scenarios set out in Appendix 3 be noted.
8. That the JSPB notes the requirements and practical implications and limitations specifically outlined in paragraphs 40-47, 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

9. 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.
10. Membership of the IWG is reviewed biannually, with the next review due in November 2024. However, the current membership consists of only one Board member, plus representation from Arlingclose, and therefore it is recommended that the JSPB appoint at least two new members to the group.
11. The current Investment Strategy is presented in Appendix 1, and the current Responsible Investing policy is presented in Appendix 2. Given the changes in membership of the IWG over the period, there are no changes proposed to either document by the IWG.
12. Arlingclose were appointed as independent financial advisors to the Board from 1<sup>st</sup> December 2018, on an annual rolling contract basis, at a cost of £10,000 plus VAT per annum subject to an annual RPI inflationary uplift. Should the JSPB wish to terminate the contract, notice must be given to Arlingclose by 1<sup>st</sup> September for the year ahead.
13. A total of £15.0m has been invested to date. A further investment of £4.0m is pending, which was approved by the JSPB on 16<sup>th</sup> November 2022 subject to the year-end position and cash balance in the Endowment Fund at 31<sup>st</sup> March 2023.
14. As of 31<sup>st</sup> March 2023, there is a total of £5.311m held as a cash balance in the Endowment Fund and therefore available to be invested. It is anticipated that this amount will increase to £8.207m by 31<sup>st</sup> March 2024, based on tariff income projections provided by the Local Planning Authority (LPA) partners.
15. Any investment decisions made by the JSPB are solely at its own risk, and the Administrative Body has made it clear it 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.
16. 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**

17. 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.
18. 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 2024.
19. The Investment Working Group currently consists of only one Board Member as follows:
  - Councillor Jonathan Glen, Hampshire County Council
20. Therefore, it is recommended that the Board appoint at least a further two members to the group.

### **Investment Strategy Statement**

21. The current Investment Strategy of the JSPB is shown in Appendix 1.
22. 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 is unlikely to be sufficient to meet the target return.
23. The Investment Strategy also includes a Responsible Investment Policy, which is included as Appendix 2 to this report.

24. At the last JSPB meeting it was requested that the IWG review the Responsible Investment Policy. However, since that meeting two members of the IWG have left the group and given the change in membership the review has not taken place. There are therefore no changes to either of these documents proposed by the IWG.

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

25. 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.
26. 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 2022/23 financial year was £11,488.
27. 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**

28. To date, a total of £15.0m has been invested in funds recommended by Arlingclose as shown in Table 1 below:

<b>Table 1a – Investments made by date agreed and date invested</b>			
<b>Date agreed by JSPB</b>	<b>Fund</b>	<b>£m</b>	<b>Date investment made</b>
06/12/2018	Aegon (was Kames) Diversified Monthly Income Fund	2.0	20/12/2018
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	Aegon (was Kames) Diversified Monthly Income Fund	1.0	27/01/2021
19/11/2020	Ninety One (previously Investec) Diversified Income	3.2	27/01/2021
18/11/2021	Aegon Diversified Monthly Income Fund	0.5	08/08/2022

18/11/2021	M&G Global Dividend Fund	1.0	08/08/2022
16/11/2022	Aegon (was Kames) Diversified Monthly Income Fund	1.5	08/02/2023
16/11/2022	Ninety One (previously Investec) Diversified Income	1.8	08/02/2023
	<b>Total Investments</b>	<b>15.0</b>	

<b>Table 1b – Investments made by Fund</b>	<b>£m</b>
Aegon (was Kames) Diversified Monthly Income Fund	5.0
CCLA Property Fund	2.0
Schroder Income Maximiser Fund	2.0
Ninety One (previously Investec) Diversified Income	5.0
M&G Global Dividend Fund	1.0
<b>Total Investments</b>	<b>15.0</b>

29. At the previous JSPB meeting, the following was agreed:

- To rescind the previous instruction to invest £3.2m in the CCLA Diversified Income Fund and return these funds to the cash balance available for investment as recommended by Arlingclose.
- To put on hold the previous pending investment of £1.0m in the Fidelity Global Enhanced Income Fund previously approved by the Board on 18<sup>th</sup> November 2021.
- To invest the remaining balance available within the Endowment Fund as at 31<sup>st</sup> March 2023 in the Fidelity Global Enhanced Income Fund, subject to a minimum investment of £500,000 and a maximum investment of £4.0m, to encompass (and not be in addition to) the £1.0m approved investment in this fund put on hold above.
- Two further investments were also approved (£1.5m in Aegon Diversified Monthly Income Fund and £1.8m in Ninety One Diversified Income Fund) and these have now been made as detailed in Table 1.

<b>Table 2 – Investments pending</b>			
<b>Date agreed by JSPB</b>	<b>Fund</b>	<b>£m</b>	<b>Date investment made</b>
16/11/2022	Fidelity Global Enhanced Income Fund*	4.0	pending
	<b>Total Investments</b>	<b>4.0</b>	
*The JSPB approved a minimum of £0.5m and a maximum of £4.0m subject to the final balance in the Endowment Fund as at 31 <sup>st</sup> March 2023.			

30. The cash balance in the Endowment Fund available to invest as at 31<sup>st</sup> March 2023, before taking into account the pending investment, was £5.311m.
31. 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.
32. The current performance of those investments is considered separately on the agenda, in the presentation by Arlingclose.

### Updated Cash Flow Forecast

33. The current projected tariff income and Fund balances for the financial years to 31<sup>st</sup> March 2026 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.
34. 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.
35. Although inflation is currently running at much higher levels, the modelling continues to use scenarios at 2% and 3% inflation being a long term expected average.

<b>Table 3</b>	<b>2022/23 Actuals £'000</b>	<b>2023/24 Projected £'000</b>	<b>2024/25 Projected £'000</b>	<b>2025/26 Projected £'000</b>
Total tariff income	3,069	2,428	2,552	2,309
Interest*	189	389	233	282
Dividend income**	562	677	541	541
<b>End of year balances held as cash funds by the Administrative Body</b>				
Maintenance Fund	1,500	1,500	1,500	1,500
Endowment Fund	5,311	8,207	10,917	13,420

\*Assumes interest rate of 4.5% (current base rate) for 2023/24 and 2% in 2024/25 and 2025/26

\*\*Assumes dividend interest at 5% for 2023/24 and 4% in 2024/25 and 2025/26



36. 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.
37. The scenarios modelled in Appendix 3 show a range of the funds being fully depleted by 2065/66, 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>	2074/75	N/A	N/A
	<b>3%</b>	2065/66	2073/74	N/A

### **Investment Decisions**

38. 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.
39. 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.
40. 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.
41. 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 2025 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.

42. 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.
43. 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.
44. 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.
45. 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.
46. If these requirements are not met, Hampshire County Council will not make the investments on behalf of the JSPB.
47. 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**

48. 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.
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### Appendix 3 – Projected cash flows

In the following scenarios, inflation has been set at 2% or 3% per annum, interest on cash balances at 2% per annum, and capital growth on the investments as 0% with varying rates of dividend returns per annum on the investments.

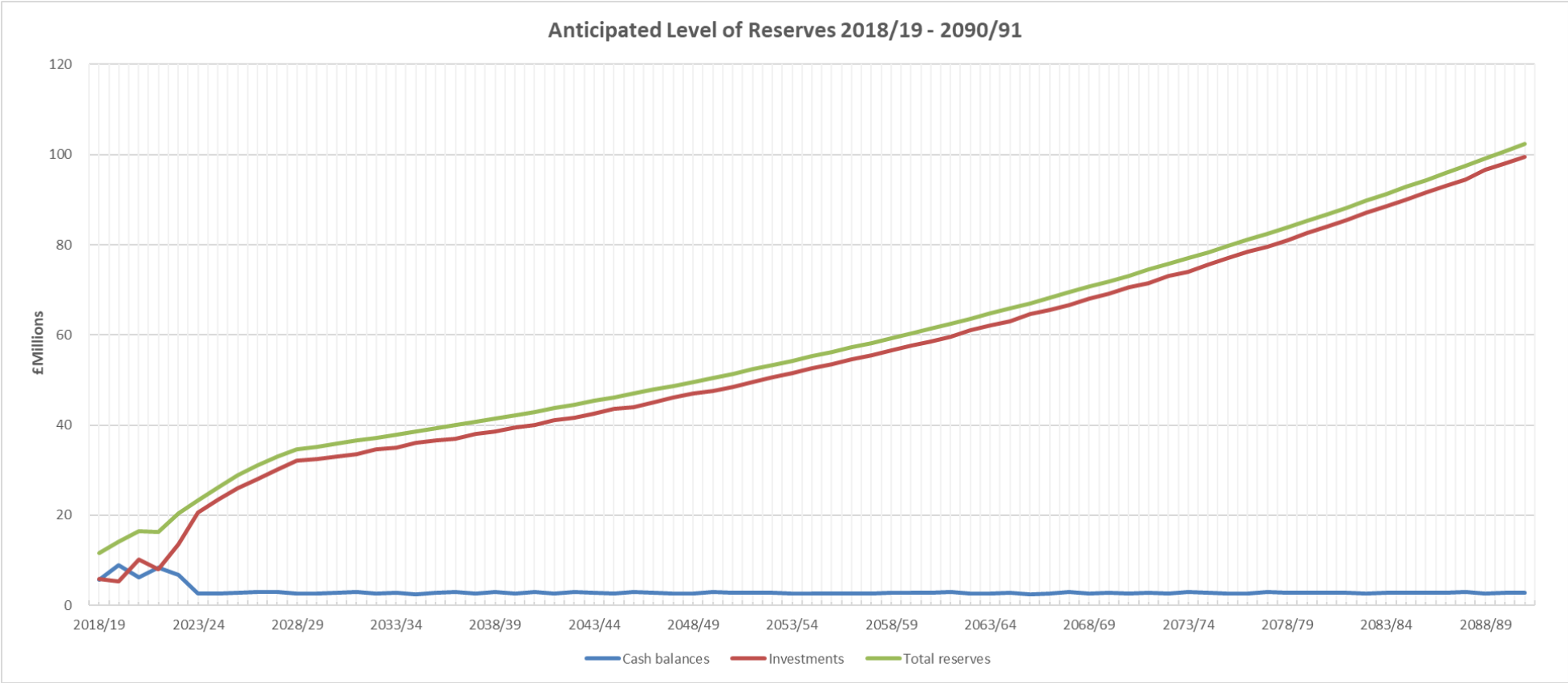
It is assumed that for as long as possible a £1.5m cash balance will be kept in the Maintenance Fund and £1m in the Endowment Fund, with any balance over those amounts being invested.

Projected tariff income has been included as per LPA partner predictions. Expenditure has been included using the 2023/24 forecast, with inflation added for future years.

Year in which money runs out		Rate of investment return		
		2%	3%	4%
Rate of inflation	2%	2074/75	N/A	N/A
	3%	2065/66	2073/74	N/A

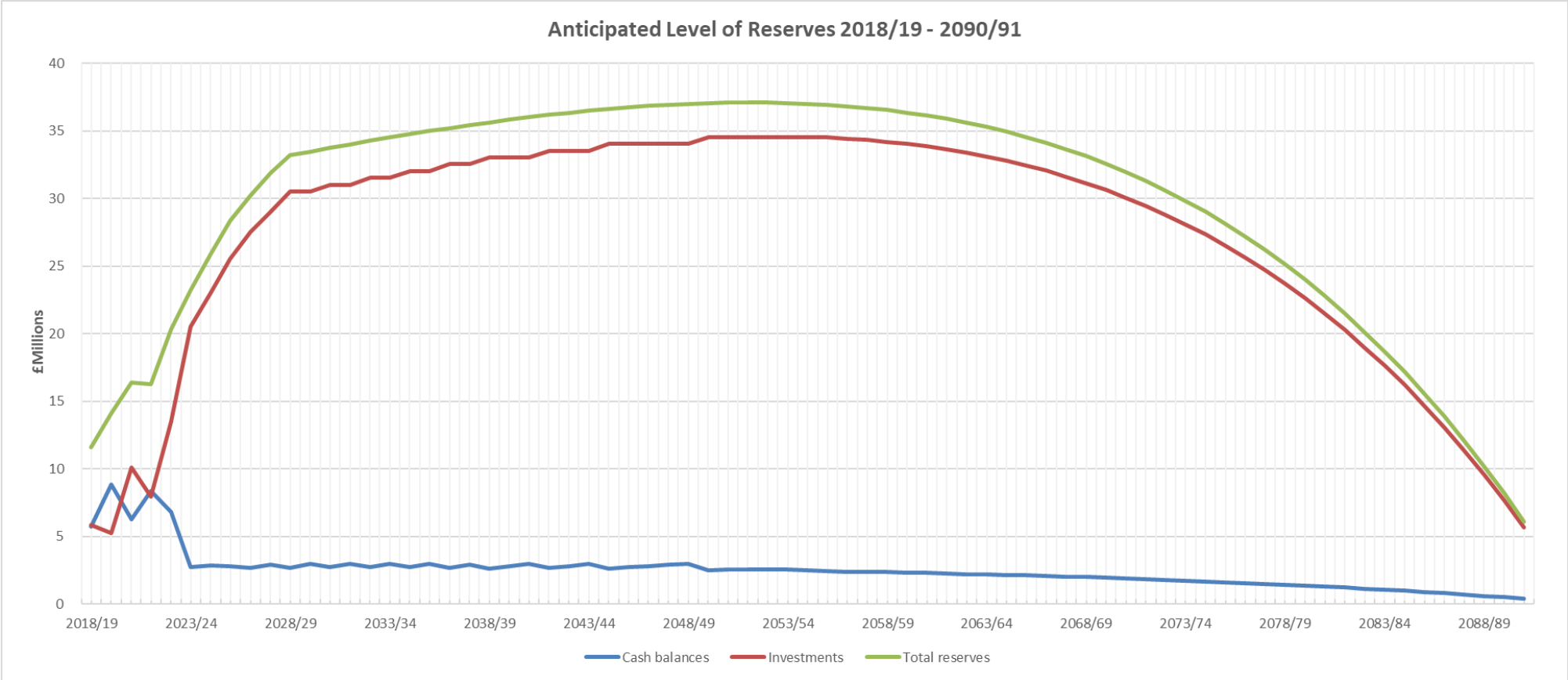
**Appendix 3a – Projected cash flow using 4% dividend return, 2% inflation**

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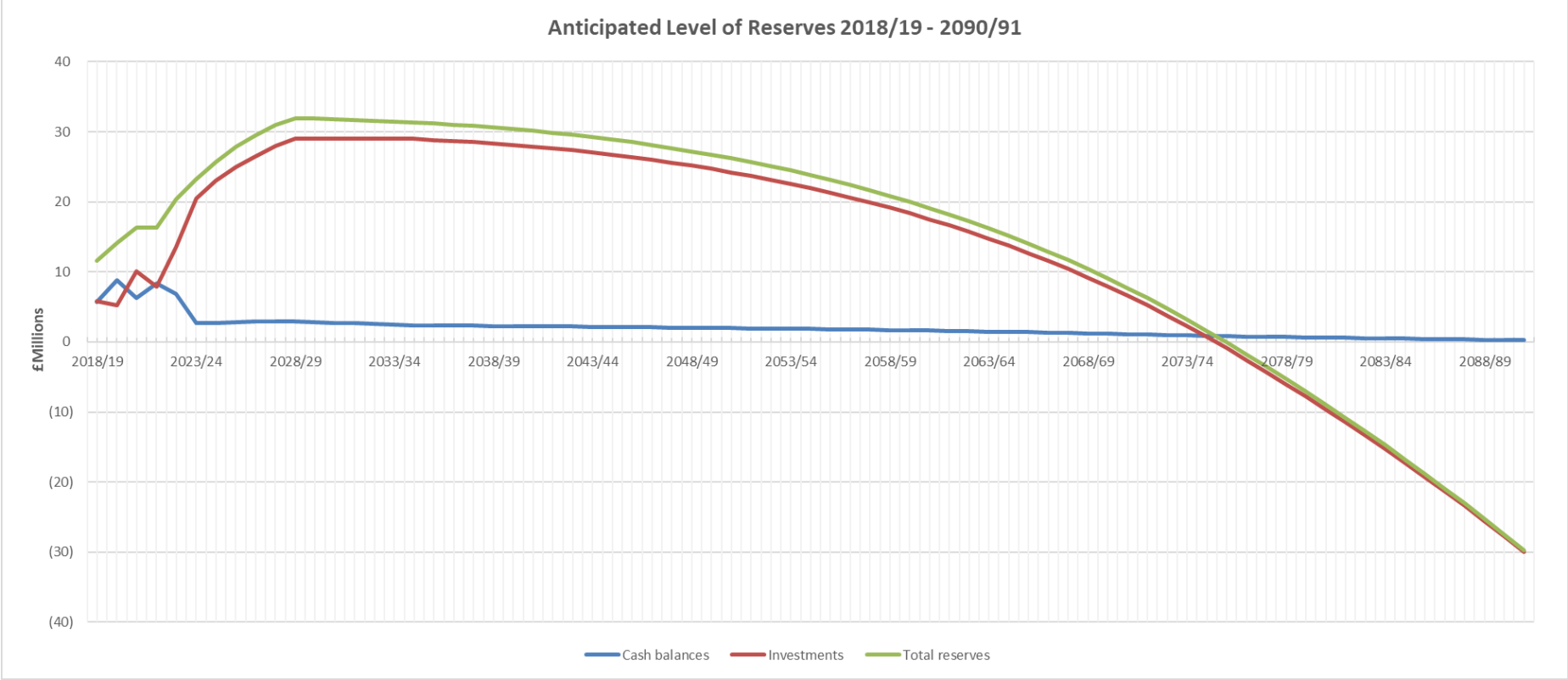
If inflation were at **3%** it would be necessary to withdraw investments to fund expenditure from 2083/84, but the fund would not run out before 2090/91.

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



If inflation were at **3%** the money would run out in **2073/74**.

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



Money runs out in **2075/76**. If inflation were at **3%** the money would run out in **2065/66**.