



13 February 2013

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To the Councillors of Spelthorne Borough Council

I hereby summon you to attend a meeting of the Council to be held in the **Council Chamber, Council Offices, Knowle Green, Staines-upon-Thames** on **Thursday 21 February 2013** commencing at **19.30** for the transaction of the following business.

Roberto Tambini
Chief Executive

Councillors are encouraged to wear their badge of past office at the Council meeting.

AGENDA

Description	Page Number
1. Apologies for absence	
To receive any apologies for non-attendance.	
2. Minutes	
To confirm as a correct record the minutes of the Council meeting held on 13 December 2012 and the extraordinary meeting held on 24 January 2013.	1 - 8
3. Disclosures of Interest	
To receive any disclosures of interest from members in accordance with the Council's Code of Conduct for members.	
4. Announcements from the Mayor	
To receive any announcements from the Mayor.	
5. Announcements from the Leader	
To receive any announcements from the Leader.	
6. Announcements from the Chief Executive	
To receive any announcements from the Chief Executive.	
7. Questions from members of the public	
The Leader or his nominee to answer questions raised by members of the public in accordance with Standing Order 13.	
8. Recommendations of the Cabinet	
(a). To consider the recommendations of the Cabinet meeting of 29 January 2013 on:	9 - 13
(1). Outline Budget 2013-14 to 2017-18 and Draft Detailed Revenue Budget for 2013-14 - Key Decision	
(2). Treasury Management Strategy Statement and Annual Investment Strategy 2013-14 - Key Decision	
(3). Calendar of Meetings for June 2013 to May 2014	
(b). To consider the recommendations of the Cabinet meeting of 12 February 2013 on:	
(1). Detailed Revenue Budget 2013-14 - Key Decision (A Budget Book, green cover, is circulated separately with this agenda and will reflect the recommendations made by Cabinet on 12 February 2013).	
(2). Draft Capital Programme 2013-14 to 2016-17 - Key Decision	
(3). Pay Policy Statement 2013-14	

9. Nomination for the appointment of an Honorary Freeman of the Borough

The Council is asked to resolve as follows:

(a). To nominate Mr. Colin Squire, Chairman of Squires Garden Centres, for appointment as an Honorary Freeman of the Borough.

Proposed by the Mayor, Councillor Robin Sider.
Seconded by the Leader of the Council, Councillor Robert Watts.
Endorsed by Councillor Chris Frazer.

(b). That a Special Meeting of the Council be held at 19.30 on Thursday 18 April 2013 for the formal appointment of Mr. Colin Squire, Chairman of Squires Garden Centres, as an Honorary Freeman of the Borough pursuant to the powers vested in the Borough Council by virtue of Section 249 of the Local Government Act 1972.

10. Report from the Leader of the Council

To receive the report from the Leader of the Council on the work of the Cabinet at its meetings on 18 December 2012, 29 January 2013 and 12 February 2013. 14 - 15

11. Report from the Chairman of the Licensing Committee

To receive the report from the Chairman of the Licensing Committee on the work of her Committee. 16

12. Report from the Chairman of the Overview and Scrutiny Committee

To receive the report from the Chairman of the Overview and Scrutiny Committee on the work of her Committee. 17 - 18

13. Report from the Chairman of the Planning Committee

To receive the report from the Chairman of the Planning Committee on the work of his Committee. 19

14. Motions

There are no Motions.

15. Questions on Ward Issues

The Leader or his nominee to answer questions from members on issues in their ward, in accordance with Standing Order 14.

16. General questions

The Leader or his nominee to answer questions from members on matters affecting the Borough in accordance with Standing Order 14.

17. Urgent Business

To consider any urgent business.

Minutes of the Council Meeting of Spelthorne Borough Council held in the Council Chamber, Council Offices, Knowle Green, Staines-upon-Thames Thursday 13 December 2012 at 7.30pm

Present:

Ayers F. (Leader)	Friday A. E	Pinkerton J.M. (Deputy Leader)
Ayub A.	Gething N. St. J.	Rough M.W.
Bannister C.A.	Gohil D.	Sider R.W. (The Mayor)
Broom P.A.	Grant D.L.	Smith-Ainsley R.A.
Budd S.E.W	Harman A.C.	Spencer C. L.
Dunn R.D.	Leighton V. J.	Taylor S.D
Dunn S.A.	Madams M.J.	Watts R.
Evans T. J. M.	Mitchell A.J.	
Forsbrey G.E.	Napper I. (Deputy Mayor)	
Francis M.P.	Nichols C.E.	
Frazer C.M.		

Ms Sue Faulkner, the Vice Chairman of the Members' Code of Conduct Committee was also in attendance

R.W. Sider, the Mayor, in the Chair

Apologies: Councillors M. Bushnell, C. A. Davis, P. C. Forbes-Forsyth, D. Patel, A. C. Patterson, J. Sexton, C. V. Strong, S. Webb, and Mr Murray Litvak, Chairman of the Members' Code of Conduct Committee.

Prior to the commencement of the formal meeting, the Mayor introduced Hollie Steel, aged 14 from Shepperton, who sang 'Ave Maria' and 'O Holy Night' unaccompanied and received a standing ovation from the councillors.

337/12 Minutes

The minutes of the Council meeting held on 25 October 2012 were approved as a correct record.

338/12 Disclosures of Interest

There were none.

339/12 Announcements from the Mayor

(1) Spelthorne Museum – Accredited Status

The Mayor extended a warm welcome to his guests, Mrs. Julia Gibbs, Chair of Spelthorne Museum, and Mrs. Rowena Ferneley, the curatorial advisor to the Museum.

The Museum has been awarded accredited status in the first round of the updated Arts Council Museum Accreditation Scheme. Spelthorne Museum is one of the first in the country to receive this award, and the achievement is even more remarkable because, unlike many of the 1800 museums taking part, it is run entirely by volunteers with the support of the Council.

Council 13 December 2012 - continued

The Mayor also announced that Spelthorne sportspeople won three out of the 12 Surrey Sports Awards – a fantastic result given the number of entries from across the county.

Seamus O’Connell from Staines Hockey Club was named Coach of the Year.

Conor Sawenko – a world champion acrobatic gymnast – was named Young Sports Personality of the Year; and

Chris Evans who had given 47 years of dedication to organising and developing Ashford Cricket Club had earned the accolade of Outstanding Service to Sport.

(2) Mayoral Events

The Mayor invited members to join him at the following upcoming events in support of his Mayoral charities:

19 January 2013 – Race Night at St Peter’s Church Hall, Staines-upon-Thames

22 February 2013 – Spelthorne Young Voices Concert at Halliford School

9 March 2013 – Mayor’s Charity Ball at Runnymede Hotel, Egham

16 March 2013 – Weybridge Male Voice Choir at St Peter’s Church Hall, Staines-upon-Thames

23 April 2013 – Mayoress’ Ladies Charity Lunch at Ashford Manor Golf Club

Tickets for all these events are available from the Mayor’s secretary.

340/12 Announcements from the Leader

The Leader made three announcements as follows:

(1) Review of the Parliamentary Constituency Boundary

The first concerned a review of the parliamentary Constituency boundary and a proposal from the Boundary Commission that Poyle and Colnbrook should be added to the Spelthorne Constituency. The Leader said that he was satisfied that this was probably the best available solution and that the MP, Kwasi Kwarteng, was also happy with the proposal.

(2) Brooklands College

The second announcement was to the effect that the Council is supporting Brooklands College with its ‘expression of interest’ in having a University Technical College on the Ashford site. This is in line with the Council’s long-standing support for further education in Ashford.

However, the Brooklands College application has not yet been successful, and there is still work to be done to win the support of the local secondary schools.

(3) DCLG Grant

The final announcement was that our Streetscene department had been successful in accessing funds from the Department for Communities and Local Government's £250 million Weekly Collection Support Scheme. Spelthorne Borough Council has been awarded £493,000 of funding over 2 ½ years to deal with rubbish & recycling related issues. The grant will be used to enhance service delivery to 2000 of the Council's properties that do not currently have access to onsite recycling services. We were the only authority in Surrey to have achieved this success and one of only 89 successful applicants across the entire country.

The Council congratulated all of the officers who contributed to the successful bid which will help us to offer better and improved services to a large number of residents and improve our recycling rates.

341/12 Announcements from the Chief Executive

There were none.

342/12 Questions from Members of the Public

The Mayor reported that under Standing Order 13, one question had been received from Mr A. McLuskey.

Question from Mr A. McLuskey:

"Bearing in mind the recent attempt by the controlling group to ambush the people of Stanwell with a fraudulent 'consultation' regarding CCTV cameras, will the Leader guarantee that the location, timing and agenda of ALL future Council-sponsored meetings in the area are agreed on a cross-party and cross-community basis and are properly advertised in advance?"

Response by the Leader, Councillor F. Ayers:

Thank you Mr McLuskey for your question

"I am disappointed that you feel it necessary to ask a question to which you've already received an answer.

To repeat the answer to that question does seem to be a waste of my time, your time and particularly the Council's time.

On Monday 12 November 2012 we assured you that the meeting you referred to was not organised by the Council but was organised by the Stanwell Working Group. Therefore the basis of your question is flawed.

I have always stated that there will be a full consultation on the CCTV proposals for Stanwell and to this end we have arranged two meetings on 15 January - one at the Stanwell Health and Community Centre (in the café) from 12-2pm and again later on the same day at Stanwell Village Hall, 13 High Street, Stanwell between 7-9pm. These will take the form of drop-in sessions, so that residents can see the ideas for where cameras might be placed; ask questions of the community safety staff and Police, and have their views recorded.

Council 13 December 2012 - continued

Information is being sent early next week to several thousand Stanwell addresses - providing details of proposed locations, the aforementioned meetings, and details of how to register your views – in person, by email and post.

In addition, a separate public meeting on matters of community interest will be held on Monday 7 January, at Stanwell Congregational Church Hall, between 6.30 and 9pm.

It is hosted by Spelthorne Council, with representatives from the Surrey Police Neighbourhood Team, A2Dominion Housing and Heathrow Airport.

This event offers residents the opportunity to hear updates and give their views on various issues such as housing in Stanwell, leisure and recreation, airport issues and community safety.

The CCTV drop-ins will also be publicised at this meeting. Everyone is welcome.

Both meetings will be publicised throughout the area in a variety of ways so as to encourage greatest possible local participation.”

343/12 Adoption of the Statement of Gambling Policy 2013-16

The Council considered the recommendation of the Cabinet on a revised Statement of Gambling Policy 2013-16 following a recent consultation process, as required under the 2005 Gambling Act.

RESOLVED that the revised Statement of Gambling Policy 2013-16 be adopted.

344/12 Priorities for the Corporate Plan 2012-15

The Council considered the recommendation of the Cabinet on the proposed, new priorities for the Corporate Plan 2012-15.

RESOLVED that the revised Corporate Plan for 2012-15, as circulated to all councillors, be adopted.

345/12 Report from the Leader

The Leader of the Council, Councillor F. Ayers, presented the report of the Cabinet meeting held on 20 November 2012 which outlined the various matters the Cabinet had decided since the last Council meeting.

346/12 Report from the Chairman of the Audit Committee

The Chairman of the Audit Committee, Councillor D. Gohil, presented his report, which outlined the matters the Committee had decided since the last Council meeting.

Council 13 December 2012 - continued

347/12 Report from the Chairman of the Overview and Scrutiny Committee

The Chairman of the Overview and Scrutiny Committee, Councillor Philippa Broom, presented her report which outlined the matters the Committee had decided since the last Council meeting.

348/12 Report from the Chairman of the Planning Committee

The Chairman of the Planning Committee, Councillor R. A. Smith-Ainsley, presented his report which outlined the matters the Committee had decided since the last Council meeting.

349/12 Questions on Ward Issues

There were none.

350/12 General Questions

There were none.

351/12 Appointment of representative Trustees

The Council considered the appointment of Council representative trustees to serve on two outside bodies which were the Laleham Charities and the Ashford (Middlesex) Sick or Needy Charity.

(a) Staines Parochial Charity

RESOLVED that Mr Alex Forrester and Mrs Alice Deere be re-appointed to serve as Council representative Trustees on the Staines Parochial Charities for a term of four years each from 1 January 2013.

(b) Laleham Charities – Mary Hodgson and Mary Reeve

RESOLVED that Mr Stephen Bishop and Mr Barry Morgan be re-appointed to serve as Council representative Trustees on the Laleham Charities – Mary Hodgson and Mary Reeve for a term of four years each from 13 December 2012.

352/12 Urgent Business

There was none.

Season's Greetings

The Mayor, Councillor Robin Sider, wished those present at the meeting a Merry Christmas and a Happy and peaceful New Year.

**Minutes of the Extraordinary Council Meeting of Spelthorne Borough
Council held in the Council Chamber, Council Offices, Knowle Green,
Staines-upon-Thames on Thursday 24 January 2013**

Present:

Councillors:

Beardsmore I.J.	Friday A.E.	Pinkerton Mrs J.M. (Deputy Leader)
Dale Mrs J.A.	Gething N.	Rough Mrs M.W.
Davis C.A.	Gohil D.	Sexton Miss J.
Dunn R.D.	Harman A.C.	Sider R.W. (Mayor)
Dunn Mrs S.A.	Leighton Mrs V.J.	Smith-Ainsley R.A.
Evans T.M.	Madams Mrs M.	Spoor B.
Forbes-Forsyth P.C.	Napper Mrs I. (Deputy Mayor)	Taylor S.D.
Francis M.P.	Patel Ms D.	Watts R.L.
Frazer C.M.		Webb Mrs S.

Councillor R.W. Sider, the Mayor, in the Chair

Apologies

Apologies for absence were received from Councillors F. Ayers, A. Ayub. Mrs C.A. Bannister, Philippa Broom, S.E.W. Budd, Mrs M. Bushnell, G.E. Forsbrey, Mrs D.L. Grant, A.J. Mitchell, Mrs C.E. Nichols, A.C. Patterson and C.V. Strong. Mr Murray Litvak, the Chairman and Miss Sue Faulkner, the Vice Chairman of the Members' Code of Conduct Committee also gave their apologies.

The Mayor in opening the meeting welcomed Councillor Bernie Spoor to his first Council meeting, following his election at the recent By-election.

24/13 Disclosures of Interest

No interests were disclosed.

25/13 Localisation of Council Tax Support – Key Decision

The Council considered the recommendation of the Cabinet on the options for the localisation of council tax support and technical reforms to council tax discounts and premiums.

RESOLVED to approve:

- (1) a Local Council Tax support scheme from 1 April 2013, as set out in paragraph 5.2 of the report of the Assistant Chief Executive submitted to the Extraordinary Cabinet meeting on 21 January 2013 and subject to:
 - (1) The application of the regulations issued for schemes under the Local Government Finance Act 2012; and
 - (2) That protection for vulnerable people be increased from 95% to 100%.

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(2) the Technical Reforms to Council Tax Discounts and Premiums (empty homes) as set out in paragraph 5.6 of the report of the Assistant Chief Executive submitted to the Extraordinary Cabinet meeting on 21 January 2013, subject to:

(1) The application of the regulations issued for schemes under the Local Government Finance Act 2012.

(3) the additional income from the Technical Reforms to Council Tax Discounts and Premiums be used to offset part of the loss of government funding in 2013/14 and reduce the level of savings required from the Local Council Tax Support Scheme, and as set out in paragraph 5.7 of the report of the Assistant Chief Executive submitted to the Extraordinary Cabinet meeting held on 21 January 2013.

26/13 Council Tax Base 2013-14

The Council considered the recommendation from the Cabinet on the proposed council tax base for 2013-14. In considering the matter the Council noted that as a result of the resolution on the Local Council Tax Support Scheme, the tax base falls from 40,667 band D equivalent dwellings to 36,514.25 band D equivalent dwellings for 2013-14.

Councillor Tim Evans responded to a question raised by Councillor Beardsmore on the reason for the reduction in the number of Band D dwellings in 2013-14 when compared to 2012-13. Councillor Evans confirmed that the actual number of dwellings was still in the region of 40,000 but for calculating purposes it was in the region of 35,000. Details were set out in the report but he could provide more details in a specific answer, if required.

RESOLVED that the Council approves the council tax base for 2013-14 as a band D equivalent figure of 36,514.25 dwellings.

27/13 Urgent Business – Election of the Leader of the Council

The Mayor, Councillor R.W. Sider reported that following the resignation on Monday 21 January 2013 of Councillor Frank Ayers as Council Leader, there was an urgent need to appoint a new Leader.

Members placed on record their thanks to Councillor Frank Ayers for the work he undertook as Leader of the Council.

It was moved by Councillor Nick Gething and seconded by Council Tim Evans and **RESOLVED** that Councillor Robert Watts be appointed Leader of the Council until the day of the Annual Council Meeting held following the borough elections in May 2015.

The Mayor on inviting Councillor Watts to approach the dais to receive the Leader's badge of office took the opportunity on behalf of the whole council to congratulate Councillor Watts on his election of Leader of the Council.

28/13 Urgent Business – Appointment to the Surrey Leader's Meetings

The Mayor explained that as a result of electing a new Leader of the Council there was now a need to appoint Councillor Robert Watts onto the Surrey

Council, 24 January 2013- continued

Leaders' ,meeting and other such appropriate meetings at which the Leader of the Council would represent the Council.

RESOLVED that Councillor Robert Watts, the Leader of the Council, be appointed to represent the Council at the Surrey Leaders' meeting and other such appropriate meetings.

Recommendations of the Cabinet from their meetings of 29 January 2013 and 12 February 2013

Cabinet meeting on 29 January 2013

1. Outline Budget 2013-14 to 2017-18 and Draft Detailed Revenue Budget for 2013-14 – Key Decision

- 1.1 Cabinet considered a report setting out the outline budget projections for 2013-14 to 2017-18 and a first draft of the detailed revenue budget for 2013-14.

The Cabinet recommends that Council agrees:

1. The net budgeted expenditure (before investment and use of reserves) for 2013/14 be set at a maximum level of £11.702m
2. That, in order to reach this level, the Management Team, the Leader and Cabinet identify a package of options by which the budget can be balanced both in 2013-14 and 2014-15 and over the following three years of the outline period.
3. For planning purposes of the Outline Budget, an annual increase of 1% has been assumed for pay increases to staff and councillors for 2013/14.
4. That an agreed total reserves target minimum level (as measured on 31 March each year) be set at a level of £11m for 31/3/14.
5. That the financial health indicators set out in paragraph 2.45 of the report of the Chief Finance Officer be agreed.

2. Treasury Management Strategy Statement and Annual Investment Strategy 2013-14 – Key Decision

- 2.1 Cabinet considered a report updating members on the current treasury position and setting the Annual Investment Strategy and Prudential Indicators for 2013-14.

The Cabinet recommends that Council:

1. Approves the proposed Treasury Management Strategy and Annual Investment Strategy for 2013/14 as set out in the report of the Chief Finance Officer.
2. Approves the Prudential Indicators for 2013/14 as set out in the report of the Chief Finance Officer.

3. Calendar of Meetings 2013-14

- 3.1 Cabinet considered a report on the calendar of meetings for the municipal year June 2013 to May 2014.

The Cabinet recommends that Council agrees the draft Calendar of Meetings for the period June 2013 to May 2014 as set out in Appendix 1A (attached) to the report of the Monitoring Officer.

Cabinet meeting on 12 February 2013

1. Detailed Revenue Budget 2013-14 – Key Decision

- 1.1 Cabinet considered a report on the Net Revenue Expenditure Budget for 2013-14 and the proposed Council Tax for 2013-14.
- 1.2 **The Cabinet recommends that Council:**
1. Approves the growth and savings items as set out in the report appendices.
 2. Approves the Council Tax Base for the whole council area as 2013-2014. [Item T in the formula in Section 31B(3) of the local Government Finance Act 1992, as amended (the “Act”)] and,
 3. Calculates that the Council Tax requirement for the Council’s own purpose for 2013-2014 is £175.56
 4. Approves a 1.94% increase in the Spelthorne Borough Council element of the council tax for 2013-14 the following proposals:
 - a) The Revenue Estimates as set out be approved
 - b) No money, as set out in this report, is appropriated from General Reserves in support of Spelthorne’s local Council Tax for 2013-14.
 - c) Taking account that the council tax base for the year 2013-14 is 36,514.25 calculated in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012, made under Section 35(5) of the Local Government Finance Act 1992 as amended by the Localism Act 2011, as approved by Council 24 January 2013.
 5. Calculates the following sums for the year 2013-14 in accordance with Section 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011.

(a)	65,214,296	Being the aggregate of the amount which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.
(b)	58,803,815	Being the aggregate of the amount which the Council estimates for the items set out in Section 31A (3) of the Act.
(c)	6,410,481	Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A (4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A (4) of the Act.
(d)	£175.56	Being the amount at 3(c)above (Item R), all divided by Item T (2 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).

(e)	£0	Being the aggregate amount of all special items (Parish precepts) referred to in Section 34 (1) of the Act (as per the Attached Appendix).
	£175.56	Being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (2 above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

Calculates the following amounts for the year 2013-2014 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by The Localism Act 2011

<u>VALUATION BAND</u>	A	B	C	D	E	F	G	H
Spelthorne	117.04	136.55	156.05	175.56	214.57	253.59	292.60	351.12

Being the amounts given by multiplying the amount at (e) above by the number which, in the proportion set out in section 5(1) of the act, is applicable to dwellings listed in a particular valuation band divided by the sum which in that proportion is applicable to dwellings listed in valuation band 'd', calculated by the council, in accordance with section 36(1) of the act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different band.

That it be noted that for the year 2013-14 Surrey County Council and Surrey Police and Crime Commissioner have stated the following amounts in precepts issued to Spelthorne Borough Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings shown below:

<u>VALUATION BAND</u>	A	B	C	D	E	F	G	H
1. Precepts issued to the Council								
i) Surrey County Council	781.68	911.96	1042.24	1,172.52	1433.08	1693.64	1954.20	2345.04
ii) Surrey Police	138.37	161.43	184.49	207.55	253.67	299.79	345.92	415.10

That, having calculated the aggregate in each case above the Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011, hereby sets the amounts set out in Appendix 6 as the amounts of Council Tax for the year 2013-14 for each of the categories of dwellings in Appendix 3.

The Council has determined that its relevant basic amount of Council Tax for 2013-14 is **not** excessive in accordance with the principles approved under Section 52ZB Local Government Finance Act 1992.

As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount of Council Tax for 2013-14 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

2. Draft Capital Programme 2013-14 to 2016-17 – Key Decision

2.1 Cabinet considered a report on the proposed Capital Programme for 2013-14 to 2016-17 in the light of the available resources and corporate priorities. The report covers progress on current scheme and includes future schemes for consideration.

It also provides information on the availability of resources to continue moving forward with the proposed schemes.

2.2 The Cabinet recommends that Council:

1. Approves the Capital Programme for 2013-14 to 2016-17
2. Approves the Prudential Indicators for 2013-14 to 2016-17

3. Pay Policy Statement 2013-14

3.1 Cabinet considered a report on the Pay Policy Statement for 2013-14.

3.2 **The Cabinet recommends that Council** approves the Pay Policy Statement 2013-2014.

Councillor Robert Watts
Leader of the Council

21 February 2013

Proposed Calendar of Meetings 12 June 2013 - May 2014

Meeting	2013 June	July	Aug	Sept	Oct	Nov	Dec	2014 Jan	Feb	Mar	Apr	May
Council		25			24		19		27		24	22 AGM
Cabinet	25	16		24		26	17	28	25	25	15	
Cabinet Briefing	10	1		9		11	2	13	10	10, 31		
Cabinet Budget Briefings		22			21			20				
O&S Committee		9		10		12		14		11		13
Audit	27			19			12			27		
Planning	5	3 & 31	28	25	23	20	18	15	12	12	9	7
Licensing	12	10		4	2	6	4	8	5	5	16	14
Members' CoC		2			8				4		8	
SCC Local	24 formal			30 formal		18 informal		13 formal	17 informal	17 formal		
Groups	17	8		16		19		20	18	18	7	12
Seminars	3	15		2	7	4	9		3	3		
Bank Holidays Council Offices closed			26					25 Dec to 1 Jan			18 & 21	5 & 26

Report from the Leader of the Council on the work of the Cabinet

This is my report as the Leader of the Council on the work of the Cabinet. It is an overview of the main issues the Cabinet discussed at its meetings on 18 December 2012, 29 January 2013 and 12 February 2013.

Cabinet meeting on 18 December 2012

1. Energy Advice and Green Deal service with Action Surrey 2013-18

- 1.1 We considered a report on a flagship, Government-led initiative which aims to help householders to deal with increasing energy bills.
- 1.2 We agreed to Spelthorne's participation in the Green Deal partnership scheme.

2. Spelthorne Tenancy Strategy

- 2.1 We considered a report on the Council's Tenancy Strategy.
- 2.2 We noted that, from April 2013, the Government will introduce a set of measures which will allow local authorities and registered housing providers increased flexibility in the way they provide and allocate tenancies for those in social housing. The Council's Tenancy Strategy takes account of those measures.
- 2.3 We agreed to the implementation of Spelthorne's Tenancy Strategy.

Cabinet meeting on 29 January 2013

1. Christmas lights in Staines-upon-Thames town centre

- 1.1 We considered a report on whether or not the Council should continue to fund the hire and installation of Christmas lights in Staines-upon-Thames town centre.
- 1.2 We agreed:
 - Not to re-tender for a new contract for Christmas lights in Staines-upon-Thames town centre.
 - That the Cabinet member for Economic Development will approach businesses to bear the cost of the Christmas lights in future years.

Cabinet meeting on 12 February 2013

1. Fees and Charges 2013-14 – Key Decision

We considered a report on the proposed level of fees and charges for the year 2013-14.

- 1.1 We agreed to approve the fees and charges as set out in Appendix A of the report of the Chief Finance Officer.

2. Discretionary Rate Relief 2013-14

2.1 We considered a report on applications for discretionary rate relief for 2013-14

2.2 We agreed the renewal of all the applications for discretionary rate relief for 2013-14.

3. Adoption of Food and Health and Safety Service Plans 2013-14

3.1 We considered a report on the proposed Food and Health and Safety Plans for the year 2013-14.

3.2 We agreed the adoption of the Food and Health and Safety Plans for 2013-14

Councillor Robert Watts
Leader of the Council

21 February 2013

Report of the Chairman on the Work of the Licensing Committee

There has been one Committee meeting and four Licensing Sub-Committee meetings, since the last report of the Chairman. Details of their work are set out below.

1. Licensing Sub-Committee 18 July 2012

A Licensing Sub-Committee considered an application for a premises licence in respect of Aqua Nightclub, The Old Telephone Exchange, Elmsleigh Road, Staines-upon-Thames. Surrey Police had objected to the application on the grounds of crime and disorder. The Sub-Committee rejected the application.

2. Licensing Sub-Committee 13 December 2012

A Licensing Sub-Committee considered applications for two Temporary Event Notices over the Christmas and New Year period at Forest and Ocean Club, 13-15 High Street, Staines-upon-Thames. Surrey Police and Environmental Health had objected to the notices on the grounds of prevention of crime and disorder and prevention of public nuisance. The Sub-Committee refused the applications and resolved to issue counter notices.

3. Licensing Committee 9 January 2013

The Licensing Committee received a training session on the licensing of sexual entertainment venues from Peter Savill, Barrister. It also considered and approved a rules and procedure note for Licensing Sub-Committees hearing applications for sex establishment licences, subject to amendment of the wording, to require advertisement of the application in a newspaper circulating in the relevant locality.

4. Licensing Sub-Committee 28 January 2013

A Licensing Sub-Committee considered a report to determine whether or not Mr C. Galbeza was a fit and proper person to hold a hackney carriage driver licence. The Sub-Committee refused the application by Mr Galbeza for a licence to drive a hackney carriage vehicle, for the reasons set out in the decision notice.

5. Licensing Sub-Committee 12 February 2013

A Licensing Sub-Committee considered applications for a transfer of the premises licence and variation of the Designated Premises Supervisor at Safeway Local, formerly Staines Food and Wine, 11 The Broadway, Kingston Road, Staines-upon-Thames to which Surrey Police had objected. The Sub-Committee refused both applications.

Councillor Marian Rough
Chairman of the Licensing Committee

21 February 2013

Report of the Chairman on the work of the Overview and Scrutiny Committee

The Overview and Scrutiny Committee has met once since the last Council meeting and this report gives an overview of the main issues considered.

1. Budget Update

1.1 The Committee discussed and received a presentation from Terry Collier, our Chief Finance Officer on the issues, challenges and core approaches and principles underpinning the 2013/14 to 2018 budget. The presentation covered the following main points:

- Business Rates
- Council Tax Support
- Universal Credit
- Funding Settlement
- Budget deficit projections and the assumptions behind the projections
- Council Tax

2. Localisation of Council Tax Support and Technical Reforms to Council Tax Discounts and Premiums

2.1 The Committee in considering the report on the introduction of a localised council tax support scheme made the following recommendations to Cabinet:

- (a) That the Committee agrees that the Local Council Tax Support scheme as set out in the report of the Assistant Chief Executive was reasonably balanced given the economic climate and supports approval of the scheme; and
- (b) To note that the Committee acknowledged that there was an element of risk in introducing a new scheme and that their preference was to reduce the risks, as far as possible, so that a review was not required in a year's time.

2.2 In addition the Committee placed on record their thanks and appreciation to the staff involved in the work needed to introduce a new scheme. The Committee was also extremely pleased that this authority had in recent years achieved a very high collection rate for council tax.

3. Developing the Borough

3.1 Over the last couple of meetings the Committee has been looking at how we develop the borough as a whole. At the last Council meeting, as Chairman, I reported on the first part of the work which looked at how we are planning to develop the borough and at that time the Committee considered such matters as:

- How do we intend to utilise the Staines-upon-Thames branding
- What are the proposals on developing Staines-upon-Thames and maximising our geographical position?

3.2 At this recent meeting we received a presentation from our Head of Assets on how we use our assets to support the local community and voluntary groups in the borough.

- 3.3 The Committee noted that there were currently 76 council sites being used by community and voluntary groups. In addition the community groups received support in a variety of ways including:
- Loans and grants
 - Sharing facilities
 - Reductions in rates where the groups have a charitable status.
- 3.4 Part of the Committee's decision was to establish a task group to assist in developing our assets.
- 3.5 The Committee also asked for a summary report and presentation to the next meeting of the Committee on our new project management arrangements including how the flagship reporting is working.
- 4. Source of External Funding**
- 4.1 The Committee discussed and received a list showing the amount of external funding that our staff from Leisure, Sustainability, Streetscene and Environmental Health had obtained. Some funding obtained were a one off payment whilst others were over a number of years. Therefore it is not possible to give a total figure but it is a substantial amount of external funding obtained.

Councillor Philippa Broom
Chairman of the Overview and Scrutiny Committee

21 February 2013

Report of the Chairman on the work of the Planning Committee

The Planning Committee has met only once since the previous report was prepared for the Council meeting. This report therefore gives an overview of the key items considered by the Planning Committee at the meeting on 16 January 2013.

A report on the key items discussed at the Committee's meeting on 13 February 2013 will be available at the Council meeting on 21 February.

The meeting dealt with 8 items. Public speaking took place on four of the items with 6 people taking the opportunity to address the Committee.

The most notable items on the agenda were:

- The approval of an extension to 1-5 Thames Street, Staines to provide an additional 14 residential units and external alterations to the existing block.
- The approval of a scheme to provide 11 houses at 53 Leacroft, Staines following demolition of the existing house and outbuildings.
- The approval of a scheme seeking to renew a previous permission for a block of 8 flats at 173 Staines Road West, Sunbury.
- Planning permission was also granted for a new scout and guide headquarters building, and a detached building for special needs housing, at the First Sunbury Scouts and Guides site in School Walk, Sunbury.
- At the meeting permission was also refused for the erection of 2 blocks to provide 10 flats at 8-12 Clarendon Road, Ashford.

Councillor Richard Smith-Ainsley
Chairman of the Planning Committee

21 February 2013



COUNCIL MEETING – 21 FEBRUARY 2013

BUDGET 2013-2014

For the Financial Year Ending 31 March 2014

**Terry Collier
Chief Finance Officer
Spelthorne Borough Council
Telephone: (01784) 446296**

Cabinet

12 February 2013



Title	Detailed Revenue Budget 2013-14		
Purpose	Resolution required		
Report of	Chief Finance Officer	Confidential	No
Cabinet Member	Councillor Tim Evans	Key Decision	Yes
Report Author			
Summary	<ul style="list-style-type: none">To consider and approve the net Revenue Expenditure Budget for 2013-14 and to consider and formally propose a Council Tax for 2013-14		
Financial Implications	To set a balanced budget for 2013-14		
Corporate Priority	All three priorities		
Recommendations	<p>The Cabinet recommends that Council:</p> <ol style="list-style-type: none">Approves the growth and savings items as set out in the report appendicesApproves the Council Tax Base for the whole council area as 2013-2014. [Item T in the formula in Section 31B(3) of the local Government Finance Act 1992, as amended (the "Act")] and,Calculates that the Council Tax requirement for the Council's own purpose for 2013-2014 is £175.56Approves a 1.94% increase in the Spelthorne Borough Council element of the council tax for 2013-14 the following proposals:<ol style="list-style-type: none">The Revenue Estimates as set out be approvedNo money, as set out in this report, is appropriated from General Reserves in support of Spelthorne's local Council Tax for 2013-14.Taking account that the council tax base for the year 2013-14 is 36,514.25 calculated in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012, made under Section 35(5) of the Local Government Finance Act 1992 as amended by the Localism Act 2011, as approved by		

Council 24 January 2013.

5. Calculates the following sums for the year 2013-14 in accordance with Section 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011.

(a)	65,214,296	Being the aggregate of the amount which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.
(b)	58,803,815	Being the aggregate of the amount which the Council estimates for the items set out in Section 31A (3) of the Act.
(c)	6,410,481	Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A (4) of the Act.
(d)	£175.56	Being the amount at 3(c)above (Item R), all divided by Item T (2 above), calculated by the Council, in accordance Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
(e)	£0	Being the aggregate amount of all special items (Parish precepts) referred to in Section34 (1) of the Act (as per the Attached Appendix).
	£175.56	Being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (2 above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which Parish precept relates.

Calculates the following amounts for the year 2013-2014 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011

VALUATION BAND	A	B	C	D	E	F	G	H
Spelthorne	117.04	136.55	156.05	175.56	214.57	253.59	292.60	351.12

Being the amounts given by multiplying the amount at (e) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the sum which in that proportion is applicable to dwellings listed in valuation band 'D', calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different band.

That it be noted that for the year 2013-14 Surrey County Council and Surrey Police and Crime Commissioner have stated the following amounts in precepts issued to Spelthorne Borough Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings shown below:

<u>VALUATION BAND</u>	A	B	C	D	E	F	G	H
1. Precepts issued to the Council								
l) Surrey County Council	781.68	911.96	1042.24	1,172.52	1433.08	1693.64	1954.20	2345.04
ii) Surrey Police	138.37	161.43	184.49	207.55	253.67	299.79	345.92	415.10

That, having calculated the aggregate in each case above the Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011, hereby sets the amounts set out in Appendix 6 as the amounts of Council Tax for the year 2013-14 for each of the categories of dwellings in Appendix 3.

The Council has determined that its relevant basic amount of Council Tax for 2013-14 is **not** excessive in accordance with the principles approved under Section 52ZB Local Government Finance Act 1992.

As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount of Council Tax for 2013-14 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

1. Background

- 1.1 The outline budget report identified that the underlying deficit for 2013-14 following on from the grant cuts was £480k before identification of offsetting saving items.
- 1.2 The budget process for 2013-14 has been particularly challenging following on from the significant savings which had to be made to balance the previous three financial years' budgets and the lateness of the announcement of the provisional Local Government Funding Settlement
- 1.3 Prior to the funding settlement details it was difficult to anticipate fully the impact of the new localised business rates funding regime and of the localisation of council tax support.
- 1.4 Underlying Grant cut for Spelthorne of £400k for 2013-14
- 1.5 Ongoing adverse property market making it difficult to generate capital receipts
- 1.6 Base rates continuing at a historic low of 0.5% and downgraded counterparties' credit ratings keeping down the investment income the Council will earn in 2013-14.
- 1.7 Additional service pressures in areas such as Benefits, Revenues and Housing Options.
- 1.8 The potential impact of the changes proposed in the way in which council tax benefits are paid to claimants (Universal Credit).
- 1.9 Longer term impacts of government's welfare reforms
- 1.10 Whilst the UK economy may have officially come out of recession with the crisis in the Eurozone, unemployment pressures continuing to rise and the recovery being weak there is a risk that we could fall back into recession again. The outline budget planning process tried to build in prudent provision to anticipate the possible impact of the above factors.

2. Key issues

Detailed Budget

Appendix 1 summarises the current draft detailed Budget proposed for 2013-14.

Grant Settlement

- 2.1 The key issue facing the Council at a time of increasing pressure on some of its service is meeting the challenge of the public sector deficit reduction programme and balancing its budget in response to further funding reductions. This follows on from the Council having to have made budget savings every year for the previous decade.

- 2.2 The Government in December 2012 confirmed that Spelthorne would provisionally receive an underlying cut in its general grant support/retained business rates income for 2013/14 and a further £531k for 2013-14.
- 2.3 The 2013-14 funding settlement sees the implementation of localisation of business rates under which the Council retains a small proportion (approximately 7% of what it collects) of business rates to part fund its budget and has the opportunity to retain 20% of any business rates growth. However this also brings risks for the Council as it will bear 50% of: a) bad debts arising from businesses going into administration etc., b) reduced business rates arising from successful appeals against rateable values (set independently by Valuation Agency).
- 2.4 2013-14 sees the implementation of the local council tax support scheme which the Council approved on 24th January. This results in a reduction in the Council's council taxbase but this is offset by a local council tax support grant of £590k. However, this grant is fixed for the year, so if claimant numbers rise during the year this will add financial pressure to the Council.
- 2.5 Fees, charges and rental income account for about a third of the Council's income (excluding Housing Benefit grant). So maintaining this income stream has an important impact on the budget. Despite the economic climate our income levels are currently holding up reasonably well and it has been assumed this will continue in 2013-14.
- 2.6 So the Council needs to focus on building income levels and find efficiency savings to make savings in the base budget whilst seeking to minimise impact on service provision.

Council Tax and Capping

- 2.7 In 2011-12 the Government offered grant equivalent to 2.5% council tax income which was funded for four years. The Council took the 11-12 freeze grant and froze council tax, with that funding dropping out in 2015-16. For 2012-13 the Government again offered freeze grant of 2.5% but with funding only for one year which meant the funding would cease in 2013-14 putting more pressure on services. For 2013-14 the Government is offering freeze grant but only equivalent to 1% council tax income, although for two years which would mean the income would drop out in 2015-16, the same time as the 2011-12 freeze grant creating a significant drop in income for that year. At the same time the Government has reduced the trigger for local referenda on council tax increases to 2%. It is proposed that in order to protect the provision of local services and ensure a sustainable income stream that the Council increases council tax by slightly less than the 2% limit with an increase of 1.94% which is a below inflation increase. This would result in Band D increasing by £3.34 per annum or 6 pence per week for the Spelthorne Borough Council element of the council tax bill..

3. Basis of Preparation of Detailed Budget

- 3.1 *Service levels* – the estimates have been prepared on the basis of maintaining existing service levels except where variations have been approved by the Cabinet and/or the Council. Members should be aware that considerable work has been undertaken to reduce the list down to just the

absolute essentials. Appendices 2 and 3 contain a list of the major changes included.

- 3.2 Pay and price levels –the estimates have been prepared price levels ruling at November 2010. Although no formal agreement has been made for a pay award for 2013- provision (£100k) has been made in the budget equivalent to 1% of current payroll. If there is a national pay award which is higher than this, then because the Council is linked to the national pay award, additional savings will be found within year from the salaries budget to fund the difference under our obligation to match any national award.
- 3.3 Inflation has been included in respect of contracts where appropriate

Pensions

- 3.4 The triennial revaluation assessed the value of the Fund as at 31 March 2010 and resulted in no increase in employer contributions for the financial years 2011-12 to 2013-14 The next revaluation will be as at 31 March 2013 the impact of which will feed through into employers' contributions in 2014-15. In 2014-15 we also have a new national Local Government Pension scheme which will move away from final salary scheme to a career average scheme and with higher employee pension contributions for higher paid staff. Despite the implementation of the new LGPS arrangements, and despite relatively good investment returns on the Surrey Pension fund at present (we hope these continue upto 31 March 2013) the net future liabilities are currently higher partly because of continuing increasing life expectancy and also due to the current climate of artificially low gilt rates which are used in the valuation process to obtain the present value of future pension liabilities, the lower the gilt rate the higher value of the future pension liability.
- 3.5 In their 2013 valuation the actuaries will take into account the impact of the new national scheme, investment returns on the Surrey scheme and their projections of future liabilities. The Actuaries are indicating that they are hopeful the Surrey scheme will be able to stick to a stabilisation regime under which future employer contributions would increase by no more than 1% of payroll per annum (this applies to both the historic deficit and current service).
- 3.6 In our outline projections we have assumed no increase in employer contributions for 2013-14 and thereafter a 1% increase per annum from 2014-15 roughly equivalent to £100k accumulating (i.e. £100k 2014-15; projecting by the end of the period an additional £400k per annum employer pension costs.

Fees and charges

- 3.7 All fees and charges have been reviewed. See the separate report on the agenda

Income generation

- 3.8 The budget forecasts have taken into account that there has been some decline in income streams arising from the impact of the economic downturn in areas such as planning fees. As part of the 2012-13 budget monitoring officers have been keeping the Council's various income streams under continuous review, particularly car parking our largest fee earning area, and

this has impacted on the level of in-year savings required to balance the 2013-15 budget. Income has however generally held up fairly well and additional income has been included in the detailed estimates where it was seen to be achievable and potentially ongoing. It is estimated that the net additional income to be raised from fees and charges for 2013-14 is £145k.

Contingencies

- 3.9 No provision has been made for any general contingencies. The General Fund reserve exists as a source of contingency funds should a need arise which can be addressed through offsetting savings.

Interest Rates

- 3.10 The Council has benefited from several years of above average investment returns by holding European Investment Bank bonds. However, the last of these matured in January 2013 and generating good investment returns is very challenging in this low interest rate environment. To mitigate this, a new strategy of investing in a more diversified range of pooled investment funds was implemented during 2012.
- 3.11 Returns on maturing cash deposits are currently within the range of 0.25% to 0.75%. However, following the purchase of several investments totalling £6m in equity and corporate bond funds the average overall return on investments is expected to be around 1.83%.
- 3.12 To offset times when investments returns are lower the Interest Equalisation Reserve has been built up from previous years of above average performance so it is sensible and normal practice to utilise these monies for 2013-14. It is proposed to use £100k of this reserve.

Investment Income

- 3.13 The Cabinet received on the January meeting agenda the Annual Investment Strategy and Treasury Management Report indicating the current position in respect of interest rates and the proposed strategy for dealing with the lower levels of interest rate and the reduction of investment monies.
- 3.14 Leading market forecasters, including Arlingclose, the council's treasury advisors, expect the base rate to remain at 0.5% until at least 2016.
- 3.15 With this in mind, having regard to the expected yield on our equity and bond funds, we estimate the following returns over the next four years. We continue to seek appropriately secure investment which will give a more attractive income.

Budget Year	Estimate
2013-14	345,000
2014-15	340,000
2015-16	335,000
2016-17	330,000

Use of reserves

- 3.16 It is proposed not to use general reserves. The change in the financial landscape, particularly the extended period of low interest rates and the severity of the grant cut and the need to facilitate invest to save measures such as closing Automated Public Conveniences, means it will be unrealistic to eliminate entirely use of all reserves in 2013-14. Only specific reserves would be used but at a lower level than last year and only for the purposes funds were set aside.

Growth items

- 3.17 Appendix 2 summarises the main budget growth and unavoidable expenditure pressures. This highlights that additional spending pressures or reduced income streams totalling £0.5m have been identified.

Savings

- 3.18 In total savings of approximately £1m or 8% have been found. These are necessary to offset the reduced general government grant and the additional pressures identified in appendix 2.
- 3.19 All services areas were asked in November 2012 to identify and put forward savings equivalent to 3% All the savings proposals have been incorporated into the budget estimates and a summary of the major items proposed are listed in Appendix 3.
- 3.20 Alongside this Management Team has continued to scrutinise the employee budgets and have identified a number of opportunities for restructuring services and this will continue to occur whenever a vacancy occurs which will allow this to happen. Services have been requested to relook at their structures to ensure that they are fit for purpose.

4. OPTIONS ANALYSIS

- 4.1 The council is required to set a balanced budget and in the light of the detailed budget prepared, a council tax increase of 1.94% is recommended.

5. CAPITAL PROGRAMME AND PRUDENTIAL CODE OF CAPITAL FINANCE

- 5.1 Each year we are required to consider formally the impact of our capital spending plans on the level of the council tax, and make a judgement about the affordability of those plans. In order to do this a number of prudential indicators have been set which we are required to calculate. The details of these are set out in the capital programme item considered by the Cabinet in the separate paper on this agenda.

Capital expenditure

- 5.2 The February 2012 Cabinet report detailed the capital programme for 2013-14 to 2016/17. The council is intending to finance the programme from capital receipts and considers that it is affordable in the short term. Additional receipts or funding will be required in future years to pay for the programme.

Ratio of financing costs to net revenue stream

- 5.3 The ratio for Spelthorne is negative because the level of investment income far exceeds the cost of borrowing, which in our current circumstances is short term, thus the financing costs are affordable.

Band 'D' council tax and incremental impact

- 5.4 In the financial strategy the Cabinet has agreed that future council tax increases be set at or above the level assumed in the revenue support grant settlement. For planning purposes we have estimated this to be 1.94% in 2013-14 and 1.99% for the rest of the outline budget period. This would mean that subject to next year's council tax being set at the recommended figure, the 2013-15 and 2014-15 band D figures are estimated to be £175.56 for 2013-14 and £179.05 for 2014-15.
- 5.5 The incremental effect of the draft capital programme shown separately in Appendix 4 is considered to be affordable.

6. PRECEPTS

- 6.1 Surrey County Council at its Council meeting on 12th February set a Band D council tax of £1,172.52 representing a 1.99% increase and Surrey Police at its tax setting meeting on the 6th February set a band D council tax of £207.55 representing a 1.995% increase.

7. BENEFITS AND SUSTAINABILITY

- 7.1 As Chief Finance Officer I have a statutory duty to ensure that the Budget is sustainable and that the capital programme is affordable. At the time of writing we are close to achieving this.
- 7.2 Whilst the proposals set out produce a balanced budget for 2013-14 at present the projections indicate a deficit of approximately £0.5m for 2014 -15 which we now need to start working towards addressing. We have identified a number of strategies we can pursue to ensure that we address this including implementing rolling zero based budgeting reviews, reviewing our use of assets; exploration of opportunities for joint working. We are aware that in 2014-15 there will be additional pressures on the Council.

8. FINANCIAL IMPLICATIONS

- 8.1 Addressed in the body of the of the report

9. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS

- 9.1 Robustness of estimates – the Local Government Act 2003 requires me, as the Council's Chief Financial Officer, to report on the robustness of the estimates made for the purposes of calculating the council tax. I am satisfied that each service budget has been prepared in the context of the council's corporate strategies, and longer-term financial strategy which means that the Council is presented with robust estimates as a basis for making decisions about the level of council tax.
- 9.2 The nature and size of our revenue budget carries a degree of risk as set out at section 10. This is particularly the case in the current economic climate.
- 9.3 Reserves and provisions – the Local Government Act 2003 requires me to report on the adequacy of the council's financial reserves when consideration

is given to the general fund budget requirement for the year. Under the local government finance act 1988, all revenue balances held by the council are at the direct disposal of the general fund with the exception of the collection fund and the investment reserve. Those balances are expected to total approximately £11.8 million as at 1 April 2013. However, a number of these balances are earmarked specifically for social housing and the new scheme fund. The uncommitted funds will stand at £1.5 million. Taken together with the council's financial strategy to reduce the reliance on revenues to support the council tax, I consider that the reserves and provisions will ensure that the Council maintains a reasonably healthy financial position.

9.4 Officers are undertaking an equalities impact assessment of the budget proposals. In particular a detailed equalities impact assessment was undertaken for the proposed Local Council Tax Support Scheme.

10. RISKS AND HOW THEY WILL BE MITIGATED

10.1 The budget has a number of risks and these are set out below:

Outside control		Internally based
Euro zone crisis		Delivery of other savings, including vacancy savings
Economic Downturn and severe public sector spending cuts		Reliance on interest earnings to balance the budget Collection of retained business rates
Interest rates		
Recycling credits- falling values of recyclable materials		
Contaminated land (main impact would be on capital)		
Council tax capping level		
PSL/housing benefit subsidy/welfare reform		
Staines town centre rents		
Introduction of the Universal Credit legislation		
Council Tax benefit changes		Council Tax benefit changes – collection assumptions

10.2 The risks are that the level of savings anticipated do not materialise or that there are additional spending pressures. This will be mitigated by ensuring proposals have been properly evaluated before being built into the final

detailed budget for example clarifying any contractual assumptions, and thereafter through careful budget monitoring.

- 10.3 The UK economy has come out of recession but is still facing a period of only small growth and the possibility of receding back into recession is still a possibility. This will impact on fee income and parking income. Realistic estimates and assumptions have been made within the budget figures as to this likely impact; however, there is a risk that this impact could be greater than anticipated. This will be monitored carefully throughout the year.

11. TIMETABLE FOR IMPLEMENTATION

Full Council to approve the Budget on 21 February 2013.

Background papers:

2013/14 Revenue Budget		
		Appendix 1
	12/13	13/14
	original	Draft
	£	£
Communications	1,479,400	1,287,900
Community Safety and Young People	212,500	206,500
Finance and Resources	1,677,100	1,540,500
Environment	2,945,500	2,797,800
Health Well Being and Independent Living	1,558,800	1,381,400
Planning and Housing	874,200	1,227,500
Economic Development	(577,800)	(550,800)
Parks and Assets	2,709,300	2,843,300
Corporate Governance	1,564,300	1,573,300
	12,443,300	12,307,400
Salary expenditure - vacancy monitoring	(300,000)	(160,000)
Restructuring Savings	(40,000)	(40,000)
Unallocated resources to address project management, performance management etc	90,200	0
Partnership Savings	(40,000)	(40,000)
Service Expenditure	12,153,500	12,067,400
Less Support not charged to revenue	0	0
Revised Service Expenditure	12,153,500	12,067,400
NET EXPENDITURE	12,153,500	12,067,400
Interest earnings	422,400	345,000
NET EXPENDITURE AFTER INTEREST EARNINGS	11,731,100	11,722,400
Appropriation from Reserves:		
Reserves - General	0	0
Spend to save (APCs)		56,500
Feasibility Study for Knowle Green Hub		70,000
Interest Equalisation reserve	200,072	70,048
BUDGET REQUIREMENT	11,531,028	11,525,852
Allocation from National Non-Domestic Rate pool	3,732,806	0
Baseline NNDR funding (including council tax support)	0	1,685,030
Revenue Support Grant(incl council tax support grant)	75,636	2,532,841
New Homes Bonus	541,000	910,300
DCLG Transitional LCTSS grant	0	16,000
Freeze Grant (11-12)	170,000	0
NET BUDGET REQUIREMENT	7,011,586	6,381,681
Collection Fund (Surplus)/Deficit	(7,920)	28,800
CHARGE TO COLLECTION FUND	7,003,666	6,410,481
Tax base	40,667	36,514
Council Tax rate	172.22	175.56
Council Tax yield	7,003,671	6,410,481

Revenue Budget 2012/13 to 2013/14							
					Original 12/13	Planned 13/14	Change to 13/14
							£
Corporate Publicity					262,200	252,300	(9,900)
ICT					1,203,400	1,022,600	(180,800)
Research & Consultation					13,800	13,000	(800)
Communications					1,479,400	1,287,900	- 191,500
Licensing					3,100	(12,600)	(15,700)
Community Safety					243,900	254,400	10,500
Taxi Licensing					(73,300)	(73,300)	0
Youth					38,800	38,000	(800)
Community Safety and Young People					212,500	206,500	- 6,000
Accountancy					357,500	322,100	(35,400)
Audit					145,800	136,400	(9,400)
Business Rates					(145,600)	(139,700)	5,900
Car Parks					(751,900)	(836,600)	(84,700)
Corporate Management					213,200	197,900	(15,300)
CServ Management & Support					644,900	656,200	11,300
Financial Support					2,300	0	(2,300)
HR					206,400	180,200	(26,200)
Insurance					177,600	222,700	45,100
Misc Expenses					10,000	1,500	(8,500)
Mortgages					(2,000)	(2,000)	0
Payroll					52,600	51,400	(1,200)
People & Partnerships					29,200	18,500	(10,700)
Unapportionable CentralO/Heads					737,100	731,900	(5,200)
Finance and Resources					1,677,100	1,540,500	- 136,600
Abandoned Vehicles					0	500	500
Building Control					(20,800)	(36,900)	(16,100)
Depot					57,500	57,500	0
DS Management & Support					577,000	629,000	52,000
Emergency Planning					8,000	8,000	0
Energy Initiatives					9,500	9,500	0
Enviro Services Administration					335,300	343,700	8,400
Environmental Enhancements					30,500	15,300	(15,200)
Public Conveniences					103,200	101,700	(1,500)
Refuse Collection					1,317,900	1,294,600	(23,300)
Street Cleaning					821,400	829,100	7,700
Technical Projects					31,700	500	(31,200)
Waste Recycling					(331,200)	(460,200)	(129,000)
Water Courses & Land Drainage					5,500	5,500	0
Environment					2,945,500	2,797,800	- 147,700
Spelthorne Accessible Transport (SAT)					70,300	49,100	(21,200)
General Grants					451,900	309,000	(142,900)
Com Care Administration					113,500	100,400	(13,100)
Day Centres					301,400	334,000	32,600
Environmental Health Admin					743,400	737,900	(5,500)
Environmental Protection Act					38,200	6,900	(31,300)
Food Safety					(1,700)	(1,700)	0
Meals On Wheels					(32,100)	(31,200)	900
Public Health					(3,500)	(3,500)	0
Rodent & Pest Control					17,500	18,100	600
Span					(140,100)	(137,600)	2,500
Health Well Being and Independent Living					1,558,800	1,381,400	- 177,400
Homelessness					172,900	187,900	15,000
Housing Benefits Admin					38,600	65,200	26,600
Housing Benefits Payments					(180,000)	(105,000)	75,000
Housing Needs					426,000	596,400	170,400
Land Charges					(102,900)	(121,900)	(19,000)
Planning Development Control					355,550	340,700	(14,850)
Planning Policy					164,050	264,200	100,150
Planning and Housing					874,200	1,227,500	353,300

Revenue Budget 2012/13 to 2013/14					APPENDIX 2		
					Original 12/13	Planned 13/14	Change to 13/14
							£
Staines Market					(215,300)	(215,300)	0
Economic Development					12,000	38,200	26,200
Bus Station					27,400	27,400	0
Staines Town Centre Management					(401,900)	(401,100)	800
Economic Development					(577,800)	(550,800)	27,000
Management Team Secretariat & Support					101,800	104,500	2,700
Assistant Chief Executives					308,100	309,200	1,100
Chief Executive					203,400	196,100	(7,300)
Legal					280,800	295,900	15,100
Committee Services					161,900	156,300	(5,600)
Corporate Governance					89,600	89,900	300
Elections					10,900	10,900	0
Electoral Registration					141,300	140,500	(800)
Democratic Rep & Management					266,500	270,000	3,500
Corporate Governance					1,564,300	1,573,300	9,000
Asset Mgn Administration					145,600	226,600	81,000
Allotments					(27,000)	(37,000)	(10,000)
Arts Development					(25,000)	(25,000)	0
Cemeteries					(300,300)	(300,300)	0
Festivals					7,800	7,800	0
General Property Expenses					41,300	43,200	1,900
Grounds Maintenance					1,571,800	1,620,500	48,700
Knowle Green					366,600	475,300	108,700
Leisure Administration					235,400	214,400	(21,000)
Leisure Development					37,200	23,100	(14,100)
Leisure Grants					20,400	19,000	(1,400)
Leisure Promotions					(42,200)	(42,200)	0
Memorial Gardens					10,000	10,000	0
Museum					(3,600)	(3,600)	0
Parks Strategy					(7,100)	(7,100)	0
Planned Maintenance Programme					550,000	546,800	(3,200)
Responsive Maintenance Program					203,300	185,900	(17,400)
Print unit					87,400	82,900	(4,500)
Public Halls					(31,700)	(37,900)	(6,200)
Sea Cadets					2,200	2,200	0
Spelthorne Leisure Centre					(158,100)	(186,600)	(28,500)
Staines Metro Commons					17,000	17,000	0
Sunbury Leisure Centre					8,300	8,300	0
Parks and Assets					2,709,300	2,843,300	53,000
Totals					12,443,300	12,307,400	(216,900)

GENERAL FUND SUBJECTIVE ANALYSIS											
	Communications	Community Safety & Young People	Finance	Environment	Health Wellbeing and Ind Living	Planning and Housing	Economic Development	Parks and Assets	Corporate Governance	General Fund	Total
	£	£	£	£	£	£	£	£	£	£	£
Employees	664,200	180,200	2,497,400	2,815,200	1,646,300	1,945,900	46,000	628,900	1,233,300	(240,000)	11,417,400
Premises		2,200	671,200	104,100	92,600	54,600	207,100	2,677,900			3,809,700
Transport	9,600	4,600	140,800	1,060,500	95,900	30,300	0	22,100	13,900		1,377,700
Supplies and Services	653,300	123,400	505,800	212,300	565,200	213,600	11,600	613,700	319,700		3,218,600
External Contracts	9,200	89,200	130,800	205,200	22,800	275,300	65,000	133,300	8,600		939,400
Benefit Payments						30,883,000					30,883,000
Support to Capital											0
TOTAL EXPENDITURE	1,336,300	399,600	3,946,000	4,397,300	2,422,800	33,402,700	329,700	4,075,900	1,575,500	(240,000)	51,645,800
Government Grants			(134,700)			(31,483,300)					(31,618,000)
Rents & Other Income	(48,400)	(193,100)	(2,270,800)	(1,599,500)	(1,041,400)	(691,900)	(880,500)	(1,232,600)	(2,200)		(7,960,400)
TOTAL INCOME	(48,400)	(193,100)	(2,405,500)	(1,599,500)	(1,041,400)	(32,175,200)	(880,500)	(1,232,600)	(2,200)	0	(39,578,400)
NET EXPENDITURE	1,287,900	206,500	1,540,500	2,797,800	1,381,400	1,227,500	(550,800)	2,843,300	1,573,300	(240,000)	12,067,400

CALCULATION OF THE BASIC COUNCIL TAX FOR 2013/14			
FOR SPELTHORNE'S OWN EXPENDITURE			
The Council's Tax Base for 2013/14			36,514.3
		£	£
Gross Expenditure for the year			51,645,800
Less:	Gross Income for the year	39,578,400	
	Interest on Balances	345,000	
	Transfers from Earmarked Reserves	196,548	
	New Homes Bonus	910,300	
	Council Tax Support Transitional grant	16,000	
			41,046,248
The Councils net expenditure			10,599,552
Less:	Retained Share of Business rates Non-Domestic Rates	1,685,030	
	Revenue Support Grant	2,532,841	
			4,217,871
	Estimated Deficit on Collection Fund from Council Tax Collections	-28,800	-28,800
Net Sum to be recovered through Council Tax			6,410,481
Expressed per equivalent Band D property (ie divided by 36,514.25)			£175.56

**The Prudential Code of Capital Finance
Prudential Indicators in respect of affordability and Council Tax levels
2013/14 TO 2014/15**

The Local Government Act 2003 introduced the *Prudential Code for Capital Finance in Local Authorities*. The Code requires local authorities to ensure that capital investment decisions are prudent, affordable and sustainable by reference to a series of Prudential Indicators and that borrowing is only incurred to support capital expenditure and not revenue spending. Minimum indicators are specified in the Code but affordability is ultimately determined by a judgement about acceptable levels of Council Tax, and in the case of authorities with a Housing Revenue Account (HRA), acceptable rent levels.

All the following indicators reflect the Council's current commitments, existing plans and proposals for capital expenditure and financing, and its treasury management policy statement and practices. In accordance with the Code, they will be set on a rolling basis annually, before the start of the financial year. Performance against all forward looking indicators must be reviewed and monitored to ensure compliance with the limits set by the Council, and deviations reported to members.

Prudential indicators in respect of affordability and Council Tax levels for Spelthorne are set out below:-

1. Capital Expenditure

The actual capital expenditure that was incurred in 2011/12 and the estimates for the current and future years are:-

	Capital	Expenditure			
	Actual	Estimate	Estimate	Estimate	Estimate
	2011/12	2012/13	2013/14	2014/15	2015/16
Housing Investment Programme	714,731	274,000	301,600	301,600	301,600
Other Services Programme	1,051,278	1,434,800	827,600	85,600	85,600
New Schemes Fund	95,769	0	0	0	0
Net Capital Programme	1,861,778	1,708,800	1,129,200	387,200	387,200
Contributions and Grants		285,000	250,000	250,000	250,000
Gross Capital Programme	1,861,778	1,993,800	1,379,200	637,200	637,200

This is an indicator of affordability which members considered when they approved the draft Capital Programme for 2013/14 – 2015/16 included elsewhere on this agenda.

2. Ratio of Financing Costs to Net Revenue Stream

This ratio is another indicator of affordability and compares the estimated financing costs of borrowing as a percentage of the net revenue stream that is the amount in the General Fund to be met from government grant and local taxpayers.

The actual ratio of financing costs to net revenue stream for 2011/12 and estimates for the current and future years are:-

Ratio of Financing Costs to Net Revenue Stream					
	Actual 2011/12	Estimate 2012/13	Estimate 2013/14	Estimate 2014/15	Estimate 2015/16
Financing Costs	-341,116	-379,000	-327,000	322,000	317,000
Net Revenue Stream	11,063,638	11,326,648	11,761,220	11,995,720	12,641,820
SBC Ratio	-3.08%	-3.35%	-2.78%	-2.68%	-2.51%

The ratios for Spelthorne are negative because the Council's investment income far exceeds the cost of borrowing. These estimates are based on the present circumstances in that the Council only has short term borrowing costs and substantial funds invested.

4. Band D Council Tax Estimates

The Band D Council tax that would result for the Council for 2013/14 from the totality of the capital and revenue plans recommended in the budget report is **£175.56**, which represents a 1.94% increase over the previous year.

Forward estimates for the Band D Council Tax for 2014/15 and 2015/16 are **£179.95** and **£184.45** respectively. These forward estimates are based on a 2.50% increase in the 2014/15 and 2015/16 level of Council Tax and are not fixed and do not commit the Council in any way. They are based on the Council's existing commitments, current plans and the totality of the capital and revenue plans recommended in the budget report.

5. Incremental impact on the Council Tax

The indicator shows the cost of variations in the capital programme in terms of Band D Council Tax:

	Estimate 2013/14	Estimate 2014/15	Estimate 2015/16
Band D Council Tax	£175.56	£179.95	£184.45
Tax Base	36,514	36,700	36,790
Interest earned on investments	0.50%	0.50%	0.75%
Existing Capital Programme	£1,379,200	£637,200	£637,200
Incremental impact on Band D Council Tax	£0.19	£0.09	£0.13

The incremental impact on the Council Tax is a key measure of affordability and the Council could consider different options for its capital investment plans in relation to their differential impact on the level of Council Tax.