



Please reply to:

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Date: 13 February 2018

Notice of meeting

Cabinet

Date: Wednesday, 21 February 2018

Time: 7.00 pm

Place: Goddard Room, Council Offices, Knowle Green, Staines-upon-Thames

The members of the Cabinet	Cabinet member areas of responsibility
I.T.E. Harvey (Leader)	Leader and Council Policy co-ordination
A.C. Harman (Deputy Leader)	Deputy Leader and Communications
M.M. Attewell	Community Wellbeing
C.B. Barnard	Planning and Economic Development
M.P.C. Francis	Housing
N.J. Gething	Environment and Compliance
A.J. Mitchell	Corporate Management
O. Rybinski	Customer Service, Estates and Transport
H.R.D. Williams	Finance

Spelthorne Borough Council, Council Offices, Knowle Green

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AGENDA

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- 1. Apologies for absence**
To receive any apologies for non-attendance.
- 2. Minutes** **5 - 10**
To confirm the minutes of the meeting held on 24 January 2018 as a correct record.
- 3. Disclosures of Interest**
To receive any disclosures of interest from councillors in accordance with the Council's Code of Conduct for members.
- 4. Recommendations from Local Plan Working Party** **11 - 12**
Councillor Barnard

To consider the recommendations of the Local Plan Working Party from its meeting held on 8 February 2018.

A copy of all the documents referred to in the Local Plan Working Party minutes as a) to e) have been placed in the Members' Room. They will be made public following the meeting, subject to Cabinet's agreement to the recommendations.
- 5. Annual Grants 2018-19 - Key Decision** **13 - 20**
Councillor Harman

To consider the proposed annual grants awards for 2018-19, to aid charities and voluntary organisations operating in the Borough.
- 6. Capital Programme and Strategy 2018/19 to 2021/22** **21 - 40**
Councillor Williams

To consider the Capital Programme and Prudential Indicators for 2018/19 to 2021/22 and make a recommendation to Council.
- 7. Detailed Revenue Budget for 2018-19** **41 - 54**
Councillor Williams

To consider the detailed Revenue Budget for 2018/19 and make recommendations to Council.

- 8. Pay Policy Statement 2018/2019** **55 - 76**
Councillor Mitchell
- To consider the Pay Policy Statement for 2018/19 and make a recommendation to Council.
- 9. Capital Monitoring Quarter 3** **77 - 84**
Councillor Williams
- To note the capital spend covering the period April to December 2017.
- 10. Revenue Monitoring Quarter 3** **85 - 96**
Councillor Williams
- To note the revenue spend covering the period April to December 2017.
- 11. Exemption to contract standing orders for the appointment of a construction project manager and design team.** **97 - 100**
Councillor Harvey
- To consider a report on a request to exempt contract standing orders for the appointment of a construction project manager and design team.
- 12. Amendment to Outside Body representation**
Councillor Harvey
- In his capacity as Executive Leader, Councillor I.T.E. Harvey has made the following amendments to the appointments of Council representatives on an outside body.
- Spelthorne Business Forum**
Councillor C. Barnard (previously a deputy) replaces Councillor C. Davis as a representative
Councillor I.T.E. Harvey replaces Councillor R. Barratt as a deputy
Councillor O. Rybinski replaces Councillor C. Barnard as a deputy
- These changes will be effective until 21 June 2018 when Cabinet will undertake its annual appointments to all outside bodies.
- Cabinet is asked to ratify the Leader's appointments to Spelthorne Business Forum until 21 June 2018.
- 13. Leader's announcements**
To receive any announcements from the Leader.

14. Urgent items

To consider any items which the Chairman considers as urgent.

15. Exempt Business

To move the exclusion of the Press/Public for the following item, in view of the likely disclosure of exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006.

**16. Exempt report - Acquisition of Property J - Key Decision
Councillor Harvey**

101 - 112

To consider the acquisition of a site as an investment asset.

Reason for exemption

This report contains exempt information within the meaning of paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006): Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in the bidding process for the site by allowing other bidders to know the position of the Council. This in turn prejudices the Council by (i) distorting the bids process and (ii) prejudicing the opportunity for the Council to acquire a site through the Council for the prudent management of its financial affairs.

Minutes of Cabinet

24 January 2018

Present:

Councillor I.T.E. Harvey, Leader and Council Policy co-ordination
Councillor A.C. Harman, Deputy Leader and Communications
Councillor M.M. Attewell, Community Wellbeing
Councillor C.B. Barnard, Planning and Economic Development
Councillor M.P.C. Francis, Housing
Councillor N.J. Gething, Environment and Compliance
Councillor A.J. Mitchell, Corporate Management
Councillor O. Rybinski, Customer Service, Estates and Transport
Councillor H.R.D. Williams, Finance

2441 Minutes

The minutes of the Cabinet meeting held on 12 December 2017 were agreed as a correct record.

2442 Disclosures of Interest

There were none.

2443 Spelthorne Borough Council (Off-Street Parking Places) Order 2018 - Key Decision

Cabinet considered a report on the implementation of a new Off-Street Parking Places Order 2018.

The Order sets out the terms and conditions for use of Council owned car parks, and the charges and penalties which apply to those using the car parks. It forms the legal basis from which all future charges and enforcement actions relating to Council owned car parks are made.

Alternative options considered and rejected by the Cabinet:

- Not to implement the proposed Parking Order

The Cabinet was concerned about the impact on disabled drivers by the proposed increase in charges for Disabled Persons Badge Holders Season Tickets set out at Paragraph 1.8 of the report. Cabinet agreed not to implement this part of the proposals. The current charges for disabled drivers would remain as at present:

£26 for 3 months

£51.50 for 6 months

£77 for 9 months

£103 for 12 months

Resolved to

1. Authorise the Group Head of Neighbourhood Services to proceed with the proposals made in the report and to implement the Spelthorne Borough Council (Off-Street Parking Places) Order 2018, with the exception of increases for Disabled Persons Badge Holders Season Tickets referred to in paragraph 1.8 of the report. These charges to remain at :-
£26 for 3 months
£51.50 for 6 months
£77 for 9 months
£103 for 12 months
2. Authorise the Head of Corporate Governance to publish all notices required to implement the Spelthorne Borough Council (Off-Street Parking Places) Order 2018;
3. Authorise the Group Head of Neighbourhood Services in consultation with the Head of Corporate Governance to consider and address any objections and to amend the proposals if necessary following the public consultation.

Reasons for Decision

To ensure that parking regulations in all off-street car parks identified within this report are current and enforceable and to support the Council's aim for sustained Economic Development.

2444 Contract for refurbishment of Elmsleigh Centre Lifts - Key Decision

Cabinet considered a report on appointing a contractor to refurbish three lifts at the Elmsleigh shopping centre.

Advice from a condition survey was that refurbishment of the lifts would provide another fifteen years or more life expectancy and result in an equivalent improvement in appearance. Replacement of the lifts would offer no long term advantage over comprehensive refurbishment whilst adding significantly to the cost.

Alternative options considered and rejected by the Cabinet:

- Do nothing
- Report to a future Cabinet with a recommendation to appoint a contractor

Resolved to

1. Authorise the Group Head Regeneration and Growth to determine the contractor to be appointed for refurbishment of the Elmsleigh Centre lifts (in consultation with the Cabinet Member for Planning and Economic Development and the Chief Finance Officer); and

2. Authorise the Head of Corporate Governance to enter into the legal documentation in order to appoint the contractor.

Reasons for Decision

The Council is in the process of running a tender to appoint a contractor to refurbish three lifts at the Elmsleigh shopping centre

Due to the expected duration of the project, Cabinet is being asked to delegate the final decision to the Group Head Regeneration and Growth, Cabinet Member for Planning and Economic Development and the Chief Finance Officer so to ensure that the appointment allows time for the refurbishment works to be completed in advance of the Christmas 2018 trading period

2445 Fees and Charges 2018-19 - Key Decision

Cabinet considered a report proposing the levels of the Council's fees and charges for 2018-2019.

Resolved to approve the charges as set out in Appendix A to the report with the exception of the proposed increases in charges for Disabled Persons Badge Holders Season Tickets in Elmsleigh Car Park. The current charges for disabled persons would remain as at present:

£26 for 3 months

£51.50 for 6 months

£77 for 9 months

£103 for 12 months

Reason for Decision

Fees and Charges are an important source of income for the authority each year and are a key importance in balancing the budget.

2446 Treasury Management half-yearly report

Cabinet considered the half-yearly report on Treasury Management. The report was an interim statement of treasury activities and the associated monitoring and control of risks for the first six months of the financial year, to the end of September 2017.

Resolved to note the treasury position achieved during the first six months of 2017/18 and the financial environment in global markets.

2447 Treasury Management Strategy Statement

Cabinet considered the Treasury Management Strategy Statement 2018/19.

The Council had borrowed and invested substantial sums of money and was therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.

Resolved to recommend that Council approves the proposed Treasury Management Strategy for 2018/19.

Reasons for Decision

The Treasury Management strategy is fundamental to developing the financial sustainability of the Council.

2448 Leader's announcements

The following are the latest service updates from various Council departments.

Eight councillors contributed £1145 from their Better Neighbourhood Grants to pay for Christmas gifts for Meals on Wheels clients. London Irish Rugby Club also supported the initiative by donating chocolates, Christmas puddings and satsumas.

A petition was presented to Cabinet on 12 December by 88 residents affected by constant noise from trains sounding their horns on the approach to Shortwood Common pedestrian railway crossing. Network Rail has now closed the crossing.

Planning permission was granted on 20 December to redevelop the former Brooklands College site in Ashford. The scheme includes 357 dwellings, some affordable housing, public open space, a hairdresser facility for Brooklands College and an element of commercial floor space.

The Planning Enforcement team took action against a landowner in Stanwell who was allowing his field to be used as airport parking.

The Council has purchased a new-build commercial property in Hammersmith for £170m as part of its ongoing acquisition strategy.

The Old Market Square in Staines-upon-Thames was recently used as a filming location for the 'we buy any car' television advert. The Council was paid a fee for the use.

Spelthorne Means Business Awards - an event is taking place on 6 February at Café Gusto in Staines-upon-Thames to launch the very first Spelthorne Means Business Awards. There will be a number of categories designed to celebrate and recognise excellence within local businesses and the awards will be presented at Shepperton Studios on 11 October.

The Council continues to support small local businesses and budding entrepreneurs who live or work in Spelthorne with free business advice. Flyers will be going out with Business Rates bills and an article put in the Bulletin to promote this service.

The 2018 Leisure Directory has been finalised and will soon be available online and also at the Council Offices, leisure centres, schools and community centres.

The Council's online forms have been updated to include information which complies with the new data protection regulations.

A working group has been set up to consider the implications of expansion at Heathrow.

2449 Urgent items

There were none.

NOTES:-

- (1) *Members of the Overview and Scrutiny Committee are reminded that under Overview and Scrutiny Procedure Rule 16, the "call-in" procedure shall not apply to recommendations the Cabinet makes to the Council. The matters on which recommendations have been made to the Council, if any, are identified with an asterisk [*] in the above Minutes.***
- (2) *Members of the Overview and Scrutiny Committee are entitled to call in decisions taken by the Cabinet for scrutiny before they are implemented, other than any recommendations covered under (1) above.***
- (3) *Within five working days of the date on which a decision of the Cabinet or a Cabinet Member is published, not less than three members [one of whom must be the Chairman] of the Overview and Scrutiny Committee are able to "call in" a decision;***
- (4) *To avoid delay in considering an item "called in", an extraordinary meeting of the Overview and Scrutiny Committee will be convened within seven days of a "call in" being received if an ordinary meeting is not scheduled in that period;***
- (5) *When calling in a Cabinet decision for review the members doing so should in their notice of "call in":-***
 - Outline their reasons for requiring a review;***
 - Indicate any further information they consider the Overview and Scrutiny Committee needs to have before it in order to conduct a review in addition to the written report made by officers to the Cabinet;***
 - Indicate whether, where the decision was taken collectively by the Cabinet, they wish the Leader or his nominee (who should normally be the Cabinet Member) or where the decision was taken by a Cabinet Member, the member of the Cabinet making the decision, to attend the committee meeting; and***

- ***Indicate whether the officer making the report to the Cabinet or the Cabinet Member taking the decision or his/her representative should attend the meeting.***
- (6) ***The deadline of five working days for "call in" by Members of the Overview and Scrutiny Committee in relation to the above decisions by the Cabinet is the close of business on 1 February 2018.***

Local Plan Working Party

Minutes

Thursday 8 February 2018

Present:

Cllr C Barnard
Cllr I Beardsmore
Cllr A Harman
Cllr I Harvey (Chairman)
Cllr R Smith-Ainsley
Cllr H Williams

1 Apologies

Cllr S Mooney and Cllr H Thomson

2 Report of the Strategic Planning Manager

a) Progress update on Gypsy & Traveller Accommodation Assessment (GTAA)

2.1 It was agreed to recommend that Cabinet note the progress on the GTAA.

b) Progress update on the Strategic Flood Risk Assessment (SFRA)

2.2 It was agreed to recommend that Cabinet note the progress on the SFRA.

c) Progress update on Employment Land Needs Assessment (ELNA)

2.3 It was agreed to recommend that Cabinet note the progress on the ELNA.

d) Self-Build and Custom Housebuilding Register

2.4 It was agreed to recommend that Cabinet agree to the Register being split into two parts in order to give priority to applicants with a local connection and to the proposed fees for applicants to be entered and maintained on the Register.

e) Draft Strategic Land Availability Assessment (SLAA)

2.5 It was agreed, subject to amendments discussed with and agreed to by the Chair after the meeting, to recommend that Cabinet agree the revised draft SLAA for publication.

f) Local Development Scheme timetable update

- 2.6 It was agreed to recommend that Cabinet note the progress on the Local Plan and next steps to meet the LDS timetable.

3 AOB

- 3.1 Cllr Ian Beardsmore raised the issue of affordable housing for key workers. Officers took the view that this comes under the 'umbrella' of affordable housing generally and that providers already have key worker housing schemes and initiatives. It was agreed that this could be re-visited at a later stage of the plan-making process once sites were under consideration to be allocated for residential development.

4 Next Meeting

- 4.1 Date to be agreed in advance of consultation in April 2018.

Cabinet**21 February 2018**

Title	Annual Grants 2018-19		
Purpose of the report	To make a Key Decision		
Report Author	Jayne Brownlow		
Cabinet Member	Councillor Tony Harman	Confidential	No
Corporate Priority	This item is not in the current list of Corporate priorities but still requires a Cabinet decision		
Recommendations	Cabinet is asked to: <ul style="list-style-type: none"> • agree the grants awards for 2018/19. • note all other support to the voluntary/charity sector. • note the development of SLA's for our top funded organisations 		
Reason for Recommendation	The agreement to award grants for 2018-19 will: <ul style="list-style-type: none"> • enable a number of charities to continue operating in the borough for the year ahead; • maintain service levels where charities provide complementary activities to Council frontline services; • enable new charities and community groups to begin working in the borough, or expand their operations 		

1. Key issues

- 1.1 Applications for the grants programme for 2018/19 was opened in October 2017 and closed mid-November 2017. Any enquiries received before this date were noted and the organisations alerted when the applications opened. In addition, all previous applicants were contacted individually and invited to apply again. This year 34 applications for funding were received, compared with 37 last year.
- 1.2 Grant funding levels were maintained in 2018/19 with £209,600 made available by the Council to aid charities and voluntary organisations operating in the Borough.
- 1.3 The voluntary sector is seen as a key driver of services to address unmet need so financial support for this sector is essential to complement Council services. Other public bodies such as the North West Surrey CCG and Surrey County Council also see the voluntary sector as important providers of certain complementary services and fund separately in some cases.
- 1.4 If the voluntary sector did not provide services in certain areas it is likely that there would be even more pressure on boroughs such as Spelthorne to

provide services. It is widely acknowledged that for every pound spent by a local authority in grant aid, six pounds of value is received.

- 1.5 As well as funding charities and voluntary organisations, provision is made for annual grants to arts, sports and cultural bodies. A proportion of the allocation of the overall funding is dedicated to these sectors to provide sporting, health and wellbeing opportunities to residents and members of the community.

2. Options analysis and proposal

- 2.1 The Grants Panel met on the 30 November and the 1 December 2017 to consider the applications from our top 6 funded voluntary organisations. The panel consisted of Cllr Tony Harman (Chair), Cllr Alfred Friday, Cllr Colin Barnard, Cllr Rose Chandler, Deborah Ashman (Joint Group Head, Community Wellbeing), Jayne Brownlow (Deputy Group Head, Community Wellbeing), and Mary West (Sport & Active Lifestyle Officer).

- 2.2 Following interviews, the resulting grant support is proposed.

Organisation	Primary focus	Amount proposed 2018/19	Amount awarded 2017/18
Rentstart	Assists homeless singles and childless couples. Key partner with the introduction of HRA (Homelessness Reduction Act)	£45,000	£30,000
Citizens' Advice, (Runnymede & Spelthorne)	Impartial advice on debt, housing, divorce, benefits, family matters etc.	£40,000	£75,000
AgeUK Surrey	Advice & Information for older people and befriending service	£30,000	£24,000
Voluntary Support North Surrey (VSNS)	Voluntary sector infrastructure advice	£30,000	£15,000
HomeStart	Family support organisation	£15,000	£15,000
Shopmobility	Assists those with mobility problems to access facilities	£15,000	£15,000
Total		£175,000	£174,000

- 2.3 The panel acknowledged the good work undertaken by VSNS (Voluntary Support North Surrey) in their first year of working in Spelthorne. Their role of coordinating, training and encouraging volunteers has greatly improved the service compared to previous years, in particular with organising voluntary sector events.

- 2.4 The amount of grant funding allocated to Citizens Advice this year has been reduced. A reengineered package of funding will be offered encompassing proposals to move them from Sunbury Library back to the Knowle Green offices, reduced grant funding of £40,000 and a top up amount funded from Council budgets for specific advice provided to address a projected increase

in demand for areas such as housing, debt and welfare support advice. The overall package is anticipated to maintain their level of funding.

- 2.5 A subsequent meeting took place on the 7 December 2017 to consider the other grant applications. Following consideration, the resulting grant support is proposed.

Organisation	Primary focus	Amount proposed 2018/19	Amount awarded 2017/18
The Mulberry Centre	Cancer information and support	£3,000	£3,000
North Surrey Domestic Abuse	Independent, confidential, impartial advice	£3,000	£3,000
Crossroads	Respite breaks for unpaid carers	£3,000	£3,500
Spelthorne Community & Arts Association	Administers small grants to Community and Arts associations	£2,400	£2,400
Spelthorne Sports Council	Administers small grants to local Sports Organisations and individuals	£2,400	£2,400
Cruse Bereavement Care	Support, advice, information for bereaved	£2,000	new
Daybreak	Day respite care, older people	£2,000	£2,000
One to One	Social activities for adults with learning disabilities	£2,000	£1,000
London Irish Amateur Ladies	Encouraging female participation in the sport. Support for coaching, kit and physio for players.	£2,000	new
Browns Community Services	Support for vulnerable adults with complex needs	£1,000	£1,000
Talk	Support for those with communication difficulty after a stroke	£1,000	£1,000
SCAN	Improve access awareness for people with disabilities	£500	£500
Skiff & Punt Club	Teaching punting and encouraging participation for all abilities	£2,500	new
Total		£26,800	£16,800

- 2.6 The budget for the 2018/19 grants allocations was set at £209,600. During the review process, a total of £201,800 of grant money was assigned. Allocations were based on the assumption that the additional residual funding (detailed in 2.7a) is still available to be carried forward from the 2017/18 funding pot.

2.7 A number of additional one off grant funding streams were made available during 2017/18. As a result of this we have been able to support more charities and organisations over the year across a wider spectrum.

These additional one off funding streams included:

- (a) Due to additional revenue grant funding from the Better Neighbourhood Grant of £8,696, £9,696 currently remains unallocated from the residual 2017/18 grant provision. This surplus can be taken forward into next year's allocations.
- (b) A virement of £25,000 from the Surrey County Council's suspended Community Buildings Fund (for capital projects only). To date a total of £21,900 of this has been spent in 2017/18, leaving £3,100 to spend between now and the end of the current year, or carry forward into next year

2.8 The Terms of Reference for the Grants panel states that any organisations receiving in excess of £15,000 should enter into a service level agreement (SLA) to ensure that the Council is receiving value for money. This currently applies to our top 6 funded organisations, enabling us to ensure they effectively help support local need and the Council's priorities

2.9 The current 3 year SLA terms expire on 1 April 2018. The Council are working on developing more robust and organisation specific agreements with clear requirements and outcomes.

3. Financial implications

3.1 The grant funding awarded to date from applications received for funding in 2018/19 is £201,800 out of £219,296 available. This leaves a surplus of £17,496 which will be ring-fenced for projects which arise during the course of the year 2018/19.

Funding position summary

	£
2018/19 grant allocation	209,600
Carry forward from 2017/18	9,696
Total grant allocation available for 2018/9	219,296
Less currently allocated funding 2018/19	201,800
Remaining for 2018/19 (for in year grant allocation)	17,496

3.2 In addition a one off amount of £3,100 is available for applications for capital funding.

3.3 The support in kind for 2018/19 is projected to be as follows.

Item	Amount	Description
Business Rates	£6,683	Spelthorne contribution
Rate Relief	£41,600	Spelthorne contribution

Free facilities (excluding Knowle Green)	£13,451	Community/charity organisations that SBC receive an income from.
Accommodation (Knowle Green)	£22,302	Open market rental costs
Total	£84,036	

3.4 In addition to the above, a number of other forms of funding in kind are attributable to the voluntary and charity sector. These are outlined in Appendix A – Other support for charities and community organisations.

4. Other considerations

4.1 The Voluntary Sector offers services to a wide range of communities in Spelthorne. The value of the sector shows itself in its involvement with a cross section of residents from across the borough. It can deliver outcomes the public sector finds hard to deliver on its own, such as one-to-one support, dedication to a specific group or cause; expert guidance and advice and non-statutory services. Some providers represent or advocate for minority groups, user groups and faith communities.

4.2 The sector's activities enhance aspects of health and wellbeing, self-reliance, community resilience and social cohesion.

4.3 The grants panel aim to support a cross section of voluntary organisations to ensure a presence is maintained in all aspects of the third sector including voluntary, sporting, and charitable organisations.

5. Timetable for implementation

5.1 Following agreement by Cabinet, letters will be sent to applicants advising them of the outcome of their applications by late February

5.2 All qualifying grants will be paid in April 2018.

5.3 The ring-fenced surplus funding (£17,496 revenue and £3,100 capital) will be paid out by the grants panel as applications are received and evaluated during the course of the financial year 2018/19.

Appendices: Appendix A – Other support for charities & community organisations

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As well as direct grant funding, Spelthorne Council supports the voluntary sector in a number other ways. Some examples are detailed below.

1.1 Rate / Business Rate Relief to charities and organisations

There is a range of relief on rates / business rates for charities. Many organisations are entitled to mandatory relief of 80% but the Council has the authority to offer additional discretionary rate relief of up to 20%. In order to apply this, Cabinet approval is required for any organisations receiving a “top up” of over £2,000 per annum. Officers may approve a “top up” of up to £2,000.

The Council also has the ability to offer discretionary rate relief, provided the criteria are met. Again, Cabinet agree discretionary awards over £2,000 and officer under £2,000

Examples of organisations who receive relief include

Business rate relief categories	Examples of organisations
Top up on mandatory over £2,000	Leisure Centres / Art Galleries
Top up on mandatory under £2,000	Scout Huts
Discretionary over £2,000	Sailing clubs / Sports clubs
Discretionary under £2,000	Village Halls / Sports clubs.

The value of the rate and business rate relief for 2018/19 is £48,283

1.2 In Kind Support

Organisations such as Civic Pride and The Allotment Society receive meeting rooms free of charge, storage and office time to help to deliver projects.

1.3 Free Accommodation

A number of voluntary organisations receive free accommodation in Knowle Green. Direct cost of the rental cost of the accommodation is detailed below.

Organisation	m2	Rental cost/ m2	Rental cost	Additional costs
Action for Carers	35	189.00	£6,615.00	Additional benefits (not costed) include use of building facilities, rate relief, car parking spaces, utility costs, wi-fi etc.
Age UK	31	189.00	£5,859.00	
One to One	13	189.00	£2,457.00	
Crest	23	189.00	£4,347.00	
Rentstart	16	189.00	£3,024.00	
Rental Rates	118		£22,302.00	

The total rental value of the office space provided to voluntary/charitable organisations within Knowle Green is £22,302.00 per annum.

1.4 **Facilities with no rent or rental income of ground rent only.**

There are a few facilities which the Council leases to organisations at no cost. The main facilities are Riverside Arts Centre Sunbury and Spelthorne Museum and archive store. The facilities above provide service for residents of the Borough and are extensively used by the community. They are operated by volunteers. The values associated with these spaces are as follows:

- Riverside Arts Centre £44,000 per annum (open market rental value)
- Spelthorne Museum £11,000 per annum (put aside to cover utilities, business rates & other charges)

There are also a number of groups/organisations located on Council land for which the Council receives a ground rent. Of these, community/charity use brings in £13,014.50 a year.

1.5 **Better Neighbourhood Grants (BNG)**

Councillors are expected to each be allocated £1,000 per annum from the 2018/19 budget to make their neighbourhood better. This equates to a total of £39,000. In some cases ward councillors put their allocations together to try to make better use of the money. The Leader will allocate any residual BNG money left at the end of the financial year.

Cabinet**21 February 2018**

Title	Capital Programme and Strategy 2018/19 to 2021/22		
Purpose of the report	To make a recommendation to Council		
Report Author	Laurence Woolven (Chief Accountant)		
Cabinet Member	Councillor Howard Williams	Confidential	No
Corporate Priority	Financial Sustainability		
Recommendations	<p>The Cabinet is asked to recommend that Council :</p> <p>1) Consider and approve the Capital Programme for 2018/19 to 2021/22</p> <p>2) Consider and approve the Prudential Indicators for 2018/19 to 2021/22.</p>		
Reason for Recommendation	To allow the authority to spend its capital resources for the financial year 2018/19.		

1. Key issues

- 1.1 The report is to consider and approve the proposed Capital Programme for 2018/19 to 2021/22 in the light of the available resources and corporate priorities. The report covers progress on current schemes and includes future schemes for consideration.
- 1.2 The Potential cost of the schemes proposed in the 2018/19 programme total £219.2m broken down as follows:

Scheme	2017/18 Original £	2017/18 Revised £	2018/19 £	2019/20 £	2020/21 £	2021/22 £
Housing Programme	754,900	1,042,600	11,015,000	5,910,600	5,110,600	5,110,600
Grants Received	(670,600)	(670,600)	(746,900)	0	0	0
Total Housing Programme	84,300	372,000	10,268,100	5,910,600	5,110,600	5,110,600
Other Services Programme	210,263,100	300,079,900	208,955,300	105,600	55,600	55,600
Total Capital Programme	210,347,400	300,451,900	219,223,400	6,016,200	5,166,200	5,166,200

The largest item in the 2018/19 programme is £203.5m for the continued acquisition of assets. The bulk of the remaining capital spend in 18/19 and 19/20 relates to funding the initial cost of developing Housing on Council owned assets (Benwell, Churchill, Bugle) which will deliver additional housing and an ongoing revenue stream which will improve the Council's revenue position in future years and proposed works on the redevelopment of the Leisure Centre.

- 1.3 With the exception of some small schemes funded by specific grant, the majority of the Capital Programme is now funded from borrowing on a Prudential basis as the Council has very limited capital receipts or capital reserves.

Proposed Programme

- 1.4 All bids to go on the Capital Programme for 2018/19 have been critically assessed and reviewed by Management team and Cabinet to ensure that they meet the new Criteria of Capital expenditure. The level of spend proposed has also been revised to reflect the level of capital resources now available to finance future capital expenditure.
- 1.5 Included within the 2018/19 Programme are a number of schemes that were transferred from the 2017/18 programme. These schemes include the following:
- (a) Laleham Park - £200k
 - (b) Solar PV for Staines Community Centre - £25k
 - (c) Air Quality - £24.5k
 - (d) Affordable Housing Opportunity - £966k
 - (e) Towpath Car Park - £41.2k
 - (f) Acquisition of Assets - £203,500k
 - (g) Agile Working - £27k
 - (h) Scanners - £31k
 - (i) Sharepoint redesign - £90k
 - (j) Corportae EDMS - £93.3k
 - (k) Small scale Area Regeneration - £367.6k
 - (l) CCTV Enhancement - £145.5k
- 1.6 There are a number of new schemes identified for the programme in 2018/19 and these include:
- (a) Leisure Centre redevelopment - £1,800k – Initial costs of Spelthorne Leisure Centre works
 - (b) Project Lima works - £885k – Costs of Project Lima (office reconfiguration to free up space used by the Council)
 - (c) Community Centre capital projects - £100k – Enhancing the community centres
 - (d) Knowle Green Car Park Improvements - £100k – Works on barriers and surrounding footpaths etc

- (e) Shepperton Lock Toilets - £60k – replacement of toilets
 - (f) Tennis Court refurbishments - £27.5k – Refurbishment programme of Borough’s tennis courts
 - (g) Developing Housing on Council owned assets - £10.2m.
- 1.7 The Budget also includes provision for on-going schemes and upgrades on specific areas including Information Technology – The various IT schemes include equipment refresh, upgrades to systems and improvements to ways of working which will help facilitate efficiencies.
- 1.8 The calculation for the prudential Indicators is attached as Appendix 4

2. Options analysis and proposal

- 2.1 The Housing Investment and Other Services Programmes have in the past been funded from Capital receipts as the use of any long term borrowing would have resulted in the loss of the Council’s debt free status. However under the prudential regime Councils now have much greater freedom to borrow for capital investment. The Prudential Code is currently being revised and a new version is expected in early 2018. Any borrowing would of course result in a charge to the General Fund for principal and interest.
- 2.2 If borrowing is not undertaken the programme would need to be financed from additional capital receipts through the selling of assets or a significant revenue contribution to Capital from the services proposing the capital works.

3. Financial implications

- 3.1 As set out within the report and appendices Recommended Capital Programme for 2018/19 is estimated at £219,233,400.
- 3.2 The Council is looking to retain most of its freeholds, which means that future capital receipts will be limited. There will still be a small of amount of receipts from the Council’s share of Right to Buy. To improve the resiliency of the Capital Programme, the Council is increasing its revenue contribution to capital and over time its repair and renewal funds. Borrowing will be undertaken to fund acquisitions and developments where future income streams or cashable savings are generated, for example reducing the office footprint.
- 3.3 The Planned financing of the 2018/19 Capital Programme is as follows:

Type of Funding	Amount £’000	Revenue Impact
External Funding (Disabled Facilities Grant / Housing Improvement Agency)	985	None
Borrowing	216,461	Financing and borrowing repayments
Revenue Contribution to Capital Outlay	747	Interest foregone to allow for future income streams and

		cashable savings to be generated
Capital Receipts (Council element of Right to Buy etc)	2,015	Required to progress operational need
Total	220,208	

The external funding shown in the above table is already included in the net capital programme position of £219,223k, hence the difference in the total shown.

4. Other considerations

4.1 There are none

5. Timetable for implementation

- 5.1 Schemes included in the Capital Programme are programmed to commence in 2018/19 and will be monitored monthly to ensure that any slippage of schemes is identified at an early date and the programme is adjusted accordingly.
- 5.2 Any schemes incomplete at the end of March 2018 may be incorporated as part of the revised programme for 2018/19.
- 5.3 Bi Monthly reports are prepared for MAT to show the current status of the schemes and presented to cabinet and Overview and Scrutiny Committee quarterly for revisions and updates to both estimates and projected.

Background papers: None

**Appendices: 1 Summary of 2018/19 to 2021/22 Capital Programme Estimates
2 Capital Project Breakdown relating to Housing
3 Capital Project Breakdown relating to Other Schemes
4 Prudential Indicators & MRP Statement
5 Summary of 2018/19 Capital Bids**

CAPITAL ESTIMATES 2018/2019 - 2021/22

SCHEME	FYE	ACTUALS	ESTIMATED PROGRAMME					
	ACTUALS 2016/17	TO DATE 2017/18	2017/18		2018/19	2019/20	2020/21	2021/22
			ORIGINAL	REVISED				
			ESTIMATE	ESTIMATE				
£	£	£	£	£	£	£	£	
CAPITAL PROGRAMME SUMMARY								
Housing Investment Programme	(146,945)	(250,298)	84,300	372,000	10,268,100	5,910,600	5,110,600	5,110,600
Other Services Programme	421,762,207	63,273,212	210,263,100	300,079,900	208,955,300	105,600	105,600	55,600
TOTAL CAPITAL PROGRAMME	421,615,262	63,022,914	210,347,400	300,451,900	219,223,400	6,016,200	5,216,200	5,166,200

CAPITAL ESTIMATES 2018/2019 - 2021/22									
SCHEME	FYE	ACTUALS	ESTIMATED PROGRAMME						
	ACTUALS 2016/17	TO DATE 2017/18	2017/18		2018/19	2019/20	2020/21	2021/22	4.00%
			ORIGINAL	REVISED					INTEREST
			ESTIMATE	ESTIMATE					LOST
£	£	£	£	£	£	£	£	£	
House Renovation Grants									-
Disabled Facilities Grants									-
- Mandatory	467,131	456,970	644,300	932,000	707,400				28,300
- Discretionary	2,514	98	29,600	29,600	29,600	29,600	29,600	29,600	1,200
	469,645	457,068	673,900	961,600	737,000	29,600	29,600	29,600	29,500
Less Specified Capital Grant	(644,335)	(707,366)	(644,300)	(644,300)	(707,400)				
Net Cost of Disabled Facilities Grants	(174,690)	(250,298)	29,600	317,300	29,600	29,600	29,600	29,600	29,500
Home Improvement Agency grant	80,451		81,000	81,000	83,000	81,000	81,000	81,000	3,300
HIA Funding	(52,706)		(26,300)	(26,300)	(39,500)				
Total - House Renovation Grants	27,745	-	54,700	54,700	43,500	81,000	81,000	81,000	3,300
Bugle					1,450,000				
Churchill					570,000				
Benwell					8,000,000	5,800,000			
Whitehouse					175,000				
Building Improvements							5,000,000	5,000,000	
	-	-	-	-	10,195,000	5,800,000	5,000,000	5,000,000	-
TOTAL - HOUSING	(146,945)	(250,298)	84,300	372,000	10,268,100	5,910,600	5,110,600	5,110,600	32,800

CAPITAL ESTIMATES 2018/2019 - 2021/22									
SCHEME	FYE ACTUALS 2016/17	ACTUALS TO DATE 2017/18	ESTIMATED PROGRAMME						
			2017/18		2018/19	2019/20	2020/21	2021/22	INTEREST LOST 4.00%
			ORIGINAL ESTIMATE	REVISED ESTIMATE					
	£	£	£	£	£	£	£	£	£
Housing, Health, Wellbeing & Independent Living									
Affordable Housing Opportunity		38,032	1,181,000	215,000	966,000				38,600
Day Centre Replacement Furniture	34,154								-
Day Centre Hairdressing Salon refurbishment	17,742								-
Winter Shelter	25,000								-
Community buildings grant scheme			25,000	25,000					-
Ward grants		88,851	260,000	260,000					-
Civica Housing EDMS & Locata Integration		18,500	25,000	25,000					-
Landlord Guarantee Scheme			50,000	65,000					-
Environment									
Grounds Maintenance Project		133,145		500,000					-
Spelride Bus Replacement	239,980	(6,755)							-
Tennis Court Refurbishment					27,500				1,100
Small Scale Area Regeneration	221,036	14,131	620,000	14,200	605,800				24,200
External Funding	(102,000)	(71,840)	(310,000)	(71,900)	(238,100)				(9,500)
Wheelie Bins	39,224	49,630	50,000	50,000	50,000	50,000	50,000		2,000
Replacement of Market Stalls	38,266								-
Replacement of Grass cutting Machinery	39,949								-
Refuse/Recycling Vehicles	26,901	236,240	225,000	225,000					-
Replacement Multi use vehicle			80,000	80,000					-
Miniature Railway Staines Park		14,271	15,000	15,000					-
Installation of Electric Vehicle Charging Points		13,080	15,000	15,000					-
Tothill Car Park (Lighting Upgrade)			30,400	30,400					-
Towpath Car Park				-	41,200				1,600
Greeno Day Centre (lighting Upgrade)			10,800	10,800					-
Solar PV for Staines Community Centre		800	25,000	-	25,000				1,000
Parking Service Vans			20,000	20,000					-
Spelthorne Leisure Centre Redevelopment					1,800,000				-
Air Quality (Project is expected to complete by March 2016)			24,500	-	24,500				1,000
Domestic Home Energy	30,000		30,000	30,000	30,000				1,200
Allotment Fencing	8,825								-
Stanwell Skate Park		(1,249)							-
External Funding									-
Skate track/Keep Fit Hengrove Park	54,936		14,600	14,600					-
Runnymede Estates	54,706		55,600	55,600	55,600	55,600	55,600	55,600	2,200
Fire Alarm Systems									-
Replace Council Accommodation	2,821		6,997,000	6,997,000					-
Parks Properties									-
Plot 12&13 Towpath Car Park	309		56,200	56,200					-
Renewal of Toilet Facilities					60,000				2,400
Greeno Centre Car Park	55,302	(1,270)							-
Memorial Gardens	88,370	(2,256)							-

CAPITAL ESTIMATES 2018/2019 - 2021/22									
SCHEME	FYE ACTUALS 2016/17 £	ACTUALS TO DATE 2017/18 £	ESTIMATED PROGRAMME						
			2017/18		2018/19 £	2019/20 £	2020/21 £	2021/22 £	INTEREST LOST 4.00% £
			ORIGINAL ESTIMATE £	REVISED ESTIMATE £					
Acquisition of Assets	417,499,567	62,382,336	200,000,000	291,000,000	203,500,000				8,140,000
Loan to Knowle Green Estates Ltd	2,986,230								-
Project Lima					885,000				35,400
Knowle Green Car Park Improvements					100,000				4,000
Community Centre projects					100,000				4,000
Pay & Display Machines	137,576								-
Replacement of notice processing system	15,172								-
Bridge Street Car Parking Machines		41,289	25,000	25,000					-
Laleham Park Upgrade			200,000	-	200,000				8,000
New Software	18,891	24,321	20,000	20,000	20,000				800
Other Hardware	19,475	4,640	30,000	30,000	38,000				1,500
Mobiles & Tablets					15,000				600
Mobile Device Management					10,000				400
Replacement Back up	80,000								-
Wireless presentation	14,657								-
Datacentre	18,256								-
Email	6,357								-
Members ipads	4,442								-
Unix	30,400								-
VDI	27,154	119,994		177,800	90,000				3,600
ICT Network		143,008	150,000	150,000	30,000				1,200
Peripheral Devices		724	3,500	3,500					-
Chamber Audio Cap Equipment		33,470							-
Customer Portal					10,000				400
Customer Services Contact Centre					40,000				1,600
Oracle Upgrade					10,000				400
Reception Terminals					8,000				300
Sharepoint Upgrade					35,000				1,400
SQL Server 8000					30,000				1,200
Customer Relationship Management (CRM) Solution	12,000								-
Corporate EDMS Project	11,154		108,300	15,000	93,300				3,700
Scanners for Corporate EDMS roll out			31,000	5,000	31,000				1,200
Sharepoint Redesign and Relaunch			70,000	-	90,000				3,600
New Booking System	4,360								-
Agile Working	995	120	28,200	20,200	27,000				1,100

CAPITAL ESTIMATES 2018/2019 - 2021/22										
SCHEME	FYE ACTUALS 2016/17	ACTUALS TO DATE 2017/18	ESTIMATED PROGRAMME							
			2017/18		2018/19	2019/20	2020/21	2021/22	INTEREST LOST	
			ORIGINAL ESTIMATE	REVISED ESTIMATE						
	£	£	£	£	£	£	£	£	4.00% £	
CCTV Enhancement			97,000	1,500	145,500					5,800
TOTAL - OTHER PROJECTS	421,762,207	63,273,212	210,263,100	300,079,900	208,955,300	105,600	105,600	55,600	8,286,000	

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Prudential Indicators Statement 2018/19

The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Expenditure: The Council's planned capital expenditure and financing may be summarised as follows.

Capital Expenditure and Financing	2017/18 Revised £000's	2018/19 Estimate £000's	2019/20 Estimate £000's	2020/21 Estimate £000's
Total Expenditure	301,194	220,208	6,016	5,216
Capital Grants / Contributions	(980)	(985)	0	0
Capital Reserves / Revenue	(2,967)	(2,762)	(1,016)	(216)
Borrowing	(297,247)	(216,461)	(5,000)	(5,000)
Total Financing	(301,194)	(211,257)	(6,016)	(5,216)

Estimates of Capital Financing Requirement: The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31.03.18 Revised £000's	31.03.19 Estimate £000's	31.03.20 Estimate £000's	31.03.21 Estimate £000's
Total CFR	909,393	901,957	874,334	850,000

The Council has been debt free for a number of years, and therefore the CFR has been nil. However, recent acquisitions have led to the CFR increasing significantly and it is forecast to rise again in 2017/18 to reflect the further funding being made available for strategic acquisitions. It will then slowly reduce over time in line with the annuity based funding model used by the Council to support each of the strategic acquisitions made.

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31.03.18 Revised £000's	31.03.19 Estimate £000's	31.03.20 Estimate £000's	31.03.21 Estimate £000's
Total Debt	887,593	878,157	868,534	858,000

Total debt is expected to remain below the CFR requirement during the forecast period.

Operational Boundary for External Debt: The operational boundary is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary	2017/18 Revised £000's	2018/19 Estimate £000's	2019/20 Estimate £000's	2020/21 Estimate £000's
Total Debt	920,000	912,000	904,000	896,000

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements, including the short term VAT related costs incurred with any acquisitions.

Authorised Limit	2017/18 Revised £000's	2018/19 Estimate £000's	2019/20 Estimate £000's	2020/21 Estimate £000's
Borrowing	942,000	934,000	926,000	918,000
Total Debt	942,000	934,000	926,000	918,000

Ratio of Financing Costs to Net Revenue Stream: This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2017/18 Revised %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %
General Fund	62	73	77	78

The ratio has changed significantly following the acquisitions completed in 2016. The ratio will continue to increase in future years due to increasing MRP requirements (which reflects the borrowing we are repaying each year) and the reducing income stream the Council is going to receive in grants from central Government.

Adoption of the CIPFA Treasury Management Code: The Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2011 Edition at its meeting on 24th January 2012.

Annual Minimum Revenue Provision Statement 2018/19

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the CLG Guidance). The MHCLG has recently issued consultation on revisions to the Minimum Revenue Provision Guidance which the Council has responded to. Once the MRP guidance is revised the Council will revise its policy as necessary.

The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The Council's current policy of fully repaying borrowing and associated liability by using annual MRP set asides to pay annual amortising debt is a fully prudent approach.

The CLG Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance.

Capital expenditure incurred during the financial year on asset acquisitions will not be subject to a MRP charge until the following complete financial year. For capital expenditure incurred that is funded from borrowing, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate equal to the relevant PWLB rate at the point the expenditure is incurred. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.

The annuity method makes provision for an annual charge to the General Fund which takes account of the time value of money (whereby paying £100 in 10 years' time is less of a burden than paying £100 now). The schedule of charges produced by the annuity method thus results in a consistent charge over an asset's life, taking into account the real value of the annual charges when they fall due.

The annuity method also matches the repayment profile to how the benefits of the asset financed by borrowing are consumed over its useful life (i.e. the method reflects the fact that asset deterioration is slower in the early years of an asset and accelerates towards the latter years). This re-profiling of MRP therefore conforms to the DCLG "Meaning of Prudent Provision" which

Appendix 4

provide that “debt [should be] repaid over a period that is reasonably commensurate with that which the capital expenditure provides benefits”.

Capital expenditure incurred during 2018/19 will not be subject to a MRP charge until 2019/20.

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	Amount	Project	Requested By	Explanation
	707,400	Disabled Facilities Grant Mandatory	Karen Sinclair/ Janice Lowin	The Council has a statutory duty to facilitate the provision of mandatory DFGs, subject to means testing, for essential adaptations to give access to essential facilities within the home and garden. Expected match funding from Surrey County Council (DCLG)
	29,600	Disabled Facilities Grant Discretionary	Karen Sinclair/ Janice Lowin	The Council also provides a discretionary DFG to allow adaptations required that are not covered by mandatory DFG's, e.g. the provision of wheelchair storage and office facilities at home or assisting a person move to a property which is better suited to their needs which is already adapted, requires less or no adaptation.
	83,000	Home Improvement Agency	Karen Sinclair/ Janice Lowin	In addition to Disabled Facilities Grants, Clients are supported through the DFG process by 'Home Improvement Agencies', who help the vulnerable applicants complete grant forms, obtain quotes, oversee grant works on behalf of the client and generally provide information on other services to which the client may be eligible. These services are not statutory duties, however, these are central to achieving the Council's value of 'self reliance' as both provide a focused service for those most disadvantaged and in need, and enable a greater level of independent living. Expected funding of £39,500 from Surrey County Council.
	1,450,000	Bugle	Nick Cummings	Tender Amount
	570,000	Churchill	Nick Cummings	Tender Amount
	8,000,000	Benwell	Nick Cummings	Anticipated costs
	175,000	Whitehouse	Nick Cummings	Anticipated costs
HOUSING PORTFOLIO	11,015,000			
	10,000	Customer Portal	Helen Dunn/ A Corkish	When members of the public go to our website to fill in a form, they go through to a portal (Firmstep), which holds their profile details. If they go to retrieve housing benefit information, they have to log onto a different portal (Capita Connect) with a separate set of credentials. For a number of councils, Firmstep have set up a single sign on, which embeds the Capita Connect portal into the Firmstep portal (the reverse is not possible). For the customer, this means that they only need to have a single set of credentials to do what they need to do on our website and do not need to log on in multiple areas. This will assist in encouraging greater self service by customers allowing customer services to focus on more complex issues
	30,000	Firewalls	Helen Dunn/ A Corkish	This is part of the current network refresh project (43622). By the end of 2017/18, we will have replaced all the switches, rolled out the wifi and fitted a new UPS to each cabinet. The budget that we bid for in October 2016 was intended to be sufficient to complete the project. However, since then, due to the change in the dollar rate, prices for Cisco equipment have risen by 25%. We therefore do not have enough funding to purchase the firewalls. The bid below will allow us to complete the network refresh.
	30,000	Hardware	Helen Dunn/ A Corkish	This is a general contingency for non-specific hardware requirements. Each year there is a need to refresh a certain amount of equipment
	8,000	Home Working	Helen Dunn/ A Corkish	With the advent of Project Lima, it is our understanding that an increased number of staff may work from home. This is a contingency budget for setting up staff with basic home use equipment.
	40,000	Mitel To Skype	Helen Dunn/ A Corkish	We are currently running two telephony systems – Skype for Business and Mitel. We are the only Surrey authority doing this. We find ourselves in this position is because when the rest of the authority moved to Skype for Business, the previous Head of Customer Services was reluctant for her team to move across because of the investment that had been made in the Mitel system. But the Mitel switch is now nearly 6 years old and would now need replacing anyway. The proposal is to move us onto one unified Skype for Business system

	Amount	Project	Requested By	Explanation
	10,000	Mobile Device Management	Helen Dunn/ A Corkish	Mobile Device Management software is what we use to control council owned smart phones and tablets. Because all our devices are set up to receive emails, we need to have a mechanism of enforcing that they are secured by pin and ensuring that we can wipe them remotely if they are lost or stolen. The software we currently use expires on 31/03/18. We are dissatisfied with the product and intend to use the Meraki Systems Manager, which is the same suite of software we have for our wifi devices. The price below is for 200 devices for 5 years. (This is scalable e.g 3 year cost for 150 is £5.4K)
	15,000	Mobile and Tablets	Helen Dunn/ A Corkish	In the past two and a half years, the number of tablets in the authority has risen by 500% and the number of smart phones has quadrupled. These devices have a shorter life expectancy than PCs and Laptops. They are taken out and used in the field. They are frequently damaged and occasionally lost. As greater mobility seems to be being encouraged even more. This is a contingency budget for new and replacement devices
	10,000	Oracle Server	Helen Dunn/ A Corkish	Uniform (supplied by Idox) is the property application used throughout the council. Idox only support the use of Oracle databases. Uniform is the only Oracle database that the council have. Our servers are virtualised, but Oracle licensing means that we cannot economically put the Oracle database on one of our virtual servers. The database therefore sits on its own physical server. This server is now over 6 years old and due for replacement. The costs below are for the hardware and all related out of hours consultancy to migrate the contents across
	8,000	Reception	Helen Dunn/ A Corkish	A number of departments have asked us about providing computers for the public in the main reception area so they can access council information or communicate with staff. Scanning services would also need to be provided so that the public can scan in documents they have been asked to submit
	35,000	Sharepoint	Helen Dunn/ A Corkish	Sharepoint is one of the council's document management systems. It has, thus far, been only partially adopted by the authority. Everyone has a MySite, and every department has a team site but not all of the team sites are in use. There was an intention for us to start using it more widely. If that is still the case, we need to upgrade to 2016. This bid is for two server licences, all the user CALS and consultancy.
	20,000	Software	Helen Dunn/ A Corkish	This is a general contingency for software requirements. Each year there is a need to purchase a variety of small applications as add-ons or enhancements to our existing products
	30,000	SQL Server 8000	Helen Dunn/ A Corkish	The council predominantly uses SQL server for the databases for all the applications (except Academy and Uniform). All the applications are housed across 4 SQL servers – canopus, lunar, indus and SBCSQL2012. Two of them – canopus and lunar are 2008 servers with SQL2008R2 installed. From 2019, this will no longer be supported software. Additionally, some suppliers have removed support for their applications on these versions already. We therefore have to move to a more up to date SQL platform. Across the two servers we have over 30 databases. Some of the smaller ones can be handled by ICT in house, but the larger ones we will not be permitted to touch. They will have to be done by suppliers for continuation of support. The costs below are for the SQL 2016 licenses and the associated consultancy (20 x £1K)
	90,000	VDI Terminals	Helen Dunn/ A Corkish	VDI is the method that we will be using to deliver the desktop to the end users from the end of 2017/18 once the technology is in place and paid for. Thin terminal is the term for the computers that are used by the end user in VDI. They have minimal specifications because they do not need to do any heavy processing and therefore last considerably longer than normal PCs. They are less than half the size of a compact laptop. The original concept was to reuse PCs that we currently have as thin terminals. However, to maximise space usage in Knowle Green staff are likely to have smaller desks and thin terminals will allow better use of desk space. They are approximately £300 per unit
	27,000	Agile Working	Sandy Muirhead	The project is quite wide ranging in terms of moving towards more agile working. This will cover the proposed office moves and any needs for staff including any changes in current working patterns and lessons learned from trials in Environmental Health. Plans are now moving ahead under the auspices of Project Lima to make better use of space in Knowle Green and this links to the agile working and technology used.

	Amount	Project	Requested By	Explanation
	31,000	Scanners Roll out	Sandy Muirhead	This project will form part of Project Lima as it enables us to accurately assess the number and type of scanners required including needs for future and back scanning requirements. Initial assessments have been made but spends will be in tandem with Project Lima.
	90,000	Sharepoint Redesign & Relaunch	Sandy Muirhead	This project is under review and will be integrated with other ICT projects. This work with the go-ahead on project lima provides more opportunities for successful implementation.
	93,300	Corporate EDMS Project	Sandy Muirhead	Work on Phase II is being undertaken. Project is currently in progress linked to office moves. Any spends in this area does rely on proactive action by services to archive documents via back scanning.
CORPORATE MANAGEMENT	577,300			
	30,000	Domestic Home Energy	Francesca Lunn	Working in partnership with energy suppliers we aim to improve levels of warmth, comfort and quality of life for vulnerable people who have cold related illnesses. They need help with the installation of heating and insulation measures which they can't afford themselves. The service is to provide boilers, central heating systems, and hot water tanks to the most vulnerable in the community.
	60,000	Shepperton Lock Toilets	Jackie Taylor	In 2006 there were 8 automated public conveniences (APC's) operated by J C Decaux and 5 by Healthmatic. A review took place in 2012 and resulted in a reduction based on usage. The Borough has no toilets operated by JC Decaux and 2 toilets which are used by River traffic and is proven to be very popular over the summer period. Lack of toilet provision by Shepperton lock may have an adverse effect on nearby open space as river traffic may want to empty contents of chemical toilets into bushes etc. It is illegal to discharge chemicals into the river. The toilets are very old and one toilet has not been working since June 2017. Healthmatic are recommending that Spelthorner replace them. The monies are required to remove these toilets and install male and female toilets
	27,500	Tennis Courts Refurbishment	Jackie Taylor	A programme of refurbishment for the borough's tennis courts were outlined in an executive report in January 2009. Four courts received a complete refurbishment between 2009 and 2012. The remaining courts in Ashford Recreation ground, Stanwell Recreation Ground, Staines Park, Cedar Park need cleaning and repainting. Staines Park Recreation ground and the tennis courts are in need of digging up and replacing the surface and the lines repainted
	50,000	Wheelie Bins	Jackie Taylor	Purchase of green and brown wheelie bins and small food waste bins/caddies to enable additional customers to join the green waste scheme as and when required. We are also required to provide new bins for new housing developments. There will be an increase in property numbers during 18/19
	200,000	Laleham Park Upgrade	Jackie Taylor	This project is underway with building proposals at pre planning stage and expected to be completed during 2018/19.
	25,000	Solar PV For Staines Comm Cent	Jackie Taylor	Currently all the quotes are being looked at and considered. This project will not be completed until 2018/19
	24,500	Air Quality	Lee O'Neil	The project is in progress with other priorities and expected to be completed by end of 2018/19
	605,800	Small Scale Area Regeneration	Keith McGroary	Contracts awarded for 3 parades to be upgraded, S278 agreement licences are imminent. Funding of £238,100 carried over, no more funding for future projects of this type is available as funding from Suurey County Council has ceased.
	145,500	CCTV Enhancement	Keith McGroary	Contracts for the wireless CCTV conversion went out to tender in December 2017. This project is likely to be completed early in 2018/19.
	1,800,000	Leisure Centre Redevelopment	Lee O'Neil	Initial costs of Spelthorne Leisure Centre redevelopment
ENVIRONMENT & COMPLIANCE	2,968,300			

	Amount	Project	Requested By	Explanation
	966,000	Affordable Housing Opportunity	Heather Morgan	Budget required to fund Churchill Hall, Bugle and other projects as continue to look for the other opportunities and keep in touch with Registered Social landlords Partners
	41,200	Towpath Car Park	Heather Morgan	Work relating to clearing the site and installing fencing around
	55,600	Planned Maintenance (enhancement etc)	Nick Cummings	Needed for work on west wing in order to be able to rent space out to new tenants
	100,000	Knowle Green Car Park Improvements	Nick Cummings	Replacement of barriers and provision of footpaths
	100,000	Community Centre projects	Nick Cummings	Enhancements of Community Centres
PLANNING & ECONOMIC DEVELOPMENT	1,262,800			
	203,500,000	Acquisition of Assets	Heather Morgan	Budget for the continued programme fo asset acquisition
	885,000	Project Lima	Nick Cummings	Costs of Project Lima
LEADER PORTFOLIO	204,385,000			
	220,208,400			
	-985,000	Externally funded (DFG/HIA)		
	219,223,400			

Cabinet**21 February 2018**

Title	Detailed Revenue Budget for 2018/19		
Purpose of the report	To make a recommendation to Council		
Report Author	Laurence Woolven (Chief Accountant)		
Cabinet Member	Councillor Howard Williams	Confidential	No
Corporate Priority	Financial Sustainability		
Reason for Recommendation	The Authority is required to set a balanced budget and a Council tax rate for the financial year 2018/19.		
Recommendations	<p>The cabinet is asked to recommend that Council consider and approves :</p> <ol style="list-style-type: none"> 1. Participating in the Surrey wide 2018/19 Business Rates Retention pilot scheme. 2. Continuing the Council's Local Council Tax Support Scheme with the current rules and regulations. 3. Continuing the complete disregard of war pension /armed forces pension income from benefit calculations. 4. The growth and savings items as set out in the report's appendices. 5. The Council Tax Base for the whole council area for 2018-19. [Item T in the formula in Section 31b(3) of the local government Finance Act 1992, as amended (the "act")] should be 39,280.00 band D equivalent dwellings and, 2.1 Calculate that the Council Tax requirement for the Council's own purpose for 2018-2019 is £197.44 Per Band D equivalent dwelling. 6. To approve a £5 or 2.6% increase on Band D in the Spelthorne Borough Council element of the Council Tax for 2018-19. Moreover: <ol style="list-style-type: none"> a) The revenue estimates as set out in Appendix 1 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 2018/19. c) To agree that the Council Tax base for the year 2018/19 is 39,280.00 band D equivalent dwellings calculated in accordance with regulation 3 of the Local Authorities (Calculation of Council tax base) Regulations 1992, as 		

amended, made under Section 35(5) of the Local Government Finance Act 1992.

That the following sums be now calculated by the Council for the year 2018/19 in accordance with Section 31 to 36 of the Local Government Act 1992.

A	87,047,100	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	79,291,700	Being the aggregate of the amount which the Council estimates for the items set out in Section 31A(3) of the Act
C	7,755,400	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)
D	197.44	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.
F	197.44	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 on those parts of its area to which no Parish precept relates.

That the following amounts be calculated for the year 2018/19 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011.

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
131.63	153.56	175.50	197.44	241.32	285.19	329.07	394.88

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 2018/19 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:

Precepts issued to the Council

	A £	B £	C £	D £	E £	F £	G £	H £
Surrey County Council	940.86	1,097.67	1,254.48	1,411.29	1,724.91	2,038.53	2,352.15	2,882.58
Surrey Police & Crime Commissioner	157.71	184.00	210.28	236.57	289.14	341.71	394.28	473.14

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 as the amounts of Council tax for the year 2018/19.

The Council has determined that its relevant basic amount of Council Tax for 2018/19 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 2018/19 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. Key issues

- 1.1 The 2018/19 revenue budget shows a very positive picture in that a balanced budget has been put forward without the use of reserves, with investment being made in retaining staff, addressing resourcing issues in areas like Property, Management, Finance and Legal and also maintaining the Council's assets and making revenue contributions to Capital.
- 1.2 Appendix 1 summarises the current draft detailed Budget proposed for 2018-19. After allowing for Housing Benefit the gross budget is financed as follows,
 - Fees and Charges
 - Rental Income – Increasingly representing a greater proportion of the overall funding
 - General Revenue Grants (now consisting only of New Homes Bonus) & Retained Business Rates
 - Council Tax

Business Rates Retention Pilot

- 1.3 Spelthorne and the other Surrey authorities have been successful in their application to be a Business Rates Retention pilot in 2018/19. The scheme will enable Spelthorne to retain a larger proportion of the Business Rates collected and also receive ring fenced funding for Economic Development.

Grant Settlement

- 1.4 The Government grant settlement confirmed that Spelthorne would continue to receive no general grant support in 2018/19. The Settlement indicated that there will be a consultation exercise in spring of 2018 on the impact of implementing negative grant allocations in 2019/20. The Council will respond to that consultation.

Council Tax and Capping

- 1.5 It has been announced that the referendum limit has been increased to either 3% or a rise of £5 on Band D for shire districts and boroughs although counties and unitaries will be able to levy an additional 3% for adult social care and the police can increase by 3% or £12 on Band D. Therefore the Council will continue its current strategy of protecting services by growing its income stream and setting a moderate council tax increase of (£5 or 2.6%) which provides an additional £270k per annum whilst also being a below inflation increase.

Council Tax Support Scheme

- 1.6 The Council will continue the Local Council Tax Support scheme with the same rules and regulations as was agreed for the 2014/15 scheme. This was a 25% deduction made for working age claimants and a 10% deduction for working age claimants who we classified as disabled due to the benefits they receive. This is also taking into account any annual uprating of applicable amounts or premiums that is announced by central government for the following year.

War Widows

- 1.7 It is sensible to re-confirm the Council's position with respect to the complete disregard of war pension /armed forces pension income from benefit calculations. If the full amount is disregarded the cost of this measure falls on the local authority as only the first £10.00 is disregarded by central government. We have already agreed to do this for our council tax support scheme. We have always disregarded the full amount since the housing benefit scheme came into existence along with practically every other local authority and the cost to the authority in the last subsidy claim was £18,330. We intend to continue to make this disregard for 2018-19.

Basis of preparation of Detailed Budget

- 1.8 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 of growth proposals down to just the absolute essentials.

Pay and price levels – the estimates have been prepared with regard to the provisional national employers offer which is proposing a headline increase of 2% for 2018/19 and 2019/20, subject to affordability the Council will see if it can improve slightly on the national headline 2%.

Inflation has been included in respect of contracts where appropriate.

Pensions

- 1.9 Following the triennial valuation of the Surrey Local Government Pension Fund as at the 31st March 2016, it is necessary for employers to increase their lump sum employer contributions to cover an increase in the deficit relating to benefits earned by scheme members as a result of service up to 31st March 2016 known as past service deficit contributions. For 2018/19 these contributions will rise by £50k. This a more moderate rate of increase than under the previous three years.

Fees and charges

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

Income Generation

- 1.11 The budget forecasts have reflected the performance of the Council's income over the last two years during which time income levels have held up despite the general economic pressures. The Council has been mindful of the impact on the local economy of raising car parking fees and kept increases in this area to a minimum.
- 1.12 The Council has continued to progress its programme of acquiring sound commercial assets which will deliver robust long term ongoing income streams to support the provision of services. Such acquisitions are only made after extensive due diligence and risk analysis. The 2018/19 Budget is being supported by an additional full year net income of £7,5m from commercial assets acquired since 2016.

Contingencies

- 1.13 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

- 1.14 The Council at present has benefited from several years of above average investment returns through a diversified range of pooled investment funds. The return on these funds is 3.85% as at December 2017 which is a very good rate of return when compared to base rate of 0.25-0.50%.
- 1.15 Returns on maturing cash deposits are currently within the range of 0.24% to 0.35% and the average overall return on investments is expected to be around 2.3%.

Investment Income

- 1.16 The Cabinet has separately received on the January meeting agenda the Annual Investment Strategy and Treasury Management Report for 2018/19 indicating the current position in respect of interest rates and the proposed strategy for dealing with the lower levels of interest rates and the reduction of investment monies.
- 1.17 Leading market forecasters, including Arlingclose, the Council's treasury advisors, expect the base rate to remain at 0.5% until at least the 1st quarter of calendar year 2019.

Use of Reserves

- 1.18 The change in the financial sustainability of the authority as a result of the recent investment property purchases means that for the year 2018/19, the authority will not need to draw on its Reserves in order to balance the budget. The income from these acquisitions has enabled the authority to provide a revenue contribution to help finance the capital programme as well as setting up sinking funds to cover the Council in the event of unexpected income loss.

Growth Items

- 1.19 Appendix 2 summarises the main budget growth and unavoidable expenditure pressures. This highlights that additional spending pressures or reduced income streams totalling £3.9m have been identified.
- 1.20 The evaluation of growth bids received from services have been evaluated using a number of criteria including
- Whether there is an invest to generate future income aspect
 - Whether there is an invest to achieve future savings
 - Whether it is necessary to meet statutory obligations
 - Whether it is necessary for operational reasons
 - The extent to which it supports corporate priorities
- 1.21 There are a number of areas of new or increased expenditure items included in the 2018/19 budget and some of these are highlighted below:
- Additional resources to meet Homelessness Act
 - Additional costs due to reduced Surrey County Council funding

- Phased impact of Universal Credit
- Additional resources to meet asset acquisition requirements (funded from set aside rental income)
- Expenditure on Economic Development (funded from ring fenced Business Rates income)

Savings / Additional Income

- 1.22 In total savings/additional income of approximately £5.6m have been found. These include increased rental streams, bringing back in house the Grounds Maintenance work and a one off saving of Elmsleigh lift repair dropping out. These savings are necessary to offset the reduced general government grant and the additional pressures identified in appendix 2. All savings proposals have been incorporated into the budget estimates.
- 1.23 The salary savings target for 2018/19 will remain the same at £300k.

Precepts

- 1.21 Surrey County Council at its meeting on the 6th February set a Band D council tax of £1,411.29 representing a 5.99% increase and Surrey Police at its tax setting meeting on the 5th February set a band D council tax of £236.57 representing a £12 increase.

2. Options analysis and proposal

- 2.1 The Council is required to set a balanced budget and in the light of the detailed budget prepared, a council tax increase of £5 which is equivalent to 2.6 % is recommended.

3. Financial implications

- 3.1 Addressed in the body of the report.

4. Other considerations

- 4.1 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.
- 4.2 The nature and size of our revenue budget carries a degree of risk, this is particularly the case in the current economic climate.
- 4.3 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. However a number of these balances are earmarked specifically for social housing and the new scheme fund. 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.

4.4 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.

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

Outside control	Internally based
Interest rates	Failure to sufficiently resource delivery of key asset income generation projects
Severe public sector spending cuts	Collection of retained business rates
Volatility of BREXIT	Reliance on interest earnings to balance the budget
Economic downturn impacting on commercial tenants	Ability to deliver Towards a Sustainable Future objectives in accordance with planned timetable
Staines town centre rents	
Down turn in property development market	
Increased Gate fees for disposing of waste materials	
Impact of budget pressures on Surrey County Council and other public sector entities.	
Housing benefit subsidy/welfare reform.	

The risks are that the level of savings anticipated do not materialise or that there are additional spending pressures. These will be mitigated by ensuring proposals have been properly evaluated before being built into the final budget for example clarifying any contractual assumptions, and thereafter through careful budget monitoring.

5. Timetable for implementation

5.1 Full Council to approve the Budget on 22 February 2018.

Background papers: None

Appendices: 1 & 2

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Outline Budget		
	17-18	18-19
	Original	
	£	£
Net Service Expenditure:		
Broken down over Portfolios		
Leader of the Council	1,131,000	1,404,000
Deputy Leader	550,600	563,400
Corporate Management	2,220,900	2,155,700
Housing	1,671,900	2,103,900
Finance	2,451,000	2,660,500
Customer Service, Estates and Transport	1,933,200	2,016,400
Planning and Economic Development	2,693,300	4,446,500
Environment and Compliance	5,166,800	5,691,200
Community Wellbeing	231,200	393,300
	18,049,900	21,434,900
Salary expenditure - vacancy monitoring	(300,000)	(300,000)
Revised Service Expenditure	17,749,900	21,134,900
NET EXPENDITURE	17,749,900	21,134,900
Interest earnings	(900,000)	(900,000)
Asset Acquisition Income	(18,048,000)	(31,305,500)
Debt Interest payable	8,307,000	14,395,300
Minimum Revenue Provision	4,482,100	7,344,700
NET EXPENDITURE AFTER INTEREST EARNINGS	11,591,000	10,669,400
Appropriation from Reserves:		
Set aside for Independent Living	0	(56,000)
Revenue Contributions to Capital Outlay	0	747,000
Refurbishments Reserve Contributions	700,000	1,700,000
BUDGET REQUIREMENT	12,291,000	13,060,400
Retained Business Rates	(3,009,000)	(3,300,000)
Business Rates - Economic Development Set Aside	0	(1,000,000)
Transition Grant	(96,000)	0
New Homes Bonus Grant	(1,530,900)	(956,900)
NET BUDGET REQUIREMENT	7,655,100	7,803,500
Collection Fund (Surplus)/Deficit	(167,500)	(48,100)
CHARGE TO COLLECTION FUND	7,487,600	7,755,400
Tax base	38,908.60	39,280.00
Council Tax rate	192.44	197.44
Council Tax yield	7,487,600	7,755,400
Deficit/(surplus)	0	0

2018/19 Revenue Growth Bids

	18-19	Description of Growth required
	£	
Human Resources	50,000	Undertaking review of staffing resources as result of ongoing workloads (40k incl oncosts) plus need a transferable fund each year for unexpected items such as investigations (10k)
Human Resources	40,000	One off cost of resource to progress transition to Local Pay
Human Resources	7,000	System license and support (iTrent) Statutory requirement (Consultant costs)
Human Resources	7,000	Occ Health contract (anticipated tender increase)
Information & Comms Technology	15,200	Likely to be significant cost increase in licences due to Microsoft audit and to go paperless
Information & Comms Technology	9,000	Egress Secure Vault and Threat Protection
Information & Comms Technology	4,600	Regrading Network Manager (M2 to M2/M3)
Project Management	5,000	Need to pay for Intend with RPI likely to be 5k per year from 19-20 and training for General Data Protection Regulations
Committee Services	8,000	Service works well on modern.gov - upgrade allows us to go paperless
Corporate Management	145,800	
Accountancy	70,000	Additional Accountant/Finance Asst - offset by acquisition income
Accountancy	50,000	One off - staff cover and additional support for the shortened final accounts deadline
Audit	12,900	Backfilling Senior Auditor post
Audit	4,000	Increased cost of Contractor resource
Audit	13,000	Increase hours for Internal Audit Manager (20 to 27)
Finance	149,900	
Knowle Green	62,700	Loss of rental income
Information & Comms Technology	2,400	Contract Pro on 6 lines - Telephony resilience
Customer Service, Estates & Transport	65,100	
Car Parks	70,100	Business Rates in car parks
Car Parks	7,000	Loss of income from Police
Car Parks	47,800	Loss of contract parking income from British Gas at Tothill
Community Safety	35,700	No income expected from Community Safety Partnership fund to fund salary costs
Depot	15,000	Traveller Incursion costs - Based on this years costs
Depot	33,000	Payment to maintain lights on including carbon tax
DS Management & Support	20,000	Legal & Court costs re flytipping / travellers
Environmental Health Admin	25,000	Heathrow 3rd runway - Estimated consultancy costs (DEFRA)
Environmental Health Admin	12,800	Software requirements - decentralised costs
Environmental Health Admin	10,500	DFGs now to independent living - costs no longer capitalised
Environmental Health Admin	16,000	Air quality ctrl - Monitoring station requested by Cllrs & LOSRA Continuation of programme for one year (DEFRA Grant)
Highways verges	40,000	If the decision is to keep the agency agreement, 18/19 will see a decrease in income of 36% which will create a £40k gap for 18/19 further funding reduction will not be known until 18/19
Refuse Collection	50,000	Impact of SCC proposals
Waste Recycling	110,000	Initial impact of SCC assuming control of recyclable materials
Environment	492,900	
Homelessness	35,000	CAB contribution
Housing Benefits Admin	20,500	Annual increase
Housing Benefits Payments	300,000	Phased impact of Universal credit and loss of overpayments recovery - main roll out August 2018
Housing Needs	43,300	New Housing Options Officer (Sc 6/M1)
Housing Needs	41,100	Regrade Hsg Options Officers (Sc 5/6 to 6/M1) 7 posts
Housing Needs	14,600	Regrade Team Leaders (M1 to M2) 3 posts
Housing Needs	3,600	Regrade Hsg Register post - technical admin (Sc 4/5 to 5/6)
Housing Needs	3,600	Regrade Hsg Register post - fraud focus (Sc 4/5 to 5/6)
Housing Needs	33,900	Housing Register Post sc.4/5
Housing	495,600	
Asset Mgn Administration	12,800	Facilities Mgmt apprentice - reactive minor repairs
Asset Mgn Administration	20,000	S&P Annual Subscription - offset by acquisition income
Asset Mgn Administration	35,000	Increased cost of Insurance - offset by acquisition income
Asset Mgn Administration	125,000	Property & Development staff - offset by acquisition income
Asset Mgn Administration	50,000	Impact of Spelthorne Leisure centre redevelopment
Asset Mgn Administration	300,000	Revenue impacts of development works
Building Control	2,500	H&S Equipment
Building Control	7,800	Temp Staff (Structural Engineer) - always overspent
Building Control	3,600	Software requirements - decentralised costs
Planned Maintenance Programme	500,000	Phased increase to budget
Planning Development Control	50,000	Consultants fees
Planning Development Control	138,400	Additional Resources - Development Mgmt (Report)
Economic Development	25,000	Business Incubator - Met from Business Rates income (ring-fenced funding)
Economic Development	884,000	Economic Development work funded by BR income (ring-fenced funding)
Planning and Economic Development	2,154,100	

2018/19 Revenue Growth Bids

	18-19	Description of Growth required
	£	
Corporate Governance	50,000	Loss of shared service income from Reigate & Banstead
Democratic Rep & Management	8,200	Members Allowances increase
Land Charges	25,000	Reduced to reflect lower outturn for 16-17 and potential economic slowdown Impact of transfer of bulk to national Registry
Legal	68,000	Senior Property Lawyer - offset by acquisition income
	25,000	Every Ward at it's Best' funding
People and Partnerships	18,100	Funding of Community Worker (externally funded previously)
Leader	194,300	
Corporate Publicity	5,000	Loss of shared service income from Runnymede
Emergency Planning	5,000	General contingency provision
Deputy Leader	10,000	
Com Care Administration	7,000	Increased hours for Staines Com Centre Asst (25 hrs to FT)
Com Care Administration	12,900	Well-being prescribing post
Day Centres	42,100	Withdrawal of SCC funding
Day Centres	8,700	FT Support Worker (Apprenticeship)
Leisure Administration	4,600	Regrade Sports and Active Lifestyle Officer (curr. Honorarium)
Meals On Wheels	47,500	Withdrawal of SCC funding
Public Halls	3,800	Loss of rental income at halls
Spelthorne Accessible Transport (SAT)	22,000	Loss of SCC grant
Span	35,000	Offsetting impact of withdrawal of SCC funding
Span	12,900	0.5 FTE SPAN Technician
Sports Development	1,000	Additional contribution to Surrey Games
Community Well Being	197,500	
Budget Total	3,905,200	

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Cabinet**21 February 2018**

Title	Pay Policy Statement 2018/19		
Purpose of the report	To make a recommendation to Council		
Report Author	Debbie O'Sullivan/Angela Tooth, Human Resources Manager		
Cabinet Member	Councillor Tony Mitchell	Confidential	No
Corporate Priority	This item is not in the current list of Corporate priorities but still requires a Cabinet decision		
Recommendations	The Cabinet is asked to recommend to Council that the Pay Policy Statement for 2018-19 is approved.		
Reason for Recommendation	Pay Policy Statement must be agreed by full Council and be published by 31 March each year.		

1. Key issues

- 1.1 Local authorities are required to publish an annual pay policy statement to increase transparency regarding the use of public funds to pay council staff. This requirement was set out in the Localism Act 2011 with guidance on items to be included issued by the Secretary of State for Communities and Local Government.
- 1.2 Pay Policy Statements must be agreed by full Council and be published by 31 March each year to apply to pay decisions during the next financial year.
- 1.3 The Pay Policy Statement must set out the Council's policies on a range of issues relating to the pay of its workforce, particularly its senior staff and the lowest paid employees. The statement must set out the policies for the financial year relating to:
 - Remuneration of its Chief Officers
 - Remuneration of its lowest paid employees
 - The relationship between the remuneration of its Chief Officers and the remuneration of those employees who are not Chief Officers
 - The publication of and access to information relating to remuneration of Chief Officers.
- 1.4 The term 'Chief Officer' in this context is as set out in the Local Government and Housing Act 1989 ('the Act') and includes
 - The Head of Paid Service (the Chief Executive)
 - The Monitoring Officer

- Statutory and non-statutory Chief Officers under section 2 of the Act
- A deputy Chief Officer mentioned in section 2 of the Act

This is a wider definition than is usually understood by the term: in other contexts the term Chief Officer at Spelthorne is used to mean posts on Management Team (Chief Executive and Deputy Chief Executives only).

- 1.5 It is up to the Council to determine who its lowest paid employees are but they must give reasons as to why they have defined them as such. At Spelthorne the lowest paid employees are those in jobs paid at the lowest grade.
- 1.6 The term 'remuneration' is defined as follows:
- The Chief Officer's salary
 - Any bonuses payable
 - Any charges, fees or allowances payable by the Council to the Chief Officer
 - Any benefits in kind to which the Chief Officer is entitled as a result of their office or employment
 - Any increase in or enhancement of the Chief Officer's pension entitlement where the increase or enhancement is as a result of the resolution of the Council
 - Any amounts payable by the Council to the Chief Officer on the Chief Officer ceasing to hold office under or be employed by the Council other than amounts that may be payable by virtue of any enactment.
- 1.7 The statement must be approved by a resolution of Council before it comes into force. It can be amended by resolution after the financial year is underway but, if it is amended, it must be published on the Council's website.
- 1.8 For 2018/19 Spelthorne applies the national pay awards agreed by the appropriate national local government negotiating bodies. Where the national pay award includes any increase (including higher increases to lower scale points) or deletion of scale points in relation to the national pay scales in order to comply with minimum wage legislation, the Council will not apply this to Spelthorne's pay scales as the Council already comply with this legislation.
- 1.9 The 2018/19 Pay Policy retains the option for a Spelthorne Pay Supplement (amended from Spelthorne Pay Award after consultation with Unison). Any Spelthorne Pay Supplement is dependent upon affordability and justification. If this is to be proposed for 2018/19, a separate Cabinet Report will be drafted.
- 1.10 It is proposed that from 2019/20 onwards Spelthorne considers a transition to local pay following consultation. Affordability and local flexibility will be taken into consideration as part of this decision. Should this be the case, this will be effective for the 2019/20 Pay Policy and any national pay award for 2019/20 as part of a two year deal will not apply to the Council as a local arrangement may be in place.
- 1.11 It is proposed to adopt the process of consult then determine with pay becoming a continuous agenda time on the Chief Executive/UNISON meetings.

- 1.12 There has been no further guidance from the Secretary of State this financial year.
- 2. Options analysis and proposal**
- 2.1 The draft Pay Policy Statement for 2018/19 is in the **Appendix**. It is proposed that the Council resolves to approve the Pay Policy Statement for 2018/19.
- 2.2 No options as the Pay Policy Statement for 2018/19 must be published by 31 March 2018.
- 3. Financial implications**
- 3.1 No direct financial implications. All pay decisions in the year must be in accordance with the published pay policy statement.
- 4. Other considerations**
- 4.1 Spelthorne is required to approve and publish a pay policy statement annually. The Council is an individual employer in its own right and has autonomy on pay elements that are appropriate to local circumstances. The provisions in the Localism Act and the guidance do not seek to change this or to determine what decisions on pay should be taken or what policies individual employing authorities should have in place. Rather, the provisions require that authorities are more open about their own local policies and how their local decisions are made.
- 4.2 Arrangements for pay and employment must comply with relevant UK employment legislation, the Council's agreed Standing Orders, policies, procedures and arrangements, staff terms and conditions of employment and the regulations of the Local Government Pension Scheme. Arrangements for compensation for loss of office must comply with the Council's Discretionary Payments Policy.
- 4.3 It is anticipated that the statutory exit payments reforms will be implemented in 2018. Spelthorne must comply with these regulations within the Council's Discretionary Payments Policy.
- 4.4 The matters contained in the Pay Policy Statement include arrangements which are part of the contractual terms and conditions of employment, which cannot be changed without prior consultation.
- 4.5 Since February 2015 there is also a requirement to publish other information on senior salaries/posts following the government's publication of the Local Government Transparency Code 2014. This information is published on the council's website alongside the Pay Policy Statement and is updated annually.
- 5. Timetable for implementation**
- 5.1 The Pay Policy Statement for the 2018/19 financial year must be agreed by Council by 31 March 2018 and be published on the website. All pay decisions in the year will be in accordance with the published pay policy statement and any agreed amendments.

Background papers: There are none

Appendices:

Pay Policy Statement 2018/19

Appendix to the Pay Policy Statement – Discretionary Compensation Policy

Appendix to the Pay Policy Statement – Pensions Policy

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Spelthorne Borough Council

Pay Policy Statement 2018-19

1 Purpose

This Pay Policy Statement is the annual statement as required by the Localism Act 2011, Section 38(1), and applies for the financial year 2018-19. The purpose is to provide transparency about how Spelthorne uses public funds to pay staff.

The statement sets out Spelthorne Borough Council's policies relating to the remuneration of chief officers, the remuneration of its lowest paid employees, and the relationship between the remuneration of Spelthorne Chief Officers and other employees.

2 Definitions

For the purposes of this pay policy statement the following definitions will apply:

2.1 Chief Officers

The following Spelthorne Borough Council posts are included in the definition of chief officers:

- a) The head of paid service designated under section 4(1) of the Local Government and Housing Act 1989.

This is the Chief Executive

- b) The monitoring officer designated under section 5(1) of that Act.

This is the Head of Corporate Governance

- c) A statutory chief officer mentioned in section 2(6) of that Act.

This is the Deputy Chief Executive who acts as the chief finance officer.

- d) Non statutory chief officers mentioned in section 2(7) of that Act.

This is the other Deputy Chief Executive post.

- e) Deputy Chief officers mentioned in section 2(8) of that Act. These are posts reporting to the Head of Paid Service, the Monitoring Officer, the Chief Finance Officer and the other Deputy Chief Executive, except where the duties are clerical, secretarial or support.

Reporting to the Head of Corporate Governance (monitoring officer)

Principal Solicitor (deputy monitoring officer)

Reporting to the Deputy Chief Executive (chief finance officer) and the other Deputy Chief Executive

Chief Accountant
Internal Audit Manager (this is a part time post)
Group Head Commissioning and Transformation
Group Head Neighbourhood Services
Group Head Community Wellbeing
Group Head Regeneration and Growth
Deputy Group Head, Customer Services and Communications
Family Support Programme Team Manager (this post is shared with Elmbridge Borough Council and Epsom & Ewell Borough Council)
Building Control Manager
Senior Environmental Health Manager

Any restructures during the year or secondments to cover short-term requirements may alter reporting relationships which could change the roles reporting to specific Chief Officer posts.

The definition of chief officers and deputy chief officers for the purposes of this Pay Policy Statement is wider than the definition normally used at Spelthorne. The 3 Management Team posts of Chief Executive and Deputy Chief Executives are generally referred to as 'chief officers' with the Group Head posts as their deputies for their area of responsibility. A number of posts are part time or shared with other councils, as noted above.

2.2 Management Team

Spelthorne Borough Council's Management Team is the Chief Executive and 2 Deputy Chief Executive posts.

2.3 Pay

In addition to salary remuneration includes fees, allowances, benefits in kind and termination payments.

2.4 Lowest paid employees

Refers to those staff employed within grade Scale 1 of the Council's pay framework, which is the lowest grade on the Council's pay framework. Currently there are 78 posts, 17.4% of the Council's establishment, at this level.

Additionally, there are 21 posts, 4.6% of the Council's establishment, which fall under Scale 1 this includes posts that transferred to the Council under the Transfer of Undertakings Protection of Employment Regulations 2006 and apprenticeship posts.

Therefore the number of posts which fall within or under Scale 1 total 99, 22% of the Council's establishment.

2.5 Employees who are not a chief officer

Refers to all staff who are not covered under the 'Chief Officer' group above, including the lowest paid employees.

3 Pay framework – general principles applying to all staff

3.1 General approach

Remuneration at all levels needs to be adequate to recruit, retain and develop a skilled and flexible workforce to deliver services to the community and fulfil the Council's business objectives. Remuneration must be fair and reasonable in the circumstances and not unnecessarily excessive. Each Council has responsibility for balancing these factors in the light of the unique challenges locally and retaining flexibility to deal with circumstances that might arise. Pay arrangements must comply with UK legislation. Salary payments for individual postholders are pro-rated where they are employed for less than full time. Salary payments are pensionable payments, except where specified in the Pension Regulations.

Terms and conditions of employment are in accordance with national conditions of service as amended by Spelthorne. The national terms and conditions of service that apply are:

- The Joint National Committee (JNC) for Chief Executives – for the Chief Executive
- The Joint National Committee (JNC) for Chief Officers – for the Deputy Chief Executives, Group Heads and certain professional posts
- The National Joint Council for Local Government Services for other posts.

3.2 Responsibility for decisions on remuneration

Decisions on pay are made in line with Spelthorne Borough Council's scheme of delegations and in accordance with employment policies, procedures and arrangements in place and staff terms and conditions of employment.

Approval for any change to the Chief Executive's salary is by the Leader of the Council if within the salary scale and existing policies or otherwise by the Cabinet/Council. Approval for any changes to the salary range for Management Team posts below Chief Executive is by the Head of Paid Service (Chief Executive) in consultation with the Leader. Approval for changes for posts below management team are the responsibility of the Head of Paid Service and Management Team or Group Head within the budget, council policy framework and delegations.

Pay awards are considered annually for staff. Spelthorne applies the national pay awards agreed by the appropriate national local government negotiating bodies (the JNC for Chief Executives for the Chief Executive, the JNC for Chief Officers for Deputy Chief Executives, Group Heads, Deputy Group Heads and certain professional posts, the NJC for Local Authorities Services for all other staff). Where the national pay award includes any increase (including higher increases to lower scale points) or deletion of scale points in relation to the national pay scales in order to comply with minimum wage legislation, the Council will not apply this to Spelthorne's pay scales as the Council already comply with this legislation.

Where affordable and justified the Cabinet may agree to recommend to Council a Spelthorne Pay Supplement above the national pay award.

The Council are considering moving from national pay to local pay and will commence consultation accordingly. Affordability and local flexibility will be taken into consideration as part of this decision. Should this be the case, this will be effective for the 2019/20 Pay Policy and any national pay award for 2019/20 as part of a two year deal will not apply to the Council as a local arrangement may be in place.

3.3 Salary grades and grading framework

Grades are determined by taking account of the full scope of the job including the complexity of work, range of responsibilities and the skills and experience required to undertake them, having regard to the need for equal pay for work of equal value. Each grade consists of a number of points from the Spelthorne pay spine, from the bottom to the top of the grade. The top of grade is considered to be the rate of pay for a fully experienced, qualified and competent post holder. Incremental progression is subject to satisfactory performance. Accelerated increments can be awarded in exceptional circumstances within the grade but not beyond the top of the grade. Incremental progression for the two Deputy Chief Executives is subject to performance and achievement of targets.

3.4 New starters joining the Council

Appointments are made at the bottom of the salary scale, or at an appropriate point taking into account relevant skills and experience, and staff progress through the scale to the maximum of the grade over a number of years as experience is gained, subject to satisfactory performance.

3.5 Allowances and additional payments

Additional payments may be approved by the Chief Executive, Deputy Chief Executives and Management Team in the case of a member of staff undertaking additional duties for an extended period of time outside the normal responsibilities of their post or to complete specific tasks. For example to cover the duties of a vacant post which is at a higher grade, to undertake additional work in relation to a time-limited project, or where a formal partnership/secondment arrangement is in place with another local authority resulting in additional duties, responsibilities, complexity and working hours and it is not appropriate to otherwise change the grade of the post.

Spelthorne will consider paying a recruitment, retention or market supplement allowance in order to maintain service provision where it has been difficult to recruit to a vacant post or to retain staff in a particular service and specific criteria are met (policy agreed by the Executive on 9 December 2003). Recruitment and retention payments are a separate payment, not consolidated into salary, and are subject to annual review and removed when no longer justified.

Essential user and casual user car allowances are payable where staff are required to use their own vehicles for council business. A non-pensionable car allowance is applied to the Chief Executive and Deputy Chief Executive posts (car leases no longer apply to these posts). A non-pensionable car allowance is applied to Management Team posts and Group Head posts on Chief Officer terms and conditions of employment. Committee Allowance payments are payable where staff are required to attend Council meetings

outside normal working hours (except for Management Team and head of service posts who do not receive additional payment).

3.6 Pay awards

Pay awards are considered annually for staff. Spelthorne applies the national pay awards agreed by the appropriate national local government negotiating bodies (the JNC for Chief Executives for the Chief Executive, the JNC for Chief Officers for Deputy Chief Executives, Group Heads, Deputy Group Heads and certain professional posts, the NJC for Local Authorities Services for all other staff). Where the national pay award includes any increase (including higher increases to lower scale points) or deletion of scale points in relation to the national pay scales in order to comply with minimum wage legislation, the Council will not apply this to Spelthorne's pay scales as the Council already comply with this legislation.

Where affordable and justified the Cabinet may agree to recommend to Council a Spelthorne Pay Supplement above the national pay award.

The Council are considering moving from national pay to local pay and will commence consultation accordingly. Affordability and local flexibility will be taken into consideration as part of this decision. Should this be the case, this will be effective for the 2019/20 Pay Policy and any national pay award for 2019/20 as part of a two year deal will not apply to the Council as a local arrangement may be in place.

3.7 Pension scheme

All Spelthorne staff including Chief Officers are eligible to join the Local Government Pension Scheme with employee contributions tiered according to salary band. Employee contributions range from 5.5% for pensionable pay up to £13,700 to 12.5% for pensionable pay above £153,301 (the top rate does not apply to any Spelthorne posts).

The Council's pension current service contribution as employer is currently 15.8% (additionally there is a past service deficit contribution paid as a single lump sum of £1,117,000 by the Council). Employer contribution rates are reviewed every 3 years following a revaluation of the pension fund and pension liabilities in relation to current and past members. The next revaluation is due in 2019

3.8 Policy on employing someone who has taken redundancy from another authority

An individual who has been made redundant from another council may apply to work at Spelthorne and would be considered against the required criteria for the post. If they accept an offer of employment with Spelthorne before the end of their employment with the other council to take effect within 4 weeks of leaving then they will not be due a redundancy payment from the previous employer and will retain continuity of service. If the gap is longer than 4 weeks their continuous service is broken, which means that they would have no eligibility for redundancy payments until they have 2 years further service.

The government are planning to implement exit payment reforms and, if agreed, this may affect the repayment of any redundancy payments.

3.9 Policy on employing someone who is also drawing a pension

In line with the pension regulations Spelthorne has a flexible retirement policy and will consider requests from staff who wish to draw their pension and continue working in a reduced capacity. Requests will only be agreed where there is a salary saving through either reduced hours or responsibility.

An individual who is drawing a pension in relation to a previous employment may apply to work at Spelthorne and would be considered against the criteria for the post. If they are appointed, the salary will be in accordance with the grade for the job, with abatement of their pension subject to the rules of the appropriate pension scheme of the pension in payment, as apply at the time.

3.10 Policy on increase in or enhancement to pension entitlements

Pension entitlements are in line with the Local Government Pension Scheme Regulations and Spelthorne Pensions Policy in operation at the time.

Spelthorne's Pension Policy was agreed by the Council on 24 April 2014. It applies to all Spelthorne employees including Chief Officers. The Pension Policy is attached as Appendix 3 (to the Pay Policy Statement).

3.11 Payment arrangements

Employees, including chief officers, are paid through payroll and subject to appropriate income tax and national insurance deductions.

4 Level and elements of remuneration for chief officers

4.1 Salaries for chief officers

Spelthorne policy is to pay chief officers according to the Spelthorne salary grade appropriate for the duties and responsibilities of the job. Each grade consists of a number of points from the Spelthorne pay spine, from the bottom to the top of the grade.

The salary paid to Group Head posts depends upon the range of responsibilities and consists of a salary range of a number of increments taken from a 4 point Group Head Salary band.

The current full time salary scales for chief officer posts listed in Paragraph 2.1 above are set out in the table below. Where posts are filled on a part-time basis the post holders are paid pro-rata to their contractual hours.

Post	Bottom of salary range	Top of salary range
Chief Executive	£103,720	£116,940
Head of Corporate Governance	£61,973	£70,466
Deputy Chief Executives	£82,975	£93,551
Principal Solicitor and deputy monitoring officer	£44,945	£57,283
Chief Accountant	£67,500	£67,500
Group Heads	£68,332	£74,414
Deputy Group Head Customer Services and Communication	£53,689	£63,482
Family Support Programme	£65,232	£65,232

Manager		
Internal Audit Manager	£31,263	£48,254
Building Control Manager	£44,945	£53,304
Senior Environmental Health Manager	£49,901	£53,304

Any restructures during the year or secondments to cover short-term requirements may alter reporting relationships and could change the roles reporting to specific Chief Officer posts, with the appropriate salary range from Spelthorne grades applying.

4.2 Other pay elements for chief officers

A non-pensionable car allowance is applied to the Chief Executive, Deputy Chief Executives and Group Head posts on JNC conditions of service for Chief Executives and Chief Officers as part of the total remuneration package. Current car allowance values are £6,300 for the Chief Executive and £4,900 for the Deputy Chief Executives and Group Heads.

Deputy Group Head posts employed on chief officer conditions and posts on NJC conditions of service for Local Government Services are eligible for essential user car allowances if they are required to undertake business mileage and provide a car for work.

The salaries for chief officer posts on JNC terms and conditions for Chief Executives / Chief Officers (the Chief Executive, Deputy Chief Executives, Group Head, Deputy Group Head and certain professional posts) are inclusive salaries with no additional recompense for additional hours worked, for attendance at Council or other meetings outside of normal working hours, for expenses, for telephone use or for business mileage, except for journeys of 100 miles or more. A mileage rate equivalent to the HMRC rate for company cars applies (13p per mile for most vehicles) for journeys of 100 miles or more.

Posts listed as deputy chief officers which are employed on the NJC conditions of service for Local Government Services are eligible for car allowances if they are required to undertake business mileage, committee attendance allowance if they are required to attend council or other meetings outside normal working hours, overtime payments if required to work additional hours and they may claim for reimbursement of expenses incurred in the performance of their duties.

Professional fees required for the post are paid (for example membership of CIPFA for the chief finance officer and legal practising certificate for the monitoring officer).

Election fees are paid separately for additional duties and responsibilities undertaken as elections fall. The Head of Corporate Governance acts as Returning Officer at elections and other chief officers may receive payments for any additional work undertaken during a national or local election as deputy returning officers, presiding officers or poll clerks at polling stations or for working at the election counts. Election fees are set as elections are called taking account of guidance issued by the Ministry of Justice.

4.3 Remuneration of chief officers on recruitment

Starting salaries are at the bottom of the salary scale, or at an appropriate point taking into account relevant skills and experience.

Chief Executive and Management Team or Group Head approval is required before recruitment to any post below management team level. Approval to fill posts at management team level and for Group Heads requires the agreement of the Leader of the Council, with selection decisions made by a member Appointments Committee and ratified by Council if required (for Chief Executive). New appointments may be eligible for removal expenses under the Council's Home Relocation Policy.

4.4 Increases and additions to remuneration for each chief officer

Pay awards are considered annually for staff including Chief Officer. Spelthorne applies the national pay awards agreed by the appropriate national local government negotiating bodies (the JNC for Chief Executives for the Chief Executive, the JNC for Chief Officers for Deputy Chief Executives, Group Heads, Deputy Group Heads and certain professional posts, the NJC for Local Authorities Services for all other staff). Where the national pay award includes any increase (including higher increases to lower scale points) or deletion of scale points in relation to the national pay scales in order to comply with minimum wage legislation, the Council will not apply this to Spelthorne's pay scales as the Council already comply with this legislation.

Where affordable and justified the Cabinet may agree to recommend to Council a Spelthorne Pay Supplement above the national pay award.

The Council are considering moving from national pay to local pay and will commence consultation accordingly. Affordability and local flexibility will be taken into consideration as part of this decision. Should this be the case, this will be effective for the 2019/20 Pay Policy and any national pay award for 2019/20 as part of a two year deal will not apply to the Council as a local arrangement may be in place.

Changes to salary ranges and other pay elements must be agreed by the Leader/Cabinet for the Chief Executive, by the Chief Executive in conjunction with the Leader for Deputy Chief Executive posts and by the Chief Executive and Management Team for all other posts.

4.5 Performance related pay for chief officers

There is no additional performance related pay for Spelthorne chief officers or any other staff. Progression through increments is subject to satisfactory performance. Incremental progression for Deputy Chief Executives is subject to performance and achievement of targets. Once an employee reaches the top of their salary scale there is no opportunity to earn more.

4.6 Bonuses for chief officers

There are no bonuses available for chief officers or for other staff.

4.7 The approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority

Spelthorne's Discretionary Compensation Policy agreed by the Executive on 6 February 2007 and confirmed by Cabinet in July 2014, sets out the approach for payments in the event of termination on the grounds of redundancy and efficiency of the service. There is a consistent method of

calculating redundancy pay which is applied to all redundant employees, including chief officers, with the level of redundancy pay calculated using the statutory matrix with a multiplier of 2 and at actual weekly earnings (to a maximum of 60 weeks' pay for staff with over 20 years local government service). The redundancy payment is intended to recompense employees for the loss of their livelihood and provide financial support whilst they seek alternative employment and applies when a post is deleted. In the case of termination on efficiency grounds payments would depend on the circumstances of the case and would exceed the amount due for redundancy only in exceptional circumstances, to a maximum of 104 weeks.

The government are planning to implement exit payment reforms and, if agreed, this may affect redundancy/termination payments.

The taxation of termination payments is in accordance with statutory provisions.

4.8 Additional payments for chief officers

Additional payments may be approved in the case of a member of staff undertaking additional duties for an extended period of time outside the normal responsibilities of their post. For example to undertake additional responsibilities, to cover the duties of a vacant post which is at a higher grade, to undertake additional work in relation to a time-limited project, or where a formal partnership/secondment arrangement is in place with another local authority resulting in additional duties, responsibilities, complexity and working hours and it is not appropriate to otherwise change the grade of the post.

5. The remuneration of the lowest paid employees

The lowest paid employees are those in posts graded at Scale 1, which has a current salary range from £17,462 to £18,673 per annum. The pay rate at the bottom of scale 1 is £9.30 per hour compared to the national minimum wage of £7.38 per hour (National Minimum Wage rate from 1 April 2018 for workers aged 21 to 24 years) and the National Living Wage of £7.83 per hour from April 2018 for workers aged 25 and over. With effect from 6 November 2017, the Living Wage Foundation's non-statutory UK Living Wage is £8.75 per hour.

Young people employed as Apprentices for the temporary period of their apprenticeship training are paid on an appropriate pay rate taking into account the level of work and level of qualifications to be obtained with a minimum of the appropriate statutory minimum wage rates [£3.70 per hour Apprentice rate in the first year, The National Minimum Wage rate of £4.20 per hour for under 16-17 year olds, £5.90 per hour for 18 – 20 year olds, £7.38 per hour for 21 – 24 year olds and £7.83 per hour for age 25 and over from 1 April 2018].

6. The relationship between the lowest and highest paid staff

The ratio between the lowest and highest paid salaries is less than 1:7. The lowest salary rate is £17,462, the top of the Chief Executive's salary scale is £116,940 which is a pay multiple of 1:6.69.

7. The relationship between the highest paid employee and employees who are not chief officers

The ratio between the median earnings across the organisation and the taxable pay of the highest paid employee (the Chief Executive) is 1:4.98.

The ratio between the mean average earnings across the organisation and the taxable pay of the highest paid employee (the Chief Executive) is 1:4.26

8. Salary and severance payments over £100,000

8.1 Spelthorne has one post with a salary package above £100,000, the Chief Executive. The appointment of a new Chief Executive is made in accordance with the council's Constitution and statutory provisions. There would be a report to members on the arrangements for an appointment, including the salary level, and the appointment would be made by a member Appointments Committee and confirmed after ratification by full Council.

8.2 Severance payments are made in accordance with the council's Discretionary Compensation Policy and would exceed £100,000 only in exceptional circumstances. Redundancy payments are based on the statutory matrix and Spelthorne multiplier to a maximum of 60 weeks' pay. Severance payments on the grounds of efficiency will exceed that level only in exceptional circumstances. To date no staff have received direct severance payments over £100,000.

8.3 Where the severance payment made to the individual and any pension costs payable by Spelthorne total over £100,000 the amounts are reported in the Statement of Accounts for the year that the termination was agreed (the termination may take effect in a subsequent financial year).

8.4 The government are planning to implement exit payment reforms and, if agreed, this may affect severance payments.

9. The publication of and access to information relating to remuneration of chief officers

The annual pay policy statement is published on the Spelthorne Borough Council website where it can be easily accessed by tax payers and external organisations.

Appendix 1 Pay Policy Statement effective from April 2017

Appendix 2 Discretionary Payments Policy

Appendix 3 Pension Policy

Discretionary Compensation Policy agreed in 2007 (reviewed in 2014)

The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006

Policy Statement

The policy sets out the arrangements for discretionary compensation to staff who are leaving employment due to redundancy or efficiency, including to

- Employees who are dismissed on the grounds of redundancy
- Employees who are retiring early in the interests of the efficiency of the service
- Employees whose employment is terminated in the interests of the efficiency of the service

Factors to be taken into account in awarding compensation to include

- Overall cost and reasonableness, including benefits to the Council Tax payer of the employee leaving the Council's service
- Financial savings to be incurred by the employee leaving the Council's service
- Ability to implement organisational change
- Employee relations considerations
- Fairness and consistency of approach
- Protecting the Council from legal challenge

Discretion available under 2006 regulations	Spelthorne Policy – Redundancy
Pay at actual week's pay	All Redundancy Payments to be calculated on the employee's actual week's pay
Lump sum payment up to 104 week's pay to include the statutory redundancy payment (ie up to 3.46 times the statutory amounts)	Redundancy payments at the end of a temporary fixed term contract to be at statutory weeks. Redundancy payments in other cases to be at twice the statutory minimum, using the government's redundancy payments calculator (to a maximum of 60 weeks). To be inclusive of the statutory redundancy payment.
No added years	Employees who are members of the Local Government Pension Scheme be given the option to convert lump sum compensation payments into additional pensionable service on a strictly cost-

	<p>neutral basis, in accordance with the formula published by the government. Decisions must be made before the last day of service with full costs of augmentation confirmed by Surrey County Council Pensions Unit. The statutory redundancy payment element cannot be converted.</p> <p>Redundancy payments to be agreed by the Chief Executive in consultation with the Leader or the Chief Financial Officer in consultation with the Leader as appropriate</p>
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Discretion available under 2006 regulations	Spelthorne Policy – Efficiency of the service
<p>Lump sum payment up to 104 week’s pay</p> <p>No added years</p>	<p>A one-off lump sum payment, based on the merits of each individual case, up to the maximum of 104 weeks’ pay. Only in exceptional circumstances would payments exceed 60 weeks’ pay (the maximum lump sum for redundancy).</p> <p>Employees who are members of the Local Government Pension Scheme be given the option to convert lump sum compensation payments into additional pensionable service on a strictly cost-neutral basis, in accordance with the formula published by the government. Decisions must be made before the last day of service with full costs of augmentation confirmed by Surrey County Council Pensions Unit.</p> <p>Compensation payments to be agreed by the Chief Executive in consultation with the Leader or the Chief Financial Officer in consultation with the Leader as appropriate</p>

This Policy is effective from 1 April 2007. The Policy will be kept under review. Any future changes to the policy will come into effect one month after the amended policy is agreed and published.

Reviewed by Cabinet on 15 July 2014.

**Local Government Pension Scheme Regulations
Policy on Augmentation of Service under Section 52**

The Local Government Pension Scheme (LGPS) regulations give the discretion to augment pension service (award added years of pension service) at any point in the employment relationship. Spelthorne has adopted the discretion to be used in appropriate cases.

If augmentation is agreed under the LGPS regulations it is not possible to pay a lump sum under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.

Redundancy

Individuals will have the option of converting the discretionary element of the compensation payment to added years if they wish to do so, with decisions made before their last day of service. The discretionary element of the lump sum payment in the event of redundancy is the total amount less the statutory redundancy payment at actual weeks pay.

Efficiency

Where a lump sum compensation payment is made under the Discretionary Compensation regulations individuals will have the option of converting the lump sum compensation to added years service if they wish to do so, with decisions made before their last day of service. Spelthorne may augment service in exceptional circumstances agreed by the Chief Executive in consultation with the Leader or the Chief Financial Officer in consultation with the Leader, as appropriate to the case. Augmentation can only be granted where no compensation payments are made under the 2006 compensation regulations.

Other cases

Spelthorne may consider augmentation of service in other exceptional circumstances in cases agreed by the Chief Executive and Leader.

January 2007

This Policy is effective from 1 April 2007. The Policy will be kept under review. Any future changes to the policy will come into effect one month after the amended policy is agreed and published.

Reviewed by Cabinet on 15 July 2014.

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Spelthorne Borough Council

Pensions Policy Statements

1. These following statements of policy are made in respect of the exercise of discretionary functions under the Local Government Pension Scheme Regulations 2013, which come into effect from 1 April 2014.

Pension Regulation	Policy	Delegation
<p>Regulation 16 (2)(e) and 16 (4)(d) Funding of additional pension contributions.</p> <p>Voluntary funding of additional pension contributions via a Shared Cost Additional Pension Contribution (SCAPC) contract, either by regular on-going contribution or one-off lump sum</p>	<p>Spelthorne will not offer shared cost additional pension contributions.</p> <p>Employees who are members of the Local Government Pension Scheme (LGPS) may fully fund their own additional pension contributions.</p>	
<p>Regulation 17. Additional voluntary contributions.</p> <p>Additional voluntary contributions (AVC) via an approved AVC scheme.</p>	<p>Spelthorne will not offer Shared Cost Additional Voluntary Contributions.</p> <p>Employees who are members of the LGPS may fully fund their own AVC arrangements.</p>	
<p>Regulation 30 (6). Flexible retirement</p>	<p>To consider requests for Flexible Retirement on their merits and to agree where it is in the Council's interests. On the basis that pension benefits taken before normal retirement age are reduced in accordance with guidance issued by the Government Actuary.</p>	<p>Management Team for cases up Group Head</p> <p>The Cabinet for members of Management Team.</p>

	<p>In exceptional circumstances the actuarial reduction could be waived on compassionate grounds, or where it is in Spelthorne's business interests, and taking into account the affordability of the employer costs arising.</p> <p>See separate Flexible Retirement Policy Statement</p>	
<p>Regulation 30 (8). Waiving all or part of any actuarial reduction for a retirement before normal retirement age</p>	<p>Employees voluntarily retiring from age 55 before their normal pension age will have their benefits reduced so that there is no cost to the council.</p> <p>In exceptional circumstances the actuarial reduction could be waived on compassionate grounds, or where it is in Spelthorne's business interests, and taking into account the affordability of the employer costs arising.</p>	<p>Chief Executive in consultation with the Leader for cases below Management Team level.</p> <p>The Cabinet for cases at Management Team level.</p>
<p>Regulation 31. Award of up to £6,500 additional pension (at whole cost to the employer)</p>	<p>To consider and decide individual cases on their merits where it is in Spelthorne's interests and taking account of the employer costs of the additional pension.</p>	<p>Chief Executive in consultation with the Leader for cases below Management Team level.</p> <p>The Cabinet for cases at Management Team level.</p>

2. The following statement of policy is made under the Local Government (Transitional Provisions and Savings) Regulations 2014, effective from 1 April 2014

Pension Regulation	Policy	Delegation
<p>Whether to apply the 85 year rule to the pre 1st April benefits on or after age 55 and before age 60.</p>	<p>Employees may retire early from age 55 before their normal pension age with retirement benefits taken before age 60 reduced in accordance with guidance issued by the Government Actuary, with 85 year rule protection not applying.</p> <p>In exceptional circumstances to agree to apply the 85 year rule protection to pre-1 April 2014 benefits (waiving actuarial reduction) on compassionate grounds, or where it is in Spelthorne’s business interests, and taking into account the affordability of the employer costs arising.</p>	<p>Chief Executive in consultation with the Leader for cases below Management Team level.</p> <p>The Cabinet for cases at Management Team level.</p>

3. The following statement of policy is made in relation to former employees who left before 1 April 2014, who may ask for early access to their pension benefits.

Pension Regulation	Policy	Delegation
<p>Requests for early payment of pension benefits before age 60 where employer consent is required.</p> <p>(Normal retirement age 65, with former employees able to access pension benefits</p>	<p>Former employees may take their pension benefits from age 55 before their normal pension age on the basis that the pension benefits are reduced in accordance with guidance from the Government Actuary and there is no employer cost falling on Spelthorne.</p>	

from age 60 without the employer's consent. Employer's consent required before age 60).	In exceptional circumstances to agree to waive the actuarial reduction on compassionate grounds, taking into account the employer pension costs arising.	Chief Executive in consultation with the Leader of the Council.
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Council April 2017

Cabinet**21 February 2018**

Title	Capital Monitoring Report		
Purpose of the report	To note		
Report Author	Laurence Woolven (Chief Accountant)		
Cabinet Member	Councillor Howard Williams	Confidential	No
Corporate Priority	Financial Sustainability		
Recommendations	Cabinet to note the current level of spend.		
Reason for Recommendation	Not applicable		

1. Expenditure to date and Estimated Outturn

- 1.1 Attached as Appendix A & B is the actual spend to date on capital covering the period April to December 2017.
- 1.2 For the period ending December 2017, capital expenditure including commitments was £92.3m, which represents 18.25% of the revised budget.
- 1.3 The projected outturn shows that we are anticipating to spend £294m which represents 58.3% of the revised budget of £505.9m.

Councillor Barnard - Planning and Economic Development

- 1.4 It is expected that £215k will be spent on redevelopment works at Churchill Hall and Bugle in 2017/18, the remaining £966k will need to be carried forward to be spent in respect of redeveloping these and other sites.
- 1.5 To date expenditure in this area is £39k (3.3% of budget).

Councillor Harvey - Leader

- 1.6 It is expected that the £200m of 17/18 original budget and the £94.5m carry forward will be spent on a number of acquired assets by the end of the financial year. The Council has successfully acquired 3 Roundwood Avenue, World Business Centre 4 and 12 Hammersmith Grove.
- 1.7 The additional £200m recently added to this scheme is expected to be carried forward to 2018/19.

- 1.8 There may be a total of £200,000 spend relating to carrying out the master plan study relating to accommodation. The expected underspend on the £7m budget will need to be rolled forward to next year.
- 1.9 The £260k Windfall Ward grants programme is currently expected to be £38k below budget.
- 1.10 To date expenditure in this area is £91.4m (18.2% of budget).

Councillor Mitchell – Corporate Management

- 1.11 There is a £34k spend on the Council Chamber Audio project for which there was no budget.
- 1.12 There are underspends forecast against Agile Working (£27k), Scanner Roll Out (£31k), Sharepoint redesign (£90k) and Corporate EDMS Project (£93k). These are required to be carried forward as they will be required for Project Lima.
- 1.13 All other projects are expected to be completed in this financial year. It should be noted that expenditure to date on this area is £346k out of a budget of £663k including carry forwards (52.2%).

Councillor Francis - Housing

- 1.14 The level of activity relating to disability facilities is higher than expected but this is offset by increased funding from DCLG and A2 Dominion.

Councillor Gething – Environment and Compliance

- 1.15 There is a £11k overspend on refuse/recycling vehicles now that the bids are in, this is offset by forecast underspends on Laleham Park (£200k), Bridge St Parking Machines (20k), Solar panels (£25k) and Air Quality (£24.5k). The majority of these underspends will need to be rolled forward to 2018/19.
- 1.16 Small Scale Area Regeneration is forecast to be £606k underspent, Edinburgh Drive Parade has been completed with 3 more parades still to be upgraded as waiting for S278 agreement. Surrey County Council funding has ceased for future projects of this type.
- 1.17 To date £715k has been spent (41.5% of budget).

2. Financial implications

- 2.1 Any underspend on the approved Capital Programme enables the authority to invest the monies to gain additional investment income or can be used to fund additional schemes.

3. Timetable for implementation

- 3.1 Bi monthly monitoring reports are prepared for Management team and incorporate revised actual figures.

Background papers: None

Appendices: A&B

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Appendix A

CAPITAL MONITORING REPORT AT 31 DECEMBER 2017

Portfolio Member	ORIGINAL BUDGET	CARRY FORWARDS	SUPPLEMENTARY ESTIMATE	REVISED BUDGET	ACTUALS YTD	COMMITMENTS	MANAGERS PROJECTED OUTTURN	MANAGERS PROJECTION TO REVISED BUDGET
Cllr Francis - Housing	184,300	15,000	287,700	487,000	(147,800)	54,100	481,386	(5,614)
Cllr Gething - Environment & Compliance	1,157,700	64,600	500,000	1,722,300	715,278	113,500	949,900	(772,400)
Cllr Barnard - Planning and Economic Development	1,236,600	56,200	-	1,292,800	34,330	-	285,600	(1,007,200)
Cllr Harvey - Leader	207,257,000	94,500,000	200,000,000	501,757,000	91,380,479	882	291,422,000	(210,335,000)
Cllr Mitchell - Corporate Management	441,000	221,800	-	662,800	345,691	27,556	460,000	(202,800)
	210,276,600	94,857,600	200,787,700	505,921,900	92,327,977	196,037	293,598,886	(212,323,014)

CAPITAL MONITORING REPORT AT 31 DECEMBER 2017

Portfolio Member / Service Head	Cost Centre	Description	Original Budget	Carry Forwards	Supplementary Estimate	Revised Budget	Actuals YTD	Commitments	Managers Projected Outturn	Managers Projection to Revised Budget	Comments
<u>Housing Investment Programme</u>											
<u>Cllr Francis - Housing</u>											
D Ashman & K Sinclair	40203	Disabled Facilities Mandatory	644,300	-	287,700	932,000	536,604	45,455	1,121,000	189,000	Higher expenditure expected to be funded through additional funding expected from Department for Communities & Local Government (DCLG) and A2 Dominion.
D Ashman & K Sinclair	40204	Disabled Facilities Discretion	29,600	-	-	29,600	98	-	29,600	-	Expenditure expected in the latter part of the financial year
		Less Specified Capital Grant	(644,300)	-	-	(644,300)	(707,366)	-	(838,914)	(194,614)	
		Net Cost of Disabled Facilities Grants	29,600	-	287,700	317,300	(170,665)	45,455	311,686	(5,614)	
D Ashman & K Sinclair	40209	Home Improvement Agency grant	81,000	-	-	81,000	-	-	81,000	-	Expenditure expected in the latter part of the financial year
		HIA Funding	(26,300)	-	-	(26,300)	-	-	(26,300)	-	
		Total	54,700	-	-	54,700	-	-	54,700	-	
Total For HIP			84,300	-	287,700	372,000	(170,665)	45,455	366,386	(5,614)	
<u>Other Capital Programme</u>											
<u>Cllr Francis - Housing</u>											
D Ashman & K Sinclair	42044	Community Bulding Grant Scheme	25,000	-	-	25,000	4,400	-	25,000	-	This scheme is highly unlikely to be continued due to Surrey County Council cuts which they announced recently. However, these funds are available for alternative capital projects administered via Grant Panel
		Total	25,000	-	-	25,000	4,400	-	25,000	-	
Sandy Muirhead	42013	Civica EDMS&Locata Integration	25,000	-	-	25,000	18,465	8,645	25,000	-	This project is ongoing and linked to Civica upgrade subject to agreeing terms & conditions with Civica (Deputy Group Head Housing is progressing this) and expected to be completed by end of this financial year.
Sandy Muirhead	42015	Landlord Guarantee Scheme	50,000	15,000	-	65,000	-	-	65,000	-	Now looking to link to Civica System & building finance link via Integra. Project is expected to be completed by end of this financial year subject to housing teams, Customer Services and Finance being able to meet deadlines especially around testing
		Total	75,000	15,000	-	90,000	18,465	8,645	90,000	-	
<u>Cllr Gething - Environment & Compliance</u>											
Jackie Taylor	41026	Laleham Park Upgrade	200,000	-	-	200,000	-	-	-	(200,000)	This project is underway with building proposals at pre planning stage and expected to be completed during 2018/19. Budget will be requested to be carried forward into next financial year
Jackie Taylor	41030	Hengrove Park	-	14,600	-	14,600	-	-	14,600	-	Project is under review to ascertain whether any enhancement work is still required in the park which is expected to be completed by end of this financial year
Jackie Taylor	41322	Bridge St Car Parking Machines	25,000	-	-	25,000	5,038	(0)	5,100	(19,900)	Machines have been installed and this project has been completed.
Jackie Taylor	41502	Refuse/Recycling Vehicles	225,000	-	-	225,000	236,240	-	236,300	11,300	This project has been completed
Jackie Taylor	41505	GroundsMaintenanceProject	-	-	500,000	500,000	422,480	79,604	500,000	-	Procurement is underway and project is expected to be completed by end of this financial year
Jackie Taylor	41506	Spelride Bus Replacement	-	-	-	-	(6,755)	-	-	-	Payment accrued in the previous year is expected to be made during this financial year
Jackie Taylor	41609	Replacement Multi Use Vehicle	80,000	-	-	80,000	-	-	80,000	-	Procurement is underway and the project is expected to be completed by end of this financial year
Jackie Taylor	41610	Miniature Railway Staines park	15,000	-	-	15,000	14,271	-	14,300	(700)	This project has been completed
Jackie Taylor	41620	Wheelie Bins	50,000	-	-	50,000	49,630	-	50,000	-	Bins will be ordered throughout the financial year depending on need as & when identified
Jackie Taylor	41624	InstallElecVehicleChargePoints	15,000	-	-	15,000	13,080	-	13,100	(1,900)	This project has been completed
Jackie Taylor	41625	TothillCarParkLightingUpgrade	30,400	-	-	30,400	-	-	30,400	-	The project is in progress and expected to be completed by end of this financial year.
Jackie Taylor	41626	GreenoDayCenLightingUpgrade	10,800	-	-	10,800	-	-	10,800	-	Work is in progress and this project is expected to be completed by end of this financial year

CAPITAL MONITORING REPORT AT 31 DECEMBER 2017

Portfolio Member / Service Head	Cost Centre	Description	Original Budget	Carry Forwards	Supplementary Estimate	Revised Budget	Actuals YTD	Commitments	Managers Projected Outturn	Managers Projection to Revised Budget	Comments
Jackie Taylor	41627	Solar PV For Staines Comm Cent	25,000	-	-	25,000	800	24,200	-	(25,000)	Currently all the quotes are being looked at and considered. This project may not be completed until 2018/19 and the funding may need to be requested to be carried forward
Jackie Taylor	41628	Parking Service Vans	20,000	-	-	20,000	21,452	-	21,500	1,500	This project is completed. Overspends against this will be funded through other lines of capital budget within Neighbourhood Services.
Jackie Taylor	42027	Domestic Home Energy	30,000	-	-	30,000	15,250	5,920	30,000	-	Project is underway and expected to be completed by end of this financial year
Total			726,200	14,600	500,000	1,240,800	771,486	109,725	1,006,100	(234,700)	
			42.1%								
Lee O'Neil	41314	Air Quality	24,500	-	-	24,500	-	-	-	(24,500)	The project is in progress with other priorities and expected to be completed by end of 2018/19. The balance of budget will be requested to be carried forward into next financial year
Total			24,500	-	-	24,500	-	-	-	(24,500)	
Cllr Barnard - Planning and Economic Development											
Heather Morgan	41007	Stanwell Skate Park	-	-	-	-	(1,249)	-	-	-	Retention payment is expected to be paid in this financial year
Heather Morgan	41015	Runnymede Estates	55,600	-	-	55,600	-	-	55,600	-	Capitalised Planned Maintenance expenditure to be moved here at the end of the financial year
Heather Morgan	41622	Affordable Housing Opportunity	1,181,000	-	-	1,181,000	39,105	-	215,000	(966,000)	Expenditure to date relates to redevelopment of Churchill Hall and Bugle, the unspent balance needs to be carried forward to 2018/19 to fund these and other projects as continue to look for the other opportunities and keep in touch with Registered Social landlords Partners
Heather Morgan	42017	Memorial Gardens	-	-	-	-	(2,256)	-	-	-	There are some retention payments are still due to Runnymede Borough Council
Heather Morgan	42033	Greeno Centre Car Park	-	-	-	-	(1,270)	-	-	-	Retention payment is still to be paid by end of this financial year.
Heather Morgan	42036	Towpath Car Park	-	56,200	-	56,200	-	-	15,000	(41,200)	Work relating to clearing the site and installing fencing around is expected to undertaken in this financial year
Total			1,236,600	56,200	-	1,292,800	34,330	-	285,600	(1,007,200)	
Cllr Harvey - Leader											
D Ashman & K Sinclair	42045	Ward Grants	260,000	-	-	260,000	149,637	-	222,000	(38,000)	Applications are being processed. Possible further allocations before the end of this financial year. So far a total of £38k has not been committed.
Heather Morgan	42038	Acquisition of Assets	200,000,000	94,500,000	200,000,000	494,500,000	91,230,842	882	291,000,000	(203,500,000)	Expenditure has been incurred on acquiring two new sites i.e. 3 Roundwood Avenue and World Business Centre 4. More expenditure is expected on acquiring further sites i.e.12 Hammersmith Grove during this financial year.
Heather Morgan	42011	Replace Council Accommodation	6,997,000	-	-	6,997,000	-	-	200,000	(6,797,000)	Now planned under Project Lima to reduce the space occupied by staff to free up space to let. There may be expenditure expected to carry out master plan study relating to the entire accommodation including redevelopment plans for Leisure Centre.
Total			207,257,000	94,500,000	200,000,000	501,757,000	91,380,479	882	291,422,000	(210,335,000)	
Cllr Mitchell - Corporate Management											
Helen Dunn	43621	VDI	-	177,800	-	177,800	129,494	22,406	177,800	-	Work is currently in progress and expected to be completed by end of this financial year.
Helen Dunn	43003	New Software	20,000	-	-	20,000	24,321	5,000	30,000	10,000	Expenditure on various software enhancements throughout the financial year. Overspends against this will be funded through other lines of capital budget within ICT
Helen Dunn	43608	Other Hardware	30,000	-	-	30,000	6,820	-	20,000	(10,000)	Expenditure on various hardware enhancements throughout the financial year
Helen Dunn	43622	ICT Network	150,000	-	-	150,000	143,008	150	150,000	-	Project is in progress and expected to be completed by end of this financial year
Helen Dunn	43623	Peripheral Devices	3,500	-	-	3,500	724	-	3,500	-	Replacement tablet is required. The project is expected to be completed by end of this financial year
Helen Dunn	43624	Council Chamber Audio	-	-	-	-	33,470	-	38,500	38,500	Project has already been approved by MAT to go ahead and the initial installation of equipment has been completed. There are some goosenecks and further replacement mics still required.
Total			203,500	177,800	-	381,300	337,836	27,556	419,800	38,500	

CAPITAL MONITORING REPORT AT 31 DECEMBER 2017

Portfolio Member / Service Head	Cost Centre	Description	Original Budget	Carry Forwards	Supplementary Estimate	Revised Budget	Actuals YTD	Commitments	Managers Projected Outturn	Managers Projection to Revised Budget	Comments
Sandy Muirhead	43503	Agile Working	28,200	19,000	-	47,200	7,855	-	20,200	(27,000)	The project is quite wide ranging in terms of moving towards more agile working and has been subsumed into Project Lima. This will cover the proposed office moves and any needs for staff including any changes in current working patterns and lessons learned from trials in Environmental Health. Plans are now moving ahead under the auspices of Project Lima to make better use of space in Knowle Green and this links to the agile working and technology used. This project is now progressing rapidly and therefore there will be significant expenditure between now and the end of this financial year. Balance of budget will be requested to be carried forward into next financial year.
Sandy Muirhead	43511	ScannersCorporateEDMS Roll out	31,000	5,000	-	36,000	-	-	5,000	(31,000)	This project will also be subsumed into Project Lima as it enables us to accurately assess the number and type of scanners required including needs for future and back scanning requirements. Initial assessments have been made but spends will be in tandem with Project lima and some work may carry over into the next financial year depending on timings of moves.
Sandy Muirhead	43512	Sharepoint redesign & Relaunch	70,000	20,000	-	90,000	-	-	-	(90,000)	This project is under review and will be integrated with other ICT projects and not expected to be completed in this financial year. The budget will be requested to be carried forward in the next financial year as this work with the go-ahead on project lima provides more opportunities for successful implementation.
Sandy Muirhead	43515	Corporate EDMS Project	108,300	-	-	108,300	-	-	15,000	(93,300)	Work on Phase II is being undertaken. Project is currently in progress linked to office moves and largely expected to be completed by end of this financial year subject to all services allocating resources to deal with archiveable documents. Any spends in this area does rely on proactive action by services to archive documents via back scanning. Balance of budget will be requested to be carried forward into next financial year.
Total			237,500	44,000	-	281,500	7,855	-	40,200	(241,300)	
CIlr Gething - Enviroment & Compliance											
Keith McGroary	41619	Small Scale Area Regeneration	620,000	-	-	620,000	14,131	275	14,200	(605,800)	Edinburgh Drive Parade has been completed, contracts have now been awarded for the final 3 parades. S278 licences are imminent. No more funding for future projects of this type is available as funding from Suurey County Council has ceased. The project is expected to be completed by end of this financial year.
Keith McGroary	41621	External Funding CCTV Enhancement	(310,000) 97,000	- 50,000	-	(310,000) 147,000	(71,840) 1,500	- 3,500	(71,900) 1,500	238,100 (145,500)	Contracts for the wireless CCTV conversion went out to tender in December 2017. This project is likely to be completed early in the next financial year. Balance of budget will be requested to be carried forward into next financial year.
Total			407,000	50,000	-	457,000	(56,208)	3,775	(56,200)	(513,200)	
Total For Other			210,192,300	94,857,600	200,500,000	505,549,900	92,498,642	150,583	293,232,500	(212,317,400) #	
Total Expenditure			211,257,200	94,857,600	200,787,700	506,902,500	93,107,183	196,037	294,536,000	(212,366,500)	
Total Funding			(980,600)	-	-	(980,600)	(779,206)	-	(937,114)	43,486	
GRAND TOTAL			210,276,600	94,857,600	200,787,700	505,921,900	92,327,977	196,037	293,598,886	(212,323,014)	

Cabinet**21 February 2018**

Title	Revenue Monitoring Report		
Purpose of the report	To note		
Report Author	Laurence Woolven (Chief Accountant)		
Cabinet Member	Councillor Howard Williams	Confidential	No
Corporate Priority	Financial Sustainability		
Recommendations	To note the current level of spend		
Reason for Recommendation	Not applicable		

1. Key issues

1.1 To provide Cabinet with the net revenue spend figures to the end of December 2017.

- The forecast outturn at net expenditure level is shown below It shows a positive variance of £1.86M, a large proportion of this amount will be transferred to reserves in order to set up sinking funds, these will protect the Council against the risks of reduced income from its acquisitions:

	Budget £M	Forecast Outturn £M	Variance £M
Total Expenditure	60.00	59.04	(0.96)
Total Income	(59.98)	(61.28)	(1.30)
Salary budget saving <i>(actual vacancy savings are reflected in services expenditure outturn)</i>	(0.30)	0	0.30
Interest Earnings	0	0.08	0.08
Debt Interest Payable	0	0.05	0.05
Budget Adjustment	0.28	0.28	-
Revenue Carry forward	-	(0.03)	(0.03)
Net	-	(1.86)	(1.86)

2. Options analysis and proposal

- 2.1 Cabinet are asked to note the current net revenue spend and forecast position.

The following highlights variances where the variance is greater than 5% of the spend area. In addition, all variances of over £5K are noted.

Leader

Spend Area	Variance	Comment
Corporate Governance	Adverse £42k	Employee saving of £7k due to cessation of shared service with Reigate BC off set by £50k income budget not being achievable
Democratic Representation and Management	Adverse £7K	2% increase on basic allowances
Elections	Positive £6K	No further expenditure expected provided there is no by election
Land Charges	Adverse £15k	Property market not as buoyant as estimated, resulting in reduced levels of income being recovered
Legal	Positive £10k	Higher income due to more activity
Total	Adverse £48K	

Deputy Leader

Spend Area	Variance	Comment
Corporate Publicity	Adverse 27K	Incorrect recharge re web support for Runnymede reversed out in this financial year (19K) plus additional employee expenses (£8K)
Emergency Planning	Adverse £17K	Training costs for Prevent strategy work but funding received in 2016-17
Research & Consultation	Positive £13K	No planned public meetings in 2017/18
Total	Adverse £31K	

Corporate Management

Spend Area	Variance	Comment
HR	Adverse £28K	Overspends due to increased employees costs to cover extra workload
ICT	Positive £72K	Underspend on Network manager post being covered by Elmbridge partially offset by one off e-tendering costs for hosting and training fees
Committee Services	Positive £29K	Underspend due to retirement of Committees Manager and vacancy in Trainee Committee Manager post
Corporate Management	Positive £92K	Underspend mainly represents an estimate of retention allowance available to services that will not have been used by year end
Project Management	Positive £151K	Expected carry forward on Back scanning project
Total	Positive £316K	

Environment & Compliance

Spend Area	Variance	Comment
Depot	Adverse £14K	Insurance excess charges with no budget
DS Management and Support	Positive £6K	Shared savings (with Reigate & Banstead) are expected to be higher than budget
Refuse Collection	Positive £112K	Higher income expected due to more activity
Street Cleaning	Positive £29K	Savings expected due to vacant posts partially covered by temporary staff & overtime payments
Waste Recycling	Positive £345K	Recyclable waste payments are lower due to changes to recycling system Recyclable waste credits income is received in arrears from Surrey County Council. Income is expected to exceed the budget due to changes to the recycling credit system and higher School Recycling
Public Conveniences	Positive £20K	Savings expected against the business rates budget and due to the closure of public convenience
Parks Strategy	Positive £24K	Higher expenditure on windfall projects offset by additional grant

Car Parks	Adverse £213K	Car Park Fees from most of major car parks are expected to be lower against the budget by £99k due to less usage and Penalty Charge Notices (PCN's) will also fall below the budget by £55k due to compliance with Parking restrictions, results in less fixed PCN's being issued. This is partially offset by higher season tickets income during this financial year Business Rates above budget by £67k
Environmental Health Admin	Adverse £27K	Higher software costs and no recharge income as Disabled Facilities Grant (DFG) work now undertaken by Independent Living
Community Safety	Adverse £32K	No recharge Income contribution through Community Safety Partnership from this financial year onwards
Total	Positive £250K	

Housing

Spend Area	Variance	Comment
Housing Needs	Positive £14K	Vacant posts in year covered by secondments in the team
Homelessness	Positive £253K	B&B usage has been lower than anticipated. This area will be kept under close review as numbers could rise before year end.
Housing Benefits Admin	Positive £41K	Underspend expected due to current vacant part time posts
Housing Benefits Payments	Adverse £158K	Overpayments raised are less than budgeted, due to slow down of real time info from DWP
Total	Positive £150K	

Community Well Being

Spend Area	Variance	Comment
SPAN	Positive £18K	Additional income received for Surrey Telecare Equipment

Com Care Admin	Positive £74K	Capitalisation of salary posts for DFG work
Day Centres	Adverse £70K	Principally made up of: Higher electricity expenditure at Fordbridge Day Centre and higher food purchases at Staines Community Centre (£10K) High needs income lower than anticipated (£60K)
Spelthorne Leisure Centre	Positive £13K	Profit share increased due to RPI increase
Public Halls	Adverse £11K	Survey costs for Churchill Centre which cannot be capitalised £8K adverse variance Lease surrendered at Churchill Centre and lease reduced for St Martins Hall £3K adverse variance
Cemeteries	Positive £15K	Income expected to exceed budget as a result of higher activity
Total	Positive £39K	

Planning and Economic Development

Spend Area	Variance	Comment
Economic Development	Adverse £15K	Overspend due to Economic Development Manager in budget for 50% of salary split with Community Safety. This post is now 100% in Economic Development. Vacancies early in year will reduce the overspend
Asset Management Administration	Positive £1,541K	Development Surveyor vacant and delay in filling other posts has led to positive variance of £37K No spend on Elmsleigh lifts in 2017/18, carry forward requested Budget for the Bugle Public House site, to be funded from additional income generated in year Additional income from asset acquisitions in year. Positive variance of £1,340K
Planning Policy	Positive £22K	Two senior planning officer posts were vacant earlier in year (both now filled)
Planning Development Control	Adverse £238K	Use of overtime and temporary staff for increased workload Consultancy costs higher than budgeted Income below target due to no large planning applications

Staines Upon Thames	Positive £140K	Carry forward to be requested for Bridge Street & Tothill Car Park/Elmsleigh IV projects
Building Control	Positive £40K	Additional cost incurred as a result of structural engineering work due to increased volume of incoming work/applications. Adverse £10K Higher income expected due to more activity. Positive £50K
General Property Expenses	Positive £1K	Additional costs relating to works at Cedars Recreation ground. Adverse £17K Additional income received for licences. Positive £18K
Total	Positive £1,491K	

Finance

Spend Area	Variance	Comment
Chief Executive	Adverse £35K	Professional fees for CX recruitment
Audit	Positive £9K	Spend has been controlled to address issues arising from Surrey CC no longer providing Audit consultants. Consequently, consultants are now sourced through agencies, which is more expensive. The (£106k) actual YTD is due to a (£117k) accrual, for payment due to but not yet invoiced by Surrey CC for staff who have left Spelthorne
Accountancy	Adverse £75K	Cost of agency staff to cover posts and assist on final accounts process plus consultants fees paid to recruit for the vacant posts
Central Overheads	Positive £7k	Underspend estimated on costs budgeted for centrally such as for staff health costs.
Total	Adverse £94K	

Customer Services, Estates and Transport

Spend Area	Variance	Comment
Knowle Green	Positive £198K	Underspend due to Senior Facilities Manager vacancy. Positive £27K

		Business rates lower than budgeted. Positive £182K Reduction in rents, due to tenants vacating Knowle Green offices. Adverse £11K
Total	Positive £198K	

3. Financial implications

3.1 As set out within the report and appendices

4. Other considerations

4.1 There are none

5. Timetable for implementation

5.1 Bi – monthly reports are produced for Management team

Background papers: None

Appendices:

A and B

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APPENDIX A

2017/18 Net Revenue Budget Monitoring As at end of 31 DECEMBER 2017

	17/18	17/18	17/18	17/18
	Budget		Forecast	Variance
	Original	Revised	Outturn	to Revised
	£	£	£	£
Gross Expenditure	59,961,400	59,995,100	59,038,000	(957,100)
Less Benefits (offset by grant)				
Total Gross Expenditure excluding Benefits	59,961,400	59,995,100	59,038,000	(957,100)
Less Housing Benefit grant	(31,944,000)	(31,944,000)	(31,944,000)	-
Less Specific fees and charges income	(28,015,500)	(28,032,300)	(29,331,240)	(1,298,940)
Net Expenditure - broken down as below	1,900	18,800	(2,237,240)	(2,256,040)
Leader of the Council	1,131,000	1,131,000	1,180,000	49,000
Deputy Leader	550,600	559,300	590,900	31,600
Corporate Management	2,220,900	2,156,100	1,839,760	(316,340)
Housing	1,671,900	1,635,200	1,485,400	(149,800)
Finance and Customer Service	2,451,000	2,476,000	2,572,300	96,300
Planning and Economic Development	(15,354,700)	(15,289,900)	(16,782,500)	(1,492,600)
Environment and Compliance	5,166,800	5,166,800	4,922,700	(244,100)
Community Wellbeing	231,200	251,100	223,900	(27,200)
Transport	1,933,200	1,933,200	1,730,300	(202,900)
NET EXPENDITURE AT SERVICE LEVEL	1,900	18,800	(2,237,240)	(2,256,040)
Salary expenditure - vacancy monitoring	(300,000)	(300,000)	-	300,000
NET EXPENDITURE	(298,100)	(281,200)	(2,237,240)	(1,956,040)
NET EXPENDITURE	-298,100	-281,200	-2,237,240	(1,956,040)
Interest earnings	(900,000)	(900,000)	(820,000)	80,000
Debt Interest Payable	8,307,000	8,307,000	8,360,000	53,000
Minimum Revenue Provision	4,482,100	4,482,100	4,482,100	-
Refurbishments Reserve Contributions	700,000	700,000	700,000	-
BUDGET REQUIREMENT	12,291,000	12,307,900	10,484,860	(1,823,040)
Baseline NNDR Funding	(3,009,000)	(3,009,000)	(3,009,000)	-
Revenue Support grant	-	-	-	-
Transition Grant	(96,000)	(96,000)	(96,000)	-
New Homes Bonus	(1,530,900)	(1,530,900)	(1,530,900)	-
NET BUDGET REQUIREMENT	7,655,100	7,672,000	5,848,960	(1,823,040)
Collection Fund Surplus/(deficit)	(167,493)	(167,493)	(167,493)	-
CHARGE TO COLLECTION FUND	7,487,607	7,504,507	5,681,467	(1,823,040)
2016/17 Revenue carryforward			(33,700)	(33,700)
Net Position				(1,856,740)

Appendix B				
REVENUE MONITORING 2017/18				
EXPENDITURE AND INCOME SUMMARY 31 DECEMBER 2017				
Results to 31-Dec-17	Budget		Forecast	Variance
	Revised	YTD	Outturn	to Revised
	£	£	£	£
Leader of the Council				
Employees	827,100	618,700	825,000	(2,100)
Other Expenditure	577,400	446,400	627,100	49,700
Income	(273,500)	(205,100)	(272,100)	1,400
	1,131,000	860,000	1,180,000	49,000
Deputy Leader				
Employees	134,800	100,100	153,300	18,500
Other Expenditure	435,500	274,700	439,400	3,900
Income	(11,000)	(5,000)	(1,800)	9,200
	559,300	369,800	590,900	31,600
Corporate Management				
Employees	1,499,100	1,128,800	1,331,000	(168,100)
Other Expenditure	701,300	407,500	553,400	(147,900)
Income	(44,300)	(33,300)	(44,640)	(340)
	2,156,100	1,503,000	1,839,760	(316,340)
Housing				
Employees	1,408,400	1,046,800	1,350,900	(57,500)
Other Expenditure	33,954,400	25,437,300	33,643,000	(311,400)
Housing Benefit grant income	(31,944,000)	(24,005,200)	(31,944,000)	-
Income	(1,783,600)	(1,323,400)	(1,564,500)	219,100
	1,635,200	1,155,500	1,485,400	(149,800)
Finance and Customer Service				
Employees	2,302,800	1,719,500	2,356,100	53,300
Other Expenditure	186,100	143,400	229,100	43,000
Income	(12,900)	(9,600)	(12,900)	-
	2,476,000	1,853,300	2,572,300	96,300
Planning and Economic Development				
Employees	1,663,100	1,226,300	1,676,600	13,500
Other Expenditure	2,378,900	1,577,300	2,188,300	(190,600)
Income	(19,331,900)	(14,500,800)	(20,647,400)	(1,315,500)
	(15,289,900)	(11,697,200)	(16,782,500)	(1,492,600)
Environment and Compliance				
Employees	4,231,800	3,152,400	4,721,700	489,900
Other Expenditure	4,966,000	3,715,300	4,363,800	(602,200)
Income	(4,031,000)	(2,799,300)	(4,162,800)	(131,800)
	5,166,800	4,068,400	4,922,700	(244,100)
Community Wellbeing				
Employees	1,674,400	1,248,900	1,689,200	14,800
Other Expenditure	687,500	491,500	736,400	48,900
Income	(2,110,800)	(1,359,900)	(2,201,700)	(90,900)
	251,100	380,500	223,900	(27,200)
Transport				
Employees	938,300	696,800	860,500	(77,800)
Other Expenditure	1,428,200	1,024,400	1,293,200	(135,000)
Income	(433,300)	(92,900)	(423,400)	9,900
	1,933,200	1,628,300	1,730,300	(202,900)
NET EXPENDITURE AT SERVICE LEVEL	18,800	121,600	(2,237,240)	(2,256,040)
Total Employees	14,679,800	10,938,300	14,964,300	284,500
Total Other Expenditure	45,315,300	33,517,800	44,073,700	(1,241,600)
Housing Benefit grant income	(31,944,000)	(24,005,200)	(31,944,000)	0
Total Income	(28,032,300)	(20,329,300)	(29,331,240)	(1,298,940)
	18,800	121,600	(2,237,240)	(2,256,040)

REVENUE MONITORING 2017/18				
EXPENDITURE AND INCOME SUMMARY 31 DECEMBER 2017				
	Budget		Forecast	Variance
Results to	Revised	YTD	Outturn	to Revised
31-Dec-17	£	£	£	£
Total Expenditure	59,995,100	44,456,100	59,038,000	(957,100)
Total Income	(59,976,300)	(44,334,500)	(61,275,240)	(1,298,940)
Net	18,800	121,600	(2,237,240)	(2,256,040)

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Cabinet**21 February 2018**

Title	Exemption to contract standing orders for the appointment of a construction project manager and design team.		
Purpose of the report	To make a decision		
Report Author	Victoria Statham		
Cabinet Member	Councillor Ian Harvey	Confidential	No
Corporate Priority	Economic Development; Clean and Safe Environment		
Recommendations	To exempt contract standing orders to delegate the selection of a construction project manager and the construction design team to the Group Head of Regeneration and Growth in consultation with the Deputy Chief Executive and the Leader of the Council.		
Reason for Recommendation	To ensure the development project is progressed as swiftly as possibly.		

1. Key issues

- 1.1 Following the appointment of consultants to undertake a feasibility exercise for a replacement for the ageing Spelthorne Leisure Centre, (subject to a future report), the next appointments that needs to take place to move the project forward is the construction project manager together with the design team (comprising such disciplines as architects, quantity surveyors, structural engineers and mechanical and electrical engineers). This design team alongside the construction project manager will work together both before and after the appointment of the main construction contractor. Due to the scale of the project, a construction project manager is prudent and will act as the client adviser, construction lead, contract administrator and project lead. They might even fulfil the role of clerk of works depending on the design team/contractor structure.
- 1.2 The model of having the construction project manager and the design team is the approach that the Council has adopted for the redevelopment project at Benwell House and is working well.
- 1.3 Officers have undertaken considerable research and have highlighted a number of framework agreements that are robust in terms of suppliers and the terms and conditions of appointment and which can be utilised for the appointment of a construction project manager and the design team. The frameworks are all divided into lots which allows the Council to decide

whether to choose a large multi-disciplinary practice a 'one stop shop' or to use the individual lots for the individual disciplines. The preferred approach is for us to use individual lots as this approach has worked well on other projects.

- 1.4 For the appointment, a mini competition will be run under the terms of the framework agreement to establish the suppliers who demonstrated the most economically advantageous tender for the Council.
- 1.5 Due to the likely value of the contracts, Contract Standing Orders state that it is the function of the Cabinet to approve the selection of the suppliers following a mini competition. It was only once the feasibility work had been undertaken could this appointment be considered. If the mini completions are run and then the committee cycle timings are factored in for Cabinet to approve the appointments, this has a knock-on effect on the project timetable. Officers want to avoid delay at the beginning of the project to ensure timely start for construction so completion can be co-ordinated before the end of the current leisure centre management contract. Whereas if Cabinet were in agreement to agree an exemption to Contract Standing Orders the process can proceed at pace.
- 1.6 The framework agreements themselves set out how the mini competition is to be run and sets out criteria for the evaluation of the tender returns in terms of both cost and quality. The frameworks that have been explored are national frameworks set up for use by public sector organisations for construction.
- 1.7 All of the suppliers on the frameworks are organisations that have been checked in terms of financial stability and their technical ability to undertake the services required to be included on the framework. The suppliers are all recognised organisations.

2. Options analysis and proposal

- 2.1 Not to agree the exemption. Officers would then run the mini competition and return to Cabinet with a recommendation for the appointment of the construction project manager and design team. This will impact adversely on the project timetable.
- 2.2 Agree to the exemption so the appointment can be made as soon as possible so that the project can proceed to the next stage in a timely manner.

3. Financial implications

- 3.1 The budget report also before Cabinet this 21 February 2018 sets out the budget for the construction project manager and design team for this financial year at £1.8 million. The final costs of the team cannot be determined until the overall costs of the construction have been established. The requirement for any additional costs will be subject to future budget reports. The budget is subject to Council approval on the 22 February 2018.

4. Other considerations

- 4.1 The framework route has been chosen as it allows the Council to contract with suppliers who have been through a vigorous tender process to get onto the framework. It is a process that is fully compliant with the Public Contracts Regulations 2016 and allows the Council to appoint without running an OJEU tender from the beginning which would not be time efficient and is likely to attract bids from those already selected to be on the national frameworks.

5. Timetable for implementation

- 5.1 Following the decision on what framework to use, it is the intention that the mini completion documents will be issued to the market in the second week of February and the appointment being made as soon as possible thereafter.

Background papers: There are none

Appendices: There are none.

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