

## MINUTES OF THE SPELTHORNE BOROUGH COUNCIL

Minutes of the Council Meeting of Spelthorne Borough Council held in the Council Chamber, Council Offices, Knowle Green, Staines-upon-Thames on Thursday, 22 February 2018 at 7.30 pm

### Present:

#### Councillors:

M.M. Attewell	K. Flurry	S.C. Mooney
R.O. Barratt	M.P.C. Francis	D. Patel
I.J. Beardsmore	A.E. Friday	J.M. Pinkerton OBE
J.R. Boughtflower	N.J. Gething	O. Rybinski
S.J. Burkmar	A.C. Harman	D. Saliagopoulos
R. Chandler	I.T.E. Harvey	A. Sapunovas
S.M. Doran	N. Islam	J.R. Sexton
S.A. Dunn	A.T. Jones	R.A. Smith-Ainsley
Q.R. Edgington	J.G. Kavanagh	B.B. Spoor
T.J.M. Evans	A.J. Mitchell	H.R.D. Williams

Councillor V.J. Leighton, The Mayor, in the Chair

#### In Attendance

Miss Sue Faulkner, Vice-Chairman of the Members' Code of Conduct Committee

**Apologies:** Apologies were received from Councillors C.B. Barnard, S. Capes, C.A. Davis, P.C. Edgington, A.L. Griffiths, M.J. Madams, R.W. Sider BEM and H.A. Thomson

#### **30/18 Minutes**

The minutes of the Council meeting held on 14 December 2017 were agreed as a correct record.

#### **31/18 Disclosures of Interest**

There were no disclosures of interest.

#### **32/18 Announcements from the Mayor**

The Mayor reported that since the last meeting of this Council she had attended a number of functions and fund raising events including Reigate & Banstead Holocaust Memorial Evening, Shepperton Studios Film Evening, and Sunbury Cricket Club Music Night.

The Mayor announced some forthcoming events: a Horse Racing event at Kempton Park on 21<sup>st</sup> March; the Annual Charity Ball at BP on 7<sup>th</sup> April and St.George's Day Ladies Lunch on 23<sup>rd</sup> April at London Irish.

### **33/18 Announcements from the Leader**

The Leader made the following announcements:

Heathrow has launched a ten-week public consultation regarding expansion at Heathrow, which runs until 28th March. The Council has publicised the consultation and drop-in events in the Borough Bulletin, on our website and social media, and has also published an online summary explaining the potential impact of the airport expansion on the local area.

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

The first Spelthorne Means Business Awards were launched on 6 February. Held at Caffe Gusto in Staines, local businesses and Council representatives gathered to open the competition which is designed to celebrate the achievements of local companies and showcase the 'best of the best' in Spelthorne.

A leaflet is being designed to accompany the Council Tax bills which will give residents information about how the bill is divided between the Police, Surrey County Council and Spelthorne.

Cedars Recreation Park in Sunbury-on-Thames is to under-go refurbishment, thanks to funding from London Irish Rugby Club.

Registration has opened for the Staines 10K race taking place on 13 May.

Work to build eight new flats has started on the site of the former Bugle Pub in Upper Halliford and three two-bedroom homes on the site of the former Churchill Hall in Sunbury. Both projects are expected to be completed in September.

The Council recently announced the purchase of a landmark commercial property. '12 Hammersmith Grove' is in a prime location with outstanding transport infrastructure adjacent to Hammersmith Underground Station. The building was purchased for a sum in the region of £170m and is fully let on long leases. This will generate an ongoing net annual revenue surplus of approximately £2.1m and has made a major contribution towards balancing the 2018-19 Budget and providing services for our residents.

He thanked all councillors who had responded to the challenge to see Every Ward at its Best and asked them to continue to submit ideas and to work across party in their wards.

He had two pieces of sad news:

Firstly, he was very sorry to report that a much respected former Mayor and Leader, and an Honorary Freeman, Gerry Ceaser remained seriously ill in hospital. He and his family are in our thoughts and prayers.

Secondly, he was sorry to announce that we were saying goodbye to Sue Faulkner who served as the Vice-Chairman of the Members' Code of Conduct Committee, and formerly the Standards Committee, for 10 years. He thanked Sue on behalf of the Council for her many years of service and wished her well for the future.

### **34/18 Announcements from the Chief Executive**

The Chief Executive made the following announcement:

He was pleased to announce that as part of the Council's plans to work more efficiently and effectively, detailed plans have been drawn up for staff to consolidate and occupy a smaller space within Knowle Green.

This work, which is called Project Lima, will enable us to reduce our operating costs, deal with the backlog of maintenance issues and prepare to generate a sustainable income stream from the office space vacated. The existing civic space within Knowle Green, including the Council Chamber, will be retained.

The project team have been engaged in full consultation with staff and existing tenants within Knowle Green, and the first phase of work is due to commence towards the end of April.

The plans would be available for councillors to view in the Members' Room from Friday 23 February 2018.

### **35/18 Questions from members of the public**

The Mayor reported that no questions had been received from members of the public.

### **36/18 Petitions**

There were none.

### **37/18 Treasury Management Strategy Statement 2018-2019**

The Council considered the recommendation of Cabinet from its meeting held on 21 February 2018 on the Treasury Management Strategy Statement 2018-2019.

The proposed Strategy represented an appropriate balance between risk management and cost effectiveness.

**Resolved** to approve the Treasury Management Strategy Statement for 2018-2019.

**38/18 Revenue Budget 2018/19**

The Council considered the recommendation of Cabinet on the detailed Revenue Budget for 2018-19 and the proposed Council Tax for 2018-19. The Mayor referred councillors to the Budget Book (green cover) reflecting the decisions and recommendations made by Cabinet on 21 February 2018, including the precepts being levied by Surrey County Council and the Surrey Police.

The Mayor asked the Council to agree, in accordance with Standing Order 20.4, that the respective Budget speeches of the Group Leaders may each exceed 10 minutes in length if necessary.

**Resolved** to agree that the respective Budget speeches of the Group Leaders may each exceed 10 minutes in length if necessary.

The Leader of the Council, Councillor I.T.E. Harvey and the portfolio holder for Finance, Councillor H.R. Williams, made a joint statement on the Budget and the Council Tax and moved and seconded the recommendations on the detailed Budget for 2018-19 as set out in the report circulated in the Budget Book. The Leader of the Ashford and Staines Residents' Group then made a statement. Councillor Beardsmore, Leader of the Liberal Democrats declined the opportunity to make a speech.

A copy of Councillor Harvey's speech is attached to these minutes as **Appendix A**.

At the conclusion of the debate on the Revenue Budget, the Mayor explained it was a legal requirement to record in the minutes of the proceedings the names of the persons who cast a vote for the decision or who abstained from voting.

Councillor Burkmar was absent from the Chamber for the vote on Item 38/18.

The voting was as follows:

<b>FOR (23)</b>	Councillors I.T.E. Harvey (Leader); A.C. Harman (Deputy Leader); M.M. Attewell; R.O. Barratt; J.R. Boughtflower; R. Chandler; T.J.M. Evans; K. Flurry; M.P.C. Francis; A.E. Friday; N.J. Gething; N. Islam; A.T. Jones; J.G. Kavanagh; V.J. Leighton; A.J. Mitchell; S.C. Mooney; D. Patel; J.M. Pinkerton; O. Rybinski; A. Sapunovas; R.A. Smith-Ainsley; H.R.D. Williams
<b>AGAINST (3)</b>	Councillors D. Saliagopoulos; Q.R. Edgington; J. Sexton
<b>ABSTAIN (4)</b>	Councillors I.J. Beardsmore; S.M. Doran; S.A. Dunn; Spoor

**Resolved:**

1. To participate in the Surrey wide 2018/19 Business Rates Retention pilot scheme;

2. To continue the Council's Local Council Tax Support Scheme with the current rules and regulations;
3. To continue 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 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: The revenue estimates as set out in Appendix 1 be approved.
  1. No Money, as set out in this report is appropriated from General Reserves in support of Spelthorne's local Council tax for 2018/19;
  2. 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 bands.

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**

	<b>A £</b>	<b>B £</b>	<b>C £</b>	<b>D £</b>	<b>E £</b>	<b>F £</b>	<b>G £</b>	<b>H £</b>
<b>Surrey County Council</b>	<b>940.86</b>	<b>1,097.67</b>	<b>1,254.48</b>	<b>1,411.29</b>	<b>1,724.91</b>	<b>2,038.53</b>	<b>2,352.15</b>	<b>2,822.58</b>
<b>Surrey Police &amp; Crime Commissioner</b>	<b>157.71</b>	<b>184.00</b>	<b>210.28</b>	<b>236.57</b>	<b>289.14</b>	<b>341.71</b>	<b>394.28</b>	<b>473.14</b>

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.

**39/18 Capital Programme and Strategy 2018/19 to 2021/22**

The Council considered the recommendation of Cabinet from its meeting held on 21 February 2018 on the Capital Programme and Strategy 2018/19 to 2021/22 and the Prudential Indicators for 2018/19 to 2021/22.

**Resolved to:**

1. Approve the Capital Programme for 2018/19 to 2021/22;
2. Approve the Prudential Indicators for 2018/19 to 2021/22.

**40/18 Pay Policy Statement 2018/19**

The Council considered the recommendation of Cabinet from its meeting held on 21 February 2018 on the Pay Policy Statement 2018/19.

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, including:

- 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.

**Resolved** to approve the Pay Policy Statement 2018/19.

**41/18 Report from the Leader of the Council**

The Leader of the Council, Councillor I.T.E. Harvey, presented the reports of the Cabinet meetings held on 24 January 2018 and 21 February 2018, which outlined the matters the Cabinet had decided since the last Council meeting.

**42/18 Report from the Chairman of the Overview and Scrutiny Committee**

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

**43/18 Report from the Chairman of the Planning Committee**

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

**44/18 Motions**

There were no motions.



**45/18 Questions on Ward Issues**

There were no questions on Ward issues.

**46/18 General questions**

The Mayor reported that five general questions had been received, in accordance with Standing Order 15, from Councillors Sider, Sexton and Saliagopoulos.

**1. Question from Councillor R.W. Sider BEM:**

“Will the Leader and Members of this council join me in congratulating Freeman of the Borough Colin Squire on his being awarded the OBE in Her Majesty’s New Year’s Honours List?”

**Response from the Leader, Councillor I.T.E. Harvey:**

“Thank you for your Question Councillor Sider. Yes I am delighted to congratulate Freeman of the Borough and good friend of this Council, Colin Squire on being awarded the OBE in Her Majesty’s New Year Honours List. I am sure all Members join me in expressing our warm congratulations to Colin and thank him for all his charity work that has so richly earned him this accolade.”

**2. Question from Councillor J. Sexton:**

“Once again earlier this month I had to alert the Council to the dire cleaning regime carried out at Knowle Green Leisure Centre. Members of the public had alerted me to the public areas which were obviously not cleaned for weeks. Their photographs proved it. Officers of the Council have been sent these photographs. I was astounded to find out that there is still no record keeping of cleansing of the public areas - something when I was in position as Cabinet Member, was set up. The officer in charge informed me that this would be put in place for the future. Why was this slippage allowed - it is surely mandatory to inspect the public areas for cleanliness? Our residents need to have confidence that the Leisure Centre is clean and well kept.

Whilst I thank the Cabinet Member for her intervening to once again try and sort this out, how can the users of the Leisure Centre have confidence that this will continue? Are we now leaving it to residents to have to make complaints? If a proper regime of inspection had been put in place this would not be an issue here today. Officer need to ensure that there are proactive measures at the Leisure Centre and not continual reactive ones.”

**Response from Cabinet member for Community and Wellbeing, Councillor M. Attewell:**

“I can confirm that there are cleaning checklists for the public toilets and changing areas in place and have never ceased to be available. Regular

monitoring of these checks are undertaken both by the Everyone Active management and Spelthorne Leisure Services staff.

Detailed cleaning schedules are in place for all areas of the Centre. Both contract cleaners and in house teams undertake the cleaning regularly. The location and task being undertaken will determine the frequency of cleaning. There are checklists for these and managers also undertake regular spot checks.

The contract cleaner at the Centre has recently been changed and the Everyone Active is working with the contractor to ensure continual improvement. Monthly contractor cleaning audits are carried out by Everyone Active.

Officers from the Council visit the Centre weekly and report the issues they have noted. The contract monitoring officer has monthly meetings with management where the issues identified are discussed. Officers and senior managers undertook two unannounced visits on 14 and 15 February 2018. Over the two visits the whole Centre was inspected. The general cleanliness of the centre was good, however, there is clearly an issue with the high level cleaning (including cobwebs) and cleaning of the vents in the swimming pool area.

These issues have been raised with the contract manager. He has informed us that a high level clean will be undertaken next month and then regularly twice a year, or more frequently if required. Specialist equipment is hired in for this task. The vents in the swimming pool area have been cleaned and will continue to be cleaned weekly.

The leisure teams monitoring will continue and monitoring of the high level cleaning will be a priority.

The leisure team regularly review customer comments. In the last 3 months 137 comments were received. 6 of these were negative comments referring to cleaning. Considering that there are approximately 47,000 visits to Spelthorne Leisure Centre each month, the number of complaints received are very small.

Due to these findings, officers are confident that the leisure centre is being well managed. Whilst accepting that there are some issues that need to be addressed, the usage of the Centre and the customer feedback confirms an overall satisfaction in this facility.”

**In accordance with Council Standing Order 15.2, Councillor J. Sexton asked the following supplementary question:**

“I will send photographs that I took yesterday showing that there are still issues to be addressed. Can the Leader confirm that a robust monitoring regime will be put in place to avoid the need for "panic visits" by officers?”

**Councillor M. Attewell responded at the meeting as follows:**

“I believe that this is a request to the Leader rather than a question but will ask officers to respond further. I did ask Councillor Sexton if she was happy with the officers’ response and she indicated that she was not. If she would like to send details to me then I will pass that on.”

**Councillor M. Attewell responded further after the meeting as follows:**

“A comprehensive monitoring regime is in place for both centres. Monthly meetings are held between SBC and centre management and monitoring information including customer comments, bacterial water test results, cleaning tasks completed, attendance figures and the number of accidents occurring is sent monthly to the client officer. Any issues of concern are raised and addressed. In addition to this, energy consumption, marketing and communication plans, Quest improvement plans, deep cleaning programmes and staff training records are monitored quarterly and among other things safe systems of work and health and safety inspections are reviewed bi-annually. Every 6 months there is a strategic review meeting with senior management from both SBC and SLM. The cabinet member is also invited.

Quarterly meetings are held with Sunbury Manor School who share the dual use site to monitor how things are viewed from the school’s point of view.

Ad hoc visits occur regularly and members of the leisure team and group heads visit the centres both in an official capacity and as users of the centres. The client officer is in almost daily contact with the centres and feeds back any comments or concerns in between meetings.

Many SBC staff members are also users of the facilities and any comments received are fed back to the client officer so they can be addressed.”

**3. Question from Councillor D. Saliagopoulos:**

“At the request of Councillor Colin Davis, the then Chairman of the Overview & Scrutiny Committee, the Council was put to extra expense on a so called security issue; can I please be advised as to the extra cost incurred to the Council on this whim? Can the Leader assure me that tax payers’ monies were protected at all times? it would appear that the said Councillor for Staines Town is no longer the Chairman of the Overview & Scrutiny - which may I add is an excellent move on the part of the Leader - and indeed no longer a member of the ruling Conservative group - can the Council please be assured that the Committee will now run as a proper scrutiny committee rather than a platform which was used to belittle and dismiss the opposition? As the Leader is aware, scrutiny is something that is vital to any Council. Unfortunately it has been stifled continuously by the above named individual (and only the above named individual) due to his own personal agenda. I

believe the local taxpayer needs to be aware of this and that indeed I would seek the Leader's assurance that this individual will no longer be in any position of authority on this Council."

**Response from the Leader, Councillor I.T.E. Harvey:**

"Thank you for what are actually four questions within this Question.

Firstly I can confirm that there are currently 10 Members actively using the Lone Worker alarms, including myself. Two other councillors took and then returned them. I personally resisted taking one initially, however as many Members know I was physically attacked on the front steps of this very building in the presence of my nine year old son. I was thereafter prevailed upon to take and use one. Given the fact that those in public office are now seemingly the frequent targets of various forms of assault and abuse I do not accept that the use of these is a "whim". I commend all Members to use one, in particular if you consider yourself in any way vulnerable or are in difficult situations from time to time. The cost of each alarm is approximately £12 per month and I do not believe the residents of the Borough begrudge this, especially given our much improved financial basis under my leadership. I will certainly support any Member, including opposition, using one.

With regard to the change of Chairmanship of the Overview and Scrutiny Committee, I can confirm that I expect all Members of my Group, and I am sure all Group Leaders will endorse this, to perform their function to the highest standards and with honesty, integrity, courtesy and impartiality within non-political roles. I would like to think that I and my colleagues set a good example in this. I have every confidence in Councillor Mooney and am sure that she will henceforth Chair the Overview and Scrutiny in the appropriate manner.

You will appreciate that I cannot give an undertaking regarding the former Chair of Overview and Scrutiny but as he is no longer a member of the controlling Conservative Group I have no anticipation of appointing him to any specific position, however as was famously observed by Harold Wilson, "a week is a long time in politics"

Whilst these are three answers I hope they address your four points adequately."

**4. Question from Councillor D. Saliagopoulos:**

"Would the Leader please give consideration to the questioning of individual Cabinet Members in full Council? Questions relating to individual portfolio holders are always answered by the Leader. Of course the opposition is aware that the leadership of the Council is only as good as their team. Of course scrutiny of Cabinet Members can be carried out in other committees - with their officers in attendance. If the Leader is not prepared to agree to this - why? At a recent Overview and Scrutiny I asked a question to the portfolio

member for housing - a very important brief to the Council - he did not answer the question and left it to the officer - as opposition we want to pursue this further. Whilst on this issue, any questions ever put to Cllr Howard Williams have been answered with expertise and thorough knowledge. If the Leader has such confidence in the remaining Cabinet members he will surely allow them to answer questions on their portfolios in the future? If not, why not?"

**Response from the Leader, Councillor I.T.E. Harvey:**

"The Constitution already permits councillors to put questions to the Leader, his nominee or a member of the Cabinet about an issue in the councillor's ward; or in which the Council has powers or duties or which affects the Borough.

I am very happy for Cabinet members to answer fair questions that fall within the remit of their portfolios at Council meetings. However, I am sure Councillor Saliagopoulos will appreciate from personal experience that Cabinet members cannot always have every fact at their fingertips and it is entirely right that they should refer to officers to assist with responses at meetings or in writing afterwards where appropriate."

**In accordance with Council Standing Order 15.2, Councillor D. Saliagopoulos asked the following supplementary question:**

"Do you agree that it is not terribly clear how we might question individual Cabinet members?"

**Councillor I.T.E. Harvey responded at the meeting as follows:**

"If you send any questions to Committee Services then they will forward those on to the appropriate portfolio holder for a response"

**5. Question from Councillor D. Saliagopoulos:**

"What are the Leader's thoughts on the recently announced high Council Tax rise by Surrey County Council - indeed some of the Councillors here are also on Surrey and voted for the 6% increase! As the Leader is working to ensure the future viability of Spelthorne by acquiring properties - something which the opposition have supported - surely this is a kick in the teeth. Is there something he could teach the leader of Surrey? How will the Leader now explain to the residents of Spelthorne that they are going to have to pay more once again?"

**Response from the Leader, Councillor Ian Harvey:**

"I am unable to comment on the Council Tax increase at Surrey County Council as I do not sit on it and have no control or influence over it. I am sure Cllr Saliagopoulos has a much better understanding of their finances than I do as she was a Surrey Councillor until May 2017. I try to concentrate, with my

colleagues, on doing the best for the residents of Spelthorne on matters over which we do have control.

I have the greatest of admiration and respect for my colleague and good friend, the Leader of Surrey and I know that he is doing his very best, in very difficult circumstances and through no fault of his own or his administration to minimise the impact of central government cuts upon Surrey's budget. I would not have the audacity to try to teach him how to run a council!

I believe that I and Cllr Williams have already given a very good and detailed explanation tonight of the Spelthorne Council Tax precept and it is not for me to explain the precept set by others."

**In accordance with Council Standing Order 15.2, Councillor D. Saliagopoulos asked the following supplementary question:**

"There has been a lot of talk about how Surrey County Council cuts, devastating to this authority, are to continue and get worse. Would you agree that we are, to an extent, dependent on what comes down to us from Surrey County Council via central government?"

**Councillor I.T.E. Harvey responded at the meeting as follows:**

"Yes"

## Appendix A

### Councillor Ian Harvey and Councillor Williams COUNCIL TAX SPEECH 2018

#### Clr Harvey

Madam Mayor – I am pleased and honoured to present on behalf of this Conservative administration the Budget Report for the Municipal Year 2018-19, which, as a result of our continuing success in generating commercial income to support services, is delivering a balanced budget without the use of reserves, putting our capital financing on a more sustainable basis and limiting our council tax rise **to a below inflation increase and without making any service cuts**. We continue to focus on investing in our staff, assets and services to ensure we can deliver the high- quality services our residents and businesses deserve.

As pulling together the Budget is a team effort involving both officers and Cabinet members I would like, with your permission Madam Mayor, to ask our Finance Portfolio Holder to present the detailed financial elements of the speech shortly.

Along with Councillor Williams, my aim is to give Members an understanding of the context we have been operating in, our approach to this new budget, and the achievements in this second year of my office as your Leader.

During the last twelve months, this Conservative Administration and senior officers have continued to build on the achievements of the previous year when we acquired the BP International Campus, a ground breaking transaction for local government, by further expanding our commercial property portfolio to generate a significant sustainable current and future income stream for the Council. Our commercial property portfolio value now exceeds £700m and is generating an ongoing net revenue contribution of seven and half million pounds per annum to support the provision of services. This has offset the very substantial loss of grant income from central government and other funding cuts, and has enabled us to address the impact of new service delivery challenges such as the Homelessness



Reduction Act, taking effect this April, and to address organisational resilience issues.

During 2017-18, we acquired 3 Roundwood Avenue, at Stockley Park, the World Business Centre 4 at Heathrow and 12 Hammersmith Grove. These are all high quality commercial assets with unexpired leases of at least 10 years. As has been explained to Councillors at Overview and Scrutiny Committee, these acquisitions have been underpinned by extensive due diligence and scenario modelling. Additionally we acquired Benwell House in Sunbury-on-Thames for conversion to residential occupation which increases our housing supply and provides a long term income to the Council. More recently we acquired the White House site next to our depot for housing development. In December following work with the Finance Portfolio holder and officers, the Council approved its Commercial Property Strategic Parameters, setting out clear criteria for making acquisitions. I commend any Member who has not yet read this to do so.

I know some people find it difficult to get their heads around the figures and how we can afford to borrow so much money and why we are doing so.

Firstly, we can fix long term loans at extremely low rates of interest by borrowing from the Public Works Loan Board. Secondly, we are making very careful investments which will deliver income that more than covers interest, principal repayments and supervision costs. We are borrowing to acquire such assets in order to deliver long-term robust income streams which can be used to continue to support the provision of services.

These acquisitions mean that we are able to put forward a balanced budget, strengthening our resources and service delivery capacity even though 2018-19 will be the second year in which this Council will receive no general Revenue Support Grant from the Government, had a 37% (574 thousand pounds) cut in our New Homes Bonus Grant, with reduced funding from Surrey County Council for recycling and Independent Living support. I am pleased to say that, for the second year running, **we are putting forward a balanced budget without any use of reserves. Indeed we are adding £1.7m to reserves which contribute to our commercial assets sinking funds. So I echo my apologies from my speech a year ago to my**

**colleagues across the Chamber for continuing to giving them one less angle with which to respond to this speech!**

I mentioned Housing with respect to Benwell House and the White House. I am pleased to say that having invested in appropriate resources and skills within our Property and Development Unit we are now making good progress in delivering housing schemes on the Churchill, Bugle and Benwell sites, with the first two of these expected to be completed by the end of this year. Construction work on these sites is underway. This will result in additional housing supply for the Borough and ongoing income for the Council.

Not only are we putting our revenue budget on a sustainable basis, we are also putting the funding of our Capital Programme on to a more sustainable footing after decades of relying on spending capital receipts. **No more!** We are ensuring that capital spending (for example IT equipment), which is not funded by specific grants and which does not generate future income streams (such as future housing rental streams) or cashable savings, will be

funded from revenue contributions to capital. In this budget there is a seven hundred and forty seven thousand pounds revenue contribution towards Capital.

In contrast to our position of continuing to maintain our budget on a sustainable basis, Surrey County Council faces very significant financial pressures and is balancing its 2018-19 budget by a combination of £67m of service reductions, use of reserves and additional income from business rates. This has had a knock-on adverse impact on the Surrey districts and boroughs. In 2018-19 Surrey County Council cuts have added four hundred thousand pounds to our budget liability, taking into account previous years impacts the total is already more than half a million per annum and this figure will increase further in future years.

We have not only managed to avoid any frontline service reductions, but we are investing in staff, assets, and addressing frontline service pressure areas. In fact the budget contains two and half million pounds of underlying growth (excluding economic initiatives funded from additional retained business rates). The main areas of investment in this budget relate to

Staffing, Assets and Housing which I will now say a bit more about before describing the context of the Budget:

## **Staffing –**

We need to retain skilled and dedicated staff in order to deliver our services to our residents. In recent years we have lost staff even to smaller neighbouring councils in a number of professional services. To tackle this, this Administration is committed to trying to nudge the total pay offer above the final national employers' settlement, the extent to which this is possible will depend on how much the final national offer moves. We have built in provision to cover up to 2.5%, the cost of this is three hundred thousand pounds. In order to enable the Council to more flexibly respond to its recruitment and retention pressures consideration is being given to moving the Council back to a Local Pay negotiation regime which will enable us to become a little bit more competitive and able to respond flexibly to local pressures and reward staff. The process is complex and would involve consultation with staff and the unions.

We are investing additional budget to strengthen our skills and resources in our Human Resources, Housing, Finance, Legal and Property teams. The latter three areas will be funded from revenue set aside from our commercial income and will, in turn, help us to grasp further opportunities to acquire appropriate income-generating assets.

**Assets.** I am also keen to look after our existing assets so we are building in an additional five hundred thousand pounds into the planned asset management budget to address decades' worth of under-investment in the maintenance of our assets. This is on top of the extra £two hundred and fifty thousand pounds built into the 2017-18 budget. This means next year the planned maintenance budget will be £seven hundred and fifty thousand pounds higher than it was in 2016-17.

**Housing** – we are building in an additional budget of nearly four hundred and fifty thousand pounds to ensure that we are able to resource statutory changes. We also have to absorb the anticipated loss of three hundred thousand pounds income as a result of the roll out of Universal Credit which

will impact this borough from November 2018. In total there is seven hundred and fifty thousand pounds growth in the budget relating to housing.

Despite generating an additional rental income since 2016-17 of approximately seven and half million pounds per annum and delivering staffing efficiencies, we continue to face the primary challenge of ensuring the Council's financial viability. The options open to us are maximising value from assets, generating new income streams and delivering services in new and more efficient ways. My Administration will continue to pursue these activities in a business-like manner. As part of this we have recruited staff with strong commercial skills and experience and are building up a Property Development Unit appropriate to support a property portfolio worth more than seven hundred million pounds and an ambitious housing development programme.

We have made a key strategic investment in Staines-upon-Thames next to our existing Bridge Street site and will in due course be bringing forward proposals for the site which will enhance the town.

I would now like to pass over to Cllr Howard Williams, our Portfolio Holder for Finance, who will explain the finer details of this proposed Budget for 2018-19



## Clr Williams

Like most of the UK public sector and particularly local government, this Council is facing a challenging financial future. 2018-19 will be the second year we do not receive **any** revenue support grant. And, in fact, the following year – 2019-2020 - we face the possibility of Spelthorne having to pay the Government a grant of seven hundred and fifty thousand pounds To put this into context: we used to receive two and half million pounds per annum from this grant, so this represents a real-terms cut of three and quarter million pounds in grant funding from central government since 2013-14. The New Homes Bonus Grant has been reduced nationally with a reduction of five hundred thousand pounds in 2018-19 to our allocation. We anticipate this will continue to fall each year for the next three years. In the last two years we have started to experience adverse knock-on impacts from Surrey County's financial difficulties including reductions in funding from County for independent living services and reductions in our recycling income. Current estimates put the cost of these cuts at more than five hundred thousand pounds per annum to Spelthorne in the next few years. Additionally of course we face inflation pressures which for some supplies

have been significant for the last year. These factors reinforce the need for us to continue to seek-out opportunities to generate additional ongoing income streams and deliver further service efficiencies over the next two years.

Just before Christmas last year, the Government announced further loosening of the controls over council tax increases. The previous limits of (the greater of) 2% or £5 per year on a Band D property have changed to 3% or £5 respectively. The Police and Crime Commissioners will now be allowed to increase Band D by up to £12. In our case a £5 increase equates to a 2.6% increase. We have given very careful consideration to the setting of this year's council tax. We know that household budgets are under pressure, with many finding that incomes are not keeping pace with inflation. We also know that residents do not want us to reduce or cut valuable services. And we need to bear in mind the need to prepare for negative grant payments from 2019-20 of seven hundred and fifty thousand pounds and to build resilience. We have decided to increase council tax for 2018-19 by an amount that is lower than the maximum increase allowed by

the Government. We will increase our council tax by 2.6% or £5 on a band D property. This is slightly less than the rate of inflation and less than half the increases in council tax being made by Surrey Police (5.3% or £12 on Band D) and Surrey County Council (5.99% or £79 on band D).

Our proposed increase on an average band D household is equivalent to an increase of £5 per annum or just under 10 pence extra per week. Coupled with the fact that Spelthorne retains just short of 11p in every £1 of council tax we collect on behalf of ourselves, the police and the County, we believe this demonstrates our commitment to keep our portion of the bill as low as we can whilst protecting local services.

Interest rates continue to remain at historically low levels and, with current economic uncertainties, are likely to continue at these levels for a while longer. The UK base-rate is currently just one half of one percent. In contrast, we earned an average of 4% on our core treasury management investments whilst maintaining a sensible and prudent approach to risk. Our investment strategy which we are continuing to shape and improve is

doing very well. An average rate of return of 4% is an excellent return compared to the 0.5% many councils continue to accept.

Spelthorne played an active role in the joint bid for the Surrey councils to become a pilot for retaining 100% of growth in business rates above a baseline set by the Government. Whilst the majority of business rates collected in Surrey will continue to flow out to support other parts of the country, an outflow of approximately £350 million, the Surrey councils will retain an additional £28m in 2018-19 to invest in Surrey. Unfortunately there is no guarantee that this arrangement will extend beyond one year.

Spelthorne will have a boost of approximately three hundred thousand pounds in business rates available to support the general budget in 2018-2019. We will also receive an estimated one million pounds of additional retained business rates which will be ring-fenced for investment in economic development initiatives. These will include setting up a business incubator to support small, local companies.

Madam Mayor - I would like now to return to the detail of our budget

and Council Tax proposals for 2018/19.

After excluding the £32 million of housing benefits which are fully funded from government grant, our gross service revenue expenditure will be £31million. Deducting nine million, six hundred thousand pounds of specific grants, fees and charges, results in a net service expenditure figure of £21 million. Once we take into account, gross commercial income of thirty one million, three hundred thousand pounds the contributions to sinking fund reserves of one million seven hundred thousand pounds and revenue contributions to capital seven hundred and fifty thousand pounds), our net expenditure next year is projected to be thirteen million pounds. New Homes Bonus of approximately nine hundred and fifty six thousand pounds and net retained business rates of approximately four million three hundred thousand pound produce external funding of around five million three hundred thousand pounds (of which £1million relates to business rates earmarked for economic development initiatives, such as the business incubator). This leaves seven million, seven hundred and fifty thousand pounds to be met from the Council Tax. Taking account of a collection fund

surplus of £48,100 and a tax base of 39,280 properties at Band D, will require a Band D Council Tax, of £197.44 per annum to be levied , for the Borough Council element of the bill.

There will be precepts from Surrey County Council and Surrey Police added to Council Tax. Both these organisations have also faced difficult decisions on council tax levels and, unlike Spelthorne, will be increasing their share of Council Tax by the maximum amount possible. Surrey Police will increase council tax by 5.3%. Under the new rules announced by the Government, county councils can levy an additional 3% Adult Social Care precept on top of the 3% general council tax limit, in order to raise additional funds towards the cost of adult social care. Due to its Adult Social Care pressures, Surrey County Council will be using these flexibilities to raise a 3% adult social care precept, and in response to its funding gap is looking to raise its general council tax element by 2.99%. This means the Surrey County Council Band D council tax will increase by 5.99% to £1,411.29 and Surrey Police by 5.3% to £236.57. To reiterate, Spelthorne's element of the Band D council tax will increase by 2.6% to £197.44. This makes the total Band D Council

tax £1,845.30 which is a 5.53% increase overall. The Borough increase as a percentage is less than half of the amounts increased by Surrey County Council and Surrey Police. This means the Borough Council share of the total Council Tax bill for residents drops even lower to just 10.7%.

Given the further financial pressures heading our way, with us having to pay grant to the Government from 2019-20, greater County cuts in future years, there is still more work to be done to ensure that we continue to stay on a strong sustainable financial footing. Therefore we are already starting to prepare for a borough wide consultation exercise on budget priorities for the 2019-20 Budget. This will also feed into preparing the 2019 Corporate Plan. This will take place in autumn 2018.

I would now like to pass back to the Leader, Cllr Ian Harvey

Clr Harvey

Ian- Thank you Councillor Williams.

The Council's priorities of Economic Development, Housing, Clean and Safe Environment and Financial Stability have informed the construction of this budget.

We supported Staines-upon-Thames Business Improvement District in its first year of operation. The BID helped support a particularly successful Staines-upon-Thames Day last June, for which I know Madam Mayor was also actively involved with securing the prestigious Gloriana for two days, and for which I congratulate her. The BID put on a number of additional events including a comedy night, an auction event and a Food Festival.

The Council is actively working through the new Joint Committee with our County Partners to improve our traffic infrastructure, with the first step being to update the traffic light signal system in Staines-upon-Thames.



On the issue of transport infrastructure I am particularly pleased with the innovative proposals our Chief Executive Daniel Mouawad is leading on to press for an appropriate light rail connection from Staines to Heathrow. If successful this will be similar to the Docklands Light Railway, which incidentally, Daniel was heavily involved in developing. This would provide a significant economic boost to the town making it a gateway airport city only 7 minutes away from the airport.

With our ambitious but prudent financial strategy we are ensuring that the Council can continue to support the voluntary sector to the tune of approximately three hundred thousand pounds per annum. We strongly value our links with the voluntary sector who do an excellent job of helping those in need. We are particularly pleased about the way Voluntary Support North Surrey has performed in their first year of working with us. Their role of coordinating, training and encouraging volunteers has been a great improvement on previous years.

- The Capital programme before the Council includes: Carry forward provisions to enable us to respond if further appropriate commercial asset opportunities arise. It is important that we have the flexibility to grasp opportunities whilst interest rates remain relatively low.
- £10 million in 2018-19 to complete the Bugle and Churchill housing development and phase 1 of Benwell House
- eight hundred and eighty five thousand pounds to reconfigure the Council's office accommodation to free up a significant part of this building. As the Chief Executive has mentioned this will reduce the Council's business rates and accommodation costs and generate additional sustainable future income
- One million eight hundred thousand pounds for design and early stage work on progressing a replacement Spelthorne Leisure centre. This will be an ambitious project investing in the future health, well being and leisure of our residents.

The Capital Programme provision for 2018-19 totals two hundred and nineteen million, two hundred thousand pounds.

In 2017-18, as a result of our additional financial headroom created by our BP acquisition I initiated the Windfall Grant scheme which has resulted in councillors across the borough supporting projects across all wards to leave a lasting legacy for the benefit of our residents.

We will seek to build upon our existing partnerships and drive forward partnership working with both private and public sector organisations.

We are working hard to encourage, retain and grow local business to maximise opportunities with the Economic Development team having done some good work on inward investment and building relationships with businesses.

Alongside other Surrey councils, we took part in MIPIM 2017 – the UK's foremost property trade market event in London. This helped to raise our profile and promote investment opportunities in the Borough.

The team ran a successful employment fair at Kempton Park last September and this event in 2018 is set to grow further with all secondary schools being encouraged to attend and offered transport to the venue.

In the meantime in order to meet our future financial challenges we will focus ever more closely on:

- maximising income from assets,
- shared working opportunities
- procurement savings
- flexible use of technology
- looking at how we deliver and prioritise services

Where necessary we will be prepared to make difficult decisions.

Madam Mayor, I have rightly concentrated on our achievements with regard to Financial Sustainability and I would like to now to illustrate briefly some of the achievements we have made within our other priority areas of Economic

Development, Housing, and Clean and Safe Environment.

## **Economic Development**

- We have a strong voice in this region's economic development working in partnership with the Enterprise M3 Local Enterprise Partnership (LEP).
- We are robustly protecting the Borough's interests and actively responding to the Heathrow expansion consultations to ensure that environmental, noise impacts etc are appropriately mitigated and that the Borough, its residents and businesses gain a fair share of the benefits associated with expansion.
- We have already highlighted the successful bid by the Surrey councils to pilot greater retention of business rates and the funds this will potentially generate to invest in economic development initiatives including an incubator for small businesses

- **Housing** The level of building activity can be a good barometer of the health of a local economy. In the last financial year we saw 347 net additional dwellings constructed. 46 of these were ‘affordable’ dwellings. We also had 476 dwellings under construction and planning permissions for a further 608 dwellings. The Planning Team is working hard on progressing the various elements of the Local Plan process.
- **Churchill** – I am pleased to say the construction works are now underway to develop three affordable housing units which should be completed by the end of the year.
- **Bugle** – I am pleased to say the construction works are now underway to develop eight market rental dwellings on the rather notorious former Bugle pub site which should be completed by the end of the year.
- **Benwell House**- we grasped a strategic opportunity to acquire the Benwell House site for conversion to residential. We have made thorough preparations for the nationwide implementation of the **Homelessness Reduction Act** from 3 April which will result in additional responsibilities and increased workloads for our housing

team. We have built in revenue budget growth to cover additional staff resources to ensure that we meet this challenge.

- In September, in fact at the end of Daniel's first week here, our staff responded superbly to the emergency counter-terrorism evacuation in Sunbury, when we suddenly had to look after a large number of residents at short notice. I am sure some of you saw me on Sky News, and no, I was not the one in handcuffs, perhaps to the disappointment of one or two members here. I would like to thank staff and fellow Councillors for their immediate response on that Saturday.

## **Clean and Safe Environment**

- We continue to work towards minimising the amounts of residual waste we produce by finding effective ways to increase public participation in recycling. In 2017 we saw a rise in our recycling rate from 47.9% to 48.5%. It is anticipated there will be a further increase in 2018 due to a higher number of properties recycling food waste and a number of flats moving to alternate weekly collections.
- As part of its response to its financial pressures, Surrey County Council is taking control of the income from recyclable materials away from districts and boroughs. This has resulted in a one hundred and

ten thousand pounds fall in income for us in 2018-19 which will increase significantly over the next two years.

- During 2017-18 on behalf of our residents, of whom have a higher proportion working night shifts than other parts of Surrey, I stepped in and negotiated a way to ensure that the street lights did not go out in Spelthorne as a result of SCC's financial cuts.
- In 2018-19 we will be stepping in, at a cost of forty thousand pounds to maintain highways verge maintenance standards in the Borough.
- During the summer of 2017 we had to bring back in house our grounds maintenance arrangements. The Neighbourhoods Services team with support from other services such as HR, managed this process extremely well to ensure a smooth transition. This delivered both significant financial and social benefits

Madam Mayor before I conclude I would like to reiterate this administration's recent key achievements:



- Progressing the Towards a Sustainable Future programme to ensure that the Council is able to continue to provide the services needed by its residents.
- Maintaining an excellent rate of return on our investments to help support the provision of services
- Transforming the financial position of the Council by developing a £700m plus commercial asset portfolio delivering a net income of £7.5m per annum. This enables us to continue to maintain levels of service for our residents despite significant funding cuts and additional spending pressures.

These achievements enable us to continue to deliver the services that our residents both deserve and expect from this, their Conservative Council!

I would like to thank Councillor Howard Williams and also all other Cabinet Members, as well as the Chief Executive and his Management Team especially Terry Collier and his financial colleagues and all the staff for their support and assistance in preparing this budget.

I now formally move the recommendations of the Cabinet of 21 February 2018, as set out within the Budget Book at pages 3-6 of the agenda, detailing the precepts by the County Council and Surrey Police and the Band D Council Tax levy for the year 2018-19.

I am proud to stand before you and declare with confidence that this Conservative administration will continue to ensure that the Council delivers quality and the best value for money services that matter most to our residents and businesses, and will particularly seek to provide services that the most vulnerable in our community need.

From what I have set out in this speech with respect to our achievements over the last year and our approach to ensuring a sustainable future everyone can see that we are serious when we say:

***Spelthorne Means Business.***

Thank you Madam Mayor

This page is intentionally left blank