

# Public Agenda



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Date: 14 February 2017

## Notice of meeting

### Cabinet

**Date:** Wednesday, 22 February 2017

**Time:** 7.00 pm

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

<b>The members of the Cabinet</b>	<b>Cabinet member areas of responsibility</b>
I.T.E. Harvey (Leader)	Leader and Council Policy co-ordination
A.C. Harman (Deputy Leader)	Deputy Leader and Towards a Sustainable Future programme (TaSF)
M.M. Attewell	Community Wellbeing
C.B. Barnard	Planning and Economic Development
N.J. Gething	Environment and Compliance
A.J. Mitchell	Corporate Management
J.M. Pinkerton OBE	Housing
H.R.D. Williams	Finance and Customer Service

**Spelthorne Borough Council, Council Offices, Knowle Green**

**Staines-upon-Thames TW18 1XB**

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## AGENDA

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- 1. Apologies for absence**  
To receive any apologies for non-attendance.
- 2. Minutes** **5 - 8**  
To confirm the minutes of the meeting held on 25 January 2017, 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. Detailed Revenue Budget 2017 - 2018 - Key Decision** **9 - 20**  
**Councillor Williams**  
  
To consider the report on the detailed Revenue Budget for 2017-18 and make a recommendation to Council.
- 5. Draft Capital Programme 2017-18 to 2020-21- Key Decision** **21 - 38**  
**Councillor Williams**  
  
To consider a report on the Council's draft Capital Programme for 2017-18 to 2020-21 and make a recommendation to Council.
- 6. Economic Strategy 2017-2022 - Key Decision** **39 - 82**  
**Councillor Barnard**  
  
To consider a report on the adoption of a 5 year Economic Strategy from 2017-2022.
- 7. Revenue Monitoring** **83 - 90**  
**Councillor Williams**  
  
To note the current level of Revenue spend for the period April to December 2016.
- 8. Capital Monitoring** **91 - 98**  
**Councillor Williams**  
  
To note the current level of Capital spend for the period April to December 2016.

- |            |   |                  |
|------------|---|------------------|
| <b>9.</b>  | <b>Pay Policy Statement 2017-2018</b><br><b>Councillor Mitchell</b>   | <b>99 - 120</b>  |
|            | To consider the report on a Pay Policy Statement for 2017-18 and make a recommendation to Council.  |                  |
| <b>10.</b> | <b>Annual Grants 2017-2018</b><br><b>Councillor Harman</b>  | <b>121 - 126</b> |
|            | To consider a report on the annual grants to be awarded to organisations within the voluntary and community sectors.                            |                  |
| <b>11.</b> | <b>Changes to Outside Body representatives</b><br><b>Councillor Harvey</b>  | <b>127 - 128</b> |
|            | To consider changes to councillor representation on certain Outside Bodies as a consequence of the recent part reshuffle of Cabinet portfolios. |                  |
| <b>12.</b> | <b>Grant of a new lease</b><br><b>Councillor Barnard</b>  | <b>129 - 140</b> |
|            | To consider a report on the grant of a new lease for the facility at the Pavilion, Ashford Recreation Ground, Clockhouse Lane, Ashford.         |                  |
| <b>13.</b> | <b>Leader's announcements</b>   |                  |
|            | To receive any announcements from the Leader.   |                  |
| <b>14.</b> | <b>Urgent items</b>   |                  |
|            | To consider any items which the Chairman considers as urgent.   |                  |

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**Minutes of Cabinet**

**25 January 2017**

**Present:**

Councillor I.T.E. Harvey, Leader and Council Policy co-ordination  
Councillor A.C. Harman, Deputy Leader and Towards a Sustainable Future  
programme (TaSF)  
Councillor M.M. Attewell, Community Wellbeing  
Councillor N.J. Gething, Planning and Economic Development  
Councillor A.J. Mitchell, Environment and Compliance  
Councillor H.R.D. Williams, Finance and Customer Service

**Apologies:**

Councillor C.B. Barnard, Corporate Management  
Councillor J.M. Pinkerton OBE, Housing

**Councillors in attendance:**

Councillor C.A. Davis  
Councillor S.C. Mooney  
Councillor D. Saliagopoulos

**2327 Minutes**

The minutes of the Cabinet meeting held on 21 December 2016 were agreed as a correct record.

**2328 Disclosures of Interest**

There were none.

**2329 Petition on hot meals at Staines Community Centre**

Cabinet received a petition containing 92 signatures calling on the Council to reverse its decision to close the hot meal service at Staines Community Centre.

Tel Donaldson spoke on behalf of the petitioners.

Councillor Davis then spoke as a Staines ward councillor and Councillor Saliagopoulos spoke as a Surrey County councillor for Staines.

Councillor Attewell as portfolio holder for Community and Wellbeing responded to the petition and commented that a late indication of interest to tender for the provision of a full catering service at Staines Community Centre had been received and was being progressed with support from Council officers.

The Cabinet had the option to support or dismiss the action the petition called for. Councillor Attewell proposed that Cabinet dismiss the petition but that the position be reviewed in 6 months' time.

The Cabinet discussed the matter.

**RESOLVED** that Cabinet dismiss the petition but undertake a review of the position in six months' time.

### **2330 Surrey Flood Risk Management Strategy - Key Decision**

Cabinet considered a report on the draft Surrey Local Flood Risk Management Strategy 2017- 2032, which would enable Surrey County Council to fulfil its statutory duty as the lead local Flood Authority.

The updated strategy sets out how the responsible authorities in Surrey are seeking to manage the impact of flooding from rivers, ground and surface water. In recognition of the long term nature of measures needed to address flood risk, the strategy is proposed for a fifteen year period. During this time rolling action plans would be developed to address those long term needs in Surrey and specifically for Spelthorne mitigation of flooding from the River Thames via the River Thames scheme.

Alternative options considered and rejected by the Cabinet:  
Not to support the strategy would be counterproductive in taking forward measures to mitigate flooding the Borough.

#### **Resolved:**

1. to approve the Draft Surrey Local Flood Risk Management Strategy 2017-2032; and
2. that the Group Head for Commissioning and Transformation be authorised to approve, in consultation with the Portfolio Holder, minor modifications to the draft strategy in light of amendments required to be made by Surrey County Council arising from its public consultation.

#### **Reason for Decision**

To enable Surrey County Council to fulfil its Statutory Duty to produce a Local Flood Risk Management Strategy for Surrey.

### **2331 Fees and Charges 2017-2018 - Key Decision**

Cabinet considered the detailed schedule of proposed fees and charges to be introduced from 1 April 2017.

The proposed fees and charges for the next financial year had in the majority of cases been up rated by 2% which is the current inflation rate (RPI). Some fees had been amended to reflect the maximum level it was perceived that the

market could currently stand, while in some cases, there was no increase proposed for 2017/18.

Councillor Williams noted one change to the fees and charges at page 44 of Appendix A – the fee for the upstairs or downstairs area of Staines Community Centre (Community Use) on a Saturday evening was revised to £35.

**Resolved** to approve the fees and charges for 2017/18 as set out in Appendix A to the report, subject to the fee for the upstairs or downstairs area of Staines Community Centre (Community Use) on a Saturday evening being revised to £35.

**Reason for decision**

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

**2332 Treasury Management Strategy Statement - Key Decision**

Cabinet considered a report on the Treasury Management Strategy for 2017/18.

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 2017/18.

**Reason for Decision**

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

**2333 Leader's announcements**

The Leader announced a part reshuffle of the Cabinet as follows:

Councillor Mitchell will assume Councillor Barnard's Corporate Management portfolio, Councillor Gething will assume Councillor Mitchell's Environment and Compliance portfolio and Councillor Barnard will assume Councillor Gething's Planning and Economic Development portfolio.

**2334 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 3<sup>rd</sup> February 2017.**



# Cabinet

22 February 2017



<b>Title</b>	Detailed Revenue Budget for 2017/18		
<b>Purpose of the report</b>	To make a recommendation to Council on a Key Decision		
<b>Report Author</b>	Adrian Flynn		
<b>Cabinet Member</b>	Councillor Howard Williams	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Reason for Recommendation</b>	The Authority is required to set a balanced budget and a Council tax rate for the financial year 2017/18.		
<b>Recommendations</b>	<p><b>The cabinet is asked to recommend that Council consider and approves :</b></p> <ol style="list-style-type: none"> <li><b>1. The growth and savings items as set out in the report's appendices.</b></li> <li><b>2. The Council tax Base for the whole council area for 2017-18.[Item T in the formula in Section 31b(3) of the local government Finance Act 1992, as amended (the "act")] should be 38.908.60 band D equivalent dwellings and, 2.1 Calculate that the Council tax requirement for the Council's own purpose for 2017-2018 is £192.44 Per Band D equivalent dwelling.</b></li> <li><b>3. To approve a 2.7 % or (£5) increase in the Spelthorne Borough Council element of the Council tax for 2017-18. Moreover:</b> <ol style="list-style-type: none"> <li><b>a) The revenue estimates as set out in Appendix 1 be approved.</b></li> <li><b>b) No Money, as set out in this report is appropriated from General Reserves in support of Spelthorne's local Council tax for 2017/18.</b></li> <li><b>c) To agree that the council tax base for the year 2017/18 is 38,908.60 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.</b></li> </ol> </li> </ol>		

**That the following sums be now calculated by the Council for the year 2017/18 in accordance with Section 31 to 36 of the Local Government Act 1992.**

<b>A</b>	<b>71,540,160</b>	<b>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>
<b>B</b>	<b>64,052,589</b>	<b>Being the aggregate of the amount which the Council estimates for the items set out in Section 31A(3) of the Act</b>
<b>C</b>	<b>7,487,571</b>	<b>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 it's Council tax for the year (including Parish precepts)</b>
<b>D</b>	<b>192.44</b>	<b>Being the amount at 3(c) above (item R), all dividend by item T(2 above) calculated by the Council in accordance with Section 31B(1) of</b>

		the act, as the basic amount of its Council Tax for the year(including Parish precepts)
<b>E</b>	<b>0</b>	Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
<b>F</b>	<b>192.44</b>	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 2017/18 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011.

<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>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
128.29	149.67	171.06	192.44	235.20	277.97	320.73	384.88

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 2017/18 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
	£	£	£	£	£	£	£	£
1) Surrey County Council	887.70	1035.65	1183.60	1331.55	1627.45	1923.35	2219.25	2663.10
2) Surrey Police	149.71	174.67	199.62	224.57	274.47	324.38	374.28	449.14

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 2017/18.

The Council has determined that its relevant basic amount of Council Tax for 2017/18 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 2017/18 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 2017/18 revenue budget shows a very positive picture in that for the first time in a decade 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 Legal and Assets and also maintaining the Council's assets.
- 1.2 Appendix 1 summarises the current draft detailed Budget proposed for 2017-18. After allowing for Housing Benefit the gross budget is financed as follows,
  - Fees and Charges and rental Income

- Revenue Support Grant & Business Rates
- Council Tax

### **Grant Settlement**

- 1.3 The Government grant settlement confirmed that Spelthorne would no longer be receiving any general grant support for 2017/18 which is a cut of £580k from 2016/17.

### **Council Tax and Capping**

- 1.4 It has been confirmed that the referendum limit will remain either at 2% or a maximum rise of £5 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 2%. 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 2.7%) which provides an additional £194k per annum.

### **Basis of preparation of Detailed Budget**

- 1.5 Service levels – the estimates have been prepared on the basis of maintaining existing service levels except where variations have been approved by the Cabinet and or the Council. Members should be aware that considerable work has been undertaken to reduce the list down to just the absolute essentials.
- 1.6 Pay and price levels – the estimates have been prepared at pay and price levels ruling at December 2016 including an average increase of 2% for salaries and wages from 1<sup>st</sup> April 2017.

Inflation has been included in respect of contracts where appropriate

### **Pensions**

- 1.7 Following the triennial valuation of the Surrey Local Government Pension Fund as at the 31<sup>st</sup> 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 31<sup>st</sup> March 2016 known as past service deficit contributions. For 2017/18 these contributions will rise by £51k. This a more moderate rate of increase than under the previous three years.

### **Fees and charges**

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

### **Income Generation**

- 1.9 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. As part of the 2016/17 budget monitoring officers have been keeping the Council's various income streams under continuous review, particularly car parking our largest fee earning area, and this has impacted on the level of in year saving's required to balance the 2017/18 budget. Income has generally held up well, with Building Control, Green waste bin and school waste income doing particularly well and additional income has been included in the detailed estimates where it was

seen to be achievable and potentially ongoing. It is estimated that the net additional income to be raised from fees and charges for 2017/18 is £143k.

### **Contingencies**

- 1.10 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**

- 1.11 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 5.5% as at the 31<sup>st</sup> December 2016 which is a very good rate of return when compared to base rate of 0.25%.
- 1.12 Returns on maturing cash deposits are currently within the range of 0.30 to 0.90% and the average overall return on investments is expected to be around 3.3%

### **Investment Income**

- 1.13 The Cabinet has separately received on the January meeting agenda the Annual Investment Strategy and Treasury Management Report for 2017/18 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.
- 1.14 Leading market forecasters, including Arlingclose, the Council's treasury advisors, expect the base rate to remain at 0.25% until at least the 1st quarter of calendar year 2018.

### **Use of Reserves**

- 1.15 The change in the financial sustainability of the authority as a result of the recent investment property purchases means that for the year 2017/18, the authority will not need to draw on its Reserves in order to balance the budget. This is the first time this has been achieved for more than a decade.

### **Growth Items**

- 1.16 Appendix 2 summarises the main budget growth and unavoidable expenditure pressures. This highlights that additional spending pressures or reduced income streams totalling £2.5m have been identified.
- 1.17 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
- 1.18 There are a number of areas of new or increased expenditure items included in the 2017/18 budget and some of these are highlighted below:
- Additional resources to meet statutory Housing pressures
  - Reducing Housing Benefits overpayments credits

- Upgrade of Elmsleigh Centre lifts & replacement tiles.
- Business rates increases across all Council properties as a result of the national revaluation.
- Changes to Streetscene budgets to take account of increases in waste disposal gate fees, reduced recycling credit income.
- Additional resources to counter fraud.
- Address staff recruitment and retention issues.

### **Savings**

1.19 In total savings of approximately £4.5m have been found. The savings include one off Business Improvement District (BID) area set up costs, Memorial resetting in our cemeteries and increased rental streams. 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.

1.20 The salary savings target for 2017/18 will remain the same at £300k.

### **Precepts**

Surrey County Council at its meeting on the 7th February set a Band D council tax of £1331.55 Representing a 4.99% increase and Surrey Police at its tax setting meeting on the 7th February set a band D council tax of £224.57 representing a 1.99% 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 2.7 % 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. Those balances are expected to total approximately £14.5m as at the 1<sup>st</sup> April 2017. However a number of these balances are earmarked specifically for social housing and the new scheme fund. The uncommitted funds stand at **£800k**. 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 :

<b>Outside control</b>	<b>Internally based</b>
Interest rates	Failure to sufficiently resource delivery of key asset income generation projects
Severe public sector spending cuts	Collection of retained business rates
Recycling Credits – falling values of recyclable materials	Reliance on interest earnings to balance the budget.
Staines town centre rents	Ability to deliver Towards a Sustainable Future objectives in accordance with planned timetable
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 23 February 2017.

**Background papers: None**

**Appendices: 1 & 2**



<b>As at 27/01/17</b>		
	16-17	17-18
	original	
	£	£
Gross Expenditure		
Less: Fees and Charges and Specific Grants (excl Housing Benefits)		
Less: Housing Benefits Grant		
<b>Net Service Expenditure:</b>		
<b>Broken down over Portfolios</b>		
Leader of the Council	835,700	1,131,000
Deputy Leader	535,500	550,600
Corporate Management	1,711,900	2,103,300
Housing	1,037,200	1,671,900
Finance and Customer Service	3,571,700	3,761,100
Planning and Economic Development	2,707,200	(14,613,993)
Environment and Compliance	4,605,900	5,166,800
Community Wellbeing	88,100	231,200
	<b>15,093,200</b>	<b>1,907</b>
Salary expenditure - vacancy monitoring	(300,000)	(300,000)
Pay award	132,000	
Efficiencies to offset pay award	(132,000)	
Pensions		
Growth to be loaded / unidentified annual growth to come		
Partnership Savings		
Fees and charges		
<b>Revised Service Expenditure</b>	<b>14,793,200</b>	<b>(298,093)</b>
<b>NET EXPENDITURE</b>	<b>14,793,200</b>	<b>(298,093)</b>
Interest earnings	(1,150,000)	(900,000)
Debt Interest payable		8,307,000
Minimum Revenue Provision		4,482,100
<b>NET EXPENDITURE AFTER INTEREST EARNINGS</b>	<b>13,643,200</b>	<b>11,591,007</b>
<b>Appropriation from Reserves:</b>		
Pump prime invest to save/efficiency initiatives	(786,000)	0
Set aside for Independent Living	55,962	0
Interest Equalisation reserve	0	0
Refurbishments Reserve Contributions		700,000
<b>BUDGET REQUIREMENT</b>	<b>12,913,162</b>	<b>12,291,007</b>
Retained Business Rates	(3,009,000)	(3,009,000)
Revenue Support Grant( incl council tax support grant)	(580,000)	0
Transition Grant	(100,000)	(96,000)
New Homes Bonus	(1,895,600)	(1,530,900)
NHB set aside for Housing initiatives		0
<b>NET BUDGET REQUIREMENT</b>	<b>7,328,562</b>	<b>7,655,107</b>
Collection Fund (Surplus)/Deficit	(148,000)	(167,500)
<b>CHARGE TO COLLECTION FUND</b>	<b>7,180,562</b>	<b>7,487,607</b>
Tax base	38,308	<b>38908.6</b>
Council Tax rate	187.44	192.44
Council Tax yield	<b>7,180,562</b>	<b>7,487,607</b>
<b>Deficit/(surplus)</b>	<b>(0)</b>	<b>(0)</b>

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Appendix 2: Summary of Revenue Growth Bids 2017/18.					
					Budget gap 17-18
Bid no	Amount	Accepted	Rejected	Requested By	Explanation
1	2,200	2,200		Tracey Willmott -French	Rodent Pest Control
2	12,000	12,000		Tracey Willmott -French	Out of Hours Noise Service
3	20,000	10,000	10,000	Tracey Willmott -French	Air Quality Monitoring Station: Hire,Installation, operation and Data Management
4	294,000	294,000		Deborah Ashman/Karen Sinclair	Housing Issues Elmsleigh Centre Lifts and Replacement Tiles
5	457,000	457,000		Heather Morgan	
6	250,000	250,000		Heather Morgan	Increase in responsive and planned maintainence Cleaning Contract uplift
7	93,000	93,000		Linda Norman	Business Rates Increase
8	180,000	180,000		Linda Norman	
9	20,000	20,000		Linda Norman	Halorose Elections ICT software
10	21,000	21,000		Linda Norman	Loss of Trevor Bayliss Rental Income
11	1,000	500	500	Linda Norman	Uniform costs for Apprentices
12	7,500	7,500		Linda Norman	Software Price Inflation
13	294,000	294,000		Jackie Taylor	Overall Streetscene changes for 2017/18
14	7,600	7,600		Lewis Brown	Increased St Mungos tenancy support contract costs
15	10,000	10,000		Al Corkish	Price Increase due to a change in Exchange rate with the euro, covers only software within the ICT budget.
16	6,000		6,000	Terry Collier	Surrey Save Grant
17	6,000	6,000		Terry Collier	Asset revaluation for Rolling Programme
18	20,000	20,000		Clare Marland	Downturn in Land Charges Income, the present budget is too high.
19	9,100	9,100		Adrian Flynn	Corporate Management Income Budget not being achieved
20	44,000	44,000		Punita Talwar	Corporate Counter Fraud Resource.
21	100,000	100,000		Legal	Increased resources to deal with property acquisitions workload.
22	5,066	5,066		Janice Lowin	Ind Living Resource
23	200,000	200,000		HR	Recruitment and Retention
24	6,000	6,000		HR	Recruitment advertising
25	12,000	12,000		Insurance	Insurance Premuim tax increasing from the 1/6/2017
26	4,300	4,300		Staisafe	Loss of Surplus after transfer of Staisafe to BID
27	2,300	2,300		Accountancy	Upgrade of our VAT consultants(PSTAX) forum only subscription to a full VAT, employment tax and SDLT service.
28	39,000	39,000		ICT	Business Analyst post (M1), ref to a previous MAT report back in September 2016.
29	300,000	300,000		Housing	Hb overpayment recovery sum is overstated
30	45,000	45,000		Insurance	Increased Employees Insurance Budget
	2,468,066	2,451,566	16,500		

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# Cabinet

22 February 2017



<b>Title</b>	Draft Capital Programme report 2017/18 to 2020/21		
<b>Purpose of the report</b>	To make a recommendation to Council on a Key Decision		
<b>Report Author</b>	Adrian Flynn		
<b>Cabinet Member</b>	Councillor Howard Williams	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Recommendations</b>	The Cabinet is asked to recommend that Council : 1) Consider and approve the Capital Programme for 2017/18 to 2020/21 2) Consider and approve the Prudential Indicators for 2017/18 to 2020/21.		
<b>Reason for Recommendation</b>	To allow the authority to spend its capital resources for the financial year 2017/18.		

## 1. Key issues

- 1.1 The report is to consider and approve the proposed Capital Programme for 2017/18 to 2020/21 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 2017/18 programme total £210.277 m broken down as follows:

Scheme	Capital Estimates 2017/18 - 2020/21						
	Estimated Programme						2020/21
	2016/17		2017/18	2018/19	2019/20	2020/21	
Original Estimate	Revised Estimate	£					£
Capital Programme Summary							
Housing Investment Programme	247,900	247,900	84,250	110,600	110,600	110,600	110,600
Other Services Programme	16,207,500	516,607,100	210,192,300	105,600	105,600	55,600	55,600
<b>Total Capital Programme</b>	<b>16,455,400</b>	<b>516,855,000</b>	<b>210,276,550</b>	<b>216,200</b>	<b>216,200</b>	<b>166,200</b>	<b>166,200</b>

- 1.3 It should be noted that the Council has insufficient resources to fund the programme up to the end of 2020/21 financial year based on the current level of receipts held.

- 1.4 The use of borrowing under the prudential regime can be considered on a scheme by scheme basis where appropriate. On *an invest to save or invest to generate income scheme*, if the savings exceed potential borrowing costs then there may be a business case to borrow. The Council has pro-actively evaluated and grasped opportunities which both further the economic well-being of the Borough but also provide a net income stream for the Council. The acquisition of BP International Campus was a prime example. The Council's asset base is being kept under constant review and wherever possible additional resources will be generated from the disposal of both under performing and surplus assets.

### **Proposed Programme**

- 1.5 All bids to go on the Capital Programme for 2017/18 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:
- 1.6 Included within the 2017/18 Programme are a number of schemes that were transferred from the 2016/17 programme. These schemes include the following,
- (a) Laleham park Upgrade -£200k
  - (b) Council Accommodation reconfiguration - £7m
  - (c) Affordable Housing Opportunity - £1.2m
  - (d) Small scale Area regeneration - £310k
  - (e) Refuse/Recycling Vehicles- £225k
  - (f) Electronic Document Management System - £108k
  - (g) Landlord Rent Guarantee Scheme - £50k
  - (h) Electronic data management and housing system. - £25k
  - (i) Air Quality - £24.5k
  - (j) Sharepoint redesign - £70k
  - (k) Agile Working - £28k
  - (l) Corporate Scanners - £31k
  - (m) CCTV Enhancement - £97k
- 1.7 There are a number of new schemes identified for the programme in 2017/18 and these are
- (a) Lighting Upgrade at Tothill multi storey car park: - £30k– Replace existing lamps with energy saving LED equivalent lamps which will generate revenue savings.
  - (b) Installation of Electric Vehicle charging points: - £15k – Install electric vehicle charging points in two town centre car parks to generate additional car parking revenue.
  - (c) Replacement Fencing at Staines miniature railway site: - £15k- Replacement of fencing around the miniature railway.

- (d) Community buildings grant scheme: - £25k – Match fund community buildings projects alongside applicants & Surrey County Council.
- (e) Replacement multi use vehicle - £80k – Replacement of vehicle used across street cleaning services.
- (f) Asset Acquisitions - £200m – Provision for asset acquisitions.

1.8 The Budget also includes provision for on- going schemes and comments on specific areas including:-

(a) Information Technology- The total budget of £204k reflects the purchase of new IT equipment and systems in implementation of the Council’s ICT strategies, including supporting greater mobile/flexible working. Any other ICT changes proposed, as per the revised capital strategy definition, will be classified as revenue and require funding as per paragraph 1.2.

1.9 A number of on -going schemes have had the basis of their funding reviewed in the new programme to ensure that the budgetary provision is in line with the expectation as to what can be achieved with the current staffing resources and prior year spends.

1.10 The resources set out below assume that the programme is funded from Capital Receipts.

Programme	Revised				
	Estimate	Estimate	Estimate	Estimate	Estimate
	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Housing Investment	248	84	111	111	111
Other Services	516,607	210,193	105	105	55
<b>Total Programme to be Financed</b>	<b>516,855</b>	<b>210,277</b>	<b>216</b>	<b>216</b>	<b>166</b>
Resources Available					
Borrowing	514,538	210,107			
Including ongoing stream of share of right to buy proceeds	2,317	170	170	124	78
<b>(Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>46</b>	<b>92</b>	<b>88</b>

1.11 It is an option to borrow resources under the Prudential Code as set out in paragraph 1.4.

1.12 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, introduced in 2004, Councils now have much greater freedom to borrow for capital investment provided certain criteria are met as set out in the prudential code. Any borrowing would of course result in a charge to the General Fund for principal and interest.
- 2.2 The ability to borrow to finance capital investment does increase available resources, but would have to be set at a level that is prudent and affordable in the longer term. This option may be suitable for specific revenue enhancing projects following prudent appraisal. With current historically low interest rates there may be more potential to consider specific business cases for prudential borrowing.
- 2.3 If the option of borrowing is not pursued the programme needs to be financed from additional capital receipts through the selling of assets or a 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 2017/18 is estimated at £210.277m.

Financing the capital programme from capital receipts results in a loss of investment income. An Estimate of these costs is included on appendix 2& 3, under the column headed "Interest Lost". The loss for 2017/18 has been calculated at £8,437,700 for the year.

## **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 2017/18 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 2017 may be incorporated as part of the revised programme for 2017/18.
- 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 2017/18 to 2020/21 Capital Programme Estimates  
2 Capital Project Breakdown relating to Housing  
3 Capital Project Breakdown relating to Other Schemes  
4 Prudential Indicators  
5 Summary of 2017/18 Capital Bids**



## CAPITAL ESTIMATES 2017/2018 - 2020/21

SCHEME	FYE	ACTUALS	ESTIMATED PROGRAMME					
	ACTUALS	TO DATE	2016/17		2017/18	2018/19	2019/20	2020/21
	2015/16	2016/17	ORIGINAL	REVISED				
	£	£	ESTIMATE	ESTIMATE	£	£	£	£
<b>CAPITAL PROGRAMME SUMMARY</b>								
Housing Investment Programme	168,712	-	247,900	247,900	84,250	110,600	110,600	110,600
Other Services Programme	1,430,410	-	16,207,500	516,607,100	210,192,300	105,600	105,600	55,600
New Schemes Fund	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL PROGRAMME</b>	1,599,122	-	16,455,400	516,855,000	210,276,550	216,200	216,200	166,200
<b>Total projected spend 2016-17 to 2020-21</b>				<b>727,730,150</b>				

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CAPITAL ESTIMATES 2017/2018 - 2020/21									
SCHEME	FYE	ACTUALS	ESTIMATED PROGRAMME						
	ACTUALS 2015/16	TO DATE 2016/17	2016/17		2017/18	2018/19	2019/20	2020/21	4.00%
			ORIGINAL	REVISED					INTEREST
			ESTIMATE	ESTIMATE					LOST
£	£	£	£	£	£	£	£	£	
									-
<u>House Renovation Grants</u>									-
Disabled Facilities Grants									-
- Mandatory	475,843		475,000	475,000	644,335				25,800
- Discretionary	13,044	-	29,600	29,600	29,600	29,600	29,600	29,600	1,200
	488,887	-	504,600	504,600	673,935	29,600	29,600	29,600	27,000
Less Specified Capital Grant	(347,921)		(285,000)	(285,000)	(644,335)				
Net Cost of Disabled Facilities Grants	140,966	-	219,600	219,600	29,600	29,600	29,600	29,600	27,000
Home Improvement Agency grant	80,451		81,000	81,000	81,000	81,000	81,000	81,000	3,200
HIA Funding	(52,705)		(52,700)	(52,700)	(26,350)				
Total - House Renovation Grants	27,746	-	28,300	28,300	54,650	81,000	81,000	81,000	3,200
<b>TOTAL - HOUSING</b>	168,712	-	247,900	247,900	84,250	110,600	110,600	110,600	30,200

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## CAPITAL ESTIMATES 2017/2018 - 2020/21

SCHEME	FYE ACTUALS 2015/16	ACTUALS TO DATE 2016/17	ESTIMATED PROGRAMME						4.00% INTEREST LOST
			2016/17		2017/18	2018/19	2019/20	2020/21	
			ORIGINAL ESTIMATE	REVISED ESTIMATE					
	£	£	£	£	£	£	£	£	
<b>Housing, Health, Wellbeing &amp; Independent Living</b>									-
Crooked Billet Scheme									-
Affordable Housing Opportunity	816,577		1,100,000	2,400	1,181,000				47,200
Fordbridge Day Centre	(434)								-
External Funding									-
Housing Locata									-
External Funding									-
Day Centre Replacement Furniture			35,000	35,000					-
Day Centre Hairdressing Salon refurbishment			18,300	18,300					-
Winter Shelter			25,000	25,000					-
Community buildings grant scheme					25,000				1,000
Civica Housing EDMS & Locata Integration			25,000	-	25,000				1,000
Landlord Guarantee Scheme			65,000	15,000	50,000				2,000
									-
Insulation (Salix)									-
External Funding									-
<b>Environment</b>									-
Spelride Bus Replacement			250,000	250,000					-
Streetscene Van Replacement	23,300								-
DCLG Bins	47,925								-
DCLG Grant									-
Small Scale Area Regeneration			700,000	80,000	620,000				24,800
External Funding			(350,000)	(40,000)	(310,000)				(12,400)
Wheelie Bins	50,000		50,000	50,000	50,000	50,000	50,000		2,000
Replacement of Market Stalls			50,000	50,000					-
Replacement of Grass cutting Machinery			40,000	40,000					-
Refuse/Recycling Vehicles				-	225,000				9,000
Replacement Multi use vehicle					80,000				3,200
Miniature Railway Staines Park					15,000				600
Installation of Electric Vehicle Charging Points					15,000				600
Tothill Car Park (Lighting Upgrade)					30,400				1,200
Greeno Day Centre (lighting Upgrade)					10,800				400
Solar PV for Staines Community Centre					25,000				1,000
Parking Service Vans					20,000				800
									-
Air Quality (Project is expected to complete by March 2016)	594			-	24,500				1,000
									-
Energy Saving Measures	15,000								-
Bring Site Initiative									-
External Funding									-
Domestic Home Energy			30,000	30,000	30,000				1,200
Allotment Fencing			10,000	10,000					-
									-
Stanwell Skate Park	50,000								-
External Funding	(50,000)								-
Skate track/Keep Fit Hengrove Park	385			69,600					-
Runnymede Estates	51,061		55,600	55,600	55,600	55,600	55,600	55,600	2,200
Fire Alarm Systems	1,076								-
Fencing	1,209								-
Esso Site Stanwell	4,272			15,700					-
Replace Council Accommodation			7,000,000	3,000	6,997,000				279,900

## CAPITAL ESTIMATES 2017/2018 - 2020/21

SCHEME	FYE ACTUALS 2015/16	ACTUALS TO DATE 2016/17	ESTIMATED PROGRAMME						
			2016/17		2017/18	2018/19	2019/20	2020/21	4.00% INTEREST LOST
			ORIGINAL ESTIMATE	REVISED ESTIMATE					
	£	£	£	£	£	£	£	£	£
Parks Properties									-
Plot 12&13 Towpath Car Park				56,200					-
Renewal of Toilet Facilities									-
Greeno Centre Re-Roofing									-
KG Reception & Other Moves									-
Knowle Green Heating	(3,735)								-
Greeno Centre Car Park			65,000	65,000					-
Memorial Gardens			90,000	90,000					-
Acquisition of Assets			3,013,600	512,013,600	200,000,000				8,000,000
Loan to Knowle Green Estates Ltd			2,986,400	2,986,400					-
Kenyngton Manor Pavilion	95,141								-
External Funding	(76,872)								-
Car Park Improvement	113,960								-
Pay & Display Machines			136,000	141,000					-
Replacement of notice processing system			15,000	15,000					-
Bridge Street Car Parking Machines					25,000				1,000
Laleham Park Upgrade	-		200,000	-	200,000				8,000
New Software	20,125		20,000	20,000	20,000				800
Host Rplacement	43,812								-
Voice Over Internet (VOIP)									-
Integra Upgrade	4,630								-
Other Hardware	62,108		20,000	20,000	30,000				1,200
ICT Security									-
Code of Connection Requirement									-
Mobiles & Tablets	(539)								-
Mobile Device Management									-
Disaster Recovery Requirements									-
ESIP									-
Replacement Back up			80,000	80,000					-
Wireless presentation			15,000	15,000					-
Datacentre			19,100	19,100					-
Email			10,000	10,000					-
Members ipads			4,500	4,500					-
Unix			35,000	35,000					-
VDI			205,000	205,000					-
ICT Network					150,000				6,000
Peripheral Devices					3,500				100
HR and Payroll system									-
Customer Relationship Management (CRM) Solution	32,991			11,800					-
Corporate EDMS Project	94,726		63,000	10,000	108,300				4,300
Liquid Voice	3,180								-
Scanners for Corporate EDMS roll out			36,000	5,000	31,000				1,200
Sharepoint Redesign and Relaunch			90,000	20,000	70,000				2,800
New Booking System	25,140			4,900					-
Agile Working	1,778			20,000	28,200				1,100
									-

CAPITAL ESTIMATES 2017/2018 - 2020/21									
SCHEME	FYE ACTUALS 2015/16	ACTUALS TO DATE 2016/17	ESTIMATED PROGRAMME						
			2016/17		2017/18	2018/19	2019/20	2020/21	4.00% INTEREST LOST
			ORIGINAL ESTIMATE	REVISED ESTIMATE					
	£	£	£	£	£	£	£	£	£
Website Upgrade									-
									-
Elections IER Equipment	4,548								-
External Funding	(4,548)								-
									-
Ward Grants Pot					260,000				10,400
									-
Staisafe Radio									-
External Funding									-
	-								-
CCTV Enhacement	3,000			50,000	97,000				3,900
									-
<b>TOTAL - OTHER PROJECTS</b>	<b>1,430,410</b>	<b>-</b>	<b>16,207,500</b>	<b>516,607,100</b>	<b>210,192,300</b>	<b>105,600</b>	<b>105,600</b>	<b>55,600</b>	<b>8,407,500</b>

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**Prudential Indicators Statement 2017/18**

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.

<b>Capital Expenditure and Financing</b>	<b>2016/17 Revised £000's</b>	<b>2017/18 Estimate £000's</b>	<b>2018/19 Estimate £000's</b>	<b>2019/20 Estimate £000's</b>
<b>Total Expenditure</b>	<b>517,233</b>	<b>211,257</b>	<b>216</b>	<b>216</b>
Capital Grants / Contributions	(378)	(981)		
Capital Reserves / Revenue	(9,091)	(3,279)	(216)	(216)
Borrowing	(507,764)	(206,997)		
<b>Total Financing</b>	<b>(517,233)</b>	<b>(211,257)</b>	<b>(216)</b>	<b>(216)</b>

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

<b>Capital Financing Requirement</b>	<b>31.03.17 Revised £000's</b>	<b>31.03.18 Estimate £000's</b>	<b>31.03.19 Estimate £000's</b>	<b>31.03.20 Estimate £000's</b>
Total CFR	507,764	709,393	701,957	694,334

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.

<b>Debt</b>	<b>31.03.17 Revised £000's</b>	<b>31.03.18 Estimate £000's</b>	<b>31.03.19 Estimate £000's</b>	<b>31.03.20 Estimate £000's</b>
Total Debt	487,964	687,593	678,157	668,534

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.

<b>Operational Boundary</b>	<b>2016/17 Revised £000's</b>	<b>2017/18 Estimate £000's</b>	<b>2018/19 Estimate £000's</b>	<b>2019/20 Estimate £000's</b>
Total Debt	517,764	720,000	712,000	704,000

**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.

<b>Authorised Limit</b>	<b>2016/17 Revised £000's</b>	<b>2017/18 Estimate £000's</b>	<b>2018/19 Estimate £000's</b>	<b>2019/20 Estimate £000's</b>
Borrowing	550,000	750,000	742,000	734,000
<b>Total Debt</b>	<b>550,000</b>	<b>545,000</b>	<b>540,000</b>	<b>535,000</b>

**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.

<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>2016/17 Revised %</b>	<b>2017/18 Estimate %</b>	<b>2018/19 Estimate %</b>	<b>2019/20 Estimate %</b>
General Fund	24	126	191	199

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.

**Incremental Impact of Capital Investment Decisions:** This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact looks at the loss of interest which could be generated on the funds being used to finance the proposed capital programme.

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2017/18 Estimate £</b>	<b>2018/19 Estimate £</b>	<b>2019/20 Estimate £</b>
Proposed Capital Programme	210,276,550	216,200	216,200
Estimated Interest earned on short term investments	0.30%	0.30%	0.30%
Estimated Tax Base	38,909	39,395	39,887
<b>Incremental Impact on Band D Council Tax</b>	16.21	0.02	0.02

**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 24<sup>th</sup> January 2012.

## **Annual Minimum Revenue Provision Statement 2017/18**

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 Department for Communities and Local Government's Guidance on Minimum Revenue Provision (the CLG Guidance) most recently issued in 2012.

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 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 2016/17 will not be subject to a MRP charge until 2017/18. 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 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 2017/18 will not be subject to a MRP charge until 2018/19.

Summary of Capital Growth Bids for 2017/18											
Bid No	Amount	Accepted	Rejected	Withdrawn	Project	Requested By	Date	Explanation	Associated Revenue Costs	Associated Savings	Accountancy / Comments
1	30,000	30,000			ICT Hardware	A Corkish	21/09/2016	General contingency for Desktop Hardware requirements for the year. During the course of the year the intention to move some users to VDI which will reduce the general overhead.	0	0	Capital related expenditure
2	150,000	150,000			ICT Network	A Corkish	21/09/2016	Majority of Cisco Network equipment has past end of life for both switches and firewalls. This is expected to help to simplify the network. There are no revenue costs as a support contract and this equipment will replace old equipment.	0	0	Capital related expenditure
3	3,500	3,500			Peripheral Devices	A Corkish	21/09/2016	General contingency for peripheral devices such as ipads, iphones, smart phones, televisions and wireless communications. Senior management an cabinet members have all been issued with a variety of devices to make mobile working easier. Budget is required to repace damaged equipment.	0	0	Capital related expenditure
4	20,000	20,000			ICT Software	A Corkish	21/09/2016	General contingency for software requirements. Each year there is a need to purchase a variety of small applications as add-ons enhancements to existing products.	0	0	Capital related expenditure
5	200,000			200,000	Laleham Park	J Taylor	27/09/2016	This project has been ongoing for many years but never delivered due to varying reasons. The scope will be to build a café and toilets on the footprint of the existing pavilion which will provide much needed facilities within the park, an income for the council and security within the park. There is £200k already available within the current year's budget			Capital related expenditure, No revenue costings are available at this stage with regard to the running of the café.
6	20,000	20,000			Purchase of 2 vans	J Taylor	27/09/2016	Parking Services enforce on and off street parking facilities within the borough. Transport is used to manage all the car parks and ensure the parking team work as efficiently as possible. For in excess of 6 years now 2 leased vehicles have been used as park of the fleet. The Council owns the rest.	0	2,400	Capital related expenditure, Vans are required to carry cones and signs for suspensions.
7	50,000	50,000			Purchase of New Wheelie bins	J Taylor	30/09/2017	Purchase of green & brown wheelie bins and small food waste bins/ caddies to enable additional customers to join the green waste scheme and to replace broken, lost or damaged rubbish & recycling bins/ caddies as & when required. We are also required to provide new bins for new housing developments. There will be an increase in property numbers during 2017/18	0	0	Capital related expenditure
8	30,000			30,000	Replacement vehicle used for litter bin emptying	J Taylor	04/10/2016	Replacement of vehicle used for daily emptying of litter bins across the borough	0	0	Bid withdrawn
9	80,000	80,000			Replacement multi use vehicle	J Taylor	04/10/2016	Replacement of vehicle used across street cleansing services for litter bin emptying, fly tipping, litter picking and leafing	0	0	Email from Alan Potter explaining savings
10	15,000	15,000			Miniature Railway Staines Park, Staines	J Taylor/ S Sims	06/10/2016	Replacement of fencing around Miniature railway as the fence is broken in places and rotting.	0	0	Capital related expenditure
11	15,000	15,000			Installation of Electric Vehicle Charging points	Alison Armstrong / J Taylor	07/10/2016	Install a pair of Electric Vehicle charging points in Tothill multi storey car park and 2 further pairs of charging points at Elmsleigh Surface Car Park which will help to generate additional car parking income.	5,000	7,200	Capital related expenditure
12	30,400	30,400			Lighting upgrade at Tothill multi storey car park	Alison Armstrong / J Taylor	07/10/2016	Replace existing lamps across the parking floors with LED equivalent lamps, which consume half the electricity, last long and provide improved lighting level.	4,700	12,500	Capital related expenditure
13	10,800	10,800			Lighting upgrade at Greeno day Centre	Alison Armstrong / J Taylor	07/10/2016	Upgrade all suitable lighting to be LED which will have lower running costs and longer lifespan for an equivalent lighting level	1,300	3,300	Capital related expenditure
14	25,000	25,000			Solar PV for Staines Community Centre & Fordbridge Day Centre	M Rachwal/ J Taylor	10/10/2016	Install Solar Photovoltaic Panels (SPV) on Staines Community Centre & Fordbridge Day Centre. This will generate renewable energy onsite for use by the day centre's. reducing the need for grid bought electricity at both sites, generate income through the feed -in-tariff and through export generation and reduce the carbon emissions of the Council as a whole. The investment would recoup within an eight year period, provide a 20 year profit of £45,000 and reduce carbon emissions by 8 tonnes annually		2,550	Capital related expenditure. Bid reduced from £30k to £25k and revised working paper submitted.

Bid No	Amount	Accepted	Rejected	Withdrawn	Project	Requested By	Date	Explanation	Associated Revenue Costs	Associated Savings	Accountancy / Comments
15	29,600	29,600			Disabled Facilities grant: Discretionary	Karen Sinclair/Deborah Ashman	10/10/2016	The Council has an ongoing statutory duty to facilitate the provision of mandatory DFGs, subject to a means test, for essential adaptations to give disabled people better freedom of movement into and around their homes and to give access to essential facilities within the home and garden.	0	0	Capital related expenditure.
16	644,335	644,335			Disabled Facilities grant: Mandatory	Karen Sinclair/Deborah Ashman	10/10/2016	The Council has a statutory duty to facilitate the provision of mandatory DFGs, subject to means testing, for essential adaptations to give disabled people better freedom of movement into and around their homes, and to give access to essential facilities within the home and garden. The local authority cannot refuse to provide a mandatory DFG on the grounds of funding. DFG demand needs to be managed and funding met.	0	0	Funding from SCC is estimated to be £644k for 2017/18. Housing officers are still working out how best to allocate this sum and will update everyone in due course. Please refer to Karen's Email of the 1st Nov 2016.
17	-644,335	-644,335			Disabled Facilities Grant Mandatory	Karen Sinclair/Deborah Ashman	10/10/2016	Surrey County Council Funding			
18	54,650	54,650			Home Improvement Agency (HIA)	Karen Sinclair/Deborah Ashman	10/10/2016	The Council has a statutory duty to facilitate the provision of mandatory Disabled Facility Grants (DFGs) subject to a means test, for essential adaptations to give disabled people better freedom of movement into and around their homes and to give access to essential facilities within the home and garden.	0	0	Capital bid is for £81,000 less external funding of £26,350 from SCC
19	17,000		17,000		Knowle Green Sound System	Linda Norman	07/11/2016	New Sound System for Knowle Green Council Chamber			Capital related expenditure
20	25,000	25,000			Community buildings grant scheme	Joanne Jones	07/10/2016	Match fund community buildings projects alongside applicants & Surrey County Council			Capital related expenditure
21	30,000	30,000			Warmer Homes	Francesca Lunn	20/12/2016	Working in partnership with Warmzone, we aim to improve levels of warmth, comfort and Quality of life for vulnerable people.			Capital related expenditure
22	260,000	260,000			Ward Grants Pot	Terry Collier	22/12/2016	Members grants			Capital related expenditure
23	25,000	25,000			Bridge Street Car Parking Machines	Jackie Taylor	09/01/2017	To replace the car parking machines in the Bridge Street Car park.			Capital related expenditure
	1,120,950	873,950	17,000	230,000					11,000	27,950	
			1,120,950								
		55,600			Runnymede Estates						
		1,181,000			Housing Opportunities						
		25,000			Civica EDMS & Locata						
		50,000			Landlord Gurantee Scheme						
		200,000			Laleham Park						
		225,000			Refuse Vehicles						
		24,500			Air Quality						
		6,997,000			Knowle Green						
		108,300			Corporate EDMS Project						
		310,000			Small Scale Area Regeneration						
		97,000			CCTV						
		70,000			Sharepoint redesign						
		28,200			Agile Working						
		31,000			Corporate Scanners						
		200,000,000			Provision for Asset Acquisitions						
		210,276,550									

**Cabinet****22 February 2017**

<b>Title</b>	Economic Strategy		
<b>Purpose of the report</b>	To make a Key Decision		
<b>Report Author</b>	Keith McGroary		
<b>Cabinet Member</b>	Councillor Colin Barnard	<b>Confidential</b>	No
<b>Corporate Priority</b>	Economic Development		
<b>Recommendations</b>	<b>To agree to adopt the 5 year Economic Strategy 2017-2022</b>		
<b>Reason for Recommendation</b>	<b>The previous economic strategy ran from December 2013 – 2016 and needs to be replaced with a current and relevant strategy. This is designed to stimulate more investment, jobs and visitors to Spelthorne to further the overall economic wellbeing and prosperity of the Borough and its residents in accordance with the Corporate Plan.</b>		

**1. Key issues**

- 1.1 In December 2013 Spelthorne Borough Council adopted its first economic strategy. The strategy was open-ended as it did not have a time-frame to be delivered, but in consultation with the Cabinet Member, it was agreed that the initial strategy would be for 3 years.
- 1.2 The original strategy has now been completed and a new draft strategy has been created, and in discussion with the Cabinet Member and in keeping with the duration of most local authority economic strategies, this plan has been designed to cover a period of 5 years, from January 2017 – 2022.
- 1.3 The strategy has been developed on an evidence base as captured within the economic assessment which is available on the Council's website. The economic assessment helped to identify a number of strengths and weaknesses within the Borough and places its economic position in relation to the local, sub-regional and national context.
- 1.4 Within section 6 of the draft strategy, the many achievements of the 2013-16 strategy have been highlighted; this helps to give confidence that the economic strategy is an outcome based document and that the draft strategy will also deliver the targets identified, and focus resources to achieve our new economic ambitions for the future.
- 1.5 The scheduling of this strategy is timely; it has been written at a point in time of significant economic change, both locally and nationally. This is particularly relevant with regards to the decision of the people of the United Kingdom to

cease membership of the European Union; additionally, the decision of the British Cabinet to make Heathrow the preferred provider of a new runway for the country. Both significant events will have an impact on the Spelthorne economy and we must be prepared to ensure that Spelthorne seizes all available opportunities and prepares for any threats that may be presented.

- 1.6 Consultation has taken place with local businesses and the public via the use of the Council web pages and emails to various local Business Forums and Chambers of Commerce. Additionally a bespoke consultation meeting took place with a representative sample of small and large Spelthorne businesses in January 2017. This elicited a number of additional actions identified by business that were not reflected within the draft strategy.
- 1.7 The development of the strategy has been steered by the Economic Development Engagement Group (EDEG) who have also highlighted 5 key aims: -
  - A11 Work with Heathrow Academy to enhance job opportunities for our residents
  - A25 Explore options to encourage and support other BID's
  - A27 Work with Surrey County Council to improve our secondary shopping centres
  - A30 Measures to reduce further congestion
  - A31 Access to superfast broadband
- 1.8 One of the lessons learned from the previous strategy included ensuring that there were appropriate governance arrangements in place to ensure that the strategy is effectively delivered and communicated. To this end, the EDEG will monitor the delivery of the actions within the strategy during the course of the 5 year plan.
- 1.9 The draft strategy was approved by the EDEG in December 2016.

## **2. Options analysis and proposal**

- 2.1 That the draft 2017-2022 Economic Strategy is adopted by Spelthorne Borough Council.

## **3. Financial implications**

- 3.1 Funding to deliver the economic strategy will be found from existing funds available to support economic development, there will be no additional cost to the Council; however, in keeping with all services delivered by the Council, the budget will be reviewed annually. Wherever possible we will also seek financial / resource contributions for relevant actions within the strategy in Partnership with our local businesses.

## **4. Timetable for implementation**

- 4.1 The strategy will be implemented upon receipt of support and endorsement from Cabinet on 22<sup>nd</sup> February 2017 and run until January 2022.

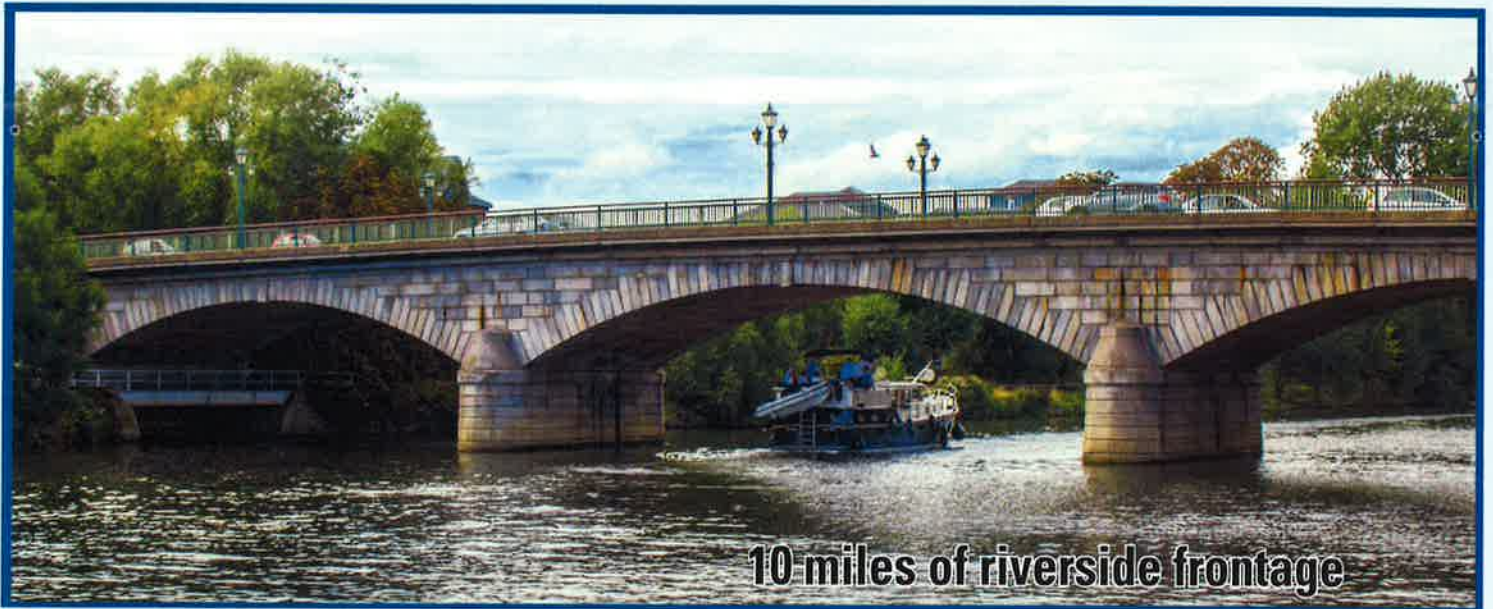
**Background papers: [Economic Assessment](#)**

**Appendix – Draft Economic Strategy 2017-2022**





## Economic Strategy 2017 - 2022



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## Foreword

### **Cllr Colin Barnard**

The Spelthorne Economic Development Strategy 2017-2022 builds upon the Borough's first economic strategy 2013 – 16 and focus on prioritising the key needs for business to settle, grow and thrive. Through the strategy the Borough aims to realise its ambitions and release its potential as a leading economy not just in Surrey but the wider sub-region.

The strategy has been produced at a time when the local, national and international economies are all taking stock and preparing for the future with regards to the impact of significant events and decisions such as the Governments preferred location of Heathrow for the UK's additional runway, southern rail access to Heathrow, plans around business rates retention and setting, and of course Brexit.

The health of the Spelthorne economy has shown remarkable growth over a number of years, as evidenced by our position in the top quartile of local authorities in the UK for competitiveness, 17<sup>th</sup> best location for high tech occupations and with Staines-upon-Thames identified as the fastest growing town in the UK for new start-up businesses.

Spelthorne possesses the foundations envied by other locations, particularly given its proximity to London and Heathrow, forming part of a powerfully functional economic area; the M3, M4 and M25 which help drive the prosperity of the south east all run through or in close proximity to Spelthorne. Members and Officers of the Council are united in working hard to ensure that economic growth and the associated benefits to our community continue to grow and Spelthorne can compete with the best.

We are already witnessing significant developments in the Borough, particularly in Staines-upon-Thames where over the course of this strategy we will see a new hotel, residential accommodation and additional retail space. This will further add to the attraction of the Borough to those who wish to locate their business or indeed, live, work or shop in Spelthorne.

Spelthorne has worked hard talking with and listening to business and part of this dialogue has contributed to the content of the strategy, but critically, it has helped nurture and develop the vibrant and dynamic Spelthorne Business Forum which is a key component in providing information and opportunities for our small and medium enterprises to grow and thrive.

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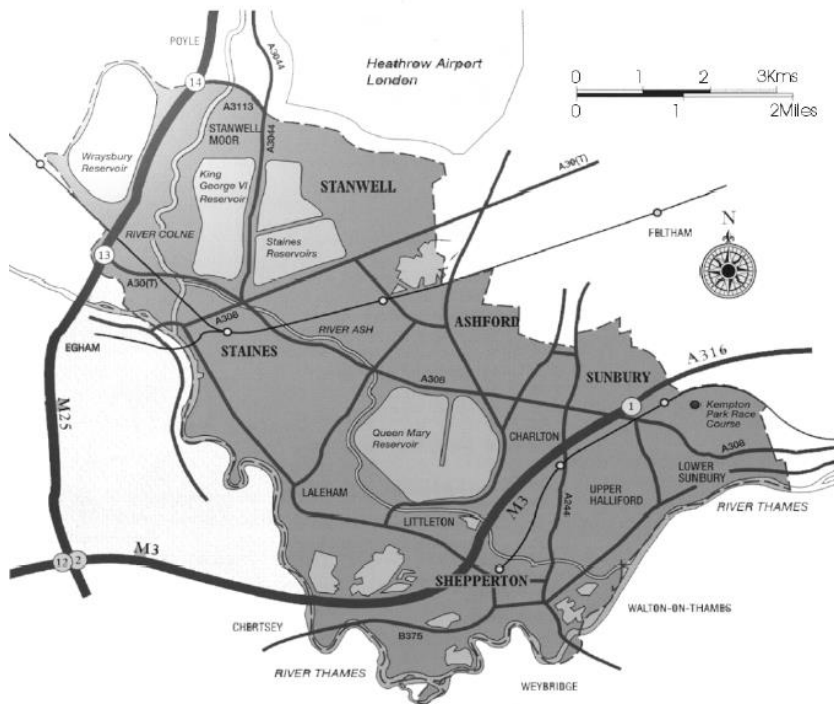
## 1. Introduction

- 1.1 Spelthorne has an excellent location immediately to the south of Heathrow and adjacent to the economically buoyant area to the west of London. The Borough has exceptional communication links, a substantial business base with many successful international businesses and a strong economy.
- 1.2 The country has now substantially recovered from the worldwide recession that began in 2008, but has left its mark on a number of industries including manufacturing. There are strong expectations for growth in the local economy<sup>1</sup> and over the last 3 years economic success in Spelthorne has been better planned and managed through the implementation of the economic strategy.
- 1.3 This Economic Strategy was adopted by the Council on 22 February 2017. It sets out the actions the Council will be taking over the coming five years to further secure the sustainable growth of the local economy. This strategy builds upon the 2016 Spelthorne Council Corporate Plan<sup>2</sup> which identifies 4 key priorities including economic development, with a key aim *'To stimulate more investment, jobs and visitors to Spelthorne to further the overall economic wellbeing and prosperity of the Borough and its residents'*.
- 1.4 These actions have been developed following consultation with businesses in June 2016. Many will be longer term, but this strategy will be regularly reviewed and then refreshed on an annual basis. Much of this work will be in partnership with other organisations. Together we will build on the strengths of the economy as well as deal with any barriers that inhibit a stronger economy.

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<sup>1</sup> See the Council's Local Economic Assessment

<sup>2</sup> <https://www.spelthorne.gov.uk/CHttpHandler.ashx?id=3622&p=0>

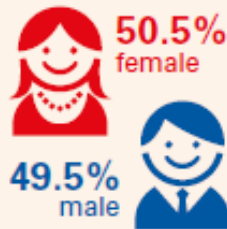


**Map 1 Borough of Spelthorne**

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## Spelthorne in Numbers

### Our communities:



(Source: ONS Census, 2011 - neighbourhood statistics for residents aged 16 to 74)



**95,598** in 2011



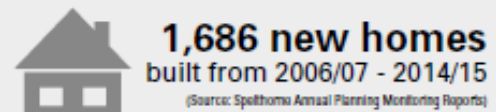
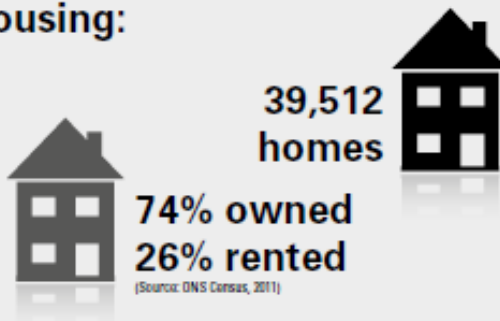
(Source: ONS Census, 2011)



**16.6%**  
expected increase  
in over 65s

The population of those over 65s is expected to increase by 16.6% from 2014 to 2024 in Spelthorne. (Source: 2014 based ONS Subnational Population Projections)

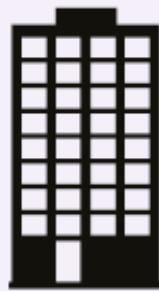
### Housing:



### Local economy:

**4,555 businesses**  
including BP, British Gas,  
Pinewood (Shepperton Studios),  
dNata, Wood Group Kenny

(Source: Spelthorne Local Economic Assessment, 2013)



**Number 1**  
for new Business Start-ups

(Source: Bank Search Information Consultancy Ltd - Spelthorne Business Start-Ups 2014)

### Environment:



**18 parks**  
in the borough

**65%**  
of the borough is  
Green Belt

(Source: Spelthorne Planning Monitoring Report 2015)

**12 miles**  
River Thames frontage

(Source: Paragraph 4.8, Spelthorne Economic Strategy, 2013)

**17%**  
of the borough is water

(Source: Spelthorne Planning Monitoring Report 2015)



### Your Council:



**Gross Budget £56.7m**  
**Net budget £13.6m**

June 2016

**39 councillors**  
Conservatives - 32  
Liberal Democrats - 3  
Independent - 3  
Labour - 1



**335 staff**  
June 2016

## 2. The Spelthorne Economy

### a. Background

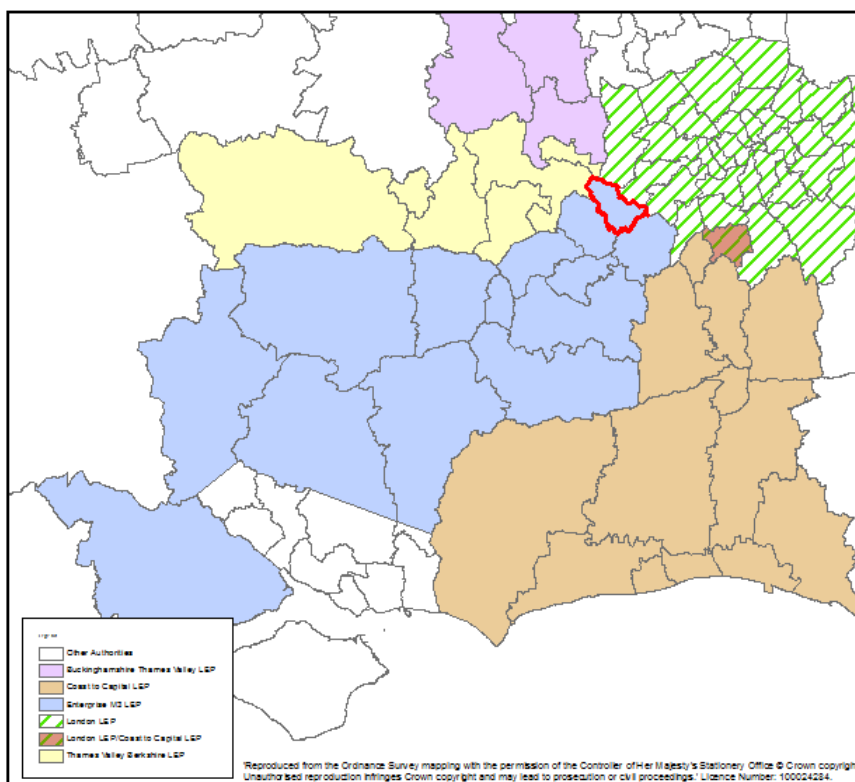
- 2.1 Spelthorne's economy is part of the wider Heathrow economy covering Hounslow, Hillingdon, Richmond, Slough and part of Windsor & Maidenhead, Elmbridge and Runnymede. Heathrow is a very strong economic driver of not only the wider economy of west London, but also regionally and nationally. Spelthorne's location on the southern airport boundary gives a significant airport related focus to the Spelthorne economy and underpins its particular strength.
- 2.2 Spelthorne is part of the Enterprise M3 (EM3) Local Economic Partnership (LEP) area stretching from the Borough to the New Forest in Hampshire. Out of 39 LEP's across the country, the EM3 has the second highest gross value added<sup>3</sup> per head average annual growth rates for the period 2008 to 2014<sup>4</sup>. Spelthorne is recognised via EM3 as the best connected Borough in the Partnership area. The Partnership seeks to 'drive prosperity in the M3 corridor' and has a common vision for the area to become '*The premier location in the country for enterprise and economic growth balanced with an excellent environment and quality of life*'. Surrey, where Spelthorne is situated, is the largest contributor to the national economy outside London.

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<sup>3</sup> Gross value added is a productivity metric that measures the contribution to an economy, producer, sector or region. Gross value added provides a dollar value for the amount of goods and services that have been produced, less the cost of all inputs and raw materials that are directly attributable to that production

<sup>4</sup> <https://www.ons.gov.uk/economy/grossvalueaddedgva/articles/gvaforlocalenterprisepartnerships/1997to2014>





*of businesses  
I expect to  
and 80%  
o take on  
iff.....*

**Map 2 Local Economic Partnerships**

- 2.3 In November 2016 the Council completed the second Local Economic Assessment of the Borough as part of the background to preparing the 2017 - 2022 strategy. The findings confirm Spelthorne's excellent connectivity as well as other significant strengths in terms of the amount of business activity, diversity of business sectors, presence of growth sectors and a growing small business sector. It also has a significant retail sector focussed on Staines-upon-Thames.
- 2.4 This was supported by a survey in June 2016 of local businesses which gauged current business experiences. The survey results<sup>5</sup> were extremely encouraging and showed that 89% (78% in 2013) of those who responded expected to expand their business in the next two years and 80% (68% in 2013) expected to take on more staff. This must be regarded as a very positive indication of business confidence within the Borough.
- 2.5 The assessment and business responses did, however, show a range of current challenges in terms of costs, skills, getting / keeping customers, planning, accommodation and competition.
- 2.6 The following paragraphs outline, under four headings, further details about the key findings of the local economy:
- Locational context
  - Scale and nature of business activity

<sup>5</sup> Local Economic Assessment – page 32 paras 3.64

- Economic performance
- Employment and the labour market

### **b. Locational Context**

- 2.7 The Borough is small geographically, being only some 7 miles long by 2.5 miles wide. However, it has more business space per hectare than any other Surrey district.
- 2.8 With over 806,629m<sup>2</sup> of warehouse/ retail / office business floor space, 5,365 VAT / PAYE registered businesses (an increase of 18% since 2013), a population of 98,500 and over 50,000 residents in employment, it is an important integral part of the sub-regional economy centred at Heathrow.
- 2.9 Spelthorne has excellent connections with the M3 and M25 motorways passing through it as well as the A30 trunk road. The M4 motorway is only 5 minutes travel time away.
- 2.10 The Borough's connectivity is enhanced by its high level of rail access with six railway stations in the Borough. Staines is the fifth busiest passenger station in Surrey. London Waterloo is just 32 minutes travel time from Staines and services also go to Reading, Windsor and Weybridge. The Shepperton branch-line also provides services to London Waterloo via Kingston-upon-Thames.
- 2.11 Staines-upon-Thames, the Borough's principal town centre, is one of the closest town centres to Heathrow – approximately 10 minutes by road to Terminal 5. Staines-upon-Thames is both an important business and retail centre serving north Surrey and beyond.

### **c. Scale and nature of business activity**

- 2.12 The large and diverse number of businesses in Spelthorne are spread widely across the Borough.
- 2.13 The main business space categories are Industrial and warehousing, office & retail. The amount of floor space in Spelthorne in these categories amount to an approximate total of 806,629m<sup>2</sup> compared to 794,203m<sup>2</sup> in 2013; an increase of 12,00m<sup>2</sup>. The limited availability of warehousing space is brought about by high land value and the



protection of the green belt and that modern warehousing generally requires a substantial building. These are concentrated mainly in defined industrial estates and other areas across the Borough. Many of the warehouses are part of the large air freight sector. The total amount of industrial / warehousing being marketed is just 4,434 m<sup>2</sup> (April 2016 Annual Survey of Vacant Premises) which illustrates a lack of capacity to meet warehousing needs.

- 2.14 Office floor space amounts to 213,928m<sup>2</sup> which is an increase of over 13,000m<sup>2</sup> from 2013, retail space reduced by 3,500m<sup>2</sup> although warehousing increased by just over 3,000m<sup>2</sup>. The major offices are located in Staines-upon-Thames and to a lesser extent in Sunbury-on-Thames close to junction 1 of the M3. There are several serviced business centres offering space to small businesses. The April 2016 Annual Survey of Vacant Premises shows that there was 20,238 m<sup>2</sup> of office space being actively

marketed.

- 2.15 Much of the 206,020 m<sup>2</sup> of retail floor space in the Borough is located within existing shopping centres of which Staines-upon-Thames is by far the largest. The other main retail centres are in Ashford, Sunbury-on-Thames and Shepperton.
- 2.16 In the areas immediately adjoining the Borough there are further significant amounts of business floor space, placing the Borough in an area of very high business activity. This includes Heathrow Airport, Poyle Trading Estate and the Causeway, Staines-upon-Thames which is on the south side of the River Thames in the Borough of Runnymede. Heathrow in particular makes a significant and positive economic impact on the wider area.

#### **d. Economic Performance**

- 2.17 The biggest employers in the Borough and the wider area are BP at Sunbury, Shepperton Studios, DNATA and Heathrow Airport, each of which is in sectors of the national economy that are important to the generation of wealth to the country through exports, and critical to the local economy for jobs, including the many found within the supply chain. There is a particular concentration of transport/storage businesses in the Borough many of which have business directly related to activities at Heathrow Airport. Shepperton / Pinewood Studios, is one of two film/TV studios in Spelthorne and part of a loose 'cluster' of like businesses in the outer/west London area. In recent times there has also been growth within the construction sector.
- 2.18 In the 2016 UK Index of Competitiveness the Borough is 48<sup>th</sup> out of 379 other local authority areas putting it in the top quartile nationally and one of the most economically buoyant areas of the UK. In 2013 we were placed 13<sup>th</sup>, however the calculations used in 2013 to measure competitiveness have changed. If those 2016 calculations had been applied in 2013 Spelthorne would have been 44<sup>th</sup> place. The recent business survey shows that there is a high level of confidence with regards to the potential for growth in the Borough.
- 2.19 The level of vacant business floor space is 4%, whereas in 2013 it was 7.9%<sup>6</sup>. This is relatively low compared to some areas but does provide some capacity for further business growth. This does show that Spelthorne is a popular location to locate, with a strong demand for business space.
- 2.20 In the retail sector there are over 850 premises with a vacancy rate of 10% compared to the 2013 vacancy rate of 9%. This again is well below the national average of 12.5% (March 2016). In the 12 months to April 2016 28 of retail premises changed hands and 88 in the period 2013 – 16; which provides a positive sign of businesses coming to replace those that

**'...Spelthorne is a popular location to locate with a strong demand for business space .....**

**'The biggest employers in the Borough and the wider area are BP at Sunbury, Shepperton Studios and Heathrow Airport...'**

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<sup>6</sup> This shouldn't be compared to the 2013 vacancy rate directly as the total business floor space for each year has been calculated differently in the two reports.

may have failed or moved elsewhere.

2.21 As at March 2016 there was planning permission for a net growth of 37 locations for development with 18,282m<sup>2</sup> of new business floor space in the Borough.

2.22 The scope for business growth from both vacant premises and the implementation of sites with planning permission and other proposals represents further capacity for economic growth.

#### **e. Employment and the labour market**

2.23 Spelthorne is located within a relatively urbanised area with 98,500 people living in the Borough. Over 50,000 are in work which is a very high proportion of the economically active population<sup>7</sup>.

2.24 There are over 1.25 million people living in the seven adjoining boroughs of which over 641,000 are in work. This represents a substantial labour supply for local businesses with high levels of short distance commuting in and out of the Borough to adjoining areas. Heathrow Airport is a major source of employment with over 76,000 working there<sup>8</sup>.

2.25 Spelthorne has a very low unemployment rate with 0.7% in October 2016<sup>9</sup> this is a drop from 1.7% in 2013, although this is still slightly higher than the Surrey average of 0.5% but much less than the 1.3% for Great Britain.

2.26 The level of skill represented in the Spelthorne workforce is lower than many adjoining areas and is reflected in the types of work people do. In turn these lower skills and work types are reflected in lower incomes. The business survey revealed some evidence of the need for greater skill levels and work readiness of those entering the labour market. Overall there is scope to grow both levels of skill and consequently disposable income.

2.27 The number of people with health problems or other physical limitations to work is, in absolute terms, quite small but is a little higher than the average for Surrey. This is supported by evidence from both the 2011 Census and the North West Surrey Clinical Commissioning Group. This also impacts on employment levels and disposable income.



<sup>7</sup> 2011 Census showed 46.4% of all 16-74 year olds in Spelthorne were in full-time employment – the highest percentage of any adjoining or Surrey authority.

<sup>8</sup> 6.9% of the Spelthorne workforce is employed at Heathrow Airport.

<sup>9</sup> Based on those receiving Job Seekers Allowance.

## Heathrow:

- 2.28 Heathrow Airport is the main provider of employment within the Borough with 6.9% of the working population directly employed by the company and many more through indirect routes. The introduction of a third runway would result in 40,000 additional jobs and a further 10,000 apprenticeships being created, it also would provide additional training and career opportunities for our residents.
- 2.29 The building of the airport would result in the creation of up to 180,000 jobs and generate around £211b of economic benefits<sup>10</sup>.
- 2.30 In October 2016 when the award of the 3<sup>rd</sup> runway to Heathrow was announced in October a 7% surge in cargo volumes occurred. Heathrow is Britain's largest port, accounting for almost 30% of all UK exports by value outside the EU last year<sup>11</sup>
- 2.31 There will be 5 railway lines available by 2032 including Tube, Crossrail, HEX, Western Rail, Southern Rail plus easy access to HS2. This additional connectivity is likely to further add to the attraction of the Borough as a destination for business. In the shorter term, business confidence is likely to grow with regards to locating business headquarters and supply chains within the Heathrow geography.

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<sup>10</sup> Airports Commission

<sup>11</sup> <http://mediacentre.heathrow.com/pressrelease/details/81/Corporate-operational-24/7948#sthash.WSim1D5g.dpuf>

### 3. Strengths and Weaknesses

3.1 There are substantial strengths in the Spelthorne economy but also some weaknesses which are summarised in the previous sections and drawn from the Council's local Economic Assessment. The key issues are summarised in the following table. These weaknesses need attention through this strategy to optimise the Borough's potential for further economic growth.

Strengths/ Opportunities	Weaknesses
Businesses moving out of London (because of office space being converted to housing) may see Spelthorne as a nearby attractive location to locate.	Need for longer term infrastructure improvements, particularly the provision of projects that would enhance better access to alternative modes of travel.  Limited of available warehousing space
Excellent connections by road, rail and air.  Scope to help improve local labour force skills.  The Government announced in October 2016 that Heathrow is the preferred location for an additional 3 <sup>rd</sup> runway	Lack of superfast broadband across the Borough  Need to consider how best to alleviate traffic congestion in Staines-upon-Thames at peak travelling times. This is also a common challenge with most successful and popular town centres.  Limited land for further development opportunities as well as additional housing
Spelthorne's location in an area of business success bordering several London Boroughs giving easy access to significant areas of population.	Legislation that allows business premises to be converted to dwellings without prior planning permission could reduce limited existing commercial space
Scope for greater inward investment utilising existing planning permissions, proposals and vacant floor space.  Scope to improve residents' health, fitness and work readiness.	Lack of available housing may impact upon economic growth as people are unable to locate near to where they work.
Proximity to the River Thames  Scope to increase the levels of disposable income.	

#### Existing policy

3.2 Whilst this is the Council's Economic Strategy it has nevertheless had a longstanding positive approach to economic development which is set out in its planning policies<sup>12</sup>; these provide the context to this strategy. They can be summarised as follows:

<sup>12</sup> Core Strategy and Policies Development Plan Document, February 2009 and Allocations Development Plan Document, December 2009.

- a. Maintain the employment capacity of the Spelthorne economy by supporting the renewal of employment floor space through redevelopment and extensions and protecting the main employment areas<sup>13</sup>.
- b. Maintain the four main town centres of Staines-upon-Thames, Ashford, Sunbury-on-Thames, Shepperton and local centres as the focus for shopping and to seek opportunities for their continued improvement<sup>14</sup>.
- c. Continually improve Staines-upon-Thames by encouraging development that contributes to its vitality and viability through growing its retailing, retail services and businesses<sup>15</sup>.
- d. Improve traffic management in Staines-upon-Thames including access by public transport, its role as a public transport hub and further improving its environment and town centre management<sup>16</sup>.
- e. Encourage measures to improve accessibility to Heathrow Airport to and from the Borough<sup>17</sup>.
- f. Support initiatives to improve the skills of the local workforce and community facilities<sup>18</sup>.

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<sup>13</sup> Core Strategy Policies SP3 and EM1.

<sup>14</sup> Core Strategy Policies SP4 and TC3.

<sup>15</sup> Core Strategy Policy TC1.

<sup>16</sup> Core Strategy Policies SP4, SP7 and TC1.

<sup>17</sup> Core Strategy Policy CC4.

<sup>18</sup> Core Strategy Policies SP3, SP5 and CO1.

## 4. Vision for the Spelthorne Economy

- 4.1 The Council's objective is to secure sustained economic growth. It also recognises that the environment and character of the Borough is important in attracting many businesses, and residents rightly see its protection to be of great importance. Its vision is therefore:

***To secure sustained growth of the local economy for the benefit of businesses and residents whilst protecting the Borough's environment and character.***

- 4.2 In pursuing this vision the Council will address the strengths and weaknesses previously described and build on the positive growth prospects revealed in its latest business survey<sup>19</sup>. In particular it will seek to increase the number of businesses in the Borough and their level of business activity as well as growth in the proportion of residents in work and their income levels.

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<sup>19</sup> The findings of the business survey are set out in the Local Economic Assessment para 2.65



## 5. Implementing the Vision

5.1 Four 'theme' areas emerge from the Council's assessment of the economy and the 'actions' under each 'theme' will help to implement the 'vision'. The 'themes' are::

1. Growth & Competitiveness
2. Community
3. Supporting business
4. Improving transport & infrastructure

5.2 The 'actions' reflect both existing initiatives and new work. They include short term and one-off initiatives as well as on-going/longer term work necessary to sustain a continuous process of attracting and growing new businesses. Some actions involve further investigation. For each 'action' specific details are provided about the implementation, timescale and the lead committee/task group/senior officer.



5.3 This 'vision' and the detailed actions are still consistent with the 2013 'Strategy for Growth' prepared by Enterprise M3 which was the same document referenced to inform Spelthorne's first economic strategy.

## 6. The First Economic Strategy 2013–16: Achievements

### a. Promoting the Economy (A1 – A3)

- Develop detailed plans to promote business growth and inward investment to the Borough.
- Enhance the pro-business culture in the Council to further focus Council services to effectively meet business needs.
- Investigate scope for the Council to develop arrangements for regular on-going close liaison with major businesses in the Borough (often referred to as 'key account management').

### Achievements

- 6.1 In 2013 we made available an Economic Development fund of £500 to each secondary town to fund a town Economic Strategy which was produced by a collective of the town's business representatives in 2015.
- 6.2 In May 2014 a report was commissioned from Rubicon Regeneration to develop an Economic Development growth programme within two key areas 1) Inward investment 2) Key account management (KAM).
- 6.3 In 2015 we recruited an additional Economic development team member to deliver a KAM & Inward Investment service in line with the report.
- 6.4 A more pro-business culture has been set up within the Council which pulls together officers within the planning, economic development and assets all under one wing.
- 6.5 Achievements to date have included a Spelthorne brochure has been created to promote Spelthorne as a business focused borough. A Key Account Management process has been implemented with key companies identified and targeted for KAM support.
- 6.6 An information pack has been created which highlights the benefits of starting up a business in the Borough and distributed to Commercial Estate Agents (including London based agents) so they can provide them to companies that make enquiries with regards to relocating. Details are on the Invest in Staines-upon-Thames web page <http://www.investstaines-upon-thames.co.uk/> a video is also available on <https://www.youtube.com/watch?v=WqNv2GpBjAE>
- 6.7 In 2016 the top 20 companies have been identified and approached for a KAM meeting with actions identified and followed up.
- 6.8 In November 2016 Staines-upon-Thames received a yes vote for the introduction of a Town Centre Business Improvement District (BID) to the town. The BID Board and the delivery of the proposals will commence on 1st April 2017, and run for at least 5 years generating over £1.5m to improve the town as a destination.
- 6.9 Spelthorne has supported and attended the annual Heathrow Business Summit which generates up to £10m worth of contracts for businesses. Spelthorne Council actively makes available procurement requirements for the following 12 months and encourage local businesses to tender for these contracts.

- 6.10 Secondary town funding of over £200k was secured in 2016 for four shopping parades situated at Edinburgh Drive, Groveley Road, Woodlands Parade and Clare Road to improve parking, lighting and signage for the parades.
- 6.11 Spelthorne Council took part in the annual MIPIM Exhibition event for showcasing commercial and residential opportunities for developers; significantly all 11 Boroughs and Districts participated, together with Surrey County Council.
- 6.12 Additional meetings have taken place EM3 -Growth Hub, Surrey Chambers of Commerce and Surrey County Council Economic Development lead to identify partnership opportunities and services that Spelthorne Borough Council can adopt.

#### **b. Implementing Developments (A4 – A8)**

- Encourage entrepreneurship through support for the establishment of small businesses.
- Proactively seek to implement development on appropriate Council sites in Staines-upon-Thames, including:
- Proactively work with developers / landowners to implement approved development on private sites. –The Council will seek to use its assets to assist the economy of the Borough where this is consistent with the delivery of other services.
- To ensure the planning service facilitates a process of appropriate on-going extension and redevelopment of business floor space to maintain a stock of modern business premises<sup>20</sup>.

#### **Achievements**

- 6.13 Initial enquiries have been made into an Incubator sited within the Borough and a more in depth study / report will be conducted in the first year of the new economic strategy to explore this option further.
- 6.14 The Spelthorne Business Plan competition organised by Spelthorne MP Kwasi Kwarteng has been successfully run for three years and the 2017 competition is already being planned.
- 6.15 Spelthorne Business Forum has launched a new Entrepreneurs Club in November 2016 to inspire and develop the business ideas of Spelthorne's entrepreneurs and help nurture new businesses.
- 6.16 The MIV Incubator Ventures business support help line funded by Spelthorne borough Council was launched in 2015. This is a free service for Spelthorne residents and businesses to access business support an advice. This will help create new businesses and provide much needed advice to those that are struggling to survive or desperate to expand.
- 6.17 Planning permissions granted for the former Majestic House in 2015 and 2016, and marketing suite currently being built on site, this contributes to the rise in construction and a clear sign of economic confidence.
- 6.18 The sale of the old Brooklands College Campus and building of the new Brooklands College in Ashford was achieved by obtaining significant funding from the EM3 LEP

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<sup>20</sup> This reflects Core Strategy Policy EM1 (b)

supported by Spelthorne Council. This resulted in making significant improvements to the quality and provision of educational accommodation in the Borough.

- 6.19 The Local Plan is currently being developed and is expected to be adopted around 2020, this will take into consideration the growth of Heathrow and the needs of the housing sector. This will be against a backdrop of also achieving a balance with housing, flooding, green belt and quality of life needs
- 6.20 Spelthorne Borough Councils Purchase of BP site in Sunbury is helping to secure a sustained long-term revenue stream for the Council, as well as supporting a major employer in the Borough. Future purchases will achieve likewise, and there is also scope for the Council to shape the face of the Borough through key acquisitions. Through this strategy of acquisition the Council will be better placed to continue to deliver quality services to our communities as the revenue generated will help to mitigate the loss of government grants that Council have been reliant upon.

#### **c. Education Provision (A9 – A10)**

- The Council will encourage Surrey County Council (SCC) to raise teaching standards and attainment levels in primary and secondary schools in the Borough.
- The Council will support the development of vocational training including:
  - a. Encourage the further take-up of apprenticeships
  - b. Support Brooklands College in bringing forward an appropriate comprehensive development of its Ashford Campus to secure permanent teaching facilities on the site.

#### **Achievements**

- 6.21 Since 2013 when the number of residents without any formal qualifications stood at 20.4%, Spelthorne residents aged 16-64 have now just 7.4% of residents without formal qualifications. This significant change is partly due to the way the figures were calculated, by using the working age residents rather than all residents.
- 6.22 A 'Skills Support for the Workforce' page has been included into the Spelthorne welcome pack with details of local apprenticeship providers.
- 6.23 Brooklands College has completed the development of its new site at Thomas Knyvett School and will also be retaining a presence on the previous campus with a new facility to train young people in hairdressing.

#### **d. Promoting education, training and high levels of attainment (A11 – A15)**

- Support for the Heathrow Academy.
- Support for the Jobs and Careers Fair (including the Heathrow JSF which is an established annual event for those of 16+ (years 11-13).
- Support for business's schools programmes (including existing schemes by BP and Heathrow) which focus on Science, Technology, Engineering and Maths (STEM).
- Support for Enterprise M3 in its work to identify and develop skills training.

## **Achievements**

- 6.24 Spelthorne Borough Council regularly attend the Heathrow stakeholders meetings and support the work of the Heathrow Academy and the jobs fair and business schools programmes.
- 6.25 We encourage local companies attend / exhibit at the careers fair to attract more local young employees.
- 6.26 EM3 have been approached with regards to the introduction of a mentorship scheme for schools in the Borough, this project was launched in September 2016 and is at an early stage.
- 6.27 All secondary education schools in the Borough attended the annual Heathrow Careers Fair where in total more than 6,000 students from all Boroughs situated around Heathrow attend.
- 6.28 Spelthorne Council has participated with local businesses engaging with local schools, for example the Heathrow Engineering Challenge at Ashford Park Primary and also at Matthew Arnold School.

### **e. Assisting work readiness A16 – A18)**

- Supporting Families Programme – worked with 280 families in Spelthorne, Elmbridge and Epsom and Ewell where there is either a) an adult on an out of work benefit; b) poor school attendance/exclusion; c) anti-social behaviour involving children; d) issues of mental health, alcohol or drugs.
- Through its Leisure and Community Safety teams the Council supports specific initiatives to develop positive social skills and greater ‘work readiness’. Activities have included, working with Bronzefield Prison and finding work experience opportunities for those close to release; engaging with local businesses who have offered temporary work to those with criminal records and long-term unemployed. The Council has also offered opportunities via the Depot for those struggling to find employment.
- Spelthorne Council has provided free access to business advice to residents wishing to set up their own business and have done so for the last 2 years of the strategy. This provision may have contributed to Staines-upon-Thames being identified as the number 1 place in the UK<sup>21</sup> for growth of new businesses.
- Actions to support the over 50’s was investigated, however with a total unemployment figure of about 500 people in the whole of Spelthorne, there were insufficient numbers to encourage further interventions.

## **Achievements**

- 6.29 The Spelthorne Education Action Group (SEAG) has been formed to act as a conduit between the public, schools and academies, Brooklands College, Spelthorne Borough Council, Babcock 4S, Spelthorne Schools Together, Virgin Care, and the County Council on matters relating to education.

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<sup>21</sup> Economic Assessment – Page 27 para 3.47

- 6.30 The aim of the SEAG is to improve standards for all children, to act as champions of excellence; not only in education but also in the provision of wider children's services which are essential for many children, including vulnerable children in particular. The SEAG will work with schools to drive up standards, support schools who want to work together to share expertise, and promote the spread of innovation to the benefit of all.
- 6.31 This forum has undertaken extensive work around overcoming barriers to learning, networking and support for teaching staff, working together for change and governance, funding and transparency.
- 6.32 Two key themes identified by SEAG centre around the reduction in funding for schools, not helped by the disproportionate differences in funding for neighbouring London boroughs, and the recruitment of teachers.
- 6.33 Many options have been explored in respect of increasing the attractiveness of working in Spelthorne for teachers - including the identification of potential housing and accommodation support and transport assistance.
- 6.34 The new state of the art Brooklands College will also add to a better teaching and learning experience for teachers and pupils alike; this should translate into an even better performance in terms of qualifications and skills for our young residents.
- 6.35 The introduction of a new Inclusion Strategy across the County has also led to opportunities for Spelthorne schools to further work together on developing and sharing their inclusive practice and work towards a position where wherever possible and appropriate Spelthorne pupils will be offered provision in Spelthorne schools.

**f. Health Improvement (A19 – A20)**

- Support as appropriate the North West Surrey Clinical Commissioning Group (CCG) in developing and implementing its Strategic Community Plan for 2014-2017 and the Surrey County Council Health and Well Being Plan.
- The Council to continue to implement existing initiatives to support improved health and fitness and develop further initiatives as appropriate, thereby enhancing long-term work capability.

**Achievements:**

- 6.36 In 2014 a resident's survey was conducted to identify the key areas of concern in the Borough.
- 6.37 Preventative actions currently in operation or in the newly published 2016 – 19 Health & Wellbeing Strategy.
- 6.38 Reducing smoking: Raised awareness of the Surrey Smoke Free alliance. Promoted their campaigns and initiative through local marketing avenues including the Borough Bulletin and website.
- 6.39 Reducing alcohol consumption: Encouraged responsible drinking and the prevention of underage sales. Promoted at two Partnership Action Days. Worked with licensed premises, police and trading standards to promote responsible retailing and ensure against underage sales and help address problem drinking.
- 6.40 Increasing life expectancy: 178 health checks carried at Spelthorne Leisure Centre.

- 6.41 Increasing physical activity and reduce obesity: Ran weight management courses in accordance with Surrey Public Health contract. Everyone Active delivered weight management courses in liaison with public health.
- 6.42 Continued to deliver the Walking for Health scheme, encouraging beginners to join the regular short walks. 82 new walkers achieved in 2016.
- 6.43 Recruited 11 new riders within the number Cycling for Health Scheme.
- 6.44 Raised awareness of healthy eating initiatives: Promoted the Eat Out Eat Well scheme during food hygiene inspections in premises with food hygiene ratings of 3, 4 or 5 stars.
- 6.45 Promoted Change 4 Life and One You schemes through council website.
- 6.46 Provision of freshly cooked dinners and healthy snacks in day centres and delivery of hot nutritious meal (Meals on Wheels).
- 6.47 Worked with planning and public health colleagues to ensure that policies continue to be supportive of healthy lifestyles.

**g. Actions to support business (A21 – A25)**

- The Council will provide on-going support to the Spelthorne Business Forum as the primary business support and promotion organisation in the Borough.
- Continue to support growth at Heathrow
- Promoting opportunities for local businesses to tender for Council contracts.
- The Council will champion the needs of businesses in Spelthorne and ensure they are properly recognised in the wider area.
- The Council will initiate investigation of business sectors where there appears scope for growth, including tourism, possible business clusters and hotel/conference facilities.
- On-going provision of security to retailers in Staines-upon-Thames through its 'Staisafe' initiatives which support rapid reporting and identification of criminals via a radio network.

**Achievements**

- 6.48 Spelthorne Borough Council continue to support the Spelthorne Business Forum (SBF) as patrons. The SBF have significantly increased its activities in the past 12 months with the introduction of a new website ([www.spelthornebusinessforu.uk](http://www.spelthornebusinessforu.uk)), regular events calendar and have significantly increased their membership.
- 6.49 All local businesses have been given the opportunity to attend the annual Heathrow Business Summit and meet the council to discuss procurement opportunities. The event takes place on an annual basis in November each year and continues to be a popular and well attended event.
- 6.50 There have been a couple of valuable Surrey wide reports in the Commercial Property & Hotel sectors commissioned over the last 24 months, which have highlighted key areas of growth and barriers which will be the basis of recommendations for our future strategy. Work on a new hotel in Staines-upon-Thames commenced in November 2016.

- 6.51 Staisafe radio continues to be a well-run and popular service within Staines town centre; plans put forward by the BID include the future running of the scheme with significant discounts available for retailers.
- 6.52 A welcome pack has been created to provide new businesses to the Borough with information regarding help and support available as well as details in respect of education establishments and leisure opportunities

**h. Actions to support improvements to transport infrastructure (A26 – A30)**

- The Council will work with Surrey County Council to secure completion of the Staines Movement Study, identification of appropriate proposals and their timely implementation.
- The Council will seek to secure an improved Staines Bus Station through comprehensive extensions of the Elmsleigh Centre.
- The Council will support measures to reduce local congestion including through initiatives to secure modal shift to cycling and walking and support improvements to, and usage of, public transport generally.
- The Council will support measures to maintain Heathrow Airport's 'hub' status subject to satisfactory environmental safeguards.
- The Council will actively support the implementation of the Surrey Rail Strategy and improvement to rail services generally.

**Achievements**

- 6.53 A sustainable transport package for the Wider Staines Area (Staines to Heathrow) was submitted for funding to **the EM3 LEP** in September 2016.



## 7. ACTION PLAN 2017 - 2022

### Theme 1 – Growth and Competitiveness

- 7.1 Spelthorne’s inherent economic strength, in terms of business base, excellent communication links and location, means its scope for future economic growth is very strong.
- 7.2 The availability of positive planning policies, sites available with planning permission and vacant premises provide the physical capacity for both the expansion of businesses already in the area as well as those looking to relocate. This will support continuing inward investment to the Borough.
- 7.3 Nevertheless, in the wider area, including the Enterprise M3 LEP, the supply of vacant premises and sites with planning permission are considerable in comparison to current market demand. Therefore, if the Council is to realise the potential for growth it needs to continue to be more pro-active in securing the implementation of development and in attracting new businesses.
- 7.4 There are various existing initiatives, including those to further promote the Borough generally, and specifically Staines-upon-Thames. The Council will take actions to further this work and also secure the long term success of Ashford and explore the need for further initiatives to support Shepperton, Sunbury-on-Thames and Stanwell.
- 7.5 A number of services the Council provide either affect businesses or are relied on by them. These include planning and building control, food inspections, licensing, pollution control, etc. The Council recognises the need to continue to ensure these operate in a way that, as appropriate, supports business needs.

### Theme1. Growth & Competitiveness

#### Actions to implement and maintain a capacity for growth

Ref	Action	Implementation
	<b>Growth &amp; Competitiveness</b>	
A1	We will finalise this economic strategy to promote business growth, support key businesses and inward investment to the Borough.	<p>a. We will create a new resource within the council economic development team who will have a specific role of developing better relationships with key businesses and understanding their needs, as well as resolving those needs, signposting business to appropriate help, support and funding opportunities. Additional this role will focus on inward investment, this is in the sense of promoting the borough as a location which will attract new businesses to come to and set up (offices / retail) and join our existing thriving business community. We will build a structured working relationship with Commercial Estate Agents to promote Spelthorne as a great place to locate businesses</p> <p>b. We will refresh and regularly maintain the dedicated Invest in Staines-upon-Thames website that supports and promotes inward investment for the Borough.  <a href="https://www.youtube.com/watch?v=WgNv2GpBjAE">https://www.youtube.com/watch?v=WgNv2GpBjAE</a></p>

Ref	Action	Implementation
		<p><b>Timescale:</b> April 2017.  <b>Lead:</b> EDEG<sup>22</sup>/EDM<sup>23</sup>.</p> <p>a. Recruit person for the post.  b. On-going</p>
A2	To include, as appropriate, specific measures/approaches for each of the 4 towns situated in the Borough and Clare Road, Stanwell.	<p>We will work with established business forums and Chambers to develop a relevant and meaningful local economic strategy. Unlike the previous strategy, any remuneration for completed strategies will be rewarded upon achieving targets and goals set by the chambers/forums of each town.</p> <p><b>Timescale:</b> complete a review and implement by December 2017 and annually update.  <b>Lead:</b> EDM.</p>
A3	The Council will further develop arrangements for regular on-going close liaison with major businesses in the Borough (often referred to as 'key account management').	<p>We will develop a key account management process refined by the dedicated resource that provides genuine support for strategic businesses located within the borough.</p> <p>We will put a customer relations management system (CRM) in place to support that process and enable officers to provide timely and focused support to our businesses.</p> <p>At least once a year we will survey all businesses that we have visited / supported to seek feedback so we can improve the service and evaluate the effectiveness of the support provided.</p> <p><b>Timescale:</b> by May 2017 and ongoing Annually.  <b>Lead:</b> EDM</p>
A4	Entrepreneurship will be encouraged by the Council, building on the independent report in 2015 which identified Staines-upon Thames as the town with more new start-up businesses per 10,000 population compared to any other town in the country.	<p>a. We will undertake a detailed analysis of the possibility of introducing an incubator within the Borough which will provide space and resources to promote and support the creation and sustainability of new businesses. It will also complement the high volume of entrepreneurs and the SBF entrepreneur support.</p> <p>b. Open an incubator within the Borough subject to the business case</p> <p>c. We will support and work with the SBF with plans to introduce an Entrepreneurs Club within the Borough</p> <p>d. We will help support and deliver the Annual Business Plan Competition in conjunction with the office of our MP Kwasi Kwarteng which encourages new entrepreneurs, and provides a cash prize to get new businesses started within the Borough. We will commit to this project for the life of the strategy.</p>

<sup>22</sup> Economic Development Engagement Group

<sup>23</sup> Economic Development Manager

Ref	Action	Implementation
		<p><b>Timescale:</b></p> <ul style="list-style-type: none"> <li>a) By December 2017.</li> <li>b) Implemented by April 2018</li> <li>c) April 2017</li> <li>d) Annual commitment</li> </ul> <p><b>Lead:</b> EDM.</p>
	<b>Implementing Developments</b>	
A5	<p>Proactively seek to implement development on appropriate Council sites in Staines-upon-Thames, including:</p> <ul style="list-style-type: none"> <li>a. Elmsleigh Centre extensions, Staines-upon-Thames – Phase 3 and 4 (Allocations DPD: site A10).</li> </ul>	<p>This is part of an existing implementation strategy for Staines-upon-Thames.</p> <ul style="list-style-type: none"> <li>a. Discussions have taken place with other key landholders. Council to focus on what it needs to see from the site in accordance with the allocations DPD.</li> </ul> <p><b>Timescale:</b> On-going. <b>Lead:</b> Cabinet/AHoP<sup>24</sup>.</p>
A6	<p>Proactively work with developers/landowners to implement approved development on private sites. To include:</p>	<p><b>Timescale:</b> On-going. <b>Lead:</b> Cabinet/AHoP</p>
	<ul style="list-style-type: none"> <li>a. Former Majestic House, High Street, Staines-upon-Thames.</li> </ul>	<ul style="list-style-type: none"> <li>a. Planning permissions granted 2015 and 2016, and marketing suite currently being built on site.</li> </ul>
	<ul style="list-style-type: none"> <li>b. Former Centrica site, London Road, Staines-upon-Thames.</li> </ul>	<ul style="list-style-type: none"> <li>b. Planning application currently under consideration</li> </ul>
		<p><b>Timescale:</b> by end of September 2017. <b>Lead:</b> AHoP</p>
A7	<p>Spelthorne Council will take a leading role in 'place shaping' the Borough.</p>	<ul style="list-style-type: none"> <li>• Spelthorne Council is looking to acquire a range of properties which will provide an on-going income stream which would widen the range of the portfolio (size and type of acquisition). Moving forwards the Council will look at what opportunities there are to acquire properties/sites for residential (either to help meet affordable housing needs or for private rented). Whilst assisting the longer term financial stability of the Council is the primary focus. Where possible the Council will also look to support the economy through our acquisitions and by providing housing opportunities for the local community.</li> </ul>

<sup>24</sup> Assistant Head of Planning

Ref	Action	Implementation
		<ul style="list-style-type: none"> <li>The Council is also open to acquiring sites which are key to a local area (where it makes financial sense to do so). The intention is to focus on those opportunities where there is either scope for a wider redevelopment scheme, or where there is the opportunity to bring forward a development which might not otherwise take place. The Council as landowner is able to focus on issues that are locally important in a community which a private developer may not.</li> </ul> <p>Purchase of the BP site sets the level of commitment by the council to secure ownership of properties.</p> <p><b>Timescale:</b> On-going. <b>Lead:</b> GHRaG<sup>25</sup> Task Group on Fixed Assets.</p>
A8	To ensure the planning service facilitates a process of appropriate on-going extension and redevelopment of business floor space to maintain a stock of modern business premises <sup>26</sup> .	<p>On-going and part of the LPA's consideration of planning applications</p> <p><b>Timescale:</b> On-going. <b>Lead:</b> AHoP</p> <p>a. Monitoring the need or otherwise for additional employment land.</p> <p><b>Timescale:</b> On-going. <b>Lead:</b> AHoP</p> <p>b. Identify unmet business needs that may arise and investigate appropriate site/opportunities –to include hotel/conference facilities (see also A24).</p> <p><b>Timescale:</b> On-going. <b>Lead:</b> AHoP/EDM/.</p>
A9	Develop functional economic area priorities	Deliver 2 x 'Upper M3' shared priority partnership projects with Elmbridge and Runnymede Borough Councils

## Theme 2 - Community

- 7.6 Evidence shows there are lower skill levels amongst residents in work in Spelthorne. Significant improvements in educational attainment have been achieved in the last 5 years; in 2011 20.4% of adults in the Borough had no formal qualifications compared to 7.4% of 16 – 64 year olds in 2016<sup>27</sup>, the average for Great Britain was 8.6%. The quality of facilities and delivery of education need to improve further to close the attainment gap with some adjoining higher performing authorities. The new Brooklands College facility on the grounds of Thomas Knyvett School is a significant step in that direction.

<sup>25</sup> Group Head Regeneration and Growth

<sup>26</sup> This reflects Core Strategy Policy EM1 (b)

<sup>27</sup> Economic Assessment Para 4:15. The calculation in 2013 was on the whole adult population of Spelthorne, 2016 used the normal working age as the criteria.

7.7 Surrey County Council is the Local Education Authority (LEA) for primary and secondary education in Spelthorne. Whilst new models of organisation, including 'academy' status, reduce the extent of LEA control it nevertheless have ultimate responsibility. The Spelthorne Joint Committee of the County Council, as well as the Children and Education Select Committee, has a particular role to scrutinise and support local schools. Brooklands College is a Further Education College focusing on vocational skills that has in the last year moved into brand new accommodation recently built on the same site as Thomas Knyvett School in Ashford. It is also providing a new facility on the previous Brooklands site for hairdressing.



### Actions Community

Ref	Action	Implementation
	<b>Education Provision</b>	
A10	The Council will continue to encourage Surrey County Council (SCC) to raise teaching standards and attainment levels in primary and secondary schools in the Borough to the average of Surrey Boroughs.	To be achieved through a range of actions and regular review and scrutiny of progress.  <b>Timescale:</b> On-going. <b>Lead:</b> SCC through its Education Authority role and local review through its Spelthorne Joint Committee <sup>28</sup> also EDM through those schools with academy status.
A11	The Council will support the development of vocational training including: <ul style="list-style-type: none"> <li>a. Encourage the further take-up of apprenticeships within the Council</li> <li>b. Promote apprenticeships externally, in particular raising awareness of the Apprenticeship Levy benefits to those companies who will be required to pay the levy.</li> </ul>	SBC to review the number of people taken on as apprentices and to ensure that the Council makes best use of the funding made available by the implementation of the Apprenticeship levy from April 2017.  To provide information to employers within the Borough with regards to the benefits of apprenticeships and how best to make use of funding by those businesses with a UK pay roll bill of £3m or higher that pay the 0.5% levy.  <b>Timescale:</b> Commencing April 2017 and on-going for length of Strategy <b>Lead:</b> EDM
	<b>Promoting education, training and high levels of attainment</b>	
A12	Support for the Heathrow Academy.	This provides the 2 weeks training

<sup>28</sup> Spelthorne Joint Committee has an equal number of Borough and County Councillors appointed to it.

Ref	Action	Implementation
	Prepare for the demand for skills in preparation for the 3 <sup>rd</sup> runway at Heathrow	<p>necessary for many of the 'air-side' work opportunities at Heathrow. The scheme draws people from Spelthorne and 4 other boroughs around Heathrow and focusses on construction, retailing and aviation.</p> <p>Participate in the Skills Task Force Group for the 3<sup>rd</sup> Runway chaired by David Blunkett. This will provide our residents with additional opportunities to gain new skills and qualifications.</p> <p><b>Timescale:</b> On-going - annually. <b>Lead:</b> EDM / GHRaG / AHoP</p>
A13	Support for the annual Heathrow Jobs and Careers Fair which is an established annual event for those of 16+ (years 11-13).	<p>This assists in informing young people about work opportunities and associated training needs. All secondary schools in the 5 Boroughs that surround Heathrow are invited.</p> <p><b>Timescale:</b> On-going – annual event. <b>Lead:</b> EDM/Heathrow Airport Ltd.</p>
A14	Support for business's schools programmes (including existing schemes by BP and Heathrow) which focus on Science, Technology, Engineering and Maths (STEM).	<p>We will map out and make best use of current activity by various employers who reach out to our schools and Colleges to support interest in Science, Technology, Engineering and Mathematics (STEM) subjects.</p> <p><b>Timescale:</b> March 2018. <b>Lead:</b> EDM.</p>
A15	Support for Enterprise M3 in its work to identify and develop skills training.	<p>We will identify opportunities including funding, that will benefit the Borough as provided by EM3 and work to deliver those benefits to our community.</p> <p><a href="https://www.enterprisem3.org.uk/enterprise-m3-enterprise-adviser-network">https://www.enterprisem3.org.uk/enterprise-m3-enterprise-adviser-network</a></p> <p><b>Timescale:</b> On-going – as opportunities arise. <b>Lead:</b> EDM.</p>
A16	To support and promote Social Enterprises within the Borough	<p>We will encourage and support the setup of social enterprises within the Borough, plot existing social enterprises to establish the baseline of current numbers, and through identified needs, provide targeted support and signposting. We will work closely with the Spelthorne Business Forum to help deliver this support.</p> <p><b>Timescale:</b> Baseline established by February 2018. <b>Lead:</b> EDM.</p>

Ref	Action	Implementation
	<b>Assisting 'work readiness'</b>	
A17	Supporting Families Programme – working with 280 families in Spelthorne, Elmbridge and Epsom and Ewell where there is either a) an adult on an out of work benefit; b) poor school attendance/exclusion; c) anti-social behaviour involving children; d) issues of mental health, alcohol or drugs.	<p>The Council leads the management of the programme and provides accommodation and other practical assistance.</p> <p><b>Timescale:</b> The programme has been extended to run for 5 years from April 2015 – March 2020. <b>Lead:</b> DCE<sup>29</sup></p>
A18	<p>Through its Leisure and Community Safety teams the Council supports specific initiatives to develop positive social skills and greater 'work readiness'.</p> <p>We will also work towards improving the health of residents and the workforce within the Borough. This will be achieved by the promotion of various schemes designed to support the improvement of personal health and wellbeing. We work in liaison with partners via the Health and Wellbeing Strategic and Networking Group, the Local CCG and Public Health.</p>	<p>a. We will capture the level of investment within the borough with regards to the contributions made by business and plan over each of the following years of the strategy to increase the quality and volume of CSR commitments made by local businesses, particularly around support to promote access to the workplace.</p> <p>b. We will explore opportunities through our Council Leisure Team and Community Safety Team colleagues such as intergenerational work</p> <p>c. Promote the Workplace Challenge (physical Activity challenge) via the business forum and packs for new businesses.</p> <p>d. Promote the NHS Health Checks in the Borough Bulletin, The Spelthorne Health Wellbeing Groups and via the business forum and packs for new businesses.</p> <p><b>Timescale:</b> a. Benchmark identified in first 12 months b. On-going c. August 2017 d. August 2017 <b>Lead:</b> EDM/LSM<sup>30</sup>.</p>
A19	We will work with other agencies including Surrey County Council / SBF to enhance the availability of introductory courses for the elderly regarding the use of computers and accessing the internet and internet shopping / cyber security.	<p><b>Timescale:</b> Deliver an IT related course to the elderly within the first 12 months of the strategy. Review course and plan at least 1 course a year.</p> <p><b>Lead:</b> EDM.</p>

<sup>29</sup> Deputy Chief Executive

<sup>30</sup> Leisure Services Manager.

Ref	Action	Implementation
A20	Improving Skills and qualifications of our young people	<p>We will deliver and promote a <b>Spelthorne Skills Fare</b> in Partnership with our MP and other Partner organisations. This will encourage young people to aspire to further education or other vocational skills to enable them to better access quality jobs and provide better future opportunities.</p> <p><b>Timescale:</b> To be delivered within the first 12 months of the strategy</p>
<b>Health Improvement</b>		
A21	<p>Support as appropriate the North West Surrey Clinical Commissioning Group (CCG) in implementing its Strategic Community Plan for 2014-2017 and the Surrey County Council Health and Well Being Plan.</p> <p>We will also work with the CCG during the development of their new Plan</p>	<p>The Council will achieve this by:</p> <ol style="list-style-type: none"> <li>Sharing information.</li> <li>Liaising on the scope for joint programmes.</li> <li>Seeking ways through its existing work to complement the CCGs and SCCs programmes.</li> </ol> <p><b>Timescale:</b> On-going. <b>Lead:</b> EDM</p>
A22	<p>We will work towards improving the health of residents and the workforce within the Borough. This will be achieved by the promotion of various schemes designed to support the improvement of personal health and wellbeing as well as reduce obesity. We work in liaison with partners via the Health and Wellbeing Strategic and Networking Group, the Local CCG and Public Health.</p> <p>We will also promote healthy living including an increase in cycling and walking in conjunction with other partner agencies such as Surrey County Council.</p>	<p>To include continued implementation of the following schemes:</p> <ol style="list-style-type: none"> <li>Promote the Workplace Challenge (physical Activity challenge) via the business forum and packs for new businesses.</li> <li>Promote the NHS Health Checks in the Borough Bulletin, The Spelthorne Health Wellbeing Groups and via the business forum and packs for new businesses.</li> <li>Continue to coordinate the Walking for Health Scheme, Cycling for Health Scheme and support the Exercise Referral Scheme at Spelthorne Leisure Centre.</li> </ol> <p><b>Timescale:</b> December 2017 <b>Lead:</b> LSM.</p>

### Theme 3 - Supporting Business

- 7.8 The Council has an important role to play in supporting businesses and business organisations in the Borough, this commitment has been re-enforced with the changing



of the Council logo to include the words ‘Spelthorne Means Business’ as well as economic development highlighted within the Corporate Plan<sup>31</sup>.

7.9 The Corporate Plan has 4 Key Priorities

- 1) Housing
- 2) Clean and Safe Environment
- 3) Economic Development
- 4) Financial Stability

7.10 A close and hands-on involvement will continue in support for the Spelthorne Business Forum (SBF)<sup>32</sup>.

7.11 The Council has a long-standing relationship with major employers and businesses such as BP, the Elmsleigh Centre, Two Rivers and Shepperton Studios. There is scope to extend such relationships to a greater number of organisations and widen the support the Council can give.

7.12 The Council has land and other assets which, subject to wider service delivery to the public can be used to support the economy generally. For example, it owns the freehold of the Elmsleigh Centre in Staines-upon-Thames and the recently acquired BP International Centre for Business & Technology in Sunbury, providing not only an income to the Council but in the case of the Elmsleigh Centre, an opportunity to help ensure it continues to best meet the shopping needs of those who live in its catchment area.

7.13 The Council will champion the needs of businesses and, where appropriate, assist in fostering new or existing business sectors. Several of the following actions reflect this. The Council’s membership of Enterprise M3 and its role in promoting business across a wider area is increasingly important as the Government seeks to direct more financial resources and responsibility for spending to LEPs.



7.14 The River Thames is a huge amenity asset and has a river frontage of more than 12 miles. There is scope to develop the visitor economy, taking advantage of the Thames and the many parks, open spaces and historic villages which adjoin it. Under Action (A24) the Council will further investigate the scope to grow the visitor economy/tourism.

**Actions to support businesses**

Ref	Action	Implementation
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<sup>31</sup> <https://www.spelthorne.gov.uk/CHttpHandler.ashx?id=3622&p=0>

<sup>32</sup> Membership of the SBF is free and it operates monthly networking events, one-off training events and networking and speakers at breakfast events. Membership currently exceeds 650 businesses and business groups. Support is also given to local Chambers of Commerce and business organisations.

Ref	Action	Implementation
A23	<p>The Council will continue to support to the Spelthorne Business Forum as the primary business support and promotion organisation in the Borough.</p> <p>Through the Council's internal Economic Development Engagement Group (EDEG), we will work closer with Councillors with regards to the evaluation and the delivery of the Spelthorne Council Economic Strategy, to remove where applicable barriers to progress, and to develop processes to best deliver the economic strategy over the next 5 years.</p>	<p>a) We will be an active member of the Spelthorne Business Forum (SBF) which currently has a membership of over 650 businesses in the Borough. Together we will provide a regular supply of business networking meetings including a minimum of 12 evening meetings and 6 breakfast meetings a year and increase the membership to 1,000 in the first year of the strategy (by Feb 2018).</p> <p>b) Financial support to meet the costs of meetings where sponsorship arrangements prove insufficient, as well as financial support to develop the quality and reach of the SBF, particularly through media marketing</p> <p>c) Promotional space on the Council's website.</p> <p>d) The EDEG will meet on a quarterly basis, or more frequently as required where concerns can be raised and ideas to develop opportunities discussed. 5 Key areas of development have been identified as KPI's</p> <ul style="list-style-type: none"> <li>• A11 Work with Heathrow Academy to enhance job opportunities for our residents</li> <li>• A25 Explore options to encourage and support other BID's</li> <li>• A27 Work with Surrey County Council to improve our secondary shopping centres</li> <li>• A30 Measures to reduce further congestion</li> <li>• A31 Access to superfast broadband</li> </ul> <p><b>Timescale:</b></p> <p>a) March 2018</p> <p>b) On-going</p> <p>c) Feb 2017</p> <p>d) Every 6 months via EDEG.</p> <p><b>Lead:</b> EDM</p>
A24	<p>Improve information on Council contracts to assist businesses to tender for Council contracts.</p>	<p>Further development of information currently provided on the Council's website, this will be enhanced through the review procurement policy which will encourage using local businesses.</p> <p>Promotion of opportunities via the SBF</p> <p>Make available at the annual Heathrow Business Summit</p> <p><b>Timescale:</b> The council website will be reviewed and refreshed by May 2017 and then updated as required every 3 months.</p> <p><b>Lead:</b> EDM.</p>
A25	<p>The Council will champion the needs of businesses, promote innovation and</p>	<p>a. We will continue to promote professional business advice and support for new and high growth businesses alike; this will be delivered by</p>

Ref	Action	Implementation
	<p>create opportunities to highlight best practice and the best businesses in the Borough.</p>	<p>web based systems such as My Incubator Ventures <a href="https://www.spelthorne.gov.uk/miv">https://www.spelthorne.gov.uk/miv</a> which provides free professional business advice to Spelthorne businesses and residents and the Enterprise M3 Growth Hub <a href="https://www.enterprisem3growthhub.co.uk/">https://www.enterprisem3growthhub.co.uk/</a> for high growth potential businesses.</p> <p>b. Additionally, support will be provided through organising events in Partnership with the SBF that are dedicated to particular subject areas such as funding streams, on-line web presence or starting a business.</p> <p>c. We will organise a <b>Spelthorne Means Business Awards</b> event to recognise and celebrate the best businesses in the Borough. This will take place within 18 months of the adoption of the strategy.</p> <p>d. Signpost businesses to the free SBF website to register their businesses on the directory. <a href="http://www.spelthornebusinessforum.uk/directory/">http://www.spelthornebusinessforum.uk/directory/</a></p> <p>e. Take an active role in the Business Improvement District for Staines-upon-Thames<sup>33</sup></p> <p><b>Timescale:</b>  a. Ongoing  b. Ongoing  c. August 2018  d. Ongoing  e. Ongoing  <b>Lead:</b> EDM.</p>
A26	<p>The Council will initiate investigation of business sectors where there appears scope for growth, including tourism, possible business clusters and hotel/conference facilities.</p>	<p>We will plot the locations of our key high-growth businesses in the Borough and promote their presence to encourage clusters of similar business types.</p> <p><b>Timescale:</b> Complete an assessment by October 2017.  <b>Lead:</b> EDM</p>
A27	<p>Support and promote exporting</p>	<p>We will work with relevant Partner organisations such as Surrey Chambers of Commerce and United Kingdom Trade &amp; Investment (UKTI) to promote and encourage the opportunities available through the export market.</p> <p><b>Timescale:</b> To promote at least 1 event for each year of the strategy.</p>

<sup>33</sup> <https://www.gov.uk/guidance/business-improvement-districts>

Ref	Action	Implementation
A28	<p>a. Spelthorne Council will actively participate in the Staines-upon-Thames BID and</p> <p>b. Explore options to encourage further BID's in the Borough if desired by business.</p>	<p>a. Through representation on the BID Board</p> <p>b. Through consulting with local town chambers and business forums once the Staines-upon-Thames BID has been evaluated</p> <p><b>Timescale:</b> Ongoing By April 2019 <b>Lead:</b> DCE / EDM.</p>
A29	<p>We will work with local business groups and other local organisations to identify town improvements projects over the next 3 years that could be eligible for the SCC Local Centre Improvement fund of £5k – 30k</p>	<p>We will promote applications for the funding for business and resident groups over the 3 years the funding is available.</p> <p><b>Timescale:</b> Annually for 3 years <b>Lead:</b> EDM</p>
A30	<p>Accessibility and equal opportunities</p>	<p>We will work with Shopmobility and other similar services situated within the Borough, to help sustain their presence, promote the service on offer to those that require assistance to shop, enjoy the culinary offer, and socialize within Spelthorne.</p> <p><b>Timescale:</b> Over the life of the strategy. To formally meet twice a year to discuss opportunities and progress</p>

#### Theme 4 - Improving Transport and Infrastructure

- 7.15 Good transport infrastructure has an important role in supporting an efficient local economy and its attractiveness for further investment. Spelthorne, like most authorities close to London, experiences congestion to varying degrees within its town centres. Ensuring effective management of the transport network is the responsibility of Surrey County Council as highway authority.
- 7.16 The County Council, Enterprise M3 LEP and the Borough are collaborating on a Wider Staines Sustainable Transport Package to be considered for implementation in 2020. In addition the County Council is developing a Spelthorne Cycle Strategy.
- 7.17 As part of its leisure work the Borough Council is promoting cycling for health.
- 7.18 Some parts of the Borough have a limited bus services, with further cuts proposed for Heathrow access, improvements in provision need to be seriously considered
- 7.19 The Borough has good rail access but two issues need to be resolved in the longer term. Firstly the provision of a southern rail link to Heathrow and secondly increased rail capacity in the approaches to Waterloo (Wimbledon to Waterloo) to enable continued growth of rail services. These two projects are highlighted in the Surrey Rail Strategy which the Borough fully supports. That strategy particularly highlights the

potential roles of Crossrail 2 (regional option) and an extended HS2 in providing solutions to both problems. The Shepperton branch line comes within the proposed Crossrail 2 network. As part of its Rail Strategy, Surrey County Council is also considering shorter term surface access improvements to Heathrow pending longer term comprehensive rail solutions which are integrated with the existing network.

### Actions to support improvements to transport infrastructure

Ref	Action	Implementation
A31	We will apply to Surrey County Council with regards to £225,000 available over the next 3 years to improve the look and feel of our secondary shopping centres within the Borough, this will be match funded by a further £225,000 committed by Spelthorne Council. We will commit to accessing all the funding available over the life of this economic strategy.	In conjunction with the Economic Development Engagement Group and feedback from businesses will identify suitable projects to enhance the Spelthorne as a destination to live, work and shop.  <b>Timescale:</b> Annually <b>Lead:</b> EDEG / EDM
A32	The Council will work with Surrey County Council, Heathrow Airport Limited and bus operators. Secure completion of the Wider Staines Sustainable Transport Package to improve non-car based transport.	This is now part of a wider bid which the LEP have put forward as part of Growth Deal 3 (project now called 'capacity developments'). Not clear at this stage whether it will go forwards due to limited award of funding from government.  <b>Timescale:</b> On-going. <b>Lead:</b> Spelthorne Joint Committee
A33	The Council will look for alternatives for a new Staines Bus Station.	<ul style="list-style-type: none"> <li>We will investigate options for a new bus station in Staines-upon-Thames</li> </ul> <b>Timescale:</b> On-going. <b>Lead:</b> AHoP / GHRaG
A34	The Council will support measures to reduce local congestion including through initiatives to secure modal shift to cycling and walking and support improvements to, and usage off, public transport generally.	<ol style="list-style-type: none"> <li>The Council are actively supporting by providing advice and being involved in the decision making process with Surrey CC.</li> <li>Staines-upon-Thames is undergoing significant developments which will increase the population of the town by both residency and visitors which will add further stress onto an already congested location at peak times. Steps will be taken to ensure that consideration is given to the impact of the developments and actions identified to help mitigate further congestion.</li> </ol> <b>Timescale:</b> a) On-going

Ref	Action	Implementation
		<p><b>Lead:</b> Spelthorne Local Committee.</p> <p><b>b)</b> Update on progress will be presented to the Economic Development Engagement Group (EDEG) after 6 months of the adoption of this strategy.</p> <p><b>Lead:</b> EDM / EDEG</p>
A35	Access to superfast broadband	<p>The Council will conduct research with local technology companies to determine the level of business need versus access and identify weaknesses in provision.</p> <p>Surrey County Council, LEP's and service providers will be lobbied with regards to delivering identified needs.</p> <p><b>Timescale:</b> by April 2018 <b>Lead:</b> EDM</p>
A36	<p>Actively Support the implementation of the Surrey Rail Strategy and improvement to rail services generally. In particular:</p> <p>a. A southern rail access to Heathrow. b. Improved rail capacity in the Waterloo approaches through Crossrail 2. c. Support for Zone 6 for Spelthorne d. Shorter term proposals to improve surface access to Heathrow.</p>	<p>Work closely with Surrey County Council, Heathrow and other key interested parties.</p> <p>Businesses expressed strong views with regards to the impact of Zone 6 concerning the recruitment and retention of staff from West London, due to the current high cost of public transport from London and the cost of parking in Staines and the congestion caused at rush-hour.</p> <p><b>Timescale:</b> On-going. <b>Lead:</b> Cabinet/AHoP</p>
A37	Access funding opportunities from Heathrow Airport Limited that contribute towards the benefit of all our communities	<p>We will work closely with Heathrow and colleagues from the 4 Boroughs that surround the airport (Ealing, Hounslow, Hillingdon and Slough) to access funding opportunities made available to improve local infrastructure or support business or community needs</p> <p><b>Timescale:</b> For the life of the strategy</p>

## 8. Spelthorne under Development 2017-2022

Below are a selection of locations where development is planned to take place as identified within the economic strategy. This strategy will be refreshed annually and on each occasion a photograph will be taken at the same location in order to visually illustrate the physical changes taking place in the Borough over the 5 year life of this strategy.



**Ashford Car Park  
Church Road**

**Tothill Car Park  
Staines-upon-Thames**



**Bus Station/  
Tothill Car Park  
Staines-upon-Thames**

**Bridge Street Car Park  
Staines-upon-Thames**



**Tothill Car Park  
Staines-upon-Thames**

**London Square  
Staines-upon-Thames**





## **9. Monitoring and Review**

- 9.1 Progress on each of the 'actions' in this strategy will be regularly monitored by the Council's internal Economic Development Engagement Group. In addition to this it will assess the extent to which the economy as a whole is performing.
- 9.2 The Economic Engagement Group have identified 5 key areas within the action plan that they will specifically review on a 6 monthly basis to ensure that the objectives will be reached over the life of the strategy.
- 9.3 The 5 key areas are actions in order as they appear in the action plan: -
1. A11 Work with Heathrow Academy to enhance job opportunities for our residents
  2. A25 Explore options to encourage and support other BID's
  3. A27 Work with Surrey County Council to improve our secondary shopping centres
  4. A30 Measures to reduce further congestion
  5. A31 Access to superfast broadband
- 9.4 On a five yearly basis it will comprehensively review its Local Economic Assessment and complete a new 5 year economic strategy. It will annually monitor changes in key data areas. In particular it will look at the following key performance indicators as measures of the effectiveness of this strategy:
- a. Net change in total business rates (excluding national revaluations).
  - b. Net change in total business rated premises.
  - c. Number of new start-up businesses created in the Borough.
  - d. Unemployment/job vacancy levels.
  - e. Vacancy levels in commercial property.
  - f. Planning permissions for commercial development –permitted, implemented and net changes in employment floor space.
  - g. Information on educational attainment.
- 9.5 This strategy will be formally reviewed by the Council within 5 years.

## 10. Further information

- 10.1 For further information about this strategy and enquiries about development and business in Spelthorne please contact the Council's Economic Development Manager:

Keith McGroary  
Economic Development Manager  
Spelthorne Borough Council, Knowle Green, Staines-upon-Thames, TW18 1XB  
Email: [K.McGroary@spelthorne.gov.uk](mailto:K.McGroary@spelthorne.gov.uk)  
Tel: 01784 444224

- 10.2 For advice on planning Policy please contact the Council's Assistant Head of Planning John Brooks or for Development Management Esme Spinks

Spelthorne Borough Council  
Knowle Green  
Staines-upon-Thames  
TW18 1XB  
Email: [j.brooks@spelthorne.gov.uk](mailto:j.brooks@spelthorne.gov.uk) / [e.spinks@spelthorne.gov.uk](mailto:e.spinks@spelthorne.gov.uk)  
Tel: 01784 44 6346 / 01784 44 6356

**Cabinet****22 February 2017**

<b>Title</b>	Revenue Monitoring Report		
<b>Purpose of the report</b>	To note		
<b>Report Author</b>	Adrian Flynn		
<b>Cabinet Member</b>	Councillor Howard Williams	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Recommendations</b>	To note the current level of spend		
<b>Reason for Recommendation</b>	Not applicable		

**1. Key issues**

1.1 To provide cabinet with the net revenue spend figures to the end of December 2016.

- The forecast outturn at net expenditure level is £5.421m against the revised budget of £14.890m; A projected favourable variance of £9.468m...
- After taking into account the use of carry forwards, interest earnings and repayments the net position is approximately £5.302m favourable variance.
- The reason for this dramatic change of position is a result of purchasing the BP site in Sunbury and the net rental income from the end of September 2016 onward, plus the additional income from the purchase of the BP South West Corner site and Elmbrook House.
- £4m of the net surplus generated from this will be set aside to build the initial basis of a reserve to be built up to fund potential refitting(not repairs – which are covered with the lease being full repairing) costs at the end of the initial 20 year lease period.

Interest earnings are going to be lower than forecast as a result of the Bridge Street transaction falling through.

**2. Options analysis and proposal**

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

The following highlights the more significant or material variances

## **Leader**

- 2.2 Democratic Representation and Management: £75k adverse variance: Impact of increased allowances and higher National insurance contributions agreed by the Council offset by a small reduction in training expenditure.
- 2.3 Asset Management Administration: £9.248m favourable variance: Rental income of £8.8m received before interest payments plus savings as a result of the delay in Knowle Green relocation offset by costs associated with the Bugle. Net Rental Income of £4.7m from the BP Sunbury site plus Elmbrook House of which £4m to be set aside in reserve at year end.
- 2.4 Legal: £14k adverse variance: Increased employee costs as a result of using Temporary staff to cover vacant posts and increased costs of computer software and publications offset by an increase of legal costs reimbursed.

## **Deputy Leader**

- 2.5 Research & Consultation: £13k favourable variance: No planned public or local meeting till the end of the financial year.

## **Corporate Management**

- 2.6 Information and Communications Technology: £37k favourable variance: Vacant post less the partnership costs of covering that post, plus increase in partnership income from Runnymede.
- 2.7 Corporate Management: £77k adverse variance: Consultancy costs in respect of Knowle Green Estates Ltd, towards a sustainable future and specialist VAT advice on asset transactions which have resulted in significant increase in net income streams.
- 2.8 Committee Services: £6k favourable variance: A member of staff have reduced their hours.  
Project Management: £239k favourable variance: Corporate back scanning project is delayed due to resources diverted to asset related projects but mechanism's now in place to take work forward.

## **Environment & Compliance**

- 2.9 Refuse collection: £97k favourable variance: Increased income from Brown Waste bin collections, plus grant funding from Surrey County Council for the Food Waste Collection Service and lower leasing costs for the textile service.
- 2.10 Environment Services Admin: £29k favourable variance: Increased income from the sale of compost bin liners, grant funding received from the County Council, a vacant post and maternity leave.
- 2.11 Car Parks: £63k adverse variance: Vacant posts were covered by temp staff at one stage, but all car park staff are now directly employed by Spelthorne Borough Council and lower income as parking charges were not increased at the beginning of the financial year but this has been partially offset by the delayed sale of Bridge street car park resulting in income not budgeted for.
- 2.12 Streetscene Management and Support: £35k favourable variance: Savings due to vacant posts and different ways of working.
- 2.13 Street Cleaning: £60k favourable variance: Increased income from work on elections and salary savings due to alternative ways of working.

- 2.14 Waste Recycling: £105k favourable variance: Reduced gate fees payable offset by a reduction in recycling credit income due to a change in the system.
- 2.15 Parks Strategy: £18k adverse variance: Reduction in various income streams

### **Housing**

- 2.16 Housing needs: £31k adverse variance: Redundancy payment made which will be covered by Business Improvement Reserve plus the use of Temporary staff to cover vacant posts.
- 2.17 Housing Benefit Administration: £59k favourable variance: Vacant part time posts and staff working less hours than budgeted.
- 2.18 Housing Benefit Payments: £326k adverse variance: Overpayments raised are less than budgeted, as the budget was overstated in 2016/17 also there is a slowdown of real time information from the Department of Works and Pensions which has reduced the amount of debts raised. Moving forward this has been adjusted for in the provisional 2017/18 Budget.
- 2.19 Homelessness: £167k favourable variance: Bed and Breakfast usage is lower than anticipated.

### **Community Wellbeing**

- 2.20 Meals on Wheels: £13k adverse variance due to higher staff costs as a result of weekend working.
- 2.21 Span: £49k favourable variance: Increased volume in telecare equipment recharged to Surrey County Council.
- 2.22 Day Centres: £33k adverse variance: Lower income due to lower high needs referrals at the start of the year and increased expenditure on contract cleaning.

### **Planning and Economic Development**

- 2.23 Building Control: £24k favourable variance: Increased activity has resulted in increased income offset by temporary staff costs.
- 2.24 Knowle Green: £54k favourable variance: Increased in year income as a result of termination of the Surrey Police lease. This Income will be treated as a receipt in advance at year end and carried forward.
- 2.25 Planned Maintenance programme: £66k adverse variance: Overspends relate to work on Ashford Cemetery lodge, Knowle Green Window repairs and the resurfacing of Sunbury Walled garden car park.
- 2.26 Planning Policy: £142k favourable variance: Vacant posts and savings on Consultant's fees.
- 2.27 Planning Development Control: £54k adverse variance: Increased spend on consultants fees and a one off cost claim issued against the authority.
- 2.28 Staines on Thames Programme: £118k favourable variance: Riverside project to close with reduced expenditure on the other projects. A carry forward request will be made at the end of the year.
- 2.29 Land Charges: £41k adverse variance: Temporary staff costs to cover a vacant post, settlement of litigation costs incurred in prior years plus reduced income as the housing market is not as buoyant as estimated.

### **Finance and Customer Services**

- 2.30 Unapportionable Central Overheads: £52k adverse variance: Additional Municipal Mutual Insurance Ltd levy paid in respect of local authorities historic liabilities.
- 2.31 Customer Service Management and Support: £43k favourable variance: Savings due to vacant posts offset by higher consultant costs and lower recovery of legal costs recharged.

### **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+B**

**2016/17 Net Revenue Budget Monitoring**  
As at end of 31 DECEMBER 2016

	16/17	16/17	16/17	16/17
	Budget		Forecast	Variance
	Original	Revised	Outturn	to Revised
	£	£	£	£
Gross Expenditure	57,037,600	57,134,200	57,149,553	15,353
Less Benefits (offset by grant)				
Total Gross Expenditure excluding Benefits	57,037,600	57,134,200	57,149,553	15,353
Less Housing Benefit grant	(31,944,000)	(31,944,000)	(32,284,000)	(340,000)
Less Specific fees and charges income	(10,000,400)	(10,000,400)	(19,144,600)	(9,144,200)
<b>Net Expenditure - broken down as below</b>	<b>15,093,200</b>	<b>15,189,800</b>	<b>5,720,953</b>	<b>(9,468,847)</b>
Leader of the Council	637,700	637,700	727,700	90,000
Deputy Leader	631,700	635,300	624,733	(10,567)
Corporate Management	1,861,400	1,893,900	1,748,600	(145,300)
Housing	1,037,200	1,033,300	1,164,300	131,000
Finance and Customer Service	3,647,100	3,674,600	3,709,800	35,200
Planning and Economic Development	2,556,100	2,606,700	(6,826,800)	(9,433,500)
Environment and Compliance	4,633,900	4,588,700	4,459,800	(128,900)
Community Wellbeing	88,100	119,600	112,820	(6,780)
<b>NET EXPENDITURE AT SERVICE LEVEL</b>	<b>15,093,200</b>	<b>15,189,800</b>	<b>5,720,953</b>	<b>(9,468,847)</b>
Salary expenditure - vacancy monitoring	(300,000)	(300,000)	(300,000)	-
Partnership Savings	-	-	-	-
Pay award	132,000	132,000	132,000	-
Efficiencies to offset pay award	(132,000)	(132,000)	(132,000)	-
<b>NET EXPENDITURE</b>	<b>14,793,200</b>	<b>14,889,800</b>	<b>5,420,953</b>	<b>(9,468,847)</b>
<b>NET EXPENDITURE</b>	<b>14,793,200</b>	<b>14,889,800</b>	<b>5,420,953</b>	<b>(9,468,847)</b>
Interest earnings	(1,150,000)	(1,150,000)	(972,000)	178,000
Interest repayments			4,083,944	4,083,944
Staines Town Development/TaSF	(786,000)	(786,000)	(786,000)	-
Independent Living Service Reserve	55,955	55,955	55,955	
<b>BUDGET REQUIREMENT</b>	<b>12,913,155</b>	<b>13,009,755</b>	<b>7,802,852</b>	<b>(5,206,903)</b>
Baseline NNDR Funding	(3,009,000)	(3,009,000)	(3,009,000)	-
Revenue Support grant	(580,000)	(580,000)	(580,000)	-
Transition Grant	(100,000)	(100,000)	(100,000)	-
New Homes Bonus	(1,895,600)	(1,895,600)	(1,895,600)	-
<b>NET BUDGET REQUIREMENT</b>	<b>7,328,555</b>	<b>7,425,155</b>	<b>2,218,252</b>	<b>(5,206,903)</b>
Collection Fund Surplus/(deficit)	(148,029)	(148,029)	(148,029)	-
<b>CHARGE TO COLLECTION FUND</b>	<b>7,180,526</b>	<b>7,277,126</b>	<b>2,070,223</b>	<b>(5,206,903)</b>
2015/16 Revenue carryforward			(95,909)	(95,909)
<b>Net Position</b>				<b>(5,302,812)</b>

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Appendix B			
REVENUE MONITORING 2016/17			
EXPENDITURE AND INCOME SUMMARY 31 DECEMBER 2016			
<b>Results to 31-Dec-16</b>	Budget	Forecast	Variance
	Revised	Outturn	to Revised
	£	£	£
<b>Leader of the Council</b>			
Employees	390,000	397,900	7,900
Other Expenditure	314,400	412,500	98,100
Income	(66,700)	(82,700)	(16,000)
	<b>637,700</b>	<b>727,700</b>	<b>90,000</b>
<b>Deputy Leader</b>			
Employees	180,700	184,300	3,600
Other Expenditure	465,600	490,033	24,433
Income	(11,000)	(49,600)	(38,600)
	<b>635,300</b>	<b>624,733</b>	<b>(10,567)</b>
<b>Corporate Management</b>			
Employees	1,200,500	1,153,000	(47,500)
Other Expenditure	740,900	639,900	(101,000)
Income	(47,500)	(44,300)	3,200
	<b>1,893,900</b>	<b>1,748,600</b>	<b>(145,300)</b>
<b>Housing</b>			
Employees	1,258,500	1,243,100	(15,400)
Other Expenditure	33,252,500	33,611,600	359,100
Housing Benefit grant income	(31,944,000)	(32,284,000)	(340,000)
Income	(1,533,700)	(1,406,400)	127,300
	<b>1,033,300</b>	<b>1,164,300</b>	<b>131,000</b>
<b>Finance and Customer Service</b>			
Employees	3,129,400	3,068,400	(61,000)
Other Expenditure	870,600	981,000	110,400
Income	(325,400)	(339,600)	(14,200)
	<b>3,674,600</b>	<b>3,709,800</b>	<b>35,200</b>
<b>Planning and Economic Development</b>			
Employees	1,657,500	1,591,800	(65,700)
Other Expenditure	2,600,900	2,189,900	(411,000)
Income	(1,651,700)	(10,608,500)	(8,956,800)
	<b>2,606,700</b>	<b>(6,826,800)</b>	<b>(9,433,500)</b>
<b>Environment and Compliance</b>			
Employees	4,027,600	3,927,700	(99,900)
Other Expenditure	4,883,600	5,001,400	117,800
Income	(4,322,500)	(4,469,300)	(146,800)
	<b>4,588,700</b>	<b>4,459,800</b>	<b>(128,900)</b>
<b>Community Wellbeing</b>			
Employees	1,483,900	1,526,000	42,100
Other Expenditure	677,600	731,020	53,420
Income	(2,041,900)	(2,144,200)	(102,300)
	<b>119,600</b>	<b>112,820</b>	<b>(6,780)</b>
<b>NET EXPENDITURE AT SERVICE LEVEL</b>	<b>15,189,800</b>	<b>5,720,953</b>	<b>(9,468,847)</b>
Total Employees	<b>13,328,100</b>	<b>13,092,200</b>	<b>(235,900)</b>
Total Other Expenditure	<b>43,806,100</b>	<b>44,057,353</b>	<b>251,253</b>
Housing Benefit grant income	<b>(31,944,000)</b>	<b>(32,284,000)</b>	<b>(340,000)</b>
Total Income	<b>(10,000,400)</b>	<b>(19,144,600)</b>	<b>(9,144,200)</b>
	<b>15,189,800</b>	<b>5,720,953</b>	<b>(9,468,847)</b>
<b>Total Expenditure</b>	<b>57,134,200</b>	<b>57,149,553</b>	<b>15,353</b>
<b>Total Income</b>	<b>(41,944,400)</b>	<b>(51,428,600)</b>	<b>(9,484,200)</b>
<b>Net</b>	<b>15,189,800</b>	<b>5,720,953</b>	<b>(9,468,847)</b>

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**Cabinet****22 February 2017**

<b>Title</b>	Capital Monitoring Report		
<b>Purpose of the report</b>	To note		
<b>Report Author</b>	Adrian Flynn		
<b>Cabinet Member</b>	Councillor Howard Williams	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Recommendations</b>	Cabinet to note the current level of spend		
<b>Reason for Recommendation</b>	Not applicable		

**1. Key issues**

- 1.1 Attached as Appendix A & B is the actual spend to date on capital covering the period April to December 2016.
- 1.2 For the period ending December 2016, capital expenditure including commitments was £412m which represents (79.5%) of the revised budget (excluding the Knowle Green and £1.1m of the Housing opportunity project).
- 1.3 The projected outturn shows that we are anticipating to spend £454.5m which represents (87.7%) of the revised budget (excluding the Knowle Green and £1.1m of the Housing opportunity project).

**Key issues**

- 1.4 £8.1m of the £8.2m that has been allocated for Housing and Knowle Green relocation projects will not be spent in the current financial year and therefore will be removed from the 2016/17 programme and transferred to the 2017/18 capital programme.
- 1.5 *Acquisition of Assets*, Following on from the purchase of the BP site in Sunbury, the BP south west corner site & Elmbrook House were purchased in December 2016. Further acquisitions may take place before the end of the financial year and a carry forward request will be made at year end for the remaining budget that is unspent.
- 1.6 Accountancy were concerned to how realistic some of the outturn forecasts were at the end of Quarter 2 regarding some of the projects being completed by the end of the financial year. This was an issue that we kept an eye on during the 3<sup>rd</sup> Quarter to see if progress was being made and to evaluate if

some projects should be removed from 2016/17 and moved to the 2017/18 capital programme at the end of the 3rd Quarter. There are a number of projects which accountancy feel should be moved and some of these are detailed below.

### **Significant Developments/Variances**

- 1.7 Disabled Facilities grant: We have received extra funding of £359k which will allow further grant payments to be made throughout the rest of the financial year.
- 1.8 Laleham Park Upgrade: The project has been redefined to address changes in the project and the Portfolio Holder's views. The project is expected to run over 2 financial years and therefore the project has been removed from the 2016/17 programme and transferred to 2017/18 programme.
- 1.9 Refuse/Recycling Vehicles: The vehicles have been ordered, but payment is not due till the summer of 2017, therefore the budget has been removed from the 2016/17 programme and transferred to the 2017/18 programme
- 1.10 Electronic Document Management system: Due to the resource requirements of the Harper and Bugle projects, delays have occurred but are now been rectified. However £108k of the budget will be removed from the 2016/17 programme and moved to the 2017/18 programme.
- 1.11 Sharepoint redesign: The project is under review and will be integrated with other ICT projects but will not be completed in this financial year. £70k of the budget will be removed from the 2016/17 programme and moved to the 2017/18 programme.
- 1.12 Small Scale Regeneration: The tendering exercise has taken place, but only a net £40k is expected to be spent in the current financial year, therefore the remaining net £310k will be removed from the 2016/17 programme and moved to the 2017/18 programme.

## **2. Options analysis and proposal**

- 2.1 Cabinet are asked to note the current spend position.

## **3. Financial implications**

- 3.1 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.

## **4. Other considerations**

- 4.1 Schemes which are currently incomplete and require a budget carry forward may have contractual obligations which could leave us liable to litigation if they are not allowed the funds to complete the works.

## **5. Timetable for implementation**

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

**Background papers: None**

**Appendices: A+B**



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## CAPITAL MONITORING REPORT AT 31 DECEMBER 2016

Portfolio Member	ORIGINAL BUDGET	CARRY FORWARDS	SUPPLEMENTARY ESTIMATE	REVISED BUDGET	ACTUALS YTD	COMMITMENTS	MANAGERS PROJECTED OUTTURN	MANAGERS PROJECTION TO REVISED BUDGET
Cllr Pinkerton - Housing	416,200	-	-	416,200	(394,459)	107,410	(40,235)	(456,435)
Cllr Gething - Environment & Compliance	1,131,000	246,100	225,000	1,602,100	384,767	74,661	1,023,900	(578,200)
Cllr Barnard - Planning and Economic Development	11,297,000	155,300	-	11,452,300	3,073,833	12,190	3,193,300	(8,259,000)
Cllr Harvey - Leader	3,013,600	-	509,000,000	512,013,600	408,523,586	6	450,000,000	(62,013,600)
Cllr Mitchell - Corporate Management	597,600	120,200	-	717,800	199,081	22,160	305,600	(412,200)
	<b>16,455,400</b>	<b>521,600</b>	<b>509,225,000</b>	<b>526,202,000</b>	<b>411,786,808</b>	<b>216,427</b>	<b>454,482,565</b>	<b>(71,719,435)</b>

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**CAPITAL MONITORING REPORT AT 31 DECEMBER 2016**

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
<b><u>Housing Investment Programme</u></b>											
<b><u>Cllr Pinkerton - Housing</u></b>											
Deborah Ashman	40203	Disabled Facilities Mandatory	475,000	-	-	475,000	261,177	-	480,000	5,000	No more expenditure expected against this budget in the remainder part of the financial year
Deborah Ashman	40204	Disabled Facilities Discretion	29,600	-	-	29,600	2,499	-	2,500	(27,100)	
		Less Specified Capital Grant	(285,000)	-	-	(285,000)	(644,335)	-	(644,335)	(359,335)	
		<b>Net Cost of Disabled Facilities Grants</b>	<b>219,600</b>	<b>-</b>	<b>-</b>	<b>219,600</b>	<b>(380,659)</b>	<b>-</b>	<b>(161,835)</b>	<b>(381,435)</b>	
Deborah Ashman	40209	Home Improvement Agency grant	81,000	-	-	81,000	-	80,451	81,000	-	
		HIA Funding	(52,700)	-	-	(52,700)	(39,500)	-	(52,700)	-	
		<b>Total</b>	<b>28,300</b>	<b>-</b>	<b>-</b>	<b>28,300</b>	<b>(39,500)</b>	<b>80,451</b>	<b>28,300</b>	<b>-</b>	
<b>Total For HIP</b>			<b>247,900</b>	<b>-</b>	<b>-</b>	<b>247,900</b>	<b>(420,159)</b>	<b>80,451</b>	<b>(133,535)</b>	<b>(381,435)</b>	
<b><u>Other Capital Programme</u></b>											
<b><u>Cllr Pinkerton - Housing</u></b>											
Deborah Ashman	42024	Winter Shelter	25,000	-	-	25,000	-	-	25,000	-	The agreement is to pay A2Dominion subject to confirmation of Homes & Communities Agency funding for the scheme. The legal agreement has been signed recently and expected that this project is completed by end of this financial year
Deborah Ashman	42253	Day Cen Replacement Furniture	35,000	-	-	35,000	20,527	-	35,000	-	More Furniture are being ordered. Project is expected to be completed by end of this financial year
Deborah Ashman	42283	DayCenHairSalonRefurbishment	18,300	-	-	18,300	5,173	1,959	18,300	-	Work is in progress and expected to be completed by end of this financial year
		<b>Total</b>	<b>78,300</b>	<b>-</b>	<b>-</b>	<b>78,300</b>	<b>25,700</b>	<b>1,959</b>	<b>78,300</b>	<b>-</b>	
Sandy Muirhead	42013	Civica EDMS&Locata Integration	25,000	-	-	25,000	-	25,000	-	(25,000)	This project is being rephased to 2017-18 as this is now on hold and expected to start in July 2017, pending the outcome of plans for Choice based letting partnership with Elmbridge Borough Council.
Sandy Muirhead	42015	Landlord Guarantee Scheme	65,000	-	-	65,000	-	-	15,000	(50,000)	We are at the initial stage of procuring the Rent Management Package. Some implementation work is expected to be undertaken in this financial year. The balance of budget is being rephased to 2017/18
		<b>Total</b>	<b>90,000</b>	<b>-</b>	<b>-</b>	<b>90,000</b>	<b>-</b>	<b>25,000</b>	<b>15,000</b>	<b>(75,000)</b>	
<b><u>Cllr Gething - Environment &amp; Compliance</u></b>											
Jackie Taylor	41026	Laleham Park Upgrade	200,000	-	-	200,000	-	-	50,000	(150,000)	This project is still being redefined to address changes to the project and the views of the portfolio holder is also being sought. Work is expected to commence during this year with completion in the next financial year. This project is being rephased to 2017/18
Jackie Taylor	41030	Adult Fitness Eq Hengrove Park	-	69,600	-	69,600	-	-	69,600	-	Tender exercise has now now been completed. Work is expected to commence in January 2017 and completed by end of the financial year
Jackie Taylor	41320	Pay & Display Machines	136,000	5,000	-	141,000	131,610	5,966	141,000	-	All machines are delivered. Installation has now been completed and final phase of operation is expected to be completed by end of this financial year.
Jackie Taylor	41321	ReplaceNoticeProcessingSystem	15,000	-	-	15,000	-	-	15,000	-	Upgrade of Systems & Handhelds is expected to start in January 2017. The project is expected to be completed by end of this financial year
Jackie Taylor	41502	Refuse/Recycling Vehicles	-	-	225,000	225,000	-	-	225,000	-	Tenders exercise has now been completed. Vehicles are expected to be purchased before the end of this financial year. However, the payment is not expected to be made until June 2017. This project is being rephased to 2017/18
Jackie Taylor	41506	Spelride Bus Replacement	250,000	-	-	250,000	218,980	-	250,000	-	The Buses are delivered and now awaiting for tracking devices to be installed.
Jackie Taylor	41602	Replacement of Market Stalls	50,000	-	-	50,000	-	53,257	53,300	3,300	Market stalls are ordered and delivery is expected in February 2017
Jackie Taylor	41603	Replace of Grass Cut Machinery	40,000	-	-	40,000	-	-	40,000	-	Order has been placed for replacement grass cutting machinery which is due for delivery late February 2017
Jackie Taylor	41620	Wheellie Bins	50,000	-	-	50,000	25,480	12,743	50,000	-	Bins will be ordered throughout the financial year depending on need as & when identified
Jackie Taylor	42027	Domestic Home Energy	30,000	-	-	30,000	10,000	-	30,000	-	Project is underway and expected to be completed by end of this financial year
Jackie Taylor	42032	Allotment Fencing	10,000	-	-	10,000	-	2,420	10,000	-	All Fencing work is expected to be completed by end of this financial year
		<b>Total</b>	<b>781,000</b>	<b>74,600</b>	<b>225,000</b>	<b>1,080,600</b>	<b>386,070</b>	<b>74,386</b>	<b>933,900</b>	<b>(146,700)</b>	
Deborah Ashman	41006	Kenyngton Manor Pavilion	-	-	-	-	(2,204)	-	-	-	Retention payment is expected in this financial year
		<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,204)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Lee O'Neil	41314	Air Quality	-	24,500	-	24,500	-	-	-	(24,500)	Project was delayed due to shortage of staff. Project is expected to start soon and completed by end of the next financial year. This project is being rephased to 2017/18
		<b>Total</b>	<b>-</b>	<b>24,500</b>	<b>-</b>	<b>24,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,500)</b>	

**CAPITAL MONITORING REPORT AT 31 DECEMBER 2016**

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
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	41618	Esso Site Stanwell	-	15,700	-	15,700	-	-	-	(15,700)	The project is on hold. Budget will be rephased or requested to be carried forward to 2017-18.
Heather Morgan	41622	Affordable Housing Opportunity	1,100,000	83,400	-	1,183,400	1,900	-	-	(1,183,400)	Continuing to look for the other opportunities and in touch with Registered Social Landlords Partners. No further expenditure is expected until next financial year relating to Bugle site as decision has been taken to build housing scheme. This project is being rephased to 2017/18
Heather Morgan	42009	LoanToKnowleGreenEstatesLtd	2,986,400	-	-	2,986,400	2,986,230	-	2,986,300	(100)	
Heather Morgan	42011	Replace Council Accommodation	7,000,000	-	-	7,000,000	-	2,821	3,000	(6,997,000)	We are evaluating options for our office accommodation. Related expenditure to relocation of staff to depot has been charged. This project is being rephased to 2017/18
Heather Morgan	42017	Memorial Gardens	90,000	-	-	90,000	85,443	2,926	88,400	(1,600)	Work has already been completed & tested in association with Runnymede Borough Council. There may be some outstanding payments due to Runnymede Borough Council
Heather Morgan	42033	Greeno Centre Car Park	65,000	-	-	65,000	1,200	-	45,000	(20,000)	Planning permission has been granted. Runnymede Borough Council is expected to start the work in January 2017 and completed by end of the financial year
Heather Morgan	42036	Plot 12&13 Towpath Car Park	-	56,200	-	56,200	309	6,442	15,000	(41,200)	Work relating to clearing the site and installing fencing is expected to be completed by end of this financial year
<b>Total</b>			<b>11,297,000</b>	<b>155,300</b>	<b>-</b>	<b>11,452,300</b>	<b>3,073,833</b>	<b>12,190</b>	<b>3,193,300</b>	<b>(8,259,000)</b>	
<b>Cllr Harvey - Leader</b>											
Heather Morgan	42038	Acquisition of Assets	3,013,600	-	509,000,000	512,013,600	408,523,586	6	450,000,000	(62,013,600)	Expected expenditure on number of assets/ sites by end of this financial year
<b>Total</b>			<b>3,013,600</b>	<b>-</b>	<b>509,000,000</b>	<b>512,013,600</b>	<b>408,523,586</b>	<b>6</b>	<b>450,000,000</b>	<b>(62,013,600)</b>	
<b>Cllr Mitchell - Corporate Management</b>											
Helen Dunn	43003	New Software	20,000	-	-	20,000	3,941	2,950	20,000	-	Expenditure on various software enhancements throughout the financial year
Helen Dunn	43608	Other Hardware	20,000	-	-	20,000	11,830	-	20,000	-	Expenditure on various hardware enhancements throughout the financial year
Helen Dunn	43615	Replacement Back Up	80,000	-	-	80,000	80,000	-	80,000	-	Project is already completed
Helen Dunn	43616	Wireless Presentation	15,000	-	-	15,000	9,875	-	15,000	-	Project is expected to be completed by end of this financial year
Helen Dunn	43617	Microsoft Datacentre Licence	19,100	-	-	19,100	18,256	-	18,300	(800)	Project is already completed
Helen Dunn	43618	Email	10,000	-	-	10,000	6,357	-	6,400	(3,600)	Project is already completed
Helen Dunn	43619	Members Ipads	4,500	-	-	4,500	3,527	-	4,500	-	Project is expected to be completed by end of this financial year
Helen Dunn	43620	Unix	35,000	-	-	35,000	16,400	14,000	35,000	-	Work is currently in progress and expected to be completed by end of this financial year
Helen Dunn	43621	VDI	205,000	-	-	205,000	27,154	2,995	30,100	(174,900)	Work is currently in progress and not expected to be completed by end of this financial year. Balance will be requested to be carried forward into next financial year
<b>Total</b>			<b>408,600</b>	<b>-</b>	<b>-</b>	<b>408,600</b>	<b>177,339</b>	<b>19,945</b>	<b>229,300</b>	<b>(179,300)</b>	
Linda Norman	43505	CRM Solution	-	11,800	-	11,800	12,750	1,615	14,300	2,500	This project has now been completed and overspends will be covered by revenue Budgets within Customer Services
Linda Norman	43510	New Booking System	-	4,900	-	4,900	5,843	600	7,000	2,100	This project has been delayed as this has to be integrated with Financial system & Website. This is expected to be completed by the end of the financial year and overspends will be covered from Revenue Budget within Customer Services
<b>Total</b>			<b>-</b>	<b>16,700</b>	<b>-</b>	<b>16,700</b>	<b>18,593</b>	<b>2,215</b>	<b>21,300</b>	<b>4,600</b>	
Sandy Muirhead	43503	Agile Working	-	48,200	-	48,200	995	-	20,000	(28,200)	This project is quite wide ranging in terms of moving towards more agile working and involves reviewing current ICT platforms and the setup of trials for the most suitable replacement. It also covers review of change management and training needs for staff, analysing the current working patterns and learning lessons from trials. Plans are moving ahead at looking at better use of space in Knowle Green which then links to the agile working and technology used. The project is progressing but is not expected to be completed in this financial year and balance is being rephased to 2017/18.
Sandy Muirhead	43511	ScannersCorporateEDMS Roll out	36,000	-	-	36,000	-	-	5,000	(31,000)	Project is part of EDMS. Project has been delayed and not expected to be completed by end of this financial year. Some initial consultation costs are expected to be incurred in this financial year. Balance is being rephased to 2017/18
Sandy Muirhead	43512	Sharepoint redesign & Relaunch	90,000	-	-	90,000	-	-	20,000	(70,000)	This project is under review and will be integrated with other ICT projects and not expected to be completed in this financial year. Some consultation work is expected to be undertaken in this financial year. The balance is being rephased to 2017/18
Sandy Muirhead	43515	Corporate EDMS Project	63,000	55,300	-	118,300	2,154	-	10,000	(108,300)	Work on Phase II is being undertaken. Currently the full analysis is being undertaken to find out Licence requirement & software set up and costs associated with this are expected to be incurred in this financial year. Project has been delayed and not expected to be completed in this financial year. Balance is being rephased to 2017/18
<b>Total</b>			<b>189,000</b>	<b>103,500</b>	<b>-</b>	<b>292,500</b>	<b>3,149</b>	<b>-</b>	<b>55,000</b>	<b>(237,500)</b>	
<b>Cllr Gething - Enviroment &amp; Compliance</b>											
Keith McGroary	41619	Small Scale Area Regeneration	700,000	-	-	700,000	900	275	80,000	(620,000)	Tendering of the two of the Shopping parades have taken place, Refurbishment work is expected to commence in the next 2 months and cost of £250k with half of the funding (£125k) is expected from Surrey County Council. £80k is expected to be spent in this financial year with match funding of £40k from Surrey County Council. The balance of budget is being rephased to 2017/18. The remaining regeneration of shopping parades is expected to be carried out in the next 3 financial year as this project is to run up to 4 years
Keith McGroary	41621	External Funding CCTV Enhancement	(350,000)	-	-	(350,000)	-	-	(40,000)	310,000	Agreement is now reached with Metropolitan Housing for the siting of an aerial on their property, now awaiting for A2D to confirm their agreement for a similar aerial on their accommodation. Work is expected to start early March and completed by end of June 2017. The balance of the budget is being rephased to 2017/18
<b>Total</b>			<b>350,000</b>	<b>147,000</b>	<b>-</b>	<b>497,000</b>	<b>900</b>	<b>275</b>	<b>90,000</b>	<b>(407,000)</b>	
<b>Total For Other</b>			<b>16,207,500</b>	<b>521,600</b>	<b>509,225,000</b>	<b>525,954,100</b>	<b>412,206,967</b>	<b>135,976</b>	<b>454,616,100</b>	<b>(71,338,000)</b>	#
Total Expenditure			17,143,100	521,600	509,225,000	526,889,700	412,470,643	216,427	455,219,600	(71,670,100)	
Total Funding			(687,700)	-	-	(687,700)	(683,835)	-	(737,035)	(49,335)	
<b>GRAND TOTAL</b>			<b>16,455,400</b>	<b>521,600</b>	<b>509,225,000</b>	<b>526,202,000</b>	<b>411,786,808</b>	<b>216,427</b>	<b>454,482,565</b>	<b>(71,719,435)</b>	

**Cabinet****22 February 2017**

<b>Title</b>	Pay Policy Statement for 2017-18		
<b>Purpose of the report</b>	To make a recommendation to Council		
<b>Report Author</b>	Debbie O'Sullivan, Human Resources Manager		
<b>Cabinet Member</b>	Councillor Tony Mitchell	<b>Confidential</b>	No
<b>Corporate Priority</b>	This item is not in the current list of Corporate priorities but still requires a Cabinet decision		
<b>Recommendations</b>	<p><b>The Cabinet is asked to recommend to Council that:</b></p> <p><b>1. the Pay Policy Statement for 2017-18 is approved; and</b></p> <p><b>2. the amendments to the Pensions Policy Statement are approved.</b></p>		
<b>Reason for Recommendation</b>	<p><b>Pay Policy Statement must be agreed by full Council and be published by 31 March each year.</b></p> <p><b>The Pensions Policy Statement is an appendix to the Pay Policy Statement</b></p>		

**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 The 2016/17 Pay Policy Statement reflects Spelthorne's current arrangement of applying the national pay awards as agreed by the National Joint Council for Local Government Services. For the 2017/18 Pay Policy Statement it is understood consideration is being given to reinstating the Spelthorne Pay Award and the following amendment to clauses 3.2, 3.6 and 4.4 is suggested to reflect this:

**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 and Deputy Group Heads, the NJC for Local Authorities Services for all other staff).**

**Where affordable and justified the Cabinet may agree to recommend to Council a Spelthorne Pay Award above the national pay award. A national pay award was agreed for 2016/17 and 2017/18 which will apply.**

- 1.9 It is suggested that for 2017/18 any Spelthorne Pay Award takes into account the increases over 1% for scale points 6 to 17 (3.4% to 1.3%) and to maintain internal relativities, a Spelthorne Pay Award is not applied to these scale points for 2017/18 save where the percentage increase is less than the headline national pay award plus any Spelthorne Pay Award.
- 1.10 It is proposed that from 2018/19 onwards Spelthorne moves to local pay with future pay awards being no less than the headline national pay award with flexibility to be cognisant of the overall pay bill rather than individual percentages. Therefore, this may not include adjustments that are nationally agreed for specific scale points, for example, for the National Living Wage. This is to cover all staff including senior staff on JNC terms.
- 1.11 It is proposed to adopt the process of consult then determine with pay becoming a continuous agenda item on the Chief Executive/UNISON meetings. This would be applicable for any Spelthorne Pay Award that is applied in 2017/18. To allow for this process any Spelthorne Pay Award above the 2017/18 national pay award may need to be backdated to April 2017.
- 1.12 The 2018/19 Pay Policy will require further amendment to reflect clauses 1.10 and 1.11 above.
- 1.13 Appendix 3 of the Pay Policy Statement, the Pensions Policy Statement requires amendment to reflect the new structure following the TaSF restructure. The following amendment is suggested to Regulation 30 (6) Flexible retirement – delegation amended to:
- Management Team for cases up to **Group Head** *remove “Head of Service 1 (i.e. heads of service whose personal salary range does not extend to the maximum of the head of service salary scale).”*
- The Cabinet for members of Management Team *remove “and heads of service above salary level Head of Service 1 (i.e. those heads of service whose personal salary range extends to the maximum of the head of service salary scale).”*
- 1.14 It is suggested that clause 3.5 of the Pay Policy Statement be amended to incorporate market supplements
- 1.13 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 2017/18 is in the **Appendix**. It is proposed that the Council resolves to approve the Pay Policy Statement for 2017/18.
- 2.2 No options as the Pay Policy Statement for 2017/18 must be published by 31 March 2017.

## **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 (LGA Advisory Bulletin dated November 2016) that the statutory exit payments reforms will be implemented in Spring 2017. 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 2017/18 financial year must be agreed by Council by 31 March 2017 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 2017/18**

**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 2017-18

**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 2017-18. 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 (this post is shared with Reigate & Banstead Borough Council)

- 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) (this is a part time post)

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

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  
Group Head Finance and Customer Relations  
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 77 posts, 19.2% of the Council's establishment, at this level.

## **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 and Group Heads
- 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 and Deputy Group Heads, the NJC for Local Authorities Services for all other staff).

Where affordable and justified the Cabinet may agree to recommend to Council a Spelthorne Pay Award above the national pay award. A national pay award was agreed for 2016/17 and 2017/18 which will apply.

### **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 and Deputy Group Heads, the NJC for Local Authorities Services for all other staff).

Where affordable and justified the Cabinet may agree to recommend to Council a Spelthorne Pay Award above the national pay award. A national pay award was agreed for 2016/17 and 2017/18 which will apply.

### **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 £13,600 to 12.5% for pensionable pay above £151,800 (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 £1,067,000 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 in Spring 2017 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	£101,686	£114,647
Monitoring Officer and Head of Legal Partnership (was Head of Corporate Governance)	£60,757	£69,084
Deputy Chief Executives	£81,348	£91,717
Principal Solicitor and deputy monitoring officer	£44,064	£52,259
Group Heads	£66,992	£72,955
Family Support Programme Manager	£63,320	£63,320
Internal Audit Manager	£30,650	£47,308
Building Control Manager	£44,064	£52,259
Senior Environmental Health Manager	£48,923	£52,259

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 and Group Head 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 Chief Executive 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 and Deputy Group Heads, the NJC for Local Authorities Services for all other staff).

Where affordable and justified the Cabinet may agree to recommend to Council a Spelthorne Pay Award above the national pay award. A national pay award was agreed for 2016/17 and 2017/18 which will apply.

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 in Spring 2017 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 £16,726 to £18,147 per annum. The pay rate at the bottom of scale 1 is £8.91 per hour compared to the national minimum wage of £7.05 per hour (National Minimum Wage rate from 1 April 2017 for workers aged 21 to 24 years) and the National Living Wage of £7.50 per hour from April 2017 for workers aged 25 and over. The Living Wage Foundation's non-statutory UK Living Wage is £8.45 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 [£3.50 per hour Apprentice rate, The National Minimum Wage rate of £4.05 per hour for under 16-17 year olds, £5.60 per hour for 18 – 20 year olds and £7.05 per hour for 21 – 24 year olds from 1 April 2017].

**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 £16,726, the top of the Chief Executive's salary scale is £114,647 which is a pay multiple of 1:6.85.

**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 1:4.95

The ratio between the mean average earnings across the organisation and the taxable pay of the highest paid employee (the Chief Executive) is 1:4.46

**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 in Spring 2017 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 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

<b>Discretion available under 2006 regulations</b>	<b>Spelthorne Policy – Redundancy</b>
Pay at 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)  No added years	All Redundancy Payments to be calculated on the employee's actual week's pay  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.  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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<b>Discretion available under 2006 regulations</b>	<b>Spelthorne Policy – Efficiency of the service</b>
Lump sum payment up to 104 week’s pay	<p>A one-off lump sum payment, based on the merits of each individual case, up to the maximum of 104 week’s pay. Only in exceptional circumstances would payments exceed 60 weeks pay (the maximum lump sum for redundancy).</p>
No added years	<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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## DRAFT

## 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 1<sup>st</sup> 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</p>	

<p>from age 60 without the employer's consent. Employer's consent required before age 60).</p>	<p>Spelthorne. In exceptional circumstances to agree to waive the actuarial reduction on compassionate grounds, taking into account the employer pension costs arising.</p>	<p>Chief Executive in consultation with the Leader of the Council.</p>
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Council April 2014



**Cabinet****22 February 2017**

<b>Title</b>	Annual Grants 2017-18		
<b>Purpose of the report</b>	To make a decision		
<b>Report Author</b>	Joanne Jones		
<b>Cabinet Member</b>	Councillor Tony Harman	<b>Confidential</b>	No
<b>Corporate Priority</b>	This item is not in the current list of Corporate priorities but still requires a Cabinet decision		
<b>Recommendations</b>	Cabinet is asked to: <ul style="list-style-type: none"> <li>• Agree the grants awards for 2017/18.</li> <li>• Note all other support to the voluntary, charity sector.</li> </ul>		
<b>Reason for Recommendation</b>	The agreement to award grants for 2017-18 will: <ul style="list-style-type: none"> <li>- enable a number of charities to continue operating in the borough for the year ahead;</li> <li>- maintain service levels where charities provide complementary activities to Council frontline services;</li> <li>- enable new charities and community groups to begin working in the borough, or expand their operations</li> </ul>		

**1. Key issues**

- 1.1 The grants programme for 2017/18 was publicised in October 2016 and 37 applications were received. This compares with 21 last year.
- 1.2 The Voluntary / Community Sector is seen as a key driver of services under the Localism Act 2011.
- 1.3 The Health and Social Care Act came into force in April 2013, creating local Clinical Commissioning Groups (CCGs) which directly commission services for their populations. Previously, clinicians in many areas were frustrated by negotiating with Primary Care Trusts to get the right services for their patients. The CCGs see the voluntary sector as important providers of certain services to complement their services and address unmet need.
- 1.4 It is likely that if the voluntary sector did not provide services there would be even more pressure on local authorities (it is widely acknowledged that for every pound spent by a local authority in grant aid, six pounds of value is received).

## 2. Options analysis and proposal

- 2.1 To agree proposed funding to our major organisations for 2017/18 and to agree / not agree to the recommendation for the remaining funding for 2017/18
- 2.2 Following a meeting of the Grants Panel - Cllr Tony Harman, Cllr Jean Pinkerton OBE, Cllr Colin Barnard, Joanne Jones (Community Development Manager) and Mary West (Sport & Active Lifestyle Officer) - the following grant support is proposed.

### Major organisations

• CAB (Runnymede & Spelthorne (Impartial advice on debt, divorce, benefits, family matters)	£75,000
• HomeStart (Family support charity)	£15,000
• Rentstart (Assists homeless singles and childless couples)	£30,000
• Shopmobility (Assists those with mobility problems access facilities)	£15,000
<b>Total</b>	<b>£135,000</b>

### Other applicants

• Browns Community Services (Support for vulnerable adults with complex needs)	£1,000
• Crest (Support for anyone affected by cancer)	£800
• Crossroads (Respite breaks to unpaid carers)	£3,500
• Daybreak (Day respite care, older people)	£2,000
• Mulberry Centre (Cancer info & support)	£3,000
• N Surrey Domestic Abuse (Independent, confidential, impartial advice)	£3,000
• One to One (Social activities for adults with learning disabilities)	£1,000
• Revitalise (Respite breaks with care)	£1,000
• SCAN (Improve access / awareness for people with disabilities)	£500
• Spelthorne Community & Arts Assn	£2,400
• Spelthorne Sports Council	£2,400
• Talk (Support for those with communication difficulty after stroke)	£1,000
<b>Total</b>	<b>£21,600</b>

- 2.3 The panel proposes to ring-fence the remaining funds for 2017-18, to support provision of services formerly provided by Voluntary Action In Spelthorne (£18,000) and AgeUK Runnymede & Spelthorne (£25,000) which represents the sum that would have been allocated for these services in 2017-18. Officers are currently working on options; it is intended to outline proposals before the commencement of the new financial year.
- 2.4 A sum of £10,000 would be held back as contingency funding, to be allocated throughout the financial year as new applications come in.
- 2.5 It is also proposed that any organisations receiving in excess of £5,000 enter into a service level agreement to ensure that the Council is receiving value for money and also that the receiving organisation supports the Council's priorities.

### **3. Financial implications**

- 3.1 The grant funding awarded is £209,600.
- 3.2 The funding or support in kind for 2017/18 is projected to be as follows.

Grants	£209,600
Rate Relief	£50,000
Free facilities	£1,269
Business rates	£6,484
Accommodation	£22,207
Neighbourhood Grants	£39,000
<b>Total</b>	<b>£328,560</b>

See 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 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 minorities, user groups and faith communities. The sector's activities enhance aspects of health and wellbeing, self-reliance, community resilience and social cohesion.

### **5. Timetable for implementation**

- 5.1 Grants to be paid in April 2017; ring-fenced grants to be paid when new services are set up or commissioned, subject to Service Level Agreements. Contingency funding to be paid out as applications are received during the financial year.

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

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## **Appendix A – Other support for charities & community organisations**

Spelthorne Council supports the voluntary sector in a number of ways and detailed below are some examples

### **1.1 Other Support to Voluntary / Charity organisations**

- Rate / Business rate relief to charities / voluntary organisations.
- Free accommodation
- Facilities with no rent
- In kind support
- Better Neighbourhood Grants

### **1.2 Rate / Business Rate Relief**

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 discretionary rate relief of up to 20%. Cabinet approval is required for any organisations receiving a “top up” of over £2,000 per annum and officers may approve a “top up” of up to £2,000.

The Council also has the ability to offer discretionary rate relief (need to meet the criteria). Again, Cabinet agree discretionary awards over £2,000 and officer under £2,000

Examples of organisations who receive the following

- Top up on mandatory over £2,000 e.g. Leisure Centres / Art Galleries.
- Top up on mandatory under £2,000 e.g. Scout Hut.
- Discretionary under £2,000 e.g. Village Halls / Sports clubs.
- Discretionary over £2,000 e.g. Sailing clubs / Sports clubs.

The value of the discretionary rate relief for 2017/18 is £50,000

### **1.3 Free Accommodation**

The following organisations receive free accommodation in Knowle Green.

- Age UK Runnymede and Spelthorne – due to move out March 2017; talks with a possible substitute service provider in that office are ongoing
- Carers Support – service takeover might necessitate vacating the office
- Crest
- One to One
- Rentstart

The rent value of this area (117.89sq m) is £22,206.65 per annum.

#### 1.4 **Facilities with no rent**

There are a few facilities which the Council leases to organisations at no cost. The key facilities are

- Riverside Arts Centre Sunbury
- Spelthorne Museum and archive store

The facilities above provide service for residents of the Borough. The facilities are extensively used by the community and are operated by volunteers. The values are as follows

- Riverside Arts Centre £44,000 per annum (rental)
- Spelthorne Museum £11,000 per annum (utilities & other charges)

There is 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.

Spelthorne Council also makes a grant to Surrey County Council, to cover the lease of space and service charge at Sunbury Library occupied by Citizens' Advice. This is projected to be around £6,700 for 2017/18.

#### 1.5 **In Kind Support**

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

#### 1.6 **Better Neighbourhood Grants**

Councillors are expected to be each allocated £1,000 per annum from 2017-2018, to make their neighbourhood better, 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 allocates any residual money at the end of the financial year.

#### 1.7 **Leader's "windfall" grants 2017-18**

The Leader has announced a one-off sum of £20,000 per ward - £260,000 in total - being made available as a result of the Council's improved finances following the recent purchase and lease back of the BP Sunbury International Campus and other investment initiatives. The money is for councillors to use in 2017-18 for capital projects within their wards.

**Cabinet****22 February 2017**

<b>Title</b>	Representation on Outside Bodies and the Local Plan Working Party for 2016-17		
<b>Purpose of the report</b>	To make a decision		
<b>Report Author</b>	Gill Hobbs		
<b>Cabinet Member</b>	Councillor Ian Harvey	<b>Confidential</b>	No
<b>Corporate Priority</b>	This item is not in the current list of Corporate priorities but still requires a Cabinet decision		
<b>Cabinet Values</b>	Community		
<b>Recommendations</b>	<b>Cabinet is asked to agree the changes to representation on Outside Bodies and the Local Plan Working Party.</b>		

**1. Key Issues**

- 1.1 Following the recent part reshuffle of Cabinet portfolios announced on 25 January 2017, it has been necessary to change the representation on certain outside bodies where that appointment is relevant to the portfolio.
- 1.2 The following outside bodies include representation by the portfolio holder:
  - South East Employers (SEE)
  - Spelthorne Safer, Stronger Partnership Board
  - Local Plan Working Party
  - Surrey Waste Partnership
- 1.3 It is proposed that the following councillors are appointed as representatives on each of these bodies according to their new portfolios:
- 1.4 South East Employers (SEE) - Cllr. Barnard will replace Cllr. Gething
- 1.5 Spelthorne Safer, Stronger Partnership Board - Cllr. Gething will replace Cllr. Mitchell
- 1.6 Local Plan Working Party - Cllr. Barnard will replace Cllr. Gething
- 1.7 Surrey Waste Partnership - Cllr. Gething will replace Cllr. Mitchell.

**2. Timetable for implementation**

- 2.1 The appointments will be effective immediately until their expiry in June 2017, when all the representation on outside bodies will undergo their annual review.

**Background papers:**

None

**Appendices:**

None



**Cabinet****22 February 2017**

<b>Title</b>	Grant of a new lease		
<b>Purpose of the report</b>	To make a decision		
<b>Report Author</b>	Heather Morgan, Group Head Regeneration and Growth		
<b>Cabinet Member</b>	Councillor Colin Barnard	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Recommendations</b>	<p><b>Cabinet is asked to:</b></p> <p><b>Approve in principle a new lease for the facility at the Pavilion, Ashford Recreation Ground, Clockhouse Lane Ashford on the terms set out in option 1 of the main report</b></p> <p><b>Delegate authority to the Group Head Regeneration and Growth in consultation with the Cabinet Member for Planning, Economic Development and Fixed Assets to finalise details of the lease terms and to enter into the lease and associated licences for works</b></p>		
<b>Reason for Recommendation</b>	<p><b>Renewal of this lease will enable a well-used community group to continue using the facility (and to extend it at their own cost). It will also bring in an on-going income stream for the Council next 15 years</b></p>		

**1. Key issues**

- 1.1 Historically this building has had a number of community uses, starting out as a Cricket Pavilion and then being used for football (as changing facilities). However demand for football has reduced dramatically. Nor is the building large enough to function as a proper community hall. Prior to being leased to Dramatize in 2013, this facility suffered from significant vandalism and encouraged anti-social behaviour. The Group Head for Neighbourhood Services has advised that since Dramatize have been in situ this has reduced dramatically.
- 1.2 Dramatize are a community organisation who run theatrical workshops for those with learning difficulties. They have a Community Interest Company who operate only during the day, and a Theatre Company Charity which operates regularly on 4 evenings per week with occasional activities at the weekend. They have 10 full time staff.

- 1.3 Their original lease ran for three years from 2 August 2013 to 1 August 2016 with a rent of £9,000 pa. They undertook improvement works to the facility prior to moving in at their own cost, and well as subsequently (including upgrading the toilets). They are clearly very committed to providing their workshops in the longer term, and it is a well-used facility.
- 1.4 There is currently a Tenancy at Will in place until such time as the new lease is agreed.
- 1.5 Dramatize approached the Council in December 2014 advising that they not only wanted to continue with a longer lease but they also wished to extend the building at ground and first floor to provide additional space. This would provide a disabled changing room and additional office space, plus extra facilities to cater for wheelchair users aiding local carers and families in the community. By doing so, all the original hall space could then be used as drama space. It will increase their overall space by 42%.
- 1.6 The Council as land owner has agreed in principle to these works, and planning permission was granted by the Local Planning Authority on 31/08/16 (see **Appendix 1** for plans). Dramatize have confirmed that they will pay for the works to be undertaken (which will be in the region of £300,000 and is to be secured via grants and fund raising).
- 1.7 Due to the level of investment that Dramatize are looking to put into the building, they are asking that instead of a 3 year lease they are given a 15 year lease (they want security as they are putting in a considerable financial investment). This is considered reasonable, and would also ensure that the Council receives an income stream for a sustained period of time.
- 1.8 The Council has received independent valuation advice (**Appendix 2**). The community based rent is at £4.87 per square foot and is in line with that agreed under the previous lease. There is additional benefit to the Council in so far as Dramatize have taken on repairing obligations from the Local Authority (which reduces our overheads) and, as stated above, have already made a number of improvements. If the facility comes back to the Council at some in the future, there will be a material benefit to us from the uplift in value from these works. The advice concludes that on the basis of the investment Dramatize will be putting into the building via the extension works, it is not reasonable to increase the rent (particularly bearing in mind there has been little movement in these rental levels).

## **2. Options analysis and proposal**

### Option 1 – recommended

- 2.1 To enter into a 15 year lease (of the existing demise and the land on which the extension is to be built) with Dramatize for them to provide theatrical workshops for individual and uses ancillary to that, and that the rental be £13,000 pa (with rent reviews every five years (RPI and upwards only).
- 2.2 To grant a licence for alterations to Dramatize to authorise the carrying out of the works required to extend and renovate the building as referred to in paragraphs 1.4 and 1.5 of this report.
- 2.3 The Council would achieve a good level of income from this community use, and would at the same time be limiting its capital outlay (structural and external repairs only to remain with the Council). We would also be securing the continued use of a community building in line with a strategy for either

leasing out community halls or getting them self-managed (which dates back to 2005).

#### Option 2

- 2.4 Enter into a lease but for a shorter period of time. This would be unacceptable to Dramatize. If the Council were in a similar situation on leasing a property into which we were putting a significant capital outlay we would expect a longer term lease in return. It is a standard commercial approach you would expect any lessee to take.

#### Option 3

- 2.5 Enter into a lease but require a higher rent. Again, this is very unlikely to be acceptable to dramatize. Independent valuation advice has been sought (**Appendix 2**) which states that community rents have not increased significantly since the first lease was entered into. The Council has relied on this advice in reaching a decision on the level of rent to charge.

#### Option 4

- 2.6 Not to enter into a new lease and require Dramatize to find and relocate to new premises. Firstly, the Council would be losing a good income stream and would need to take back all repairing liabilities for the building. The previous issues of vandalism and anti-social behaviour may well reoccur with all the community and resource repercussions. Secondly, we would then have to go out to the market to see if other users wished to take the building. There is no guarantee that we would get another user in who would pay a higher level of rent. Finally there would be a potential reputational damage issue to be managed

- 2.7 **Option 1 is recommended.**

### **3. Financial implications**

- 3.1 Over the lifetime of the proposed lease (15 years) the Council would achieve a minimum income of £195,000 (with a rent of £13,000 pa). No rent free period is proposed, and there will be a rent review in August 2021 and every five years thereafter (RPI and upwards only). Dramatize will also be responsible for paying VAT, rates, insurance premiums and all other outgoings.
- 3.2 If we were not to agree the lease, all the outgoings would come back to the Council. In addition, there would be additional costs for going out to market the facility for an alternative user, which may or may not bring in additional interest (or a higher income).

### **4. Other considerations**

- 4.1 Dramatize provide a valuable facility for those adult members of the community who have learning disabilities, enabling them to gain confidence, work with peers and even work towards gaining an Arts Award (equivalent to GCSE or A level). They also provide opportunities for schools and colleges to access their facilities, meeting aims about equality and diversity. If the lease was not entered into Dramatize would need to find alternative facilities which may or may not be in the borough.
- 4.2 There are no particular sustainability issues that need to be taken into consideration.

## **5. Timetable for implementation**

- 5.1 If agreed by Cabinet, Head of Terms (already drafted) would need to be agreed and then a new lease drawn up. It is anticipated that the new lease would be signed in the next three months (as which point the Tenancy at Will would fall away).

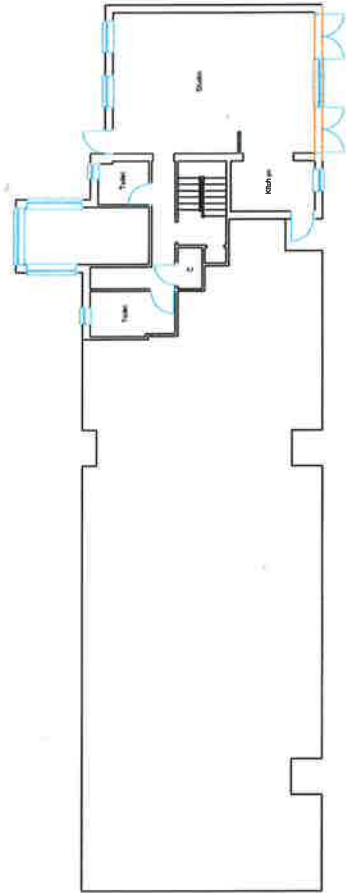
### **Appendices:**

Appendix 1 Plans and elevations of approved extension

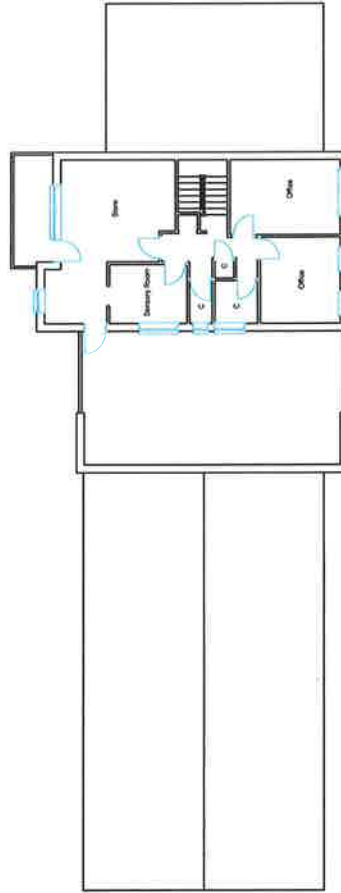
Appendix 2 Valuation advice

Note:

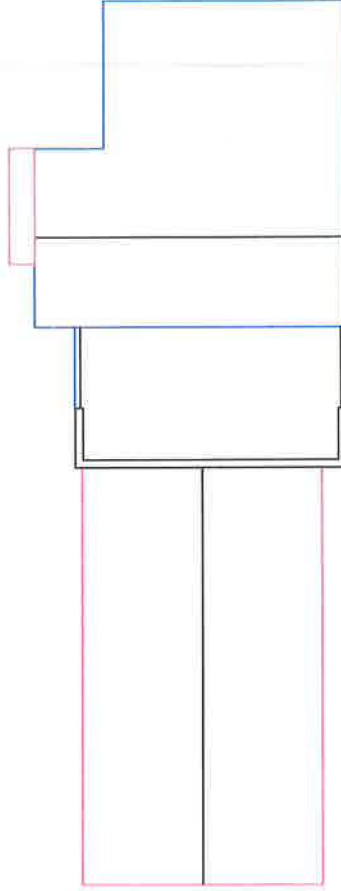
- Low energy light fittings are to be used as in accordance with Building Control regulations.
  - All work to the Boiler must be undertaken by a Corgi Registered Engineer.
  - All electrical work undertaken must be done so by a PART P Registered Installer as in accordance with Building Control.
- Contractor to fully acquaint themselves with all existing fittings, fixtures, services etc. and allow for all re-routing etc. that may be required due to the construction work.
- Contractor to check and verify that there are no public sewers in close proximity to the works prior to start on site.
- Local Authority Planning Permission and Building Control Approval must be approved before work is started on site.



Existing Ground Floor Plan



Existing First Floor Plan




Existing Roof Plan

Amendments	

title		Existing Plans	
Proposed Extensions to ground floor level and first floor level.			
scale	drawn	checked	date
1:200			Nov. 2015
at A3 Paper Size			
no.	DVO-101-2015		

project Ashford Pavilion, Ashford, Surrey.



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**Don Varcoe DipSurv MRICS**  
 Old Bridge House, 40 Church Street,  
 Staines, Surrey, TW18 4EP  
 : 01784 452465  
 Mobile: 07885 748946

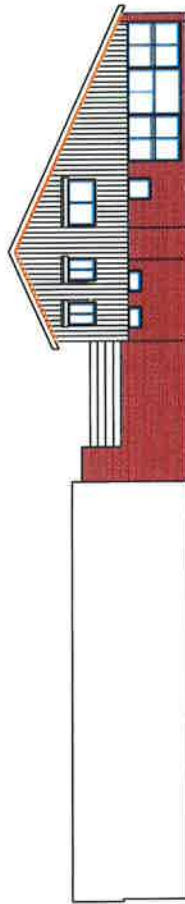


**London Survey Surveyors**  
 Chartered Building Surveyors



Note:

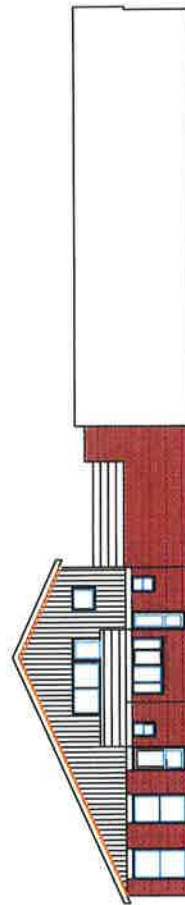
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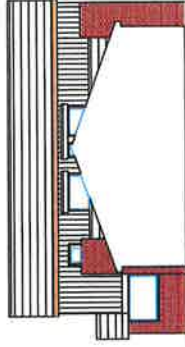
Existing Front Elevation



Existing Side Elevation



Existing Rear Elevation



Existing Side Elevation

Amendments

title Existing Elevations

Proposed Extensions to ground floor level and first floor level.

scale 1:200  
at A3 Paper Size

drawn

checked

date Nov. 2015

no. DW01-001-2015

project Ashford Pavilion, Ashford, Surrey.

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Chartered Building Surveyors

Note:

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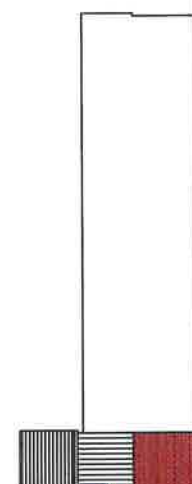
Proposed Front Elevation





Proposed Side Elevation



Proposed Rear Elevation



Proposed Side Elevation

Amendments	title Proposed Elevations						
	Proposed Extensions to ground floor level and first floor level.						
	scale 1:200 at A3 Paper Size	drawn	checked	date Nov. 2015	project Ashford Pavilion, Ashford, Surrey.		
	no. DW01-(04)-2015				the mark of property professionalism worldwide		
							
					<b>Don Varcoe DipSurv MRICS</b> Old Bridge House, 40 Church Street, Staines, Surrey, TW18 4EP : 01784 452465 Mobile: 07885 748946		
					 Chartered Building Surveyors		



Landlord:

Spelthorne Borough Council  
Council Offices,  
Knowle Green,  
Staines-Upon-Thames,  
Middlesex,  
TW18 1XB



KEMPTON

CARR

CROFT

PROPERTY CONSULTANTS

Tenant:

Dramatize CIC  
76 Nursery Road,  
Sunbury-on-Thames,  
Middlesex,  
TW16 6NE

Chatsworth House

29 Broadway

Maidenhead

Berkshire | SL6 1LY

01628 771221 | kemptoncarr.co.uk

enquiries@kemptoncarr.co.uk

Property:

Pavilion  
Ashford Recreation Ground,  
Clockhouse Lane,  
Ashford,  
Middlesex,  
TW15 2HH

Instruction

Kempton Carr Croft have been asked to provide a rental valuation on the above premises following the possible extension and renovation. Our inspection of the subject property took place on 22nd October 2015. We undertook an internal and external inspection of the subject property, and undertook a measuring exercise with our findings are noted below.

Dramatize CIC wish to extend the property on the ground and first floor. They will install a lift into the property, so that they can make the first floor accessible to members of the group. From inspecting the architectural drawings, the extension will add a new office, bathroom changing room and studio.

Date and extent of inspection

We were able to inspect all parts of the space occupied by the tenant for valuation purposes. During our inspection we undertook a full measuring exercise in accordance with the RICS Code of Measuring practice and details of the accommodation can be found later in this report.

We were made aware that there is one room which is used by security, and has not been included in the valuation.

Regulated by RICS | Offices: Basingstoke | Farnham | Gerrards Cross | Maidenhead | Mayfair, London | Reading | Staines-Upon-Thames | Windsor

Kempton Carr Croft is the business name of Kempton Carr (Maidenhead) Ltd. registered in England & Wales. Registration Number 05578213

Registered office: Chatsworth House | 29 Broadway | Maidenhead | Berkshire | SL6 1LY. A full list of directors is open for inspection at the registered office.



### Description and location

The property comprises of a two storey pavilion at Ashford Recreation Ground. The property is part occupied by Dramatize CIC. The property has been adapted to accommodate the tenant's needs with wide hallways and disabled toilets. We have been informed that the unit has been refurbished by the tenant. The property was in a satisfactory condition but requires some aesthetic attention.

Externally, the property benefits from a ramp which allows access to the playing field and playground.

The subject property is accessed via Rosary Gardens and Clockhouse Lane. The recreation ground benefits from a car park which is accessed via Rosary Gardens.

There is a local parade of shops located on Feltham Hill Road, is 0.8 miles away from the subject property. Staines-Upon-Thames has all the amenities associated with a town, Staines being a few miles away from the subject property.

### Existing Accommodation

#### Ground Floor-

Studio	7.55m x 5.42m
Kitchen	2.19m x 3.25m
2 x WCs	

#### First Floor-

Office 1	4.26m x 2.90m
Office 2	3.29m x 3.09m
Studio	5.61m x 6.31m
	-
	0.62m x 2.09m
2 x WCs	

The accommodation comprises of a Net Internal Area of 1,126 sq. ft. /104.65 sq. m.

The ground floor extension would increase the ground floor space from 517 sq. ft. / 48.03 sq. m. to 1,161 sq. ft. / 107.9 sq. m. The planned works include a new bathroom, changing room, office and lobby area. One of the toilets will be removed to accommodate a lift which will allow access to the first floor. We have been measuring using the RICS Code of Measuring Practice which states that D1 should be measured on a net internal area basis.

The first floor extension will sit on the existing single storey, ground floor projection. Without this space the first floor total is 609 sq. ft. / 56.62 sq. m. With the planned extension it would increase the area to 1,562 sq. ft. / 145.18 sq. m. The planned extension would create a second studio area.

### Lease

The property is held on an occupational lease dated 1<sup>st</sup> August 2013. The terms of the tenancy are as follows:-

Term: Three years ending on, and including the 1<sup>st</sup> August 2016

Rent Reviews: The lease does not have any reviews

Repairing Obligations & decoration: The tenant shall keep the property in reasonable repair, but shall not be obliged to put the property into any better state of repair, condition or decoration than it is in at the date of



this lease as evidence by the schedule of condition annexed to the lease, or to remedy any disrepair which results from any disrepair which results from any risk against the landlord has incurred (provided that the tenant, or any person at the building with the actual or implied authority of the tenant, has not vitiated the landlords insurance policy.

**Rent:** £9,000 per annum. The tenant shall pay on demand a fair proportion of the cost to the landlord of the insurance of the building in accordance to clause 6.1 and of insurance against loss of the annual rent for a period not exceeding 12 months (and any insurance premiums tax in relation to that amount)

**Alienation:** The tenant shall not assign, underlet, charge, part with or share occupation of this lease of the property or assign, part with or share any benefits or burdens of this lease. However the tenant shall be entitled to hire the property for the purposes of community and leisure activities subject to providing the landlord every six months with a full list of lettings for the preceding six months.

**The Landlord and Tenant Act 1954:** The lease is outside the Landlord and Tenant Act 1954 provisions.

### Adjusting the rent

The proposed works will increase the size of the pavilion will mean that Dramatize CIC will increase the floor area by 42%. The total will increase from 1,124 sq. ft. / 104.65 sq. m. to 2,683 sq. ft. / 249.25 sq. m.

The current rent of £9,000 per annum equates to a price of £4.87 per square foot, or £52.50 per square metre. Applying the same rate area the new rent would be £12,780 say **£13,000** per annum.

### Other D1 Uses

The property has a D1 use which is non-residential institution. Other uses which could occupy the property include Clinics, Health centres, Crèches, Day nurseries, Day centres, Museums, Public libraries, Art galleries, Exhibition Halls, Law court, Non-residential education & training centres, Places of worship, Religious instruction, and Church halls.

If the property was let to other D1 users, the property could circa £15 per square foot. However, we would assume that this property would require an extended marketing period because of the location and quality of the accommodation.

### Analysis

The lease has been priced on a community rent use. This means that the local authority have actively not achieved the market rent associated with D1 uses. It is our understanding that the current tenants (Dramatize CIC) have invested in the property. Dramatize CIC have removed repairing obligations away from the local authority.



Since the lease commencement date (August 2013) community rents have not seen any significant increase. The size of the property is set to increase in size by 42%, compared to the existing lease footprint. With this, the uplift should be parallel to the existing rental price per square foot.

It should be noted that Dramatize CIC have made improvements to the pavilion throughout the tenancy. If the tenant vacates the property, the landlord would benefit from the improvements. The Landlord & Tenant Act 1927 legislation ignores tenant's improvements for 21 years after the improvements are made. From our understanding the proposed works for the extension will be funded by the tenant and various grant funding. As the landlord will not be making the improvements, increasing the rent would not be appropriate.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Rob Hutchins', written over a horizontal line.

Rob Hutchins BSc (Hons)  
Graduate Surveyor