

**Roberto Tambini
Chief Executive**

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Email Address: RP/Cabinet
Our Ref:
Date:- **4 June 2009**

NOTICE OF MEETING:

CABINET

DATE: TUESDAY 16 JUNE 2009

TIME: 5.00 p.m.

PLACE: GODDARD ROOM, COUNCIL OFFICES, KNOWLE GREEN, STAINES

[Refreshments for Members are available from 4.30pm in the Members' Room.]

TO: THE MEMBERS OF THE CABINET:-

| Members of the Cabinet | Cabinet Member Areas of Responsibility |
|------------------------------------|---|
| J.D. Packman [Chairman] | Leader of the Council |
| R.A. Smith-Ainsley [Vice-Chairman] | Planning and Housing |
| F. Ayers | Community Safety |
| M.L. Bouquet | Corporate Services |
| C.A. Davis | Regeneration |
| G.E. Forsbrey | Environment |
| Mrs. D.L. Grant | Young People and Cultural Services |
| A.P. Hirst | Communications and Engagement |
| Mrs. V.J. Leighton | Health and Independent Living |

EMERGENCY PROCEDURE [THE LIFT MUST NOT BE USED]

In the event of an emergency the building must be evacuated. All Members and Officers should assemble on the green adjacent to Broome Lodge. Members of the public present should accompany the Officers to this point and remain there until the Senior Officer present has accounted for all persons known to be on the premises.

[PLEASE NOTE THAT THIS AGENDA IS AVAILABLE IN LARGE PRINT ON REQUEST TO RICHARD POWELL ON TEL: 01784 446240]

IMPORTANT PUBLIC NOTICE

MOBILE TECHNOLOGY – ACCEPTABLE USE

Use of mobile technology (e.g. mobile telephones, Blackberries, XDA's etc.) in meetings can:

- Interfere with the Public Address and Induction Loop systems;
- Distract other people at the meeting;
- Interrupt presentations and debates;
- Mean that you miss a key part of a decision taken.

PLEASE:

Either switch off your mobile telephone etc. **OR** switch off its wireless/transmitter connection and sound for the duration of the meeting.

THANK YOU FOR YOUR CO-OPERATION IN THIS MATTER.

1 APOLOGIES FOR ABSENCE

To receive any apologies for non-attendance.

2 MINUTES – 19 MAY 2009 - (pages 1 to 4)

To confirm the Minutes of the Meeting held on 19 May 2009.

3 DISCLOSURES OF INTEREST

To receive any disclosures of interest from Members in accordance with the Council's Code of Conduct for Members.

**4 SPELTHORNE YOUTH COUNCIL MINUTES – 14 MAY 2009
[Cabinet Member – Councillor Mrs. Grant] (pages 5 to 7)**

To receive the Minutes of the Spelthorne Youth Council meeting held on 14 May 2009.

**5 RECOMMENDATIONS FROM THE PERFORMANCE MANAGEMENT AND
REVIEW COMMITTEE – 9 JUNE 2009 (To Follow)
[Cabinet Member – Councillor Bouquet]**

To consider, **if any**, the recommendations from the Performance Management and Review Committee meeting held on 9 June 2009.

6 MANAGEMENT TEAM REPORTS

To consider the reports of the Deputy Chief Executive [DCX], Assistant Chief Executives [ACX] and the Chief Finance Officer [CFO] on the following items:-

- (a) Gambling Act 2005 – Setting of Fees for 2009/2010 [ACX]
(pages 8 to 12) [Cabinet Member – Councillor Ayers]
- (b) Appointments to Outside Bodies, the Surrey County Council [SCC] Local Committee in Spelthorne and the Working Groups for 2009-2010 and Nominations to the Surrey Local Government Association [SLGA] and its Outside Bodies [DCX]
(pages 13 to 20) [Cabinet Member – Councillor Packman]
- (c) Treasury Management Annual Report 2008/2009 – Key Decision [CFO]
(pages 21 to 31) [Cabinet Member – Councillor Bouquet]
- (d) Management of Ordinary Watercourses in Spelthorne – Key Decision [ACX]
(pages 32 to 46) [Cabinet Member – Councillor Forsbrey]
- (e) 2008-2009 Provisional Revenue Outturn [CFO]
(pages 47 to 67) [Cabinet Member – Councillor Bouquet]
- (f) 2008-2009 Provisional Capital Outturn [CFO]
(pages 68 to 79) [Cabinet Member – Councillor Bouquet]
- (g) Review of Spelride Operations – Key Decision [DCX]
(pages 80 to 83) [Cabinet Member – Councillor Mrs. Leighton]

7 THE CABINET FORWARD PLAN (pages 84 to 88)

To note the updated version of the Council's Cabinet Forward Plan for the twenty-five months period from 1st June 2009 to 30th June 2011.

8 ISSUES FOR FUTURE MEETINGS

Members are requested to identify any issues to be considered at future meetings.

9 URGENT ITEMS

To consider any items which the Chairman considers are urgent.

MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON 19 MAY 2009

BOROUGH OF SPELTHORNE

AT THE SPECIAL MEETING OF THE SPELTHORNE BOROUGH COUNCIL HELD IN THE COUNCIL CHAMBER, COUNCIL OFFICES, KNOWLE GREEN, STAINES ON TUESDAY 19 MAY 2009

| | | |
|-------------------|-----------------------|------------------------------------|
| Ayers F. | Hirst A.P. | Pinkerton Mrs J.M. |
| Bhadye S. (Mayor) | Hyams Ms N.A. | Pinkerton Jack .D. |
| Bouquet M.L. | Leighton Mrs V.J. | Rough Mrs M.W. |
| Crabb T.W. | McShane D.L. | Rough S.J. |
| Davis C.A. | Napper Mrs I. | Sider R.W. |
| Dunn Mrs S.A. | Nichols Mrs. C.E. | Smith-Ainsley R.A. (Deputy Leader) |
| Flurry K.E. | O'Hara E. | Spencer Caroline (Deputy Mayor) |
| Forsbrey G.E. | Packman J.D. (Leader) | Thomson H.A. |
| Grant Mrs D.L. | | |

Mr Murray Litvak – Chairman, Standards Committee

Miss Sue Faulkner - Vice-Chairman, Standards Committee

Councillor S. Bhadye, The Mayor, in the Chair

140/09 RECORDING OF MEETING

The Mayor, Councillor Sooryadeo Bhadye, announced to all present that this Special Council meeting was being recorded as a trial for the planned commencement of recording of Council meetings with effect from the Council AGM on 21 May 2009.

141/09 WELCOME

The Mayor welcomed to the meeting the special guests from the Mauritius High Commission, London, His Excellency Mr Abhimanu Mahendra Kundasamy, High Commissioner and Mr Haymandoyal Dillum, Deputy High Commissioner.

He further welcomed the special guests from Grand Port Savanne District Council, Mauritius, Mr Radhakrishansingh Rajkoomar, Chairman, Councillor Mr. Ahmad Nooranee Gunglee and Mr Shyam Teeluck, Acting Chief Executive.

He also welcomed the Leader of the Council, Councillor John Packman, other Councillors, the Chief Executive and his staff and the Business, Community and invited guests.

142/09 APOLOGIES

Apologies for absence were received from David Wilshire MP and Councillors Mrs E.M. Bell, Ms. P.A. Broom, R.B. Colison-Crawford, H.R. Jaffer, C.D.G. Kuun, L.E. Nichols, M.T. Royer and G.F. Trussler.

143/09 TWINNING ARRANGEMENTS BETWEEN SPELTHORNE BOROUGH COUNCIL AND GRAND PORT SAVANNE DISTRICT COUNCIL, MAURITIUS

The Mayor advised that the Mauritian High Commission had invited the Spelthorne Borough Council to form a Twinning Link with Grand Port Savanne District Council, Mauritius and that this Special Council meeting had been called to enable Members to

SPECIAL COUNCIL, 19 May 2009 - Continued

consider a formal proposal to proceed with this further Twinning Link. In 2010 the Spelthorne Borough Council would be celebrating the 20th anniversary of the successful twinning link with Melun in France. The invitation from the Mauritian High Commission to form a further Twinning Link with Grand Port Savanne District Council was a welcome opportunity.

It was proposed by the Leader of the Council, Councillor John Packman, and seconded by the Deputy Leader, Councillor Richard Smith-Ainsley, that Spelthorne Borough Council accepts the invitation from the Mauritian High Commission to enter into a Twinning Link with the Grand Port Savanne District Council and agrees to sign the formal Twinning Link Charter.

The Leader addressed the Council to express the Council's support and visions for the proposed Twinning Link with Mauritius, based on friendship, co-operation, exchanging of ideas and establishing solid relationships of mutual benefit.

At the invitation of the Mayor, His Excellency Mr Abhimanu Mahendra Kundasamy, High Commissioner of Mauritius and Mr Radhakrishansingh Rajkoomar, Chairman of Grand Port Savanne District Council addressed the Council to express their visions for the Twinning Link.

Councillor T.W. Crabb, on behalf of the Members of the Liberal Democrats Group, explained to the meeting the reasons why the Liberal Democrats did not support the Twinning proposal and would therefore be voting against it.

After debate by Members it was:

RESOLVED that Spelthorne Borough Council accepts the invitation from the Mauritian High Commission to enter into a Twinning Link with the Grand Port Savanne District Council and agrees to sign the formal Twinning Link Charter.

In accordance with Standing Order 21.4, a request was made by Councillor T.W. Crabb for the voting on the Twinning proposal to be recorded. The vote was Carried as follows:

| | |
|-------------|--|
| FOR (22) | Councillors J.D. Packman, R.A. Smith-Ainsley, F. Ayers, S. Bhadye, M.L. Bouquet, C.A. Davis, K.E. Flurry, G.E. Forsbrey, Mrs. D.L. Grant, A.P. Hirst, Miss N.A. Hyams, Mrs. V.J. Leighton, D.L. McShane, Mrs. I. Napper, E. O'Hara, Mrs. J.M. Pinkerton, Jack D. Pinkerton, Mrs. M.W. Rough, S.J. Rough, R.W. Sider, Mrs. Caroline Spencer and H.A. Thomson. |
| AGAINST (3) | Councillors T.W. Crabb, Mrs. S.A. Dunn and Mrs. C.E. Nichols. |

144/09 (A) OFFICIAL CEREMONY FOR THE SIGNING OF THE FORMAL TWINNING LINK CHARTER BETWEEN SPELTHORNE BOROUGH COUNCIL AND GRAND PORT SAVANNE DISTRICT COUNCIL, MAURITIUS

The Mayor, Councillor Sooryadeo Bhadye, and the Chief Executive, Roberto Tambini, and the representatives from Grand Port Savanne District Council, Mauritius signed the

formal Twinning Link Charter between Spelthorne Borough Council and Grand Port Savanne District Council, Mauritius.

(B) SPONSORSHIP FOR NEW BOROUGH ENTRY SIGNS

In order to publicise and reflect the new Twinning arrangements with Mauritius, new entry to Spelthorne road signs would be installed at all main entrances to the Borough. The new entry road signs were being paid for by generous sponsorship from many of the Council's key partners. A2Dominion Housing Group, BP International, Sunbury, Kempton Park Racecourse and the Princes Club had already agreed their sponsorship of these signs in time for this Special Council meeting, and discussions were also at an advanced stage with several other business partners.

SPELTHORNE YOUTH COUNCIL
MINUTES

14 May 2009

Held in Goddard Room, Council Offices, Knowle Green, Staines

PRESENT:

| | | |
|-------------------|---------------|----------------|
| Gemma Anscombe | Sox Ghosal | Olivia Ortega |
| Anthony Appleyard | Bradley Kelly | David Porter |
| Daniel Calmiano | Amir Miah | Amy Seales |
| Sophie Clark | Grace Millard | Ryan Smith |
| Connie Cronin | Vivien Miller | Arran Southern |
| George Daubney | | Matthew Sutch |

Apologies: Chloe Blanchard, Liam Blanchard, Tom Finney, Dan Hitch, Joseph McVey and Jake Potter.

In attendance:

Leigh Middleton – SCC Youth Development Officer

Andy Holdaway – SBC Youth and Arts Manager

Gill Hobbs – Committee Manager

27/09 MINUTES

The Minutes of the meeting held on 21 April 2009 were approved as a correct record.

28/09 EXECUTIVE – 21 APRIL 2009

The report of the Portfolio Holder for Young People and Cultural Services on the work of Executive, which summarised the items of business discussed at the Executive meeting on 21 April 2009, was circulated with the agenda.

The Youth Council noted the report and expressed some concern about the loss of sports facilities in Laleham Park and generally that pitches were disappearing from the parks at a time when young people were being encouraged to be more active. They requested a presentation at a future meeting from the Council's Biodiversity officer on the benefits of making Laleham Park a nature park.

29/09 YOUTH AWARDS – FEEDBACK

Andy congratulated all the youth councillors who took part in the Youth Awards on 9 May, for their performances and contribution to a very successful event which had been praised by the Leader of Spelthorne Borough Council, Borough Councillors and members of the public who had attended the event.

Agenda Item: 4

Photos taken during the evening were shown at the meeting and would be available to order at a later date.

30/09 TRANSPORT ISSUES – WAVERLEY BC TOP YOUTH COUNCIL

Waverley's TOP Youth Council had invited all the Youth Councils in Surrey to work in partnership with them to raise concerns with Surrey County Council about transport issues for young people.

Waverley YC's particular concerns related to:

- Problems relying on public transport to attend school/college and events
- EMA grant not adequately covering the cost of public transport
- 16 yr olds in full time education having to pay adult fares
- Fares in general being too expensive for young people
- Inadequate facilities to secure bikes safely
- Feeling unsafe on trains and buses
- Railway stations being difficult to navigate
- Timings of trains/buses being inconvenient for young people
- Buses should run to more rural areas
- Buses being unreliable in rural areas and timetables missing from stops
- Timetables being difficult to understand

The Youth Council discussed whether the transport issues experienced by Waverley youth councillors, who lived in a rural area, were similar to their own and agreed that, with a few exceptions, they were.

The Youth Council agreed that the Chair would send a letter to the Chair of Waverley Youth Council, accepting the invitation and suggesting that a group is formed consisting of 2 members from each of the participating Youth Councils, to take transport issues forward.

31/09 YOUTH COUNCIL – THE WAY FORWARD

Following the Youth Council Residential and a workshop at the last meeting, youth councillors had identified areas which they wanted to review in order to decide the new direction for the Youth Council.

The Youth Council was presented with 20 questions based on its ideas for the way forward and voted on the options given. It agreed:

1. To always meet at the Council Offices.
2. To train youth Councillors to support new members
3. To keep "Gill's slips" on the work of the Executive
4. To receive information on the work of the Local Committee
5. To have 2 social events per year

Agenda Item: 4

6. To make greater use of flip charts and interactive voting at Youth Council meetings
7. To maintain a "Hands up" policy
8. To review the Youth Council Code of Conduct
9. To elect the Management Committee for a fixed term, with members serving one term on and one term off
10. The term of election of the Management Committee to last 6 months
11. To maintain an elected Chair to serve a full term
12. To decide a target date for completion of projects at their commencement and review projects after 6 months
13. To run 2 project groups at a time
14. That Project Groups would meet twice a month
15. That Project Groups would not meet on the same day of each month
16. That meetings would continue to start at 5.30pm
17. To place suggestion boxes in Schools and post on VLE (what's this?)
18. To start a text service for young people
19. To invite more guest speakers to Youth Council meetings
20. To support the www.go2do.co.uk website

GAMBLING ACT 2005 – SETTING OF FEES FOR 2009/10

Resolution Required Report of the Assistant Chief Executive REPORT SUMMARY

How does the content of this report improve the quality of life of Borough Residents?

Local authorities play an important role in regulating gambling activities. In undertaking this, Spelthorne must ensure that costs are recovered in full through charging appropriate licence fees, subject to any limitations set by Government.

Purpose of Report

To review the Gambling Act 2005 licence fee levels set by Spelthorne in 2008/09 and to propose the licence fee levels for 2009/10, as outlined in [Appendix 1](#).

Key Issues

- Spelthorne is responsible for processing gambling premises licences and permit applications in the borough.
- All licensing authorities must set their gambling and permit fees on a cost recovery basis only and are required to review their fee levels on an annual basis.
- In 2008 three new betting shops opened in the borough and 12 proactive visits were undertaken of gambling premises. The impact on the service in dealing with these matters was fed into a costing exercise of Spelthorne's current fees. It is proposed that all current fees remain at their maximum levels except for new applications for betting shops.
- It is proposed that the licence fee levels for new applications for betting shops are reduced by 10% (from £3000 to £2700), because the estimated administrative costs involved in processing them has been less than has been anticipated.
- Currently, neighbouring Surrey authorities either set maximum fees, or close to them.

Financial Implications

- The proposed licence fee levels for 2009/10 will ensure Spelthorne continues to recover its costs in administering its duties under the Gambling Act 2005.

Corporate Priority

Sustainable financial future/Value for money.

Officer Recommendations

The Cabinet is asked to agree the proposed Licence Fee levels for 2009/2010, as outlined in Appendix 1 to this report.

**Contact: Liz Borthwick, Assistant Chief Executive. Tel: (01784) 446376
Cabinet member: Councillor Frank Ayers**

MAIN REPORT

1. BACKGROUND

- 1.1 Since 1 September 2007 local authorities have been responsible for processing gambling premises licences and permit applications and enforcing certain provisions within the Gambling Act 2005.
- 1.2 Licensing authorities can set their own fees for gambling premises licences, up to prescribed maximum levels for each type of application. There are also prescribed fees for permits.
- 1.3 New licence application and annual fees have to be set and reviewed by Spelthorne on an annual basis for premises such as bingo halls, betting shops, race tracks and adult and family entertainment centres. The full list of fees is illustrated in **Appendix 1**.

2. KEY ISSUES

- 2.1 Licensing Authorities have a duty under the Gambling Act 2005 (section 212(2)(d)) to set premises licence fees on a cost recovery basis. They must be transparent about the assumptions they have made in setting their fees.
- 2.2 In making assessment of the workload, account has been taken of guidance from the Department of Culture Media and Sports, the Local Authorities' Coordinators of Regulatory Services and the Gambling Commission.
- 2.3 Since the last report to members on 17 June 2008, officers have carried out a further 12 visits to gambling premises. These visits have taken an average of six hours of officer time, including preparation of paperwork, travelling time, the inspection itself and subsequent administration.
- 2.4 Complaint levels regarding licensed premises have been low with only four received since 1 September 2008. Complaints have been made in relation to use of gaming machines by persons under the age of 18 years in betting shops. This type of complaint may increase as the police and the public become aware of the provisions of the Gambling Act 2005. There has also been liaison with Gambling Commission officers and joint visits to Spelthorne's premises have taken place.
- 2.5 It is considered that the existing licence fees set in 2008/09 were not excessive and that they only met the costs of delivering this service. It is therefore proposed to keep these fees the same for 2009/10.
- 2.6 We received three new premises licence applications for off-course betting premises (betting shops). An assessment of the costs of administering these applications has been completed. Although none of the applications attracted objections from responsible authorities or residents within the permitted timescales, officer time was spent in requesting a change of plans to re-position gaming machines to ensure adequate supervision. All of the applications related to premises in town centre locations. Objections may be more likely if applications were made for premises licences in locations that were closer to schools. The assumptions we have made relating to costs of hearings and appeals remain the same.

2.7 Based on the assessment of costs for dealing with these three new betting shop applications it is estimated that a 10% reduction of the licence fee for this type of application will result in the full recovery of Spelthorne's costs.

2.8 No other Surrey authority has had more than one new application since the Gambling Act 2005 came into force. Further new applications are therefore unlikely to be made at the same level as Spelthorne received in 2008. The Gambling Act 2005 licence fees charged by neighbouring Surrey authorities, such as Runnymede, Elmbridge and Surrey Heath, are very similar to Spelthorne's fees. Runnymede and Surrey Heath have set maximum fees for all categories of licences. Elmbridge have set maximum levels for most categories of licences

3. OPTIONS ANALYSIS

3.1 The preferred option is to continue to set the maximum fees for all annual licence fees, but reduce those set for new applications for betting shops by 10% of the existing fees (from £3000 to £2700), This will enable Spelthorne to fully recover its costs.

3.2 There is an option for CABINET to set different levels for the fees, but Spelthorne may not recover its costs if these are lower than those outlined in **Appendix 1**.

4. PROPOSALS

4.1 It is proposed that Spelthorne set the licence fees as shown in **Appendix 1** for 2009/10, which will be subject to review on an annual basis.

5. BENEFITS AND SUSTAINABILITY

5.1 The provisions of the Gambling Act 2005 are designed to ensure that gambling activities are conducted in an open and transparent way. Furthermore, they should not be in any way connected with crime and disorder, or exploit children or "vulnerable" people.

6. FINANCIAL IMPLICATIONS

6.1 The Finance Department has worked with the Licensing Team on the fee setting exercise and this year's review of fees and have agreed with the levels proposed.

6.2 The fees must be reduced to below the maximum permitted level if income exceeds expenditure on the service.

7. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS

7.1 Spelthorne has a legal duty to enforce the provisions of the Gambling Act 2005.

8. RISKS AND HOW THEY WILL BE MITIGATED

8.1 To date no judicial review challenges have been made by the gambling industry against local authorities that have set either maximum fees or fees close to the maximum levels.

8.2 Although there is a risk that the trade may seek justification of fee levels from local authorities, a detailed analysis of the estimated resources has been undertaken by the Licensing Team in conjunction with the Finance department. There is no evidence that the levels of income exceed the resources needed.

9. TIMETABLE FOR IMPLEMENTATION

9.1 If approved the proposed fees will be implemented with immediate effect.

Report Author: Dawn Morrison, Licensing Manager, Tel No: 01784 446432.

Background Papers:

There are none.

**APPOINTMENTS TO OUTSIDE BODIES, THE SCC LOCAL COMMITTEE
AND WORKING GROUPS FOR 2009-2010 AND NOMINATIONS TO THE
SLGA AND ITS OUTSIDE BODIES**

Resolution Required

Report of the Deputy Chief Executive

Executive Summary

How does the content of this report improve the quality of life of Borough Residents

Appointment of representatives to Outside Bodies, the SCC Local Committee and Working Groups for 2009-2010 helps the Council fulfil its community engagement role.

Nomination of representatives to the Surrey Local Government Association [SLGA] and its Outside Bodies assists the Council in maintaining its wider engagement, liaison and consultation arrangements throughout the County of Surrey.

Purpose of Report

This report seeks authority for the Chief Executive, in consultation with the Leader of the Council, to appoint representatives to the Outside Bodies, the SCC Local Committee and the Working Groups for 2009-2010 at Appendix A and to nominate representatives for appointment to the Surrey Local Government Association [SLGA] and its Outside Bodies shown at Appendix B.

Key Issues

Annually the Cabinet appoints representatives to serve on Outside Bodies, the SCC Local Committee and Working Groups and nominates representatives to serve on the SLGA and its Outside Bodies.

Corporate Priorities Community Engagement and Effective Communications

Officer Recommendations

The Cabinet is asked to authorise the Chief Executive, in consultation with the Leader of the Council, to appoint representatives to the Outside Bodies, the SCC Local Committee and the Working Groups for 2009-2010 shown at Appendix A and to nominate representatives for appointment to the Surrey Local Government Association [SLGA] and its Outside Bodies shown at Appendix B.

**Contact: Richard Powell, Principal Committee Manager (01784) 446240
Cabinet Member: Councillor John Packman**

APPENDIX A

APPOINTMENTS TO SERVE ON OUTSIDE BODIES FOR 2009/2010

- 1. AIRTRACK JOINT MEMBER WORKING GROUP
(2 representatives)**
- 2. COLNE VALLEY PARK STANDING CONFERENCE
(2 representatives)**
- 3. ON STREET PARKING PARTNERSHIP
(2 representatives)**
- 4. HEATHROW AIRPORT CONSULTATIVE COMMITTEE [HACC]
(2 representatives, plus 2 deputies)**
- 5. HEATHROW AIRPORT FOCUS FORUM
(2 representatives)**
- 6. LOCAL AUTHORITIES AIRCRAFT NOISE COUNCIL [LAANC]
(2 representatives)**
- 7. LOCAL AUTHORITIES CENTRAL RAILWAYS CONSORTIUM
(1 representative)**
- 8. MANAGEMENT BOARD OF A2DOMINION SOUTH HOUSING ASSOCIATION
(1 representative)**
- 9. M25 CONSORTIUM
(2 representatives)**
- 10. RIVER THAMES ALLIANCE
(1 representative)**
- 11. SHEPPERTON RED CROSS BUILDING MANAGEMENT COMMITTEE STEERING
GROUP
(1 representative)**
- 12. SOUTH EAST EMPLOYERS [SEE]
(1 representative, plus 1 deputy)**
- 13. SOUTH EAST ENGLAND COUNCILS [SEEC]
(1 representative, plus 1 deputy)**
- 14. SOUTH EAST ENGLAND COUNCILS [SEEC] – SUB REGIONAL STUDY AREA
GROUPS
(1 representative)**
- 15. SPELTHORNE BUSINESS FORUM
(4 representatives, plus 2 deputies)**
- 16. SPELTHORNE CHAMBER OF COMMERCE
(2 representatives, plus 2 deputies)**

17. **SPELTHORNE LEISURE CENTRE – CUSTOMER FORUM**
(1 representative)
18. **SPELTHORNE SAFER, STRONGER PARTNERSHIP BOARD**
(1 representative)
19. **SPELTHORNE TWINNING SCHEME**
(The Mayor, plus 2 representatives)
20. **SPELTHORNE MENTAL HEALTH ASSOCIATION MANAGEMENT COMMITTEE - TRUSTEE**
(1 representative)
21. **SPELTHORNE RIVERSIDE PROJECT JOINT TASK GROUP**
(4 representatives)
22. **STAINES TOWN CENTRE PARTNERSHIP BOARD**
(1 representative)
23. **STRATEGIC AVIATION SPECIAL INTEREST GROUP (LOCAL GOVERNMENT ASSOCIATION)**
(1 representative, plus 1 deputy)
24. **SUNBURY LEISURE CENTRE – CUSTOMER FORUM**
(1 representative)
25. **SUNBURY LEISURE CENTRE JOINT LIAISON GROUP**
(2 representatives)
26. **SURREY JOINT WASTE STRATEGY CONSULTATIVE BOARD**
(1 representative)
27. **SURREY LOCAL GOVERNMENT ASSOCIATION**
(1 representative, plus 1 deputy)
28. **SURREY MUSEUMS CONSULTATIVE COMMITTEE**
(1 representative, plus 1 deputy)
29. **SURREY TRAVELLER COMMUNITY RELATIONS FORUM**
(1 representative)
30. **THAMES FLOOD FORUM**
(2 representatives)
31. **THE TRAFFIC PENALTY TRIBUNAL**
(1 representative, plus 1 deputy)
32. **MANAGEMENT COMMITTEE OF MEDIATION NORTH SURREY**
(1 representative)
33. **VOLUNTARY ACTION IN SPELTHORNE [VAIS] TRUSTEE**
(2 representatives)

**APPOINTMENT OF REPRESENTATIVES TO SERVE ON THE SCC
LOCAL COMMITTEE AND WORKING GROUPS 2009/2010**

**34. SURREY COUNTY COUNCIL LOCAL COMMITTEE IN SPELTHORNE
(7 representatives and 7 deputies)**

**35. LOCAL DEVELOPMENT FRAMEWORK [LDF] WORKING PARTY
(7 representatives)**

*[The Council's representative on SEEC/Regional Study Group]
[Cabinet Member for Environment]
[Cabinet representative]
[Two Improvement and Development/or other Committee representatives]
[Planning Committee representative]
[Liberal Democrat representative]*

**36. MEMBERS' DEVELOPMENT STEERING GROUP
(7 representatives)**

APPENDIX B

NOMINATION OF REPRESENTATIVES TO THE SURREY LOCAL GOVERNMENT ASSOCIATION [SLGA] AND SLGA OUTSIDE BODIES 2009-2010

Annual Appointment:

(1) SURREY LOCAL GOVERNMENT ASSOCIATION [SLGA]

One Member, plus one substitute Member to be appointed.

Three Year Appointments:

(2) SURREY HISTORIC BUILDINGS TRUST

One Member appointment available.

Background:

The Trust manages and allocates funds for the purposes of protecting historic buildings in the County.

Meets: 4 times per year, plus Trust events.

Time: Daytime.

Venue: Surrey County Council.

(3) SCC HEALTH SCRUTINY COMMITTEE

***One Member appointment available. [*Must not be a member of the Cabinet]**

Background:

The Committee under statutory powers [i.e. the Health and Social Care Act 2001] watches over and promotes health improvements in the County area. The Committee, in exercising the County's social care responsibilities, has the power to review any matter relating to the planning, provision and operation of local health services within the County and can make reports and recommendations to local NHS bodies. The Committee's membership includes representatives from interested parties, including 3 Surrey District Council members.

(3) SCC Health Scrutiny Committee - continued:

Meets: Varies.

Time: Daytime.

Venue: Surrey County Council.

(4) SUPPORTING PEOPLE COMMISSIONING BODY

One Member appointment available.

Background:

The Supporting People Commissioning Body oversees the development of a Surrey wide strategy for housing related support services, and provides an environment for frank and challenging discussions about future funding priorities for Supporting People within the County of Surrey.

Meets: Varies.

Time: Daytime.

Venue: Surrey County Council.

Annual Appointments:

(5) COUNTRYSIDE ACCESS FORUM

One Member appointment available.

Background:

The purpose of the Countryside Access Forum is to advise the Countryside Agency on arrangements for countryside access throughout the County of Surrey, including rights of way and open access land.

The Countryside Access Forum has 22 Members, including two Surrey County Councillors and the SLGA representative to be appointed.

Meets: 4 times each year.

Time: Daytime.

Venue: Various.

(6) HIGH SHERIFF'S AWARD

One Member appointment available.

Background:

The Awards Panel seeks to encourage projects which involve young people in preventing youth crime. The Panel determines the awards to be made to the various projects.

Meets: 4 times per year, plus one evening awards ceremony held in Leatherhead, Surrey.

Time: Working lunches.

Venue: Various venues around the County.

(7) MENTAL HEALTH FOUNDATION TRUST

One Member appointment available.

Background:

The Surrey and Borders Partnership NHS Trust provides health and social care services for people with mental health illness, drug and alcohol addictions and learning disabilities across Surrey and North East Hampshire. As one of the largest mental health and learning disability Trusts in the country, the Trust employs over 3400 people who work across 127 sites serving 1.3 million people of all ages.

The overall aspiration of the Surrey and Borders Partnership NHS Trust is to ensure that people living within its catchment area enjoy consistently good mental health and well being.

Meets: To be confirmed.

Time: Afternoons.

Venue: Various venues around Central Surrey.

(8) SCC PENSION FUND – INVESTMENT ADVISORS GROUP

Two Member appointments available.

Background:

The Panel oversees the management of the Surrey County Council Superannuation Fund.

Meets: 4 times per year.

Time: Daytime.

Venue: County Hall, Kingston.

(9) SURREY ECONOMIC PARTNERSHIP

One Member appointment available.

Background:

The Surrey Economic Partnership is a partnership between business, the public and voluntary sectors to exchange views and take action in addressing the issues facing the Surrey economy.

Meets: 4 times per year.

Time: Late afternoon/early evening.

Venue: Different venues in Surrey.

(10) SOUTH EAST RESERVE FORCES' AND CADETS ASSOCIATION

One Member appointment available.

Background:

The South East Reserve Forces' and Cadets Association deals with the operational requirements of all reserve forces in the County of Surrey. The role of the representative on the County Committee would be to provide a point of communication between the SLGA and its communities and to advise on local matters. The representative will have the right to attend Association meetings and will receive the necessary papers. The representative will be entitled to speak at Association meetings.

(11) South East Reserve Forces' and Cadets Association – continued:

Meets: 2 times per year – in June and in October/November.

Time: Evening

Venue: The Territorial Army Centre, Redhill, Surrey.

(11) SURREY WASTE PARTNERSHIP 2009/2010

One Member appointment available.

**TREASURY MANAGEMENT ANNUAL REPORT 2008/2009
KEY DECISION**

Resolution Required

Report of the Assistant Chief Executive and Chief Finance Officer

REPORT SUMMARY

How does the content of this report improve the quality of life of Borough Residents

The ability of the Council to generate maximum net investment returns with minimal risk provides significant resources for the General Fund revenue budget and the subsequent financing of the Council's services to local residents.

Purpose of Report

The report is to update members on the outturn treasury position and Prudential Indicators for 2008/09.

Key Issues

- To note the outturn treasury position achieved against the prevailing interest rate and economic backgrounds operating in 2008/09.
- To note the borrowing and investment strategies followed during 2008/09 and the policy for managing the Council's investments.
- To note the outturn Prudential Indicators for 2008/09.

Financial Implications

The report is to update on past treasury performance so there are no financial implications.

Corporate Priority

All corporate priorities are supported.

Officer Recommendations

The Cabinet is asked to note the report for 2008/09.

**Contact: Terry Collier, Assistant Chief Executive and Chief Finance Officer,
Tel: 01784 446296**

Cabinet Member: Councillor Michel Bouquet

REPORT

1. BACKGROUND

- 1.1 Treasury Management is “the management of the Council’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
- 1.2 The criteria governing the Treasury Management function are set out in the Treasury Management Policy Statement approved by this Committee in October 2003, and worked to consistently since then. This report is the annual report for the financial year 2008/09.

2. KEY ISSUES

2.1 Criteria and Constraints

- 2.2 The Council fully complies with the requirements of the CIPFA Code of Practice on Treasury Management 2001. The current relevant criteria and constraints incorporated into the Treasury Management Policy Statement are:
- (a) New borrowing to be contained within the limits approved by the Council, in accordance with the CIPFA Prudential Code for Capital Finance in Local Authorities and the Council’s prudential indicators.
 - (b) Investment to be made in accordance with the DCLG guidance on Local Authority Investments, on the basis of IBCA credit ratings and detailed in the Treasury Management Policy statement and approved scheduled and practices.
 - (c) Sufficient funds to be available to meet the Council’s estimated outgoings for any day.
 - (d) Investment objectives are to maximise the return to the Council subject to the overriding need to protect the capital sum.
 - (e) Our response to interest rate changes is to minimise the net interest rate burden on borrowing and maximise returns from investments, subject to (b-d) above.

2.3 Strategy for the Year 2008/09

- 2.4 The Council’s investments are all managed in house and the investment strategy was reviewed in consultation with Sector, our treasury management advisors. Given Spelthorne’s dependency on investment returns to balance the budget it was considered appropriate to consolidate returns by moving a significant proportion into longer term fixed investments in the form of cash deposits, CDs and Euro-Sterling Bonds.
- 2.5 The Council has taken the decision to fund its capital investment from available capital receipts rather than using prudential borrowing, although this may be considered for individual projects on a scheme by scheme basis. Borrowing activity is thus limited to managing our daily cash flow needs and our strategy is therefore simply to borrow at the lowest available rates for the minimum period required.

2.6 Economic Background

- 2.7 Bank rate started the year at 5.25% with expectations that there would be further increases as the CPI, the government's preferred inflation measure, was well above the 2% target. The money markets were reflecting some concerns about liquidity at the time due to the continuing problems with sub-prime lending and falling house prices in the US and one year deposits were yielding above 6%.
- 2.8 This continued through the summer until 15th September 2008 when Lehman Brothers, a US investment bank, was allowed to fail. This event caused a huge shockwave around the world and threatened to completely destabilise global financial markets. Investors grappled with the implications this might have on other financial institutions, their credit standing and financial viability and money markets froze. On October 7th the Icelandic government took control of its banks and a few days later the UK government pumped a massive £37bn into three major UK banks, RBS, Lloyds TSB and HBOS. Yields on government bonds fell as investors fled to the quality of government debt. Details of key events during 2008 is attached as [Appendix A](#).
- 2.9 Market focus now shifted from inflation concerns to concerns about recession, depression and deflation. Although the CPI was still well above target the MPC embarked on an aggressive policy of interest rate cuts and by December 2008 bank rate had been reduced to 2%. The new year brought little relief and rates would continue on their downward spiral seemingly having little effect. Over the next few months other measures were introduced to kick start lending and economic activity. These included an Asset Protection Scheme to insure the banks against significant losses on their toxic assets and also the policy of quantitative easing, effectively printing money.
- 2.10 The financial year ended with markets still badly disrupted, the real economy suffering from a lack of credit, short to medium term interest rates at record lows and a great deal of uncertainty as to how and when recovery would take place. Bank rate ended the year at 0.5%. Investment income returns have been badly hit but lower borrowing rates have allowed indebted authorities to benefit.
- 2.11 Sector revised their interest rate forecast several times and now expects bank rate remain at 0.5% until at least Q3 2010 before starting to rise again to 2% by Q1 2011.
- 2.12 **Compliance with Treasury Limits**
- 2.13 During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Policy Statement and annual Treasury Strategy Statement. The outturn Prudential Indicators for 2008/09 are shown in [Appendix B](#).
- 3. OPTIONS ANALYSIS**
- 3.1 **Performance in 2008/09**
- 3.2 **Borrowing** - With our borrowing needs restricted to meeting our daily cash flow, activity here is now limited at the present time.
- 3.3 Borrowing averaged £595k during the year and the average interest rate was 3.55%. During February and March the Council's income is significantly reduced because no instalment monies are received for Council Tax and Business Rates. Short term borrowing rates ended the year at around 0.4%.

Outstanding borrowing as at 31/3/09 was £4.5m and this was repaid on 1st April 2009.

- 3.4 **Investments** – At the start of 2008/09, the Council’s investment portfolio was £20m made up as follows:-

| Investment Class | Amount |
|--------------------------------------|---------------|
| Euro-Sterling Bonds | 5,000,000 |
| Fixed Term Deposits | 15,000,000 |
| Total Investment Portfolio at 1/4/08 | 20,000,000 |

- 3.5 The £5m Euro-sterling bond investment matured in July and October. As interest rates were expected to fall and there were significant concerns in respect of creditworthiness, a further investment of £6m was made in these bonds with varying maturities up to January 2013. They should provide maximum security being issued by the European Investment Bank with AAA credit rating. Although they are liquid and can be sold in the market if circumstances change, the intention is to hold them to maturity and lock into a certain rate of return.

- 3.6 As at 31st March 2009 the total gross funds managed in house was £21.2m as set out below:

| Investment Class | Amount | Average Rate |
|---------------------------------------|---------------|---------------------|
| Euro-Sterling Bonds | 6,000,000 | 4.17% |
| Fixed Term Deposits | 14,500,000 | 5.90% |
| Call Account Deposits | 700,000 | 0.80% |
| Total Investment Portfolio at 31/3/09 | 21,200,000 | 5.40% |

- 3.7 The gross overall return on investments was 5.40% for 2008/09 which is 0.91% higher than the benchmark average 3 month LIBID rate of 4.49% for the year. The performance reflects our strategy of locking into fixed term investments against a background of falling interest rates. After borrowing costs are reflected our overall net return for the year was 5.33%.

- 3.8 The original estimate for net investment income to be credited to the General Fund in 2008/09 was £1,880,000 based on an interest rate of 5.25%. This amount included £603,750 in respect of interest capital receipts from asset sales. However, as the economic climate worsened it became clear that this sale was not going ahead and the adjusted interest is therefore £1,276,250. The outturn for 2008/09 was £1,466,255 as follows:

- 3.9

| Investment Income | Actual £ | Budget £ |
|--------------------------|---------------------|---------------------|
| Temporary Investments | 131,471 | 200,000 |
| Fixed Term Deposits | 976,263 | 820,000 |
| Euro-Sterling Bonds | 290,793 | 261,850 |

| | | |
|---|------------------|------------------|
| Total Investment Income | 1,398,527 | 1,281,850 |
| Other net Interest | 101,902 | 34,400 |
| Total Gross Investment Income | 1,500,429 | 1,316,250 |
| Interest paid on temporary borrowing | (23,148) | (30,000) |
| Credited to Other Funds | (11,025) | (10,000) |
| Available Interest | 1,466,256 | 1,276,250 |
| Transfer from Interest Equalisation Reserve | 0 | 0 |
| Credited to General Fund | 1,466,256 | 1,276,250 |

- 3.10 The shortfall over the original estimate will be made up from the Interest Equalisation Reserve which was set up to manage the volatility in investment returns due to the effect of market interest rates from one year to the next.
- 3.11 **Investment Performance Monitoring**
- 3.12 Regular meetings are held with Sector, our treasury management advisors and in-house performance is carefully monitored. The Council is heavily dependent on investment returns to support the General Fund and the stability of those returns is an important part of our ongoing financial objectives.
- 3.13 Creditworthiness is being constantly monitored as a result of the current financial environment. Many once highly rated institutions have had their credit ratings significantly downgraded over the past year and no longer meet our tight criteria and have subsequently been removed from our list of potential investment counter-parties. Sector have improved their creditworthiness monitoring processes and now provide data on sovereign ratings and credit default swaps to assist Councils in making more informed decisions about which counter-party they invest with.
- 3.14 Comparisons of investment returns achieved by all the Surrey Districts are also undertaken as part of the wider benchmarking exercises that are carried out each year. A chart setting out the average returns achieved to March 2008 by each external fund manager for each authority is attached as [Appendix C](#). To maintain confidentiality, a letter identifies each authority; Spelthorne is identified by letter I.
- 3.15 **Conclusions for 2008/09**
- 3.16 Sector believes that bank rates will remain at the historically low level of 0.5% until October 2010 before starting to rise again. The return on investments this year has been good considering the current economic climate and level of interest rates but this is largely due to the fortunate timing of locking into fixed rates. Although the credit rating of most of our counter-parties has now removed them from our list, at the current time there appears to be little likelihood of any potential risk of defaults.
- 3.17 The volatility of returns has been more effectively managed by the current investment strategy which has had a positive impact on our overall returns for this year and should continue to create greater stability in the level of returns in the future. The Council will benefit from having locked into higher rates for the first half of 2009/10 but as current investments mature, investment returns

will suffer. However, in the current economic climate investment returns achieved in the past are unlikely to be seen again in the short to medium term.

4. PROPOSALS

4.1 There are no proposals.

5. BENEFITS AND SUSTAINABILITY

5.1 The ability of the Council to generate maximum net investment returns with minimal risk provides significant resources for funding the Council's services.

6. FINANCIAL IMPLICATIONS

6.1 The financial implications are as set out in this report.

7. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS

7.1 There are none.

8. RISKS AND HOW THEY WILL BE MITIGATED

8.1 Risks are identified and mitigated within the Council's Treasury Policy.

9. TIMETABLE FOR IMPLEMENTATION

9.1 Treasury management is an ongoing activity and there is no specific timetable for implementation.

Report Author: Jo Hanger

Background papers: There are none

**MANAGEMENT OF ORDINARY WATERCOURSES IN SPELTHORNE
KEY DECISION**

Resolution / Recommendation Required

Report of the Assistant Chief Executive

EXECUTIVE SUMMARY

How does the content of this report improve the quality of life of Borough Residents

Provides a clear policy and guidance on how watercourses in the Borough will be managed to maximise flood reduction and biodiversity value.

Purpose of Report

To propose a clear policy on watercourse management in the Borough that reflects relevant legislative requirements and the relevance of watercourses in flood alleviation and to biodiversity.

Key Issues

- The term watercourse can include main rivers and ordinary watercourses. The Council is to be concerned with ordinary watercourses: streams, ditches, cuts, dykes, sluices, sewers (not public sewers), rivers (not main rivers) and passage through which water flows which does not form part of any main river.
- Watercourses can work to reduce the frequency or severity of surface flooding by catching and channelling water.
- The Council is the riparian owner of the watercourses which run through its land and has responsibilities such as ensuring that the watercourses are maintained, repaired and kept free from obstruction.
- Property flooding from uncleared watercourses under Council responsibility has the potential to result in the Council being held liable for flood damage. The Council may be subject to enforcement action by the Environment Agency for failure to carry out maintenance work on waterways.
- For 'ordinary watercourses' Spelthorne Borough Council is the 'operating authority'
- Some ordinary watercourses within the Borough are in a poor condition and require works by their respective riparian owners (individuals, businesses etc).
- The Council's key powers:
 - a) Powers to maintain and improve existing ordinary watercourses and to construct new works (Section 14 (2) Land Drainage Act 1991).
 - b) Power to enforce obligations to repair watercourses (Section 21 of the Land Drainage Act 1991).
 - c) Power to require works for maintaining the flow of watercourses (Section 25 Land Drainage Act 1991).
 - d) Power to serve an abatement notice and prosecute under Section 24 Land Drainage Act 1991 in respect of obstructions / river control structures to watercourses occurring without consent.

- e) Power to introduce a bye law to regulate watercourse usage and management under Section 66 Land Drainage Act 1991.
- Establishing a new system to facilitate such enforcement action would require significant officer time and resources (Legal Section, Environmental Health & Building Control and Environment Services).
- The Council ought to adopt a pragmatic enforcement strategy which will take into account:
 - i) the location, condition, relation to flood risk and biodiversity prospects of each watercourse
 - ii) the financial ability of the riparian owner(s) to undertake the works
 - iii) the Council's prospects of recovery the expenses incurred in undertaking the work itself on behalf of the riparian owner(s)

Financial Implications

- Continual and increased revenue funding is required for watercourse clearance
- Enforcement action will present a financial burden to the Council in terms of officer time and resources. (Legal Section, Environmental Health & Building Control and Environment Services)
- Lack of action on watercourse management may potentially expose the Council to financial risks, civil legal action and enforcement action by the Environment Agency.

Corporate Priority Community Safety, Environment, Value for Money, Effective Communications

Officer Recommendations:

- (1) The Cabinet to authorise the Officers to proceed with Option 7 below and to adopt the policy as set out in Appendix 2.**
- (2) The Cabinet asked to Recommend the Council to approve the new Officer Delegations at Paragraph 7.2 of this report and to authorise the necessary amendments to the Council's Constitution.**

**Contact: Bob Coe, Assistant Chief Executive, Tel: (01784) 446257
Cabinet Member: Councillor Gerry Forsbrey.**

MAIN REPORT

1. BACKGROUND

1.1 Definition of a watercourse

- (a) A watercourse is defined as any channel through which water flows and can be open or enclosed underground as a culvert.
- (b) Watercourses may be classified as either main rivers or ordinary watercourses.
- (c) Spelthorne Borough Council is the Operating Authority / Drainage Board for ordinary watercourses.
- (d) The Environment Agency oversees main rivers.

1.2 Drainage and flooding

- (a) Watercourses occur naturally draining the land and assisting in supporting flora and fauna.
- (b) Historically ordinary watercourses have taken surface water run off from buildings and roads, as well as fields and parks. In the process of development many have been culverted or otherwise changed. Some watercourses have been modified to such an extent they are no longer significant features and are often referred to as “drainage ditches”.
- (c) In normal conditions the watercourse may be a dry channel in the ground, in conditions of heavy rain they may become full channel of flowing water.
- (d) Impermeable man made surfaces (paving, roads, car parks etc) prevent water from percolating into the ground. Instead water is channelled across these surfaces finding the quickest route to a lower channel. This can lead to watercourse volumes increasing rapidly, causing flooding, or in many cases - as seen especially in the summer flooding of 2007 in Hull and Gloucester, surface water flooding. Surface water flooding has also occurred in Spelthorne, with the most recent example being in Stanwell during February 2009. The Council chose to issue sandbags to a number of properties in an attempt to assist with reducing the risk of property flooding.
- (e) Well managed watercourses can help to ‘catch’ water and channel it away from vulnerable flood receptors (houses/businesses). However their capacity is limited even under optimum conditions.

1.3 Relevant national policy

- (a) The Department for Environment, Food & Rural Affairs (DEFRA) is responsible for policy on flood and coastal defence in England. However the delivery of this function is the responsibility of the “operating authorities” which includes the Environment Agency and Local Authorities.
- (b) The review into the summer floods in 2007 by Sir Michael Pitt (the Pitt Review) recommended a series of changes to manage the risk of surface flooding including: –
 - i) Recommendation 15: Local authorities should positively tackle local problems of flooding by working with all relevant parties, establishing ownership and legal responsibility.

- ii) Recommendation 16: Local authorities should collect and map the main flood risk management and drainage assets (over and underground) including a record of their ownership and condition.
- (c) It is expected that the Pitt recommendations will become enshrined in law in the near future. The Draft Flood & Water Management Bill was recently presented to Parliament in April 2009.
- (d) Sound watercourse management will also be a crucial element of Water Management Plans developed by the Environment Agency with local authorities having a significant role in their implementation, and National Indicators 188 and 189.

2. KEY ISSUES

2.1 Responsibility for watercourses

- (a) Under common law if any watercourse is within or adjacent to the boundary of a persons property or land they are known as the 'riparian owner'.
- (b) The riparian owner can be the Environment Agency, the local authority, an individual or several individuals.
- (c) Where the land is owned by Spelthorne Borough Council the council is the riparian owner with the rights and responsibilities therein.
- (d) Riparian owners have certain rights and responsibilities including the right to protect their property against flooding from the watercourse, the right to fish or the right to abstract water (with the appropriate licences)
- (e) Key responsibilities for riparian owners:
 - i) To maintain and repair banks and bed of their section of watercourse, bridge or other related drainage works
 - ii) To avoid any obstruction of flow of a watercourse
- (f) An extract from the guide for riparian owners as to their rights and responsibilities (Environment Agency: 'Living on the edge') is provided in [\(Appendix 1\)](#).
- (g) Works on any watercourse may require planning permission from the local authority, as well as the consent of the Environment Agency.

2.2 Enforcement of maintenance and repair of watercourse

- (a) Section 21 Land Drainage Act 1991 provides that if a person, liable to do work in relation to any watercourse, bridge or drainage work, whether by way of repair, maintenance or otherwise, fails to do so, he can be served with a S.21 Notice by the Drainage Board (Local Authority).
- (b) In compliance with the S.21 Notice, the works should be completed with all reasonable and proper dispatch.
- (c) If after 7 days, the S.21 notice is not complied with, the Drainage Board (Local Authority) can carry out the works itself.
- (d) Any expenses reasonably incurred by the Drainage Board (Local Authority) in carrying out the works can be recovered from the person liable for the repair / maintenance works.

2.3 Enforcement of obstruction of flow of watercourses

- (a) Section 25 Land Drainage Act 1991 provides the power to the Drainage Board (Local Authority) to require works for the maintenance of the flow of an ordinary watercourse, where it is in such condition that the proper flow of water is impeded. This power does not apply if the obstruction to flow has been caused by subsidence from mining operations.
- (b) The Drainage Board (Local Authority) can serve a S.25 notice, requiring the works, upon:
 - i) person controlling the relevant part of the watercourse
 - ii) any person who owns or occupies land adjoining that part of the watercourse
 - iii) any person whose act or default is attributable to the condition of the watercourse.
- (c) The consent of the owner /occupier of the land must be obtained before the service of a S.25 notice on a non-owner /occupier. DEFRA must be notified prior to exercise of this power. This S.25 power should not be used there are any other available local authority powers which could secure the appropriate flow of the watercourse e.g. powers under the Environmental Protection Act 1990 (unless by agreement or failure of those powers).
- (d) If the S.25 notice is not complied with within the period set, the Drainage Board (Local Authority) can carry out the works itself.
- (e) Any expenses reasonably incurred by the Drainage Board (Local Authority) in carrying out the works can be recovered from the person liable for the obstruction of flow of the watercourse.
- (f) Further, Section 23 Land Drainage Act 1991 prohibits the erection of obstructions / river control structures (mills, dam, weir, culverts) to the flow of any ordinary watercourse without the consent of the Drainage Board / Environment Agency. Consent cannot be unreasonably withheld. Failure to obtain consent can be addressed with an s.24 abatement notice served upon the person responsible where they have the power to remove the obstruction. There is also an option for prosecution as failure to comply with a S.24 abatement notice is a criminal offence.
- (g) The processes described above in relation to Sections 21, 25 and 24 Land Drainage Act 1991 do not apply to a main river or its banks.

2.4 **Bye laws and Regulations**

- (a) The Council has the power to introduce a bye law under Section 66 Land Drainage Act 1991, to specifically address the management of the Borough's drainage system and regulate use watercourses, outlining the local expectations in terms of maintenance and repair. Regulations (exercised by statutory instrument) can also be made by Ministers under Section 85 Local Drainage Act 1991.

2.5 **Watercourses in Spelthorne Borough Council**

- (a) To be able to understand and evaluate the risk to Spelthorne Borough Council, SBC Environment Services commissioned a study to determine the following:
 - i) Location of ordinary watercourses within the Borough.

- ii) an assessment of their condition (vegetation growth, bank stability, litter).
 - iii) relation to flood risk (flood zones, known surface flooding areas, flow rate) and;
 - iv) contribution/potential contribution to biodiversity.
- (b) This approach allowed each watercourse to be given a priority rating in terms of flood risk
- (c) The Council is responsible for managing watercourses through its operating authority duties. Where the Council is the riparian owner works have already been undertaken on some sites with the highest priority (risk) rating, including;
- i) Moor Lane
 - ii) Anne Brookes Close
 - iii) Sykes Drive
 - iv) Sweeps Ditch, Staines Park

2.6 **Potential difficulties for the Council**

- (a) The associated cost of maintaining Council owned sections of watercourses is significant and will be required indefinitely to mitigate future flood risk and associated costs of flood damage. Management is currently being met under existing budget levels.
- (b) The Council should also seek to ensure, in its operating authority role, that other ordinary watercourses in the Borough are managed properly in order to mitigate risk.
- (c) Should the Council undertake clearance works on all ordinary watercourses in the Borough the cost would be significant and with vegetation growth, new tenants / owners, fly tips etc will require ongoing maintenance.
- (d) On certain stretches of a watercourse the condition of the channel is very difficult to ascertain, for example where it runs through gardens.
- (e) Despite the powers outlined above, the practical enforcement of riparian responsibilities will present a significant challenge for the Council. Identifying the parties liable to carry out repair or works may prove difficult, particularly in cases in which fly tipping might be cited as the cause of the watercourse problem.

2.7 **The Council's proposed enforcement approach**

- (a) Pragmatic approach: where the Council becomes aware of watercourse issues, early contact and communication will be established with the riparian owners.
- (b) Where this Council considers a riparian owner to be financially able to undertake the clearance works, the Council would expect the works to be completed and a failure to do so would be followed by enforcement action as outlined above.
- (c) Where the Council considers a riparian owner to be financially unable to undertake the clearance works, the Council could serve the relevant notice,

pursue enforcement action and undertake the works itself. A decision could be made at a later stage as to whether the Council would seek to recover the costs. With this approach the option for recovery would be in place.

- (d) To support Council Officers in appropriately discharging the Council's operating authority responsibilities and to demonstrate to residents the Council's position on watercourse management, a clear Council Policy should be established.
- (e) A suggested policy has been developed and is attached in ([Appendix 2](#))

2.8 Summary off issues

- (a) Watercourses can work to reduce the frequency or severity of surface flooding by catching and channelling water.
- (b) The Council is the riparian owner of the watercourses which run through its land has responsibilities such as ensuring that the watercourses are maintained, repaired and kept free from obstruction.
- (c) Property flooding from uncleared watercourses under Council responsibility has the potential to leave the Council subject to enforcement action by the Environment Agency for failure to carry out maintenance work on waterways.
- (d) For 'ordinary watercourses' Spelthorne Borough Council is the 'operating authority' and has the power to maintain and improve existing ordinary watercourses and to construct new works (Section 14 (2) Land Drainage Act 1991).
- (e) Some ordinary watercourses within the Borough are in a poor condition and require works by their respective riparian owners.
- (f) The Council is able to take enforcement action to ensure that works are undertaken, through powers under the Sections 21, 24 and 25 Land Drainage Act 1991. Establishing a new system to facilitate such enforcement action would require significant Legal Section officer time and resources.
- (g) The Council ought to adopt a pragmatic enforcement strategy which will take into account:
 - i) the location, condition, relation to flood risk and biodiversity prospects of the watercourse.
 - ii) the financial ability of the riparian owner(s) to undertake the works.
 - iii) the Council's prospects of recovery the expenses incurred in undertaking the work itself on behalf of the riparian owner(s)

3. OPTIONS ANALYSIS

- 3.1 **Option 1:** The Council does not assess any watercourses nor take maintenance works.
- 3.2 **Option 2:** The Council maintains watercourses where it is the riparian owner
- 3.3 **Option 3:** Option 2 AND the Council assesses watercourses of high priority and informs the riparian owners of their responsibilities.

- 3.4 **Option 4:** option 3 above AND the Council will ensure that riparian owners undertake their duties through enforcement action.
- 3.5 **Option 5:** The Council undertakes options 1-4 for **all** ordinary watercourses identified irrespective of their significance and risk rating.
- 3.6 **Option 6:** The Council assesses all ordinary watercourses and carries out all maintenance works required, informing the appropriate riparian owners.
- 3.7 **Option 7: RECOMMENDED** The Council adopts policy in (**Appendix 2**) which includes option 4 and includes provision for assessing watercourses at different intervals based on their risk rating and providing information to residents on watercourse issues.

4. PROPOSALS

- 4.1 It is proposed that the Council adopts the policy attached in (**Appendix 2**). This policy ensures that the Council's riparian responsibilities are met. It also lays out how the Council will undertake its operating authority responsibilities such as enforcement. It is proposed that this policy represents a best value for money, balanced approach to managing watercourses in the Borough and works to increase resilience to heavy rain and associated flooding, in accordance with National guidance and performance indicators.

5. BENEFITS AND SUSTAINABILITY

- 5.1 The Council can undertake its operating authority responsibilities with a clear policy in place.
- 5.2 Appropriate management of ordinary watercourses will help reduce the risk of flooding from heavy rainfall events.
- 5.3 The importance of appropriate watercourse management is becoming increasingly recognised and will be an integral part of forthcoming Water Management Plans and performance measures for National Indicators 188 and 189. Proactive watercourse management also follows recommendations in the Pitt review and this issue will acquire increased significant and media focus as the Flood & water Management Bill progresses through Parliament and is passed in the future.

6. FINANCIAL IMPLICATIONS

6.1 Potential cost of works to watercourses

- (a) Undertaking maintenance works for watercourses for which Spelthorne Borough Council is the riparian owners represents an ongoing revenue cost. Budget provision for financial year 2009/10 is approximately £30,000.
- (b) A tender process would need to be run to secure a contractor to perform the task of clearance works as and when they are required. This would require officer time and resources.

6.2 Potential cost of enforcement

- (a) Enforcement under Sections. 21, 24 and 25 Land Drainage Act 1991 will require a new process to be established which would include initial investigations and responses to complainants to be conducted by the Environmental Services and Environmental Health & Building Control sections respectively.

- (b) The Legal Section may be required to investigate titles of ownership to establish riparian responsibilities for watercourses which may be shared amongst multiple owners. This property-related work could potentially expend significant Legal officer time and resources.
- (c) The Legal Section may also be required to prepare S21, 24 and 25 notices. This additional workload would expend officer time and resources within the Legal Section.
- (d) Environment Services and Environmental Health & Building Control would need to conduct site visits to monitor compliance with notices and would be required to liaise with the Legal Section in respect of progressing enforcement actions.
- (e) Recovery of costs incurred by the Council in undertaking works on behalf of riparian owners would require the Legal Section / Land Charges Section, if instructed to do so, to register the amount as a Financial Charge on the Local Land Charges Register or alternatively commence debt recovery proceedings.

6.3 Other potential costs

- (a) There will be costs incurred by way of publicity and in raising awareness in respect of the Council's new approach to watercourse management and enforcement.
- (b) As a result of raising public awareness to riparian responsibility, the Planning department, Environment Services and Environmental Health & Building Control are likely to be required to process applications for consents for proposed works under the Land Drainage Act 1991.

6.4 Current revenue funding

- (a) Council watercourse maintenance and clearance of *high risk* watercourses, as identified in *Environment Services Ordinary Watercourse* study could be accommodated in current revenue spending.
- (b) Clearance works of all identified watercourses, either by the Council or through enforcement action would require an increase in revenue funding. Clearance of these watercourses would have very limited impact on flood risk or biodiversity value.

7. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS

7.1 In order for officers to exercise powers under the Land Drainage Act 1991, it must be ensured that appropriate delegations to the relevant officers are included within the SBC Constitution.

7.2 In order to make specific delegations in respect of the Land Drainage Act 1991, the following inclusions to the Scheme of Delegations would be required:

7.3 Proposed delegations:-

- (a) **Function:** To exercise the powers and functions of the Council, as the relevant Drainage Board, under the Land Drainage Act 1991 and to authorise officers to carry out powers and functions under the Act.
- (b) **Authorised Officer:** Head of Environment Services

- (c) **Function:** To issue and serve statutory notices and take follow up action under the Land Drainage Act 1991
- (d) **Authorised Officer:** Head of Environment Services
- (e) Proposed delegation i) would authorise the use of:-
 - i) General drainage powers (Sections 14 to 16 Land Drainage Act 1991).
 - ii) Power to enforce obligations to repair watercourses (Section 21 of the Land Drainage Act 1991).
 - iii) Power to require works for maintaining the flow of watercourses (Section 25 Land Drainage Act 1991).
 - iv) Power to serve an abatement notice and prosecute under Section 24 Land Drainage Act 1991 in respect of obstructions to watercourses occurring without consent.
 - v) Other powers and function contained within the Land Drainage Act required to fulfil the role of operating authority.

7.4 Matters related to the use of powers under the Land Drainage Act 1991, would be reported to and /or investigated by either Environmental Health and Building Control (s.259 statutory nuisance in watercourse) or Environment Services. It may be the case that the Environmental Health and Building Control department is capable of preparing the relevant statutory notices for the matters it investigates.

8. RISKS AND HOW THEY WILL BE MITIGATED

- 8.1 **Risk 1:** Failure of the Council to maintain watercourses where it is the riparian owner may result in referral to the Secretary of State. Where such failures exacerbate flash flooding the Council could face adverse media criticism or even civil legal action from residential or commercial flood damage victims. The Council may potentially be subject to enforcement action by the Environment Agency for failure to carry out maintenance work on waterways.
- 8.2 **Risk 2:** Failure of the Council to undertake its operating authority role for all watercourses may result in the same risks as set out at 8.1, particularly in the event of flash floods occurring in the Borough.
- 8.3 **Risk 3:** Failure of the Council to manage watercourse in the Borough appropriately may result in non compliance with national indicator requirements, local agreements, flood emergency plans and water management plans. This may potentially affect long terms relations with the Environment Agency and neighbouring local authorities.
- 8.4 The recommended option addresses **Risks 1-3** and ensures that the Council's riparian responsibilities are met. It demonstrates how the Council would undertake its operating authority role on a risk basis, with the most significant watercourses given the highest priority. Where residents are demonstrably unable to undertake clearance works on high risk watercourses the Council may choose to clear on their behalf.
- 8.5 **Risk 4:** Such use of powers under the Land Drainage Act 1991 would require legal action with the associated risks such as the possibility of an s.25 notice being appealed in the Magistrates' Court.

8.6 The Council can seek to avoid or limit **Risk 4** by establishing a sound watercourse management policy, consistent procedure and effective liaison between Environmental Health & building Control, Environment Services and the Legal Section.

9. TIMETABLE FOR IMPLEMENTATION

9.1 Works on high risk watercourses where the Council are the riparian owners have already been undertaken with further works scheduled for late 2009 when the impact on wildlife and biodiversity is greatly reduced.

9.2 Contact with relevant riparian owners can begin in summer 2009. However the process will need to continue at appropriate intervals for new residents.

9.3 Some works and contacts will be reactive to information from residents, Officers and Councillors.

9.4 General information to the public will continue (website, leaflets etc).

Report Author: Nick Moon, Environmental & Technical Projects Officer, Tel (01784) 448561

Background Papers:

Appendix 1 – Background on Riparian Owners Rights and Responsibilities

Appendix 2 – Proposed Ordinary Watercourse Management Policy

Appendix 3 – [Draft work schedule outline](#)

2008-09 PROVISIONAL REVENUE OUTTURN REPORT

Resolution Required

Report of the Chief Finance Officer

EXECUTIVE SUMMARY

How does the content of this report improve the quality of life of Borough Residents

This report shows the Authority's provisional revenue figures and how the budget that what was agreed relates to actual expenditure incurred in the financial year

Purpose of Report

To provide Members with the provisional Revenue outturn figures as at 26 May 2009 and to show the projected level of transfers from reserves required.

Key Issues

- The actual spend to date, at net expenditure at service level, shows that we have spent approximately £15.257m against the full year original budget of £15.247m.
- We are currently anticipating an over spend of £9k at net expenditure service level (0.06%) against the original budget
- An outstanding claim of £54k from SLM in respect of energy efficiency savings made in the periods 2006/07 and 2007/08 is currently being investigated and will result in increasing the over spend if accepted
- The position after taking into account the transfer of the £200k prior year carry forward budget, to offset expenditure in the projected outturn figures, gives us an under spend of £191k against the revised budget
- Net expenditure , after allowing for capitalised salaries, use of the Business Improvement Reserve and a VAT reclaim, is projected to be £14.875m
- The projected net expenditure outturn after the investment shortfall of £488k, is forecast to be approximately £761k over original budget (5%). This shortfall is being partly funded by using the interest equalisation reserve (£300k) and the balance from other earmarked reserves.

Financial Implications

As set out within the report and appendices

Corporate Priority

All 12 Priorities.

Officer Recommendations

The Cabinet are asked to note the report.

Contact: Terry Collier, Chief Finance Officer (01784 446296)

Cabinet Member: Councillor Michel Bouquet

MAIN REPORT

1. BACKGROUND

- 1.1 The purpose of this report is to update Members on the provisional revenue outturn position and the proposed level of transfers from reserves.
- 1.2 To inform Members of the reasons for the variances identified against the budget agreed in February 2008.
- 1.3 In the Budgets agreed for Heads of Service it is always anticipated that there will be budget variances from the original budget. This ensures that the Authority meets any change in the needs of the service to adapt to any unexpected changes which happen in the period.

2. KEY ISSUES

- 2.1 In [Appendix A](#) the provisional outturn is £15.256m against the full year original budget of £15.247m.
- 2.2 [Appendix B](#) gives a summarised breakdown of the provisional outturn by Service Area and the projected outturn figures identified at month 9 by Heads of Service.
- 2.3 [Appendix C](#) gives a breakdown of expenditure requested to be carried forward in order to fund works which were unable to be completed in the financial year.
- 2.4 Although we are projecting to be over spent we have been able to accommodate the carry forward requests by not utilising the carry forward reserve from 2008/09. The balance on the reserve has however been reduced from £200k in 2008/09 to £150k in 2009/10.
- 2.5 Major provisional outturn variances, in both monetary and percentage terms, to the original budget together with officer comments on more significant expenditure / income variances are as follows:
 - (a) Communications and Business Review – £84k (16%) net over spend
 - i) Business Review - £84k adverse -This relates to one off employee expenditure of £96k incurred as part of the Business Improvement programme which will be funded from the Business Improvement Reserve – the spend is offset by reduced employee expenditure relating to one post budgeted here but charged to Management Team as part of the restructure.
 - (b) Environment Services - £72k (35%) net over spend
 - i) Environment Services Administration - £12k favourable due to reduced employee costs due to vacancies in the year £32k offset by additional costs on transport study part funded by SEEDA £20k
 - ii) Technical Projects - £84k favourable – reduced income from advertising pods £16k and expenditure being charged to Grounds Maintenance for verge maintenance works originally budgeted in Technical Projects (see paragraph d ii)
 - iii) Car Parks - £18k adverse – lower income than originally budgeted

- iv) Staines Town Centre Management - £52k adverse – reduced rental income currently anticipated (£41k) plus additional consultants expenditure £11k previously charged to capital.
 - v) Waste Recycling Marketing - £55k adverse. Increased salary expenditure £32k plus purchase of school bins and recycling banks £52k offset by grant income of £29k
 - vi) Parks Strategy - £45k adverse due to back dated increased water charges £17k and reduced income predominantly from catering concessions at Lammas
- (c) Customer Services - £62k (6%) net over spend
- i) Knowle Green - £76k adverse - Business rates are higher by £7k, energy efficiency works £10k, electricity costs £10k, Vending Machines costs higher by £15k due to increased leasing costs, Telephone costs higher by £23k due to increase in maintenance support and replacement batteries costs for UPS, Office moves expenditure £5k.
 - ii) Printing - £15k favourable predominantly due to reduced external print costs £13k
- (d) Street Scene - £17k (0.4%) net over spend
- i) Depot - £35k adverse due to increased salary costs (£9k) offset by salary savings in Management and Support budget and extra security, maintenance and electricity costs
 - ii) Grounds Maintenance - £73k adverse (see paragraph b ii)
 - iii) Management and Support - £55k favourable due to savings on vacant posts and other employee costs
 - iv) Street Scene enforcement - £11k favourable – savings on employee expenses and other running costs
 - v) SAT - £11k favourable – increased running costs (£13k) offset by refund of overpaid VAT £24k
 - vi) Waste Recycling - £16k favourable – lower contractor costs £90k partially offset by reduced recycling credit income £74k
- (e) Corporate Governance – £63k (14%) net over spend
- i) Land Charges - £51k adverse – reduced income £70k partially offset by reduced salary costs £19k due to section restructure
 - ii) Legal - £20k adverse – additional staffing expenditure agreed as part of Management Team restructure £28k partially offset by increased reimbursement for legal work £16k
 - iii) Corporate Governance - £5k adverse – increased running costs but funded from Management Team restructure savings
 - iv) Committee Services - £13k favourable savings on printing and consultants costs

- v) Planning / Housing – £105k (19%) net under spend
 - vi) Planning Development Control – £29k favourable - increased income from HPDG grant offset by decline in level of development control fees being received due to economic climate
 - vii) Planning Management – £59k favourable - salary savings £46k (offset by additional £66k salary payments in Planning Development control to fund maternity cover arrangements) and £12k savings on consultants costs for works on the LDF spent in planning policy
 - viii) Economic Development - £50k favourable – grant income received from Local Authority Business Grant Initiative (LABGI)
 - ix) Planning Policy – £32k adverse – increased expenditure on LDF in 2008/09 due to delay in examination hearing offset by budget carry forward of £64k from 2007/08 incorporated into the revised budget calculation
- (f) Financial Services £382k (13%) net under spend
- i) E Government Services – £22k adverse – increased module and application costs for Revenues and Benefits system plus additional server and contractor costs
 - ii) Accountancy - £24k favourable savings on vacant posts
 - iii) Concessionary Fares - £322k favourable – lower than estimated number of journeys being recorded, and this is allowing for some pooling of savings to happen across the Surrey districts.
 - iv) Council Tax - £46k favourable – increased collection costs income £55k and reduced leaflet printing costs £17k partly offset by increased employee expenditure £27k
 - v) Insurance – £18k favourable - reduced level of premiums than originally anticipated
- (g) Corporate Management - £243k (111%) net over spend – 28k expenditure re Orchard Meadow for legal fees in disputing a claim for costs under a compulsory purchase order made in 2001 plus a provision for costs to be awarded re potential compensation payments (£145k), legal fees for disputing the ongoing legal claim over works at Memorial Gardens (£18k), advice and consultancy on the Bridge Street redevelopment (£27k), maintenance survey on Knowle Green (£10k),
- (h) Miscellaneous Expenses - £145k (1208%) net over spend - increased staffing costs £16k (funded by the Business Improvement Reserve) and inclusivity training (£27k) originally budgeted within salary and corporate training budgets. Additional increased expenditure due to adjusting the levels of bad debt provision in line with External Audit requirements (£103k).

- (i) Unapportionable Central Overheads - £61k (11%) net over spend – early retirement costs £98k (this gets adjusted as part of the year end FRS17 pensions calculation), under spend on achievement awards and retention allowances expenditure (£33k) charged to services but budgeted corporately
- (j) Community Services - £57k (8%) net under spend
 - i) Day Centres - £31k adverse – predominantly due to NNDR costs on the buildings still being charged, increased tutor costs and increased cleaning charges plus reduced income
 - ii) SPAN - £21K adverse due to consultants costs not budgeted and reduced membership income £11k
 - iii) Spelthorne Leisure Centre - £40k over spend due to SLM energy efficiency savings methods payments (£70k) (see paragraph 2.13 for further information on a prior years claim)
 - iv) Meals on Wheels - £17k favourable – increased income (£6k) and lower running and operating costs
 - v) Leisure Administration - £37k favourable due to reduced salary expenditure (£45k) through vacancy management during the Business Improvement review offset by consultants costs to cover staff changes
 - vi) Public Halls - £37k favourable – increased income £30k and reduced expenditure across all halls
 - vii) Leisure Promotions - £23k favourable due to leisure research budget not used in year and a returned overpayment from 2007/08 of £6k
 - viii) Youth - £10k favourable – reduced activity on expenditure through staffing shortages and additional income received
- (k) Environmental Health / Building Control – £23k (3%) net under spend
 - i) Building Control - £43k adverse due to reduced fee income (£33k) and higher staff costs than budgeted
 - ii) Environmental Health Admin - £52k favourable due to savings on employee costs
 - iii) Environmental Protection Act - £19k favourable due to increased fee income and reduced expenditure
- (l) Housing Options - £125k (23%) net under spend
 - i) Homelessness - £22k adverse – increased level of planned void properties
 - ii) Housing Needs - £50k adverse – increased salary costs £58k (see (iii)) offset by additional income £8k
 - iii) Housing Benefits Admin - £55k favourable – reduced salary expenditure due to reallocation of staffing costs to Housing Needs £30k and increased income £21k
 - iv) Housing Benefit Payments - £114k favourable – additional income from recovery of overpayments

- v) Private Sector Leasing (PSL) - £28k favourable – reduced external management costs of leased properties
 - (m) Management Team – £88k (15%) net under spend
 - i) Predominantly employee savings from the reorganisation of Management Team as part of the Business Improvement programme
- 2.6 Included in the projected outturn is expenditure on 2007/8 schemes which were due to be completed in 2008/09. The carry forward budget was approximately £200k.
- 2.7 **Income**
- 2.8 The provisional outturn position on the Council's main income streams are :
- (a) Development Control Income – additional £154k - HPDG grant than originally budgeted has been received.
 - (b) Land charges fee income - £70k reduced income than budgeted due to lower levels of searches being requested. This figure has been revised in the 2009/10 budget
 - (c) Car parking income - £11k adverse due to Commission income below budget due to reduced car washing and car boot income.
 - (d) Building Control Fee income – the provisional outturn shows reduced income of £33k compared to the original budget in light of the reduced levels of activities now being received. This figure has been revised in the 2009/10 budget
- 2.9 Additional one off income of approximately £144k, including statutory interest, has been received from Her Majesty's Revenues and Customs for the recovery of prior year overpaid VAT on car parks excess parking charges.
- 2.10 **Other Factors**
- 2.11 The provisional outturn for expenditure on Service Contracts is approximately £104k. Additional contracts are being identified and these will impact on future years' expenditure.
- 2.12 The Council has made a provision in the accounts of £145k for the potential costs of a compulsory purchase order made in 2001 which is currently awaiting the outcome of a Lands Tribunal case.
- 2.13 The Council has also received, from SLM, a claim for approximately £54k relating to energy efficiency savings made at the leisure centres relating to the periods 2006/07 and 2007/08. This was agreed as part of the original contractual obligations. We are currently waiting for additional information in support of this claim. If accepted this will impact on the provisional outturn position and will require an additional transfer from reserves to cover the expenditure.
- 2.14 Capitalised Salaries – expenditure of approximately £132k has been charged to capital due to reduced spend and activity on capital schemes.
- 2.15 By incorporating these adjustments the provisional outturn at Net Expenditure level is £15.076m against a budget of £14.805m an over spend of £273k
- 2.16 The shortfall on investment income (approximately £488k) is due to the budget having anticipated that the Bridge Street receipt would have been received during 2008-09.

2.17 Net Expenditure after investment income is projected to be £13.686m against the original estimate of £12.925m an over spend of £761k

2.18 In view of the fact that the shortfall is due to reduced investment income interest it is anticipated that the Interest Equalisation Reserve, which currently has a balance of £893k, will be partly used to offset this shortfall. There will be a projected balance on the reserve of £593k

2.19 **Funding Proposals**

2.20 The funding of the funding of the additional shortfall is proposed to be taken from the Interest Equalisation Reserve (£300k) , the Business Improvement Reserve (£166k) , Carry forward reserve (£50k) and earmarked reserves (£245k)

2.21 The original funding of approximately £1,047k, will be taken from the earmarked revenue reserves as originally agreed.

3. **OPTIONS ANALYSIS**

3.1 All variances highlighting increased income or reduced expenditure will be analysed to see if this is a one off occurrence and any that can be seen to be longer term will be incorporated into the 2009/10 projected outturns and the outline budget for 2010/11.

4. **PROPOSALS**

4.1 Cabinet are asked to note the current provisional outturn over spend against original budget at the net expenditure level is £9k

5. **BENEFITS AND SUSTAINABILITY**

5.1 Careful monitoring of the budgets will enable greater transparency of budget problems and enable action to be taken when required on areas identified as areas of concern

5.2 A systematic approach to budget monitoring will hopefully alleviate problems of major discrepancies being highlighted at year end which have not previously been identified.

5.3 Constant monitoring of the budgets enables Heads of Service to be held more accountable for their budgetary spend and any major unidentified variations which occur.

6. **FINANCIAL IMPLICATIONS**

6.1 As set out within the report and appendices.

7. **LEGAL IMPLICATIONS / OTHER CONSIDERATIONS**

7.1 There are none

8. **RISKS AND HOW THEY WILL BE MITIGATED**

8.1 A projected balanced outturn depends on Management Team (MAT), Heads of Service and all budget managers managing their budgets within the parameters that were originally agreed and achieving where necessary corresponding growth and savings within those budgets. Careful monitoring of the budgets on a monthly basis ensures that any problems or anomalies are identified and investigated at an early stage.

8.2 Any necessary corrective action on major budget variations, which cannot be remedied within the Service, are reported to MAT immediately in order to ensure that as much time and opportunity is had to enable the position to be rectified quickly within the current financial year.

9. TIMETABLE FOR IMPLEMENTATION

9.1 Bi monthly reports are produced for Management Team.

Report Author: David Lawrence Chief Accountant 01784 446471

Background Papers:

There are none

2008/09 PROVISIONAL CAPITAL OUTTURN REPORT

Resolution Required

Report of the Chief Finance Officer

EXECUTIVE SUMMARY

How does the content of this report improve the quality of life of Borough Residents

Money spent on capital schemes enables the Authority to ensure that residents are able to have an improved standard of living and facilities.

Purpose of Report

To provide Cabinet with the provisional outturn figures for 2008/09 on the Capital Programme and agree the list of schemes requested by Heads of Service to be carried forward.

Key Issues

- The current provisional outturn shows that we have spent £2,793k to date against an original budget of £3,019k
- The provisional outturn for the year of £2,793k is 93% of the original budget (the 2007/08 figure comparison was 99%)
- The end of year requested carry forward amount from the revised capital programme budget of £3,862k into 2009/10 is £486k, this is £45k higher than requested at the end of QTR3 (13%), this compares to £723k carried forward in 2007/08.

Financial Implications

As set out within the report and appendices

Corporate Priority

All 12 Priorities.

Officer Recommendations

The Cabinet are asked to note the report.

Contact: Terry Collier, Chief Finance Officer (01784 446296)

Cabinet Member: Councillor Michel Bouquet

MAIN REPORT

1. BACKGROUND

- 1.1 The purpose of this report is to update Cabinet on the provisional outturn spend against the budget outturn position of schemes which have been included in the Capital programme
- 1.2 To inform Cabinet of the reasons for variances and the level of proposed slippage into the 2009/10 Capital budget.

2. KEY ISSUES

2.1 Capital

- (a) Attached, as [Appendix A](#), is the provisional outturn position on capital spending as at 26 May 2009, including schemes which were incomplete at 31 March 2008.
- (b) As at 26 May 2009 actual capital expenditure for works completed amounted to approximately £2,793k. The specific details for each scheme are detailed in Appendix A.
- (c) For the year ending 31 March 2008 capital expenditure was £5.235m (99%) of the original budget and 88% of the revised budget.

2.2 Schemes where there is a large variance are identified below:-

- (a) Housing Enabling Fund – only 1 suitable scheme approved. Budget of £40k requested as a carry forward to complete the successful project
- (b) Home Repair Assistance Grant – reduced number of scheme requests due to not meeting the required criteria which has been amended for 2009/10
- (c) Stanwell Day centre – costs of works undertaken during the year to be funded from the capital receipt received from the sale proceeds
- (d) Benwell Day centre - costs of works undertaken during the year funded from the capital receipt received from the sale
- (e) Long Lane Play area – works fully funded from income received in respect of the Big Lottery fund
- (f) Bowls Club self management – works ongoing, balance of monies requested as budget carry forward into 2009/10
- (g) Public Conveniences modernisation – no suitable schemes completed in 2008/09 budget due to postholder being seconded to assist in the implementation of the Choice Based Letting scheme – any schemes to be agreed in 2009/10 will be the subject of a supplementary capital estimate subject to receiving an appropriate business case
- (h) Lammas Park – works delayed due to Environment Agency works on flooding being required. Budget requested as a carry forward to complete the works in 2009/10
- (i) Lammas Park sea cadets relocation – additional costs incurred for essential building control works and specifications required by the sea cadets
- (j) Controlled Parking Zones – no suitable schemes have been proposed.

- (k) Transportation Study – works funded from the revenue budget
- (l) Information Technology - spend is above budget due to additional expenditure being incurred to take advantage of an earlier start to completing the Technology road map works which are budgeted in the 2009/10 programme.
- (m) Capitalised salaries – lower spend on capitalised salaries than originally budgeted due to a reduced number of schemes taking place which would enable salaries to be capitalised

2.3 The Capital Programme spend to date and provisional outturn position are highlighted on **Appendix A**.

2.4 Attached as [Appendix B](#) is a list of capital schemes requested, together with Accountancy recommendations, to be carried forward by Officers for works which have been unable to be completed in 2008/09 and they would like to be carried forward to the 2009/10 programme.

2.5 The [currently requested level of carry forward](#) from this years programme into 2009/10 is £486k. The slippage identified as part of the 3rd quarter capital monitoring statement was £441k.

2.6 The schemes requested as carry forwards will be presented to the Cabinet Member for Resources and the Leader of the Council for approval or rejection.

3. PROPOSALS

3.1 Cabinet note the provisional outturn position

3.2 Cabinet agree that the schemes requested for carry forward be passed to the Cabinet Member for Resources and the Leader of the Council for consideration.

4. BENEFITS AND SUSTAINABILITY

4.1 Careful monitoring of the budgets enables greater information on the likely outturn position which enables improved treasury management interest forecasts as predicted under spends or slippages can be incorporated when calculating the likely outturn position for investment income.

5. FINANCIAL IMPLICATIONS

5.1 Any under spend 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 identified.

6. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS

6.1 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 allocated the funds to complete the works.

7. RISKS AND HOW THEY WILL BE MITIGATED

7.1 Projected outturns are based on the best knowledge of the Heads of Service at a given point in time and may change if there is a major change in circumstances. Regular monitoring and updating of the projections will enable these changes to be picked up and corrective action taken in a timely manner to ensure that necessary corrective can be taken.

8. TIMETABLE FOR IMPLEMENTATION

8.1 Bi monthly monitoring reports are prepared for Management Team and incorporate revised actual and projected outturn figures.

Report Author: David Lawrence Chief Accountant 01784 446471

Background Papers:

There are none.

**REVIEW OF SPELRIDE OPERATIONS
KEY DECISION**

**Resolution Required
Report of the Deputy Chief Executive
EXECUTIVE SUMMARY**

How does the content of this report improve the quality of life of Borough Residents

Spelride offers transport to those most in need and who are unable to use public transport. Spelride allows those most in need to get out and about to visit day centres, go on outings, shopping and other activities as required.

Purpose of Report

To review the current service provision and agree the way forward.

Key Issues

- Capacity for new members
- Perceived demand from Dial-a-Ride users

Financial Implications

There are none arising from this report.

Corporate Independent Living, Healthy Community, Community Engagement

Officer Recommendations

The Cabinet is asked to agree:

1. **To maintain the current level of service for 2009-2010. To also explore different options to delivering the service to ensure the service is sustainable for the future. Officers will also continue to meet the user group to consider minor amendments to changing needs.**

**Contact: Nigel Lynn, Deputy Chief Executive, Tel: (01784) 446304
Cabinet Member: Councillor Mrs. Vivienne Leighton**

MAIN REPORT

1. BACKGROUND

- 1.1 The Council, along with other districts in Surrey is unique in that it provides a dial a ride service which is normally provided by a County Council.
- 1.2 Spelride is an established service providing transport for users of day centres, special groups and Dial-a-Ride customers.
- 1.3 Spelride is a discretionary service that has been provided directly by the Council since 1997 and has been subject to a number of reviews over recent years to ensure best value.
- 1.4 As part of the Older People's review, the number of vehicles was reduced from 10 to 5 and the service amended to the following pick up times :
 - (a) 08.30 – 11.00am Day centre transport.
 - (b) 11.00 – 02.00pm Dial-a-Ride.
 - (c) 02.00 – 03.30pm Day Centre transport.
- 1.5 This particularly reduced the service availability of Dial-a-Ride which had previously been 08.30am – 03.30pm, but in overall terms made the service more efficient and cost effective in terms of best value halving the subsidy per trip from £11.80 to £5.06. This was agreed by Executive on 25 April 2006.
- 1.6 Older people have remained one of the Council's major priorities, with the key objective being supporting the frailer older person.
- 1.7 This report updates members on the current situation.

2. KEY ISSUES

- 2.1 The current Spelride membership is 500 users with an average age of over 75. (Current population of Spelthorne of 75 plus a year is 7800)
- 2.2 The service currently provides:
 - (a) 28,500 trips per annum, which includes
 - (b) 1500-2000 high needs trips
 - (c) 2825 trips for wheelchair users
 - (d) 500 free trips outside of normal hours using volunteer Spelride drivers at no salary cost to the Council
- 2.3 Due to the nature of the users of the service, around 2000 journeys were cancelled last year through illness.
- 2.4 Although the operating times for dial a ride have been reduced, comments suggest that it is providing a valuable service and that it still allows people to get out and about.
- 2.5 The current charges are as follows:-
 - (a) Annual Spelride membership is £10; (previously £8) - £5 lifetime originally.
 - (b) Annual Spelride and Day Centre membership is £14; (previously £12).

- (c) Fare for a single journey is £2.90; (previously £2.70).
- (d) Fare for a return journey is £4.50. (previously £4.20).
- 2.6 The Council also provides a concessionary fares scheme (as required by Central Government) to all our 60 year olds who can access the service.
- 2.7 In some cases Spelride provides the only option for transport to either a day centre or similar, albeit at a charge. In contrast, it is worth noting that for all over 60s, public transport services are free under the concessionary fares scheme, but the frail and elderly cannot always access these services easily and have to rely on Spelride.
- 2.8 The current criteria for new members using Spelride to access Day Centres and Dial-a-Ride are as follows:
 - (a) “Any person with a certified disability or illness that prevents them accessing ordinary public centre transport “. This is confirmed by the production of medical evidence.
- 2.9 There is the potential for this membership to increase and thereby demand for Spelride, however this may be offset by the availability of Public Transport with better facilities to carry people with a disability and which will also be free.
- 2.10 **Future Issues which would effect Spelride**
 - (a) There is an ever increasing ageing population and there could be further demands on the service.
 - (b) The future sustainability of the service needs to be considered as there may be other possible options to support delivery. Officers will continue to investigate the following:
 - i) Partnership with another authority
 - ii) Support from the voluntary sector
 - iii) Sponsorship from local businesses
 - iv) Further funding from Surrey County Council.

3. OPTIONS ANALYSIS

- 3.1 **OPTION ONE** - to reduce the service provision further. Although Spelride is a discretionary service, that in most areas of the UK is provided by the County Council, any further reduction in the service would have a detrimental effect on current users and would be seen very negatively by the public.
- 3.2 **OPTION TWO** - expand the service. The cost of expanding by just one vehicle would be £40,000 capital, and £26,000 revenue per annum. The review identifies that 505 trips have been refused due to lack of resources in 2008/09. This equates to less than 7 trips per week not being available. Compared to the 28,500 trips per annum that are run, this figure is considered low. This option would provide up to 6000 more trips.
- 3.3 **OPTION THREE** - to maintain the current level of service and monitor the situation reporting further to Members should the situation change dramatically. Explore all possible avenues such as partnering to ensure service is sustainable in the long term. Officers will also continue to meet the user group to consider minor amendments to changing needs.

4. PROPOSALS

- 4.1 To maintain the current level of service and continue to explore other avenues to ensure sustainability of the service.

5. BENEFITS AND SUSTAINABILITY

- 5.1 This will enable the current level of service for 2009/10 to be sustained whilst officers continue to look at possible options for future sustainability and report back to the Cabinet in this financial year.

6. FINANCIAL IMPLICATIONS

- 6.1 In view of the Council's financial situation there do not appear to be overwhelming reasons to consider increasing the service at this time but the situation needs to be closely monitored
- 6.2 The current net revenue expenditure on this service is £127,900. Income from fares is £42,000 and the subsidy from Surrey is £22,000.
- 6.3 Spelthorne subsidies per trip are £5.06, and this compares favourably with other Surrey districts (Epsom & Ewell £7.19 highest subsidy and Runnymede £3.18 lowest subsidy).

7. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS

- 7.1 There are none.

8. RISKS AND HOW THEY WILL BE MITIGATED

- 8.1 The perceived low level of service remains, however, this could only be mitigated by increasing the budget by over £30,000 per year.

9. TIMETABLE FOR IMPLEMENTATION

- 9.1 Future report to Cabinet, January 2010.

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Background Papers:

Older People's Services and Spelride Review – Executive April 2006