

Please contact: Greg Halliwell
Please telephone: 01784 446267
Fax Number: 01784 446333
Email Address: g.halliwell@spelthorne.gov.uk
Our Ref: PGH/Cabinet
Date: 6 July 2012

Notice of Meeting

CABINET

Date: Tuesday 17 July 2012

Time: 5.00 p.m.

Place: Council Chamber, Council Offices, Knowle Green, Staines.

PLEASE NOTE ROOM CHANGE

To: Members of Cabinet

Members of the Cabinet	Cabinet member areas of responsibility
F. Ayers (Chairman)	Leader of the Council/ Strategy and Corporate Governance
Mrs. J.M. Pinkerton (Deputy Leader)	Health, Well-being and Independent Living
Mrs C.A. Bannister	Communications
T.J.M. Evans	Finance and Resources
P.C. Forbes-Forsyth	Community Safety and Young People
G.E. Forsbrey	Planning & Housing
Mrs D.L. Grant	Parks and Assets
N. St. J. Gething	Economic Development
R.L. Watts	Environment

AGENDA

Description	Page Number
1. Apologies for absence	
To receive any apologies for non-attendance.	
2. Minutes	
To confirm the Minutes of the meeting held on 12 June 2012.	1 - 4
To confirm the minutes of the Extraordinary Cabinet held on 2 July 2012.	5 - 6
3. Disclosures of Interest	
To receive any disclosures of interest from members in accordance with the Council's Code of Conduct for members.	
4. Supplementary Planning Documents for housing and flooding	
Councillor Forsbrey	7 - 49
5. Treasury Management Annual Report 2011-12	
Councillor Evans	50 - 58
6. Revenue Outturn Report 2011-12	
Councillor Evans	59 - 76
7. Integration of Spelthorne and Runnymede ICT	
Councillor Bannister	77 - 81
8. Balliff Contract Review	
Councillor Evans	82 - 87
9. Gambling Policy 2013-16 (Draft version)	
Councillor Forbes-Forsyth	88 - 90
10. Issues for future meetings	
Members to identify issues for consideration at future meetings.	
11. Urgent Items	
To consider any items which the Chairman considers as urgent.	

MINUTES OF THE CABINET

12 June 2012

Present:

Councillor F. Ayers (Leader of the Council, Chairman of the Cabinet and Cabinet Member for Strategy and Corporate Governance)
Councillor Mrs. J.M. Pinkerton (Deputy Leader and Cabinet Member for Health, Wellbeing and Independent Living)
Councillor Mrs C.A. Bannister (Cabinet Member for Communications)
Councillor T.J.M. Evans (Cabinet Member for Finance and Resources)
Councillor P.C. Forbes-Forsyth (Cabinet Member for Community Safety and Young People)
Councillor N. Gething (Cabinet Member for Economic Development)
Councillor Mrs. D.L. Grant (Cabinet Member for Parks and Assets)
Councillor R.L. Watts (Cabinet Member for Environment)

Apologies: Councillor G.E. Forsbrey (Cabinet Member for Planning and Housing)

1812. Minutes

The minutes of the meeting held on 24 April 2012 were agreed as a correct record.

1813. Disclosures of Interest

There were none.

1814. Minutes of the Member Development Steering Group 28 February 2012

Cabinet received the minutes of the meeting held on 28 February 2012.

RESOLVED to note the minutes of the meeting held on 28 February 2012.

1815. Spelthorne Waste Action Plan

Cabinet considered a report seeking support for the Spelthorne Waste Action Plan.

Cabinet noted that the Action Plan dealt specifically with Spelthorne's part in dealing with Surrey's waste and that all Surrey authorities had or were developing such action plans.

RESOLVED to endorse the Spelthorne Waste Action Plan.

1816. Criteria for Residual Grant Funding

Cabinet considered a report on the proposed criteria, timetable and procedures for allocating residual grant funding of £17,550 to organisations with worthwhile projects.

Cabinet noted that the funding was already in the budget for 2012-13.

RESOLVED to agree the criteria, time frame and procedures for distributing the residual grant funding budget of £17,550 to voluntary/business organisations with worthwhile projects, as set out in Appendix 1 to the report of the Assistant Chief Executive.

1817. Replacement of heating and hot water system at Knowle Green

Cabinet considered a report on the need to replace the heating and hot water system at the Knowle Green offices as in some places it was over 40 years old and considered to be beyond its economical life.

RESOLVED to:

1. Delegate authority to the Assistant Chief Executive in consultation with the Cabinet Member (Robert Watts) to agree a select list of organisations to supply and install the system as designed by Ridge and Partners;
2. Delegate authority to the Assistant Chief Executive (Terry Collier) in consultation with the Cabinet Member (Robert Watts) to select the organisation to supply and install the system as designed by Ridge and Partners provided that this is within the budget set out in this report; and
3. Delegate authority to the Head of Corporate Governance to enter into the appropriate contract documentation.

1818. Staines Sea Cadets' Accommodation

Cabinet considered a report on the provision of alternative accommodation for the Sea Cadets at Lammas Recreation Ground. This would help ensure that they could continue as a viable organisation providing a benefit to young people in Staines.

RESOLVED:

1. To authorise the grant of a Licence to the Sea Cadets for the non-exclusive use of the accommodation which they currently use, for a further period of 15 years, subject to their handing over possessory title to the arches at Bridge Street, and
2. To give delegated authority to the Head of Asset Management to negotiate the purchase of the portacabins up to a maximum sum of £40,000 and to approve a supplementary estimate of this value to facilitate this.

1819. Capital Carry Forward Requests

Cabinet considered a report on the capital budget carry forwards requested by Heads of Service in order to complete works started but unfinished as at March 2012, and for works delayed due to unforeseen circumstances.

RESOLVED to agree the capital carry forward requests identified as being supported by, and set out in the report of, the Chief Finance officer.

1820. *Members' Code of Conduct Committee

Cabinet considered a report on changes following the introduction of the Localism Act 2011 which requires the Council to introduce a new Code of Conduct and to have arrangements for dealing with complaints under that Code. Changes were also required to the Constitution to make alterations to the remit of the Standards Committee as it would no longer be a statutory committee.

RESOLVED that the Leader recommends Council:

- 1) To substitute a Members' Code of Conduct Committee in place of the Standards Committee with the remit shown at Appendix 1 of the report and the Terms of Reference shown at Appendix 2 of the report;
- 2) To adopt a new Code of Conduct as shown at Appendix 3 of the report;
- 3) To adopt arrangements for dealing with complaints as shown at Appendix 4 of the report;
- 4) To delegate to the Head of Corporate Governance authority to make these and any consequential changes to the Constitution to give effect to these resolutions;
- 5) To agree the review of proportionality of seats on committees to take into account the addition of two new seats to the Members' Code of Conduct Committee;
- 6) For all such changes to take effect from 1 July 2012 or such other date as may be specified in regulations under the Localism Act 2011; and

- 7) To delegate to the Head of Corporate Governance, in consultation with the Leader, the authority to call an extraordinary meeting of Council to consider such recommendations once the detail of the regulations is known.

1821. Appointment of Representatives to Outside Bodies 2012-2013

Cabinet considered the appointments of Council representatives to Outside Bodies until June 2013.

RESOLVED to agree the appointments to Outside Bodies for 2012-2013, as set out at agenda item 11 of the Cabinet agenda for the meeting held on 12 June 2012.

1822. Issues for Future Meetings

There were none.

1823. Urgent Items

There were none.

NOTES:-

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

Member, the member of the Cabinet making the decision, to attend the committee meeting; and

- ***Indicate whether the officer making the report to the Cabinet or the Cabinet Member taking the decision or his/her representative should attend the meeting.***

(6) The deadline of three working days for "call in" by Members of the Overview and Scrutiny Committee in relation to the above decisions by the Cabinet is the close of business on 21 June 2012

MINUTES OF THE EXTRAORDINARY CABINET

2 July 2012

Present:

Councillor F. Ayers (Leader of the Council, Chairman of the Cabinet and Cabinet Member for Strategy and Corporate Governance)
 Councillor Mrs. J.M. Pinkerton (Deputy Leader and Cabinet Member for Health, Wellbeing and Independent Living)
 Councillor Mrs C.A. Bannister (Cabinet Member for Communications)
 Councillor T.J.M. Evans (Cabinet Member for Finance and Resources)
 Councillor G.E. Forsbrey (Cabinet Member for Planning and Housing)
 Councillor Mrs. D.L. Grant (Parks and Assets)
 Councillor R.L. Watts (Cabinet Member for Environment)

Apologies: Councillor P.C. Forbes-Forsyth (Cabinet Member for Community Safety and Young People) and Councillor N. Gething (Cabinet Member for Economic Development)

1824. Disclosures of Interest

There were none.

1825. Recommendations from the Local Development Framework Working Party meeting held on 11 June 2012.

Cabinet considered the recommendations of the Local Development Framework Working Party from its meeting held on 11 June 2012 in relation to the two Determination Statements.

RESOLVED to agree the two Determination Statements under Regulation 9 of the Environment Assessment of Plans and Programmes Regulations 2004 for the Council's proposed Supplementary Planning Documents on Flooding and Housing size and type.

1826. Issues for Future Meetings

There were none.

1827. Urgent Items

There were none.

NOTES:-

- (1) *Members of the Overview and Scrutiny Committee are reminded that under Overview and Scrutiny Procedure Rule, the "call-in" procedure shall not apply to recommendations the Cabinet makes to the Council. The matters on which recommendations have been made to the Council, if any, are identified with an asterisk [*] in the above Minutes.*
- (2) *Members of the Overview and Scrutiny Committee are entitled to call in decisions taken by the Cabinet for scrutiny before they are implemented, other than any recommendations covered under (1) above.*

- (3) ***Within three working days of the date on which a decision of the Cabinet or a Cabinet Member is published, not less than three members [one of whom must be the Chairman] of the Overview and Scrutiny Committee are able to "call in" a decision;***
- (4) ***To avoid delay in considering an item "called in", an extraordinary meeting of the Overview and Scrutiny Committee will be convened within seven days of a "call in" being received if an ordinary meeting is not scheduled in that period;***
- (5) ***When calling in a Cabinet decision for review the members doing so should in their notice of "call in":-***
- ***Outline their reasons for requiring a review;***
 - ***Indicate any further information they consider the Overview and Scrutiny Committee needs to have before it in order to conduct a review in addition to the written report made by officers to the Cabinet;***
 - ***Indicate whether, where the decision was taken collectively by the Cabinet, they wish the Leader or his nominee (who should normally be the Cabinet Member) or where the decision was taken by a Cabinet Member, the member of the Cabinet making the decision, to attend the committee meeting; and***
 - ***Indicate whether the officer making the report to the Cabinet or the Cabinet Member taking the decision or his/her representative should attend the meeting.***
- (6) ***The deadline of three working days for "call in" by Members of the Overview and Scrutiny Committee in relation to the above decisions by the Cabinet is the close of business on 6 July 2012***

LOCAL DEVELOPMENT FRAMEWORK WORKING PARTY

Monday 11 June 2012

Present:

Cllr R Smith-Ainsley

Cllr I Beardsmore

Cllr R L Watts

Cllr N S Gething

Cllr T Evans

Cllr Mrs S Webb

1 Apologies

Cllr G E Forsbrey; Cllr Ms P A Broom

2 Election of Chairman for the meeting

In the absence of Cllr Forsbrey, Cllr Watts nominated Cllr Smith-Ainsley as chairman for the meeting; this was seconded by Cllr Webb. There were no other nominations. Cllr Smith-Ainsley was appointed and chaired the meeting.

3 Report of the Assistant Chief Executive

a. SPDs on 'Flooding' and 'Housing Size and Type'

The report explained the purpose of the meeting which was to consider representations made to the two draft Supplementary Planning Documents (SPDs) on 'Flooding' and 'Housing Size and Type' and agree recommendations to Cabinet about their adoption. The SPDs elaborate respectively policies LO1 and HO4 in the Core Strategy and Policies DPD.

The report explained that SPDs could only amplify existing policy and could not be used to amend them.

Ten representations had been raised to the Flooding SPD and 8 representations for the Housing Size and Type SPD. All comments were summarised respectively in Appendices A and B to the report and a recommended response was set out. A few minor changes to each SPD were recommended where the text could be helpfully clarified. These recommended changes were set out in tracked-changes versions of the SPDs in respectively Appendices C and D to the report.

The Working Party agreed the recommended changes to each of the SPDs, that Cabinet be recommended to recommend their adoption to Council and that the necessary 'notices' and publicity for adoption be given.

The Working Party also considered the statutory requirement for the Council to undertake a 'scoping' assessment of each SPD under Regulation 9 of the Environmental Assessment of Plans and Programmes Regulations 2004. The purpose of this 'scoping' assessment is to decide whether a Sustainability Appraisal (SA) and Strategic Environmental Assessment (SEA) are required. The assessments, set out at Appendices E and F, confirmed neither an SA nor SEA were required in this case as the documents merely amplified policies which had themselves been formally assessed when the Core Strategy was prepared. It was explained that Cabinet would need to formally agree these 'assessments' at a meeting prior to their

meeting at which they considered the SPDs.

Recommendation:

1. That Cabinet recommend Council to adopt the two SPDs, subject to the amendments as set out in Appendices C and D.
2. That statutory 'notices' of adoption and appropriate publicity on the website be given.
3. At a separate Extraordinary Cabinet meeting on 2 July Cabinet be recommended to agree the Determination Statements prior to the SPDs being recommended for adoption at the meeting of Cabinet on 17 July.

b. National Planning Policy Framework

Officers explained that, following publication of the NPPF at the end of March 2012, they were undertaking a detailed assessment of all existing planning policy documents to determine the extent to which they remained consistent with it. The intention was to report back to a meeting of the LDF Working Party as soon as this was complete.

As had been outlined at the Member Briefing on the NPPF on 18 April, it is already clear (paras 159-161 of the NPPF) that the Council will need to review some of the key evidence underpinning the Core Strategy by preparing a new Strategic Housing Market Assessment, Strategic Housing Land Availability Assessment, an Economic Assessment and Retail/Town Centre Assessment. This work will enable a comprehensive consideration of future needs and enable judgements to be made about the extent to which existing policies remain up to date or require some review.

Members of the Working Party noted what would be presented to a future meeting and the need to then set an appropriate programme of work. They were pleased that this would include a careful consideration of future housing needs and such matters as how land suitable for housing is best developed.

Information Noted

Spelthorne Borough Council

Supplementary Planning Document

on

Flooding

~~Consultation Draft~~
Tracked changes May 2012

~~April~~ May 2012



[Type text]

Contents

1	Introduction	1
2	Responsibilities for managing flood risk	1
3	Flood Risk in Spelthorne	1
	a. Causes of Flood Risk.....	1
	b. Risk based approach to flooding.....	2
	c. Fluvial Flood Risk	3
	d. Climate change.....	5
	e. Flood Risk and Flood Risk Vulnerability.....	5
	f. Strategic Flood Risk Assessment	6
4	Application of Policy LO1	7
	a. General issues.....	7
	i. Spelthorne’s approach to flood risk	7
	ii. Proposals to deal with flood risk	7
	iii. Application of a Sequential Approach in Spelthorne	8
	iv. Approach to ‘permitted development’	9
	v. ‘Dry Islands’	9
	b. Consideration of each element of Policy LO1	10
5	Impact on watercourses	17
6	Further information	18

Appendices

- A** Policy LO1 – from Core Strategy and Policies Development Plan Document
- B** Flood related responsibilities
- C** Plan: Fluvial Flood Risk Areas and ‘Main Rivers’ in Spelthorne
- D** How to check the flood zones for your site on the Council’s web site
- E** Flood Risk Assessments for residential extensions

1 Introduction

- 1.1 Flood events in various parts of the country over the past 15 years or so provide a reminder of their devastating effect, including loss of life, and the need to have a comprehensive approach to dealing with the risk.
- 1.2 The purpose of this document is to explain in more detail the Council's policy on development in areas of flood risk. Policy LO1 'Flooding' is set out in the Core Strategy and Policies Development Plan Document¹ and is reproduced in Appendix A.
- 1.3 In addition to explaining the policy, factual information is also provided on the nature, extent and implications of flood risk facing the Borough.
- 1.4 The advice in this document is a 'material consideration' in determining planning applications in flood risk areas and is intended to answer the issues that most commonly arise. It is, however, important that anyone contemplating development not only carefully considers the general guidance in this document but also seeks the informal advice of the Council. In some cases it may also be necessary to obtain expert advice on the extent and potential implications of flooding on their site.
- 1.5 This advice will also be helpful to those looking to purchase a property within a flood risk area to assess whether a wish to carry out some form of development in the future is realistic.

2 Responsibilities for managing flood risk

- 2.1 Responsibility for managing flood risk and related issues rests with a number of different organisations. Whilst this document primarily deals with development related issues and the Borough Council's planning responsibilities, Appendix B outlines the responsibilities of other organisations in the wider issues of flooding. These other organisations include the Environment Agency (EA), Surrey County Council and Thames Water.

3 Flood Risk in Spelthorne

a. Causes of Flood Risk

- 3.1 There are various potential causes of flooding in Spelthorne but the most significant is from rivers². It is this form of flooding to which Policy LO1 applies and which is mapped in some detail.
- 3.2 At Appendix C is a plan showing the general extent of fluvial flood risk in Spelthorne by reference to three flood zones. The same plan also shows all 'main rivers'³ in the Borough. Paragraph 3.19 provides information about detailed flood risk maps and it is those maps and site specific flood information from the EA which should be used when considering development proposals.

¹ Core Strategy and Policies Development Plan Document, February 2009.

² Flooding from rivers is technically known as fluvial flooding.

³ 'Main rivers' is a technical term used by the Environment Agency to refer to the larger arterial watercourses. These include some watercourses in Spelthorne that are relatively small but nevertheless are significant in drainage terms.

[Type text]

3.3 Other forms of flooding include:

- a. Surface water flooding – this can arise after heavy rainfall but will usually quickly drain away into the gravel substrata which underlies much of the Borough unless the ‘water table’⁴ is already high and close to ground level. The main susceptible areas are shown on Surrey County Council’s Preliminary Flood Risk Assessment maps and maps held by the EA. This form of flooding does not normally cause flooding within buildings.
- b. Ground water flooding – this can arise in lower lying areas where the water table is high and rises to such an extent that water lies at about ground level.
- c. Sewers⁵ – the Borough has a separate foul sewer system and most surface water is disposed of by soakaways. The foul sewers are therefore not a significant source of flood risk themselves in Spelthorne but they may become inundated in times of fluvial flooding and therefore become overloaded.
- d. Reservoir flooding – the Borough has five major reservoirs. A failure of the embankments of any one could cause widespread flooding across the Borough. However, the risk of this happening is sufficiently low so that no limitation on development as a result of this form of flood risk is justified. Further detail on the extent of risk from this source is provided on the Environment Agency website⁶.

b. Risk based approach to flooding

3.4 In response to several significant flood events nationally in the mid/late 1990s the Government published Planning Policy Guidance Note No 25 ‘Development and Flood Risk’. In March 2012 it published the National Planning Policy Framework which deals with flood risk matters at paragraphs 99-108⁷.

3.5 The **framework and technical** guidance follows a ‘risk based approach’ to flooding which underpins the work/advice of the EA and the detailed planning policies on flooding prepared by local authorities.

3.6 This risk based approach requires:

- a. A strategic approach which applies the Sequential Test and avoids adding to the causes or ‘sources of flood risk by such means as

⁴ Water table: Is the level at which porous rock is saturated by underground water.

⁵ **In order to avoid future risk of flooding from sewers developers are reminded to liaise with Thames Water about connections to the sewer system and to submit information with any planning application to demonstrate adequate sewer capacity either exists or will be provided prior to occupation of the development.**

⁶ www.environment-agency.gov.uk – Reservoir Flood Maps page.

⁷ The National Planning Policy Framework (NPPF) has replaced most of the Government’s previous planning guidance including PPS 25. Alongside the NPPF it has also published ‘Technical Guidance to the National Planning Policy Framework’. A further document which supported PPS 25 ‘Planning Policy Statement 25: Development and Flood Risk Practice Guide’, December 2009 also remains as guidance. The new guidance, although shorter, does not seek to change the previous policy approach.

avoiding inappropriate development in flood risk areas and minimising run-off from new development onto adjacent and other downstream property and into the river system.

- b. Managing flood ‘pathways’ to reduce the likelihood of flooding by ensuring that the design and location of development does not obstruct flood flow routes. Account must also be taken of its susceptibility to flooding, the performance and processes of river systems and appropriate flood defences, the likely routes and storage of flood water and the impact of the development on flood risk downstream.
 - c. Maximise the use of Sustainable Drainage Systems (SUDS)⁸.
- 3.7 Decisions about where development should go are to be made on the basis of a ‘sequential approach’ where areas of no flood risk or lower risk should be considered before areas of greater flood risk.
- 3.8 Part of this objective approach to assessing risk is the requirement to undertake Flood Risk Assessments (FRAs). These are prepared at a strategic level for whole local authority areas in the form of Strategic Flood Risk Assessments (SFRAs) as well as flood risk assessments of individual development proposals.
- 3.9 Exceptions to the ‘sequential approach’ can be considered, but only where there is a wider ‘sustainable development’ justification, including the need to avoid social or economic blight.

c. Fluvial Flood Risk

- 3.10 The main flood risk in Spelthorne comes from the River Thames. Spelthorne is located in the Lower Thames area with a larger part of its catchment area upstream of the Borough. That catchment area covers a significant part of central southern England extending up to within a few miles of Gloucester and Leamington Spa.
- 3.11 Two tributaries of the Thames also have a direct potential impact on the Borough:
- a. River Colne system – the lower Colne Valley lies within the northwest part of the Borough and has a number of channels including the River Colne, the Colnbrook and Wraysbury River. The catchment area includes part of the Chilterns and outer northwest London. The River Colne joins the Thames at Staines. Part of the catchment area lies on areas of clay where run-off can be fast and heavy rainfall can lead to flash flooding. North of Staines the River Ash diverges from the Colne and takes a meandering course across the southern part of the Borough to join the Thames just up-stream of Sunbury Lock. The Stanwell Brook, and in turn the Stanwell and West Bedfont Ditches, flow into the River Ash between Ashford and Staines.
 - b. River Wey and Chertsey Bourne – these enter the Thames near Shepperton Lock and have a combined catchment area extending as far south as Haselmere. Whilst they do not pass through the

⁸ SUDS – for further information see paragraphs 4.20-4.24.

[Type text]

Borough, flood water on these rivers would increase levels on the Thames and potentially affect areas downstream of Shepperton, including Sunbury. The catchment areas are generally on chalk and sand/gravel and whilst flash flooding does not normally occur water levels can rise more quickly than on the Thames itself because of the shorter length of the rivers and their tributaries.

- 3.12 The Borough has only experienced major flooding twice in the past 120 years – in 1894 (1 in 100 year event) and 1947 (1 in 56 year event). However, the predicted return periods for such events are simply a mathematical expression of their probability, where a 1 in 100 year event means there is a 1% chance of it happening in any year. However, it is possible for several major flood events to occur in a very short space of time⁹.
- 3.13 The risk of flooding is determined by the normal capacity of the River Thames at any particular point on the river and the extent to which the flow of water created during severe weather conditions exceed this capacity. The following table provides an indication of the capacity of the Thames through Staines and the flow of water that can occur in specific flood events.

Table 1 Capacity of the River Thames at Staines¹⁰

Condition/Event	Estimate probability of recurrence	Flow rates in cumecs ¹¹
Normal summer conditions	-	50 cumecs
Bank full	-	250 cumecs
2003 floods	1 in 14	390 cumecs
1947 floods	1 in 56	535 cumecs
1894 floods	1 in 100	600 cumecs

- 3.14 High flow rates cause major flooding, which in this reach of the Thames can extend more than a mile either side of the river affecting large parts of Spelthorne, Runnymede and to a lesser extent Elmbridge.
- 3.15 Whilst the natural flood plain covers extensive undeveloped areas, a major flood event would also impact on some urban areas, particularly parts of Staines, Laleham, Shepperton and Lower Sunbury. The following table gives an indication of the extent of that risk in terms of residential properties and the number of people likely to be affected in a 1 in 20 and 1 in 100 year event, both in Spelthorne as a whole and the wider Lower Thames area¹². Given such floods could last for weeks the enormous impact on people and property serves to emphasise the importance of an appropriate flood policy – not least to ensure future development does not add to the problem.

⁹ In 2007, during the major floods around Gloucester and Tewksbury, two major peaks of flood water occurred. In 1990 flooding in Colnbrook exceeded the 1947 flood levels on 3 occasions.

¹⁰ Spelthorne Strategic Flood Risk Assessment, paragraph 42, page 10.

¹¹ Cumecs = Cubic metres per second, which is a measure of water flow.

¹² The Lower Thames area extends from Datchet to Teddington and includes parts of the Boroughs of Windsor & Maidenhead (Horton, Datchet and Wraysbury), Spelthorne, Runnymede, Elmbridge, Kingston and Richmond.

Table 2 People and Property at Flood Risk¹³

Level of Flood Risk	Spelthorne		Lower Thames area	
	Properties	People	Properties	People
1 in 20	680	1,700	5,300	13,000
1 in 100	2,800	7,000	15,000	36,000

d. Climate change

3.16 The climate of the UK has always experienced varying degrees of change and projections for the UK suggest this will continue. Heatwaves have become more frequent in summer and there are now fewer frosts and winter cold spells. Winters over the last 200 years have become wetter relative to the summers and a larger proportion of winter precipitation in all regions now falls on heavy rainfall days than was the case 50 years ago¹⁴. This suggests that flood events could become more frequent and the area affected by flood water could be greater.

e. Flood Risk and Flood Risk Vulnerability

3.17 Fluvial flood risk nationally is classified into 4 zones which relate to the relative probability of flooding. This classification is summarised in Table 43 'Flood Zones'. A definition of the appropriate uses of land/buildings for each flood zone is set out in Table 4 'Flood Risk Vulnerability Classification'. The purpose of these two tables is to identify uses appropriate to differing levels of flood risk.

Table 3 Flood Zones

Zone	Probability of flooding	Appropriate uses
Zone 1	Low probability Less than 1 in 1000 risk (0.1%)	All categories shown in Table 4 are appropriate
Zone 2	Medium probability Risk 1 in 100 to 1 in 1000 (1% to 0.1%)	Water compatible Less vulnerable More vulnerable Essential infrastructure
Zone 3a	High probability 1 in 20 to 1 in 100 (5% to 1%)	Water compatible Less vulnerable uses Essential infrastructure
Zone 3b	Functional flood plain 1 in 20 or greater (greater than 5%)	Water compatible Essential infrastructure

¹³ Data supplied by the Environment Agency.

¹⁴ Previously explained in PPS 25 'Development and Flood Risk' – Annexe B.

[Type text]

Table 4 Flood Risk Vulnerability Classification¹⁵

Category	Appropriate uses
Essential Infrastructure	Essential transport infrastructure, including evacuation routes, and strategic utility infrastructure, including grid and primary substations.
Highly vulnerable	Police, Fire and Ambulance stations, Command Centres and telecommunication installations required to be operational in times of flood. Emergency dispersal points, basement dwellings, caravans, mobile homes and park homes intended for permanent residential use. Installations requiring hazardous substance consent.
More vulnerable	Hospitals. Residential institutes including care homes, childrens' homes, prisons and hostels. Dwelling houses, student halls and hotels. Non-residential uses for health services, nurseries and education. Caravan and camping sites.
Less vulnerable	Shops, offices, industry and storage uses. Agriculture, waste treatment (except landfill and hazardous waste) and minerals workings and processing. Water treatment and sewage treatment subject to adequate pollution control measures.
Water compatible	Flood control, water/sewage transmission, water based recreation and amenity open space including changing rooms. Essential sleeping accommodation for the water compatible uses.

f. Strategic Flood Risk Assessment

- 3.18 In 2006 the Council commissioned consultants to prepare a Strategic Flood Risk Assessment (SFRA) for the Borough¹⁶. The assessment used what was then the latest flood risk modelling and quantified the extent and nature of the flood risk in the Borough. An SFRA Part II¹⁷ was also prepared by the Council in conjunction with the consultants, which assessed the implications of the main report and included a draft flood policy. That draft policy is essentially the same as Policy LO1 in the Core Strategy and Policies DPD.
- 3.19 The modelling which was used in the SFRA has since been further refined by the EA and is reflected in flood maps now available on the EA website¹⁸ as well as the Council's own website¹⁹. The Council's website shows maps depicting the 1 in 20, 1 in 100 and 1 in 1000 flood outlines and to which Policy LO1 relates. The EA website shows only the 1 in 100 and 1 in 1000 outlines.

¹⁵ Source: Technical Guidance to the National Planning Policy Framework, Table 2 page 6.

¹⁶ Spelthorne Borough Council Strategic Flood Risk Assessment (SFRA), December 2006.

¹⁷ Spelthorne Strategic Flood Risk Assessment Part II, February 2007.

¹⁸ For further information on flood maps and how they are produced: www.environment-agency.gov.uk – Flood Map – your questions answered page.

¹⁹ www.spelthorne.gov.uk – My Spelthorne (Select the 'My Maps' tab and type in the address; select the 'Environment & Planning' section in the left hand column and tick each of the three flood zone boxes). See Appendix D.

- 3.20 The EA publishes regular updates of their flood maps which are used to update the Council's maps. Updates of flood modelling arise for a number of reasons including further more detailed assessment work, any additional flood defences or changes in channel capacity or recent flood or high water events enabling a more detailed understanding of how flood water may behave. Such updating is important so the most accurate picture of flood risk is available. Users of either the EA records or those of the Council should therefore ensure they have the latest information.

4 Application of Policy LO1

a. General issues

- 4.1 Before dealing with the specific requirements of Policy LO1 some general issues are explained.

i. Spelthorne's approach to flood risk

- 4.2 Spelthorne's approach to development and flood risk in Policy LO1 is to:
1. Support measures to reduce the risk of flooding to existing properties.
 2. Apply strict controls over new development.
- 4.3 On the EA website is 'standing advice' which explains its general approach to specific forms of development under various flood risk circumstances.
- 4.4 Whilst councils consult the EA for flood risk advice on larger proposals, decisions on planning applications rest with local planning authorities. Policy LO1 and this guidance explain in detail Spelthorne's approach to making such decisions, and the EA supports Policy LO1. In several respects, because of the severity of flood risk in Spelthorne, the Council's requirements are more stringent than the general requirements of government policy or the EA.
- 4.5 The EA website also identifies those types of development it does not wish to be consulted on. However, the EA's wish not to be consulted on certain matters should not be inferred as 'supporting' or 'not objecting to' those development types, it simply means that the EA is leaving the matter for the local authority to decide.

ii. Proposals to deal with flood risk

- 4.6 The supporting text to Policy LO1 (para 5.14 in the Core Strategy and Policies DPD) refers to the Environment Agency's 'Lower Thames Strategy' which is a package of measures to reduce flood risk in the section of the River Thames from Datchet to Teddington. The strategy has been formulated over a number of years. The package was approved by the EA Board in November 2010 and the strategy was agreed by Defra²⁰ in July 2011.

²⁰ Department of Environment, Food and Rural Affairs.

[Type text]

- 4.7 The 'Strategy' involves the following:
- a. Engineered components – 3 flood diversion channels to relieve existing urban areas between:
 - i. Datchet and Wraysbury – on north bank
 - i. Egham and Chertsey – on west bank
 - ii. Chertsey and Shepperton – on north bank
 - b. Structural improvements to increase the capacity of Teddington, Molesey and Sunbury weirs and widening of the Desborough Channel by 3-4 metres.
 - c. Flood plain management involving:
 - i. Controlling development in flood plains
 - ii. Safeguarding flood flow routes
 - iii. An intention to develop flood plain management software to help visualise flood risk
 - iv. Introducing community based protection measures, such as flood resistance work for the most vulnerable properties that will not be protected by the diversion channels.
- 4.8 As at April 2012 detailed design work and sources for all the necessary funding had not been progressed. However, further details of the strategy, including routes of the flood relief channels, are available on the EA website²¹. The scale and cost of what is proposed may take many years to complete. It is not proposed to start construction before 2019, subject to planning approval, and the construction may well be beyond the current end date of the Council's Core Strategy and Policies DPD of 2026.

iii. Application of a Sequential Approach in Spelthorne

- 4.9 Studies of land availability for housing and employment have shown that in Spelthorne land in both Zones 1 and 2 will be needed to meet housing and other needs over the next 15 years and therefore sites in either zone will be acceptable. There is, however, no housing need case to use land in Flood Zone 3 for housing where risks cannot be overcome.
- 4.10 Commercial areas in the Borough, including Staines Town Centre, are subject to varying degrees of flood risk - from 1 in 20 to 1 in 1000. For economic and social reasons it is considered unrealistic in sustainability terms to prevent further development or redevelopment in these commercial areas as this would inhibit their role in meeting the needs of the wider area. Therefore, as an exception to the sequential approach, redevelopment in any designated commercial area subject to flood risk will be allowed in principle. This also applies to other existing commercial areas and sites where there are no other overriding policy objections.
- 4.11 Policy LO1, however, requires that commercial developments in Flood Zone 3, which includes large areas of Staines Town Centre, result in a reduction in flood risk. This is to be achieved by providing a net increase in flood storage

²¹ www.environment-agency.gov.uk – Lower Thames page.

capacity of at least 20%, reducing impedance to the flow of flood water and other requirements which are explained below.

iv. Approach to 'permitted development'

- 4.12 Extensions and other structures up to a certain size and position within the curtilage of a dwelling can be built without planning permission under what is called 'permitted development'. Accordingly the Council has no control over them. Sometimes those wishing to extend their homes in a flood risk area propose that account should be given to what could be built under permitted development and only the amount of proposed development over and above that should be taken into account in deciding on the extent of harm in flood risk terms. Whilst the existence of permitted development rights is a material consideration, there are some important qualifications to the circumstances where permitted development rights will be given weight when assessing the flood risk implications of a proposal:
- a. Little weight will be given to the demolition of outbuildings since by their nature they are usually structures which are floodable/allowed to flood, whereas a proposed extension for habitable purposes is not. A new extension is likely to result in a greater loss of flood plain storage than a floodable structure.
 - b. An extension may be equivalent in floor space to an extension that might, in a different position or configuration, be permitted development. However, the proposal may be located in a position where it causes greater impedance to the flow of flood water and/or loss of flood storage capacity and therefore cause more harm in flood risk terms.
 - c. The permitted development rights that are claimed are not capable or likely of being implemented and therefore do not represent a real 'fall-back' position that can reasonably be taken into account.
- 4.13 Where planning permission is granted for a replacement dwelling in Flood Zone 3, 'permitted development' rights will be removed so as to control further development which may increase the flood risk.

v. 'Dry Islands'

- 4.14 The flood plain within Spelthorne is relatively flat and covers a large area. Within this flood plain are areas of slightly higher ground which are less prone to flooding than the land around them or may not flood at all. However, these areas would be surrounded by flood water in times of flood. Such areas are often referred to as 'dry islands'. During prolonged periods of flooding those living in these areas may be unable to leave and may require the assistance of the emergency services. Building additional residential properties on land surrounded by 1 in 20 and 1 in 100 flood risk areas will add to the problems a major flood will cause to emergency services and occupants. Proposals for additional dwellings on 'dry islands' will therefore be treated the same as for the level of flood risk in the area surrounding them regardless of their size. It is therefore important that those contemplating development not only use the flood maps to establish the flood risk at their particular site but also that of the wider area to ensure there is a dry route to a point outside the flood plain.

[Type text]

b. Consideration of each element of Policy LO1

4.15 Each section of Policy LO1 is explained in the following text:

The Policy starts with the statement:

'The Council will seek to reduce flood risk and its adverse effects on people and property in Spelthorne'.

4.16 This reflects the overall intention of the policy which is not just about preventing development in areas of high flood risk but also reducing the level of flood risk that already exists.

4.17 ***a) Support appropriate comprehensive flood risk management measures within or affecting the Borough which are agreed by the Environment Agency'***

4.18 Policy LO1 makes clear that the Council supports the principle of such a comprehensive approach. It will not allow any development which would prejudice the implementation of the engineered components described in paragraph 4.7 that may be developed by the EA in the future.

4.19 The Council will not permit development in the flood plain in anticipation of the full implementation of the Lower Thames Strategy because this would add to current levels of flood risk.

4.20 ***b) Reducing the risk of flooding from surface water and its contribution to fluvial flooding by requiring all developments of one or more dwellings and all other development over 100m² of floorspace in the Borough to have appropriate sustainable drainage schemes.***

4.21 The objective of 'sustainable drainage systems' is to slow up the rate at which rainfall eventually ends up in rivers and other watercourses. With intense periods of rainfall there is a risk of rapid run-off to watercourses resulting in 'flash flooding' from these watercourses.

4.22 Most of Spelthorne is underlain by river terrace gravels which comprise a granular material which can absorb large amount of water in the ground. Most of the drainage from the roofs of buildings and other hard surfaces in the Borough goes into soakaways dug into the gravel layers and represent an appropriate sustainable way of draining away such water.

4.23 For larger developments with more extensive surfaced areas additional measures for storing rainwater may be required and should be considered at the design stage. This must be considered within the flood risk assessment for a scheme and the advice of the EA on sites over 1ha should be sought.

4.24 In the case of larger developments, even those outside of Flood Zones 2 and 3, additional sustainable drainage measures may be required because run-off in these areas will also add to water entering watercourses and potentially contribute to raised floodwater levels. See the following sub-point (h).

4.25 ***c) Maintaining flood storage capacity within Flood Zone 3 by refusing any form of development on undeveloped sites which reduces flood storage capacity or impedes the flow of flood water.***

- 4.26 The purpose of this requirement is to keep the undeveloped parts of the flood plain free of development. This allows the flood plain to continue to perform its natural function and avoid flood water otherwise spreading into areas not currently at risk. This requirement will apply not only to existing open land which is designated as Green Belt, but also to open land within urban areas liable to flood.
- 4.27 ***d) Maintaining the effectiveness of the more frequently flooded area (Zone 3b) of the flood plain to both store water and allow the movement of fast flowing water by not permitting any additional development including extensions.***
- 4.28 The purpose of this requirement is to ensure that there is very strict control on development in frequently flooded areas and areas which, in a major flood event, are likely to have fast flowing flood water. Zone 3b is where the flood risk is 1 in 20 or greater. Within this flood risk area there is already some development and structures which will impede the flow of flood water. The intention of this part of the policy is to avoid adding to that development and making matters worse.
- 4.29 Paragraph 4.12 sets out the Council's approach to 'permitted development' rights and the account that may be given to them.
- 4.30 Where there are existing structures which are proposed to be removed on a site as part of a proposal for an extension, the potential beneficial effects of removing these to provide greater flood storage capacity and less flood water impedance can be taken into account. Only where the benefits equal or exceed the impact of an extension will a proposal be acceptable. The acceptability will need to be demonstrated by the applicant in a Flood Risk Assessment (FRA) which provides detailed calculations, including information relating to the depth of flood water in relation to the proposed structure and the degree of impedance to the flow of flood water.
- 4.31 Where proposals are submitted to replace an existing dwelling it will be expected to have no greater impact in flood terms than the existing, and 'permitted development' rights will be removed to prevent extensions without the need for planning permission. Those contemplating such proposals will need to ensure that any raising of the new structure to bring ground floor levels above the predicted flood levels or any increase in flood storage capacity is compatible with the character of properties in the immediate area and is consistent with the Council's design policies^{22 23}.
- 4.32 For the same reasons that extensions need to be controlled in Flood Zone 3b, strict control will also be applied over proposals for terraces and decking areas where they need planning permission and either involve raising ground levels and/or reducing flood storage capacity. Walls and fences can also impede the flow of floodwater and where they require planning permission the Council will require permeable forms of these to be used.²⁴

²² Policy EN1 Core Strategy and Policies DPD.

²³ Supplementary Planning Document 'Design of Residential Extensions and New Residential Development'.

²⁴ Examples of permeable fences are 'hit and miss fences' where vertical slats are fixed alternately either side of cross rails between posts. Walls can also incorporate holes at lower levels to allow water to percolate through.

[Type text]

4.33 **e) Not permitting residential development or change of use or other 'more vulnerable' uses within Zone 3a or 'highly vulnerable uses' within Zone 2 where flood risks cannot be overcome.**

4.34 The purpose of this requirement is to prevent:

- a. Additional residential development in areas where there is a high probability of flooding (Zone 3a – up to 1 in 100) including change of use to residential and 'more vulnerable' uses such as hospitals or care homes (See Tables 3 and 4).
- b. 'highly vulnerable uses' within Flood Zone 2 (1 in 1000).

4.35 This follows the principle that the most sensitive uses should be put in areas of lower flood risk.

4.36 Circumstances can arise where a site straddles Flood Zone 3a and Zone 2 or immediately abuts Zone 2. In such cases a 'dry route' of escape in a 1 in 100 year event may exist or can be created without adding to flood risk to allow people to leave buildings safely. The precise extent of flood risk for the site must be demonstrated with information based on a detailed topographical survey of existing ground levels and modelled flood levels provided by the EA. Neither the development nor means of ensuring a 'dry escape' in a 1 in 100 year event must involve either the impedance of the flow of flood water, loss of flood storage capacity or in anyway add to the risk of flooding elsewhere.

4.37 Applicants sometimes seek to argue that it is safe and therefore reasonable for people to 'escape' by walking through flood waters of a limited depth. The Council does not accept that walking through flood water can be safe because:

- a. Where there is fast moving water, even of shallow depth, it can be dangerous particularly to children and those who are frail.
- b. Still water will usually be dirty and silted with significant amounts of debris floating in it. It will in many cases be impossible to be certain of its exact depth and where hidden obstacles including holes might be. The water is likely to be contaminated by sewage and be a health risk if accidentally swallowed following a fall.

4.38 Where there would not be a dry route of escape in a 1 in 100 + climate change flood event from new residential development, conversions to residential use, or other 'more vulnerable' or 'highly vulnerable' uses, an appropriate flood evacuation plan will be required to be submitted to and approved by the Council.

~~4.38~~4.39 There are methods of assessing the relative level of hazard associated with areas at flood risk and the EA is able to supply relevant information. However, Flood Risk Hazard Assessments are only useful where it is demonstrated there is no alternative to placing a use or development in an area of flood risk and sites and escape routes of least risk need to be identified. As already explained in paragraph 4.9 there is no need for any new housing in Spelthorne to be built in areas of higher flood risk (Flood Zone 3) and which require people to walk through flood water to leave their property. The Council's position is that for residential development the only safe route of escape is a dry route.

- 4.394.40 f) Supporting the redevelopment of existing developed sites in the urban area in Zones 3a and 3b for 'less vulnerable' uses where:**
- i. a minimum increase of flood storage capacity of 20% can be secured (all flood storage areas to be effective at all times throughout the lifetime of the structure/use and do not create unacceptable risks to people in times of flood),**
 - ii. it reduces impedance to the flow of flood water where there would be flowing flood water,**
 - iii. appropriate access for the maintenance of water courses is maintained,**
 - iv. there is no adverse impact on the integrity and effectiveness of flood defence structures.**
- 4.404.41** The purpose of this section is to ensure that where non-residential development has to be accepted it results in an overall reduction of flood risk.
- 4.414.42** It recognises that the existing flood risk areas do include existing commercial areas and preventing either redevelopment or rebuilding is unrealistic. This applies to 'less vulnerable' uses including shops, offices, industry and warehousing and this part of Policy LO1 is particularly relevant to Staines Town Centre.
- 4.424.43** In some cases the requirements for a net increase in flood storage capacity can be met by incorporating floodable voids at the ground level of the building. It can also be met by providing compensatory flood storage capacity in either a part of the site or an adjoining/nearby site which is outside of the 1 in 100 flood risk area.
- 4.434.44** Any proposals must include detailed information demonstrating that the requirements can be met, including control over other land that may be involved.
- 4.444.45 g) Requiring any development in Zones 2, 3a and 3b to be designed to be flood resilient/resistant.**
- 4.454.46** It is important where any new structures are proposed and justified in areas of flood risk that they are designed to avoid the adverse impacts of flood water. Many of the techniques can be applied to existing structures.
- 4.464.47** In the first instance the aim should be to design new buildings in such a way that flood water is prevented from entering the building and damaging its fabric. This is referred to as being 'flood resistant'. The most effective way of achieving this is by ensuring that the ground floor level is above the height of any floodwater in a 1 in 100 year event.
- 4.474.48** For the purpose of assessing the appropriate height of the floor in new buildings the Council adopts a precautionary approach of using a level equal to 1 in 100 +20% for climate change plus a 300mm further clearance. This will ensure the building is resistant to wave action, the underside of the floor is clear of flood water and there is some flexibility in coping with floods exceeding a 1 in 100 level.
- 4.484.49** Where it is not possible to make a new building wholly 'flood resistant' there are products available to prevent water entering a building via doorways and airbricks. However, these tend to be most effective where floods are of short duration and height – particularly flash floods or on the margins of flood

[Type text]

risk areas. During prolonged periods of raised water levels (several days), which are more likely in Spelthorne, floodwater can saturate building structures and seep in through cracks, etc.

4.494.50 For extensions to existing properties, including residential property, it will usually be impractical to set the floor level at a height which is different to the floor level of the existing building. For this reason higher floor levels will not be required. However, where they are provided the external design of the extension in relation to the host building must be acceptable.

4.504.51 Where it is not possible to prevent water from entering a building they should be designed in such a way that they are 'flood resilient'. The main principle in flood resilience is that finishes and fittings are not capable of being adversely affected by water entering the building. This will involve using forms of plaster that is water resistant and setting all electrical, communication and central heating fittings higher than any predicted flood water levels.

4.514.52 There are a wide range of issues to consider in making buildings flood resistant or resilient and further information on flood resistance and resilience is available in the document 'Improving the Flood Performance of New Buildings', May 2007²⁵.

4.524.53 ***h) Requiring all development proposals within Zones 2, 3a and 3b, and development outside this area (Zone 1) on sites of 0.5ha or of 10 dwellings or 1000m² of non-residential development or more, to be supported by an appropriate Flood Risk Assessment.***

4.534.54 The preparation of an appropriate FRA is essential in giving the Council an accurate understanding of the flood risks associated with a particular development. It will need to consider all sources of flooding, not just fluvial flooding. In line with statutory requirements planning applications will not be considered valid by the Council unless they are accompanied by an FRA. An FRA will also be essential to those designing a scheme so that appropriate account can be taken of any particular flood risk related requirements.

4.544.55 FRAs help answer important questions about whether development will:

- a. increase the number of people at flood risk,
- b. increase flood risk elsewhere through loss of flood storage capacity, impedance to the flow of flood water or increased run-off,
- c. adversely impact on the effectiveness of existing water courses and/or flood defences.

4.56 FRAs will be required for any new buildings or changes of use within Flood Zones 2, 3a and 3b. ~~and for extensions within Flood Zone 3b.~~ They are also required in Zone 1 for sites exceeding 0.5ha or 10 dwellings or 1000m² of non-residential development. The reason for the requirement for an FRA for larger developments in Flood Zone 1 is so that the potential increase in run-off from a site and potential contribution to increasing flood risk elsewhere is understood and appropriately mitigated. **They will also be required in Flood Zone 1 where any form of development comes within 8 metres of a 'main river'**

²⁵ 'Improving the Flood Performance of New Buildings', May 2007. DCLG

and will need to demonstrate there is no adverse impact on the ability to maintain the watercourse.

4.554.57 In the case of residential extensions, an FRA as set out in Appendix E will be required. In Flood Zones 2 and 3a information will be required in a simple FRA statement to confirm (a) that the development is not within 8 metres of a 'main river' or will not otherwise affect its maintenance as a watercourse and (b) flood resistant methods of construction are to be used.

4.564.58 Detailed information is provided on the Environment Agency website on the requirements for FRAs²⁶ and the essential elements of an assessment are also explained below. The level of detail required will depend on the proposal.

4.574.59 Before proceeding with the preparation of a detailed FRA, those who are contemplating any type of development are strongly advised to go through the questions set out in Table 5. These provide an initial check to identify if fundamental objections may exist to the use that is proposed (screening assessment). The questions have been designed to enable both householders and others to undertake the assessment without professional assistance using the information which is either set out in this document or, in the case of flood maps, set out on the Council's website. If it is unclear whether a particular use may be acceptable, or how the Council's flood policy might apply, it is strongly advised to seek further informal advice from the Council before proceeding further.

Table 5 Screening assessment of whether a proposed use may be acceptable

	Questions	Comment
1.	Which flood risk area is the site located in (note all sites in the Borough will be within one of the flood zones)?	The Council's website has map based information on Flood Zones 2, 3a and 3b. Flood Zone 1 is all of the uncoloured area on these maps. (Step by step instructions to access the maps are given in Appendix D)
2.	Is the proposed use compatible with this flood zone?	Check Tables 3 and 4 in this document to see if the use is appropriate.
3.	If the use is compatible with the flood zone, do the requirements of Policy LO1 impose further restrictions preventing development in principle?	Check Policy LO1 in the Core Strategy and Policies DPD or in Appendix A of this SPD.
4.	Are there any genuine exceptions to justify a proposal contrary to Policy LO1?	These would need to be clearly documented as of sufficient importance to outweigh the flood risks.

²⁶ www.environment-agency.gov.uk – search on 'Flood Risk Assessments' and general advice for applicants and agents page.

[Type text]

4.584.60 Only if the response to the above questions is positive is it likely that planning permission may be granted and therefore worthwhile proceeding with a proposal.

4.594.61 Where a site is subject to flood risk a detailed FRA will help establish whether an acceptable scheme can be designed in a way which avoids these risks. Depending on the nature of the proposal this may still highlight potential objections in principle.

4.604.62 Using the information below an assessment can be made about:

- a. the precise extent and likely impact of flood water on a site,
- b. whether the form of development proposed is likely to result in an unacceptable loss of flood storage capacity or impede the flow of flood water,
- c. whether changes to an intended proposal can be made to overcome any flood related problems.

Table 6 Scoping assessment - information required to assess the level of flood risk

1.	Obtain an Ordnance Survey (OS) map of the site with sufficient area around it to include the printed ordnance datum levels shown (i.e. level of the ground relative to sea level)
2.	Obtain from the Environment Agency where available : <ol style="list-style-type: none"> a. Modelled flood levels for the 1 in 20, 1 in 100 and 1 in 100+20% for climate change for the site or points very close to the site (where highly vulnerable uses are proposed 1 in 1000 data will be needed). b. Modelled flow rate of flood water (direction of flow and rate of flow) and information on the depth of flood water. This is essential to check if there are risks from fast flowing flood water.
3.	Plot the EA's survey points on the OS plan (where they are not on the part of the site where the development will be, extrapolate the level for the site from the data supplied).
4.	Undertake a survey of the site to establish, in relation to the OS datum levels, the ground levels across the site and level of the ground floor of existing structures (this type of survey is commonly referred to as a topographical survey).
5.	By comparing the levels of the site/buildings with the EA flood data identify what level of flood risk exists, if any. If the site is subject to more than one flood zone the relevant boundaries of the zones should be shown on the plan.

4.614.63 If this more detailed assessment identifies issues that clearly cannot be overcome and planning permission is therefore unlikely to be granted, there is no point proceeding further with the FRA or submitting a planning application.

4.624.64 Where it appears that a scheme can be designed to comply with the Council's flood policy, an FRA must be submitted with any planning application. The amount of detail in an FRA will vary according to the nature of the use, form of development proposed and any particular factors related to the site, its locality and any flood compensation measures required. Some aspects may require specialist technical advice or support. As a minimum an FRA for new buildings must contain the information set out below. The requirements for an FRA for residential extensions in Flood Zone 3b are set out in Appendix E.

- a. A topographical survey of the site showing the position of all structures and their ground floor levels, the levels across the site and those of the adjoining highway,
- b. Copies of the flood related information supplied by the EA,
- c. A plan of the site showing the location of the modelled survey points on which the EA flood data is based. (Where the EA modelled flood points are not on the site calculations must be provided which extrapolate the flood levels for the site),
- d. Confirmation of the projected depth of any flood water on the site and the rate and direction of any projected flow,
- e. Calculations of the net loss or gain in flood storage capacity arising from development of the site,
- f. The likely impact of any new structure on the movement of flood water across the site,
- g. In the case of residential development, at the margins of a flood risk area information must be provided to confirm there is a dry route from the site to a point outside of the flood plain during a 1 in 100 year flood event. This must be across public land or land which the occupants of the site have an agreement to use in perpetuity,
- h. Details of sustainable drainage,
- i. Details of any flood resistance and resilience measures.

4.634.65 Detailed technical information from the EA should be obtained by first contacting them via WTEenquiries@environment-agency.gov.uk.

5 Impact on watercourses

- 5.1 It should be noted that where proposals are **in, under, over or** within 8 metres of a 'main river' or flood defence structure, in addition to planning permission being required from the Council, formal **By-Law** Flood Defence consent may be required from the Environment Agency. This process is intended to ensure that areas required to maintain 'main rivers' are preserved and that flood defence structures are not compromised. The plan at Appendix C shows all 'main rivers' in the Borough.
- 5.2 In addition, under Land Drainage legislation, consent will be required from Surrey County Council for damming or culverting a ditch or small watercourse.

[Type text]

6 Further information

- 6.1 The Council encourages people to seek pre-application advice and this includes those looking to purchase a property with a view to undertaking development some time in the future. This will help identify at an early stage if expectations of what may be acceptable are unrealistic and therefore save further costs. The arrangements for obtaining advice on specific proposals are set out on the Council's website²⁷.
- 6.2 The Council is also able to deal with general factual queries about flood matters in the Borough. However, the Environment Agency and Surrey County Council are better placed to deal with more complex technical queries.

Contacting Spelthorne Borough Council:

Telephone: Customer Services: 01784 451499
 Email: planningdm@spelthorne.gov.uk
 Web: www.spelthorne.gov.uk

Contacting the Environment Agency for general information:

Telephone: 03708 506 506
 Email: enquiries@environment-agency.gov.uk
 Web: www.environment-agency.gov.uk

²⁷ www.spelthorne.gov.uk – Pre-application advice page

Policy LO1: Flooding

The Council will seek to reduce flood risk and its adverse effects on people and property in Spelthorne by:

- a) supporting appropriate comprehensive flood risk management measures within or affecting the Borough which are agreed by the Environment Agency,
- b) reducing the risk of flooding from surface water and its contribution to fluvial flooding by requiring all developments of one or more dwellings and all other development over 100m² of floorspace in the Borough to have appropriate sustainable drainage schemes,
- c) maintaining flood storage capacity within Flood Zone 3 by refusing any form of development on undeveloped sites which reduces flood storage capacity or impedes the flow of flood water,
- d) maintaining the effectiveness of the more frequently flooded area (Zone 3b) of the flood plain to both store water and allow the movement of fast flowing water by not permitting any additional development including extensions,
- e) not permitting residential development or change of use or other 'more vulnerable' uses within Zone 3a or 'highly vulnerable uses' within Zone 2 where flood risks cannot be overcome,
- f) supporting the redevelopment of existing developed sites in the urban area in Zones 3a and 3b for 'less vulnerable' uses where:
 - i a minimum increase of flood storage capacity of 20% can be secured (all flood storage areas to be effective at all times throughout the lifetime of the structure/use and do not create unacceptable risks to people in times of flood),
 - ii it reduces impedance to the flow of flood water where there would be flowing flood water,
 - iii appropriate access for the maintenance of water courses is maintained,
 - iv there is no adverse impact on the integrity and effectiveness of flood defence structures.
- g) requiring any development in Zones 2, 3a and 3b to be designed to be flood resilient/resistant,
- h) requiring all development proposals within Zones 2, 3a and 3b, and development outside this area (Zone 1) on sites of 0.5ha or of 10 dwellings or 1000m² of non-residential development or more, to be supported by an appropriate Flood Risk Assessment.

Appendix B

Flood related responsibilities

Spelthorne Borough Council

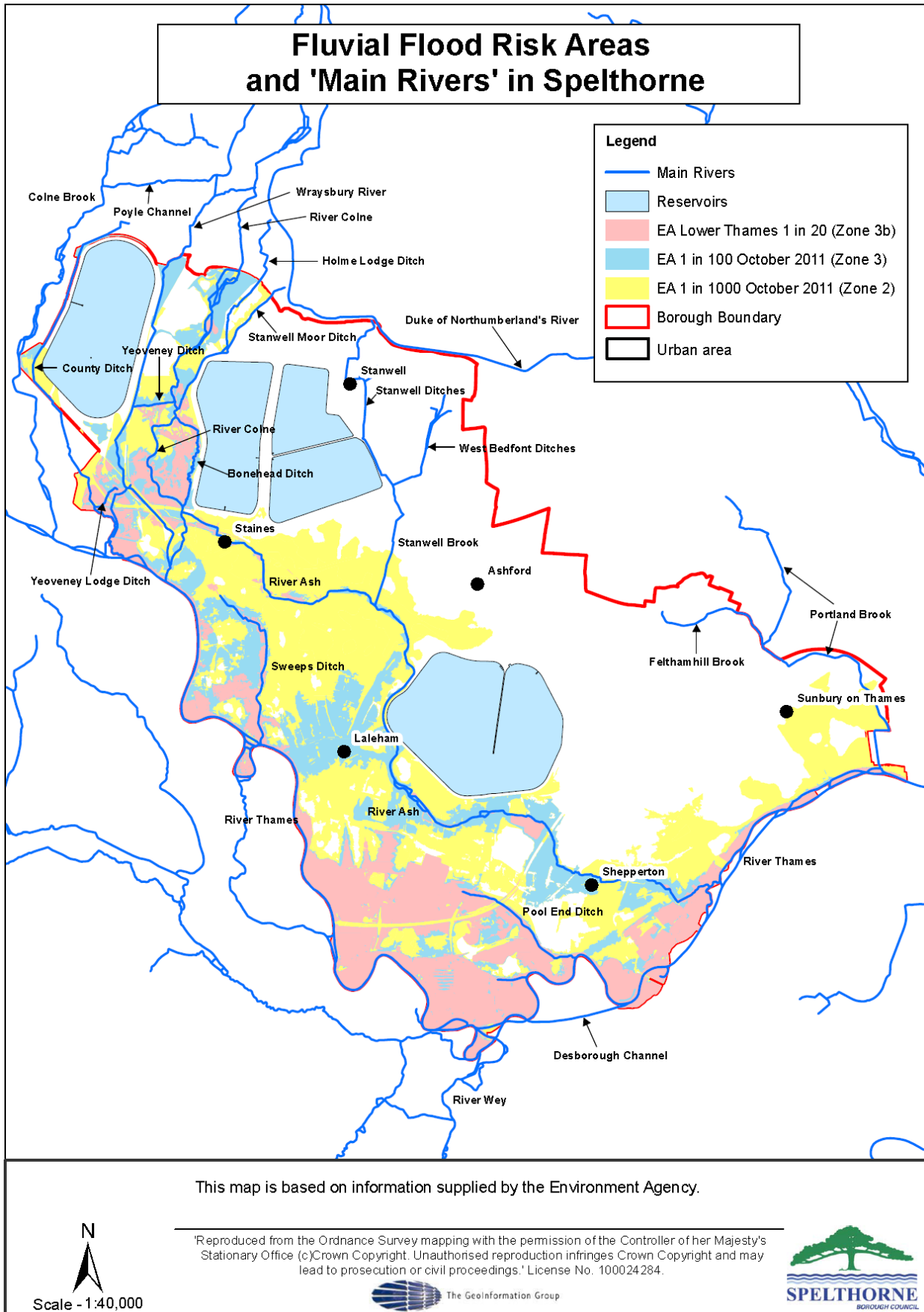
- statutory role in preparing local development plan documents
- statutory role in determining most planning applications
- emergency planning

Surrey County Council

- ~~— from October 2012 will have a statutory responsibility as the Lead Local Flood Authority~~
- **Surrey County Council is the Lead Local Flood Authority as set out in the Flood and Water Managements Act 2010 and Flood Regulations 2009. They are required to prepare a Local Flood Risk Management Strategy to which District Councils must have regard.**
- from October 2012 (to be confirmed) responsibility as the Sustainable ~~Urban~~-Drainage Approval Body
- statutory role in preparing mineral and waste development plan documents
- statutory role in determining planning application for minerals, waste and its own planning proposals
- statutory role as 'highways authority'

Environment Agency

- Government agency which is responsible to the Secretary of State for Environment, Food and Rural Affairs (Defra)
- responsibilities include:
 - flood and coastal risk management
 - navigation
 - fisheries
 - conservation and ecology
 - water quality and resources
 - climate change
- the agency provides technical advice on flood risk to local authorities and developers



How to check the flood zones for your site on the Council's website.

1. On the home page of www.spelthorne.gov.uk select the 'My Spelthorne' green tab at the top of the page.
2. Click on the highlighted text 'Access My Spelthorne' halfway down the page.
3. On this page select the 'My Maps' tab.
4. Type in your address and click 'Find' - the map will then centre on your address.
5. Select the tab 'Show Map Categories' on the left of the screen and click on 'Environment and Planning'.
6. Tick all three Flood Zone boxes. Flood zones relevant to your site (if any) will then appear on the map and you will be able to see if your site is affected by any of them.
7. There is a zoom facility on the left hand side of the map and if you 'left click' on the map and hold your mouse down this will enable you to 'pan' in any direction.
8. If you require an aerial view of the area select 'Aerial 2008' on the top right hand side of the map.

Flood Risk Assessments for residential extensions

~~The purpose of this appendix is to provide further information about preparing FRAs for extensions to residential property.~~ **This Appendix explains what a householder must do for the LPA to exceptionally allow an extension in Flood Zone 3b.**

Detailed FRAs for extensions will only be required for proposals within Flood Risk Zone 3b. This is where there is a flood risk of up to 1 in 20 (5%). These are areas of particularly high risk not only because of the greater frequency of flood events but their severity in terms of high flow rates and depth of flood water. The potential impact of extensions in such situations will therefore be greater not only in terms of lost flood storage capacity but the impedance to the flow of flood water.

For Flood Zones 2 and 3a paragraph 4.56 explains the need for information in relation to the proximity to 'main rivers' and flood resilience measures.

Policy LO1(d) makes clear that development, including extensions, will not be allowed in Flood Risk Zone 3b. Paragraph 4.30 in this guidance does, however, allow for any existing structures on the site that are to be demolished to be taken into account in assessing whether an extension will result in a net loss of flood storage capacity. It will also be necessary to consider if the position of the proposed extension is such that it will protrude further into the path of fast moving flood water and result in a net increase in impedance to flood water flow. If there is either a net loss of flood storage capacity or net increase in impedance to the flow of flood water the proposal will be unacceptable.

There are some simple steps that anyone contemplating a development can take in assessing the likely acceptability of a proposal before embarking on the preparation of a formal flood risk assessment and detailed design of a scheme:

1. Check which flood risk zone the site is in – see the advice in Table 5 - Screening Assessments, which explains how to find out.
2. Make an initial assessment of whether it is likely there will be a net loss of flood storage capacity. This can be done by assessing the volume of the structures to be demolished and those to be constructed. It will be important to note that structures such as sheds and garages with a floor level close to ground level, where flood water would not normally be prevented from entering, would contribute little to additional flood storage capacity if removed. If there is clearly a net loss of flood storage capacity there is no point proceeding.
3. Make an initial assessment whether the structure is likely to protrude further into the path of flowing flood water than those structures to be removed. For an initial assessment it can be assumed that flood water will generally flow parallel to the river. If it is obvious that an extension is likely to cause a greater impedance to the flow of flood water by projecting out further into the path of fast moving flood water, again there is no point proceeding.

Only where a proposal is likely to meet the above requirements is it worth preparing detailed plans and an FRA.

To assess the flood risk implications of an extension the Council will require sufficient detailed information to identify:

1. The volume of those structures to be lost and gained to demonstrate there is no net loss of flood storage capacity. To make this calculation see points a to e in paragraph 4.62 of the main document.
2. There will be no greater impedance to the flow of flood water across the site than currently exists – information on projected flood flow at a site will need to be obtained from the EA.
3. The means of satisfactorily disposing of surface water from the roofs of the new structure (sustainable drainage).
4. Flood resistance and flood resilience measures appropriate to the extension.

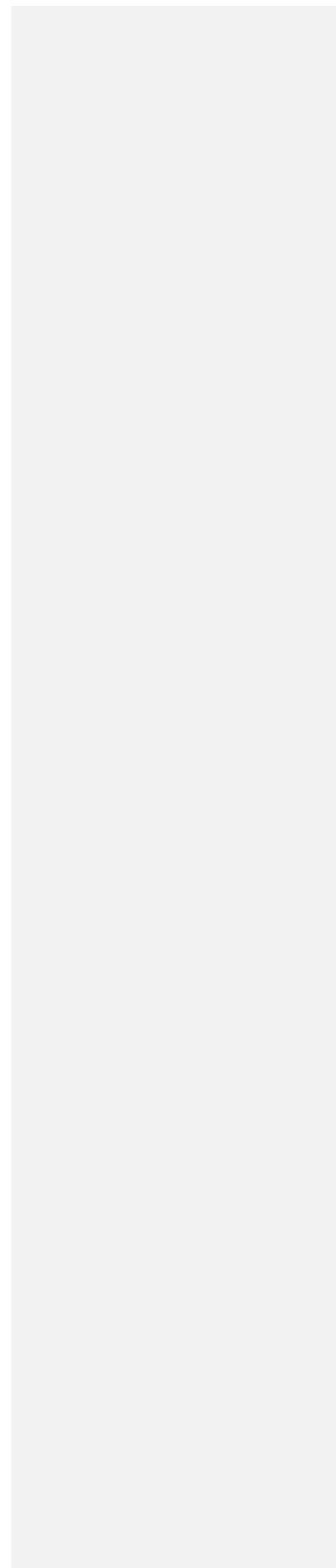
APPENDIX D

Spelthorne Borough Council
Supplementary Planning Document
on
Housing Size and Type

Consultation Draft
Tracked changes May 2012

MayApril 2012



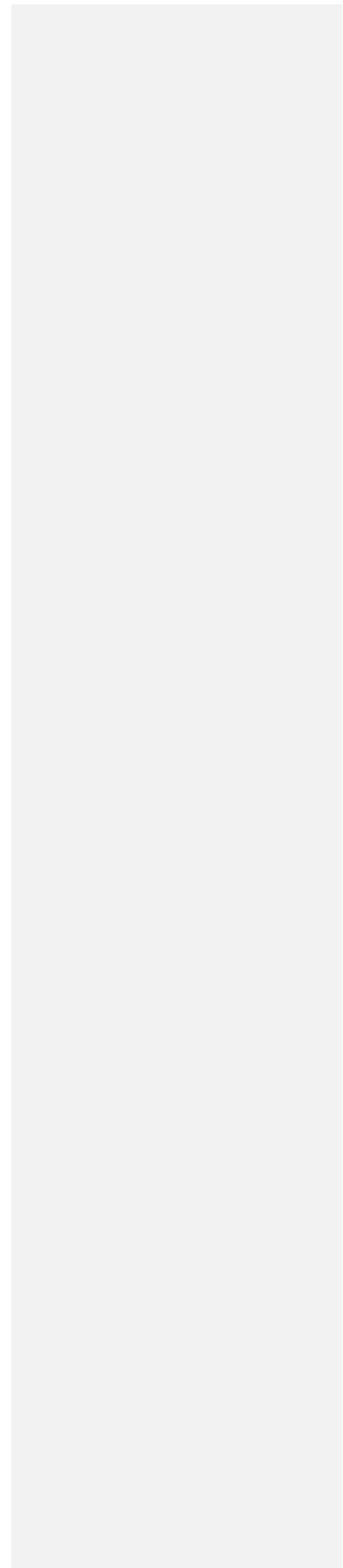


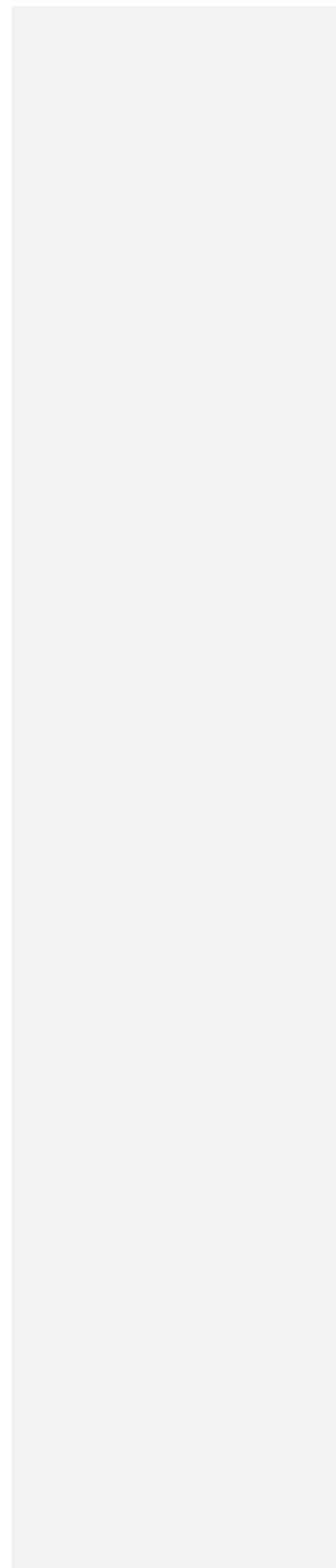
Contents

1. Introduction 1
2. What the policy requires..... 1
3. Background to the Policy and this SPD 1
4. Affordable housing requirements..... 2
5. Providing an appropriate dwelling mix in new developments 3
6. Other matters 4

Appendices

Appendix A Policy HO4 and explanatory text from the Core Strategy and Policies
DPD





1. Introduction

- 1.1 The purpose of this Supplementary Planning Document is to explain in more detail the Council's requirements for securing the right size and type of dwelling in new residential developments and conversions.
- 1.2 Those requirements are set out in Policy HO4 of the Council's Core Strategy and Policies Development Plan Document (DPD)¹ and the supporting explanatory text to that policy. An extract of the policy and explanatory text is set out in full in Appendix A.
- 1.3 The purpose of the policy is to ensure that the mix of new dwellings, together with the existing housing stock, best meets the housing needs of the Borough as a whole.

2. What the policy requires

- 2.1 The policy seeks to ensure, during the plan period from 2006 to 2026, that:
 - a. In any residential scheme of 4 or more dwellings at least 80% of the dwellings should be one and two bedroom units;
 - b. Encouragement is given for the provision of housing to meet the needs of older people, including the provision of 400 units of extra care housing on suitable sites.
- 2.2 The last sentence of the explanatory paragraph 6.22 of Policy HO4 in the Core Strategy and Policies DPD provides an important qualification that exceptions to the requirements of the policy may be made where there is a need for larger affordable dwellings to be included in the mix.
- 2.3 The policy also encourages the provision of some dwellings which are designed to meet the needs of people with disabilities. This aspect of the policy is not dealt with in this SPD

3. Background to the Policy and this SPD

- 3.1 Over the life of the Core Strategy and Policies DPD from 2006 to 2026 the Council's policy is to ensure that 3320 additional dwellings are built. This will add some 8% to the existing dwelling stock of over 40,000.
- 3.2 Policy HO4 within the Core Strategy and Policies DPD was based on a Housing Needs Assessment (**December 2006**), a **Housing Market Assessment (January 2007)** and further detailed research on the size of dwellings that should make up the additional 3320. That work showed a significant projected growth in the number of small households and a need for smaller dwellings. It also showed a steady loss of existing smaller dwellings by extensions to existing properties of at least one or more bedrooms. The policy requirement that 80% of new dwellings in schemes of 4 or more should be 1 and 2 bedroomed is aimed at ensuring the additional 3320 dwellings helps maintain an appropriate balance in the existing dwelling stock as a whole.

¹ Core Strategy and Policies Development Plan Document, February 2009.

- 3.3 A further study of dwelling size and affordable housing requirements was undertaken in January 2012 and has informed this supplementary guidance². This shows that there is a continuing need for smaller dwellings overall but there is a specific need for affordable dwellings which can accommodate families. In particular the study found that during the period of 2006 to 2026:
- a. The overall population of the Borough is likely to remain broadly static.
 - b. There will be a growth in the number of smaller households with the increase in one-person households rising from around 12,475 to 17,150 – a difference of some 4,675.
 - c. Part of the growth in single person households is accounted for by the growth in the number of older people.
 - d. There will be a particular need for 1, 2 and 3 bedroom private housing.
 - e. Information from the Housing Register shows that there is an on-going need for affordable housing.
 - f. A significant part of the need for affordable housing is met from re-lets from the existing housing stock, but additional affordable housing is required to meet demand.
 - g. The required additional affordable housing needs to be family accommodation for between 4 and 7 persons to ensure an appropriate balance within the social housing stock.
- 3.4 The study concluded that there was no need to change Policy HO4 but that the 80% requirements for 1 and 2 bedroom dwellings should not apply to affordable family accommodation.
- 3.5 In the private housing market there is still the need for 80% 1 and 2 bedroom accommodation. However, no more than one third should be 1 bedroom. The balance of 20% should be 3 bedroom accommodation. This reflects the existing guidance in the supporting text to Policy HO1 in the Core Strategy.
- 3.6 The study recognised that developments of fewer than 4 dwellings were exempt from the 80% requirement and would continue to provide a supply of larger private dwellings.

4. Affordable housing requirements

- 4.1 Affordable housing will be required in any developments of 15 or more dwellings and, in addition, social landlords will be encouraged to bring forward smaller sites. This is required by Policy HO3 of the Core Strategy and Policies DPD. Where new schemes come forward they will be required to contribute to the need for affordable family housing.

² 'Provision of Smaller Dwellings', January 2012.

4.2 The Council's research has confirmed that the size of affordable family dwellings required, and the proportions in which they need to be provided, are as follows:

- 2 bedroom 4 person dwellings 66%
- 3 bedroom 5 person dwellings 31%
- 4 bedroom 6 and 7 person dwellings 3%

4.3 The minimum floorspace requirements for dwellings of these bedroom/person sizes are set out in the Council's Supplementary Planning Document 'Design of Residential Extensions and New Residential Development'³, Appendix 4.

5. Providing an appropriate dwelling mix in new developments

5.1 The Council recognises that town centre residential schemes will usually be at a higher density in the form of flats and often as part of a mixed use scheme. In these cases most of the dwellings will be one or two bedroom accommodation. Larger units providing family accommodation will usually be more appropriate in non-town centre locations.

5.2 On non-town centre sites there will be a number of factors to be taken into account in deciding on the appropriate dwelling mix. These are as follows:

1. **Affordable housing:** This should be provided in proportions to meet the mix set out in paragraph 4.2. This mix will be applied in line with the explanatory text to the policy in the Core Strategy and Policies DPD.

The need for four bedroom accommodation, whilst small, is important. However, providing such a small proportion (3%) in schemes involving less than 10 affordable dwellings is not always practical. Therefore, whilst the Council will encourage four bedroom affordable accommodation in schemes of less than 10 affordable dwellings, in order to ensure sufficient units of this size are provided it will require the proportion to be a minimum of 10% in developments where 10 or more affordable dwellings are provided.

2. **Private housing:** There is a need for smaller private sector dwellings (in terms of bedroom numbers) of 3 bedrooms or less. 80% of dwellings in schemes of 4 or more dwellings should be 1 or 2 bedroom with the 1 bedroom proportion not exceeding a third. The remaining 20% should be 3 bedroom. These requirements will not apply to small schemes of 3 or less dwellings which will provide the opportunity for larger dwellings to be provided. **In this case the overall proportions of 2, 3 and 4 bedroom dwellings should be:**

- **2 bedroom 4 person dwellings 60%**
- **3 bedroom 5 person dwellings 31%**
- **4 bedroom 6/7 person dwellings 10%**

2. _____

³ Design of Residential Extensions and New Residential Development, April 2011.

Formatted: bulleted para, Bulleted + Level: 4 + Aligned at: 4.44 cm + Indent at: 5.08 cm

Formatted: Indent: Left: 2.5 cm, No bullets or numbering

3. **Sheltered housing schemes:** such schemes generally have only one and two bedroom accommodation and there will be no requirement for larger units in such developments.
4. **Character of housing development:** Any development will need to reflect the character of the area in which it is situated. In suburban areas of the Borough flats are less likely to be in character. Where there is a predominance of larger dwellings a mix with less than 80% one and two bedroom dwellings may be appropriate with a greater proportion of 3 bedroom dwellings. However, the majority should still have one and two bedrooms.

6. Other matters

a. Design

- 6.1 All schemes for new residential development should have regard to Policy EN1 which sets out a number of requirements including regard for local character, quality of design and avoiding an adverse impact on amenity. These are amplified in the SPD on the 'Design of Residential extensions and new Residential development'

b. Pre-application advice

- 6.2 The Council welcomes the opportunity to provide pre-application advice and its arrangements for providing this are explained on its website.⁴ This advice can provide the opportunity for particular mixes of dwellings, as well as other matters, to be discussed and resolved at an early stage in the design process.

⁴ www.spelthorne.gov.uk

Appendix A

Providing for Different Types of Housing

- 6.22 Policy HO4 sets out the mechanisms for ensuring a range of housing size and types to meet community needs. It takes account of the existing stock of some 39,500 dwellings of which 65% have three or more bedrooms.
- 6.23 The Council considers that the need for smaller dwellings in the Borough would best be met by requiring a high proportion of all new housing and conversions to be 1 and 2 bedroom dwellings. The figure needs to take account of the large number of existing dwellings that are extended every year by one or more bedrooms. Very small infill developments generally provide a disproportionate number of 3 and 4 bedroom dwellings. Therefore, on all developments of four or more dwellings a minimum of 80% 1 and 2 bedroom dwellings will be required. The Council's research suggests that about two thirds of these should be 2 bedroom dwellings. Of the remaining 20% of dwellings the greatest need is for 3 bedroom dwellings because much of the demand in the Borough for 4 bedroom dwellings and larger is met by the extensions to existing properties. It is important that the mix of dwellings in any individual development contributes to the needs identified above. The only exceptions will be where the requirements for affordable housing dictate a greater mix of larger dwellings.
- 6.24 There is a need for up to 400 units of extra care housing in Spelthorne by 2026. Because of the care requirements such housing can best be provided in larger schemes of around 40 units. Provision will be achieved by negotiation on individual sites.
- 6.25 The Council will encourage the provision of dwellings that exceed the minimum disability requirements so that they are, or can easily be made, fully accessible for disabled occupiers. In practice this will mean space for easy installation of a stair lift and facilities such as bathrooms that can easily be adapted for disabled occupiers at first floor level.

Policy HO4: Housing Size and Type

The Council will ensure that the size and type of housing reflects the needs of the community by:

- a) requiring developments, including conversions, that propose four or more dwellings to include at least 80% of their total as one or two bedroom units,
- b) encouraging the provision of housing designed to meet the needs of older people, including the provision of 400 units of extra care housing on suitable sites over the period 2006 to 2026,
- c) encouraging the inclusion within housing schemes of a proportion of dwellings that are capable of meeting the needs, as occupiers, of people with disabilities.

Cabinet

17 July 2012



Title	TREASURY MANAGEMENT ANNUAL REPORT 2011/12		
Purpose	For Information		
Report of	Assistant Chief Executive	Confidential	No
Cabinet Member	Councillor Tim Evans	Key Decision	No
Report Author	Jo Hanger		
Summary	<ul style="list-style-type: none"> • To note the outturn treasury position achieved against the prevailing interest rate and economic backgrounds operating in 2011/12. • To note the borrowing and investment strategies followed during 2011/12 and the policy for managing the Council's investments. • To note the outturn Prudential Indicators for 2011/12. 		
Financial Implications	The report is to update Members on past treasury performance so there are no financial implications.		
Corporate Priority	All three priorities		
Recommendations	The Cabinet are asked to note the report for 2011/12.		

MAIN 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 primary requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management include the creation of a Treasury Management Policy Statement and Practices to implement the policy. A Treasury Management Strategy Statement must be approved annually by full Council including an annual investment strategy report for the year ahead. In addition a mid year review and an annual review report must be presented to Members.
- 1.3 The Council is required to delegate responsibilities for implementing and monitoring treasury activities and also to delegate the role of scrutiny to a named body. This role has been delegated to the Overview and Scrutiny Committee and Cabinet.
- 1.4 The purpose of this report is to meet one of the above requirements of the CIPFA Code, namely the annual review report of treasury management activities for the financial year 2011/12.

2. Key issues

- 2.1 The Council’s investments are managed in house. Interest rates have been at historically low levels and the Bank of England bank rate has been 0.5% for over three years with most forecasters predicting that it would stay at this level until at least 2016 and the potential risk to capital from the continuing sovereign debt crisis in the Euro-zone had significantly reduced the number of available counterparties and maturities shortened to mitigate risk.
- 2.2 The Council was due to re-tender for its treasury advisory services in July 2011 and took the opportunity to appoint new advisors who had a more proactive approach to meeting the challenges brought about by the global financial and economic crises. After appointing Arlingclose in August 2011 a full review of the investment strategy was carried out.
- 2.3 Given Spelthorne’s dependency on investment returns to balance the budget it was considered appropriate, in consultation with our new advisors, to evaluate alternative investment options including pooled equity and property funds with a view to achieving higher returns into the future. An appropriate new strategy was accordingly developed during the year and is in the final stages of its implementation.
- 2.4 **Strategy for the Year 2011/12**
- 2.5 The key principle of the Council’s treasury strategy is the prudent investment of its treasury balances with a view to maximise returns but with commensurate levels of security and liquidity and minimum risk to capital.
- 2.6 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.

2.7 **Economic Background**

- 2.8 When the 2011/12 strategy was being formulated in Jan/Feb 2011 there were tentative signs that the UK was emerging from recession with the worst of the financial crisis behind it. Recovery in growth was expected to be slow and uneven as the austerity measures announced in the 2010 Comprehensive Spending Review were implemented in order to bring down the budget deficit and government borrowing thereby rebalancing the economy and public sector finances. Inflation measured by the Consumer Price Index (CPI) had remained stubbornly above 3%. Unemployment was at a 16-year high at 2.5 million and was expected to rise further as the public and private sector contracted. There was also a high degree of uncertainty surrounding Euro-zone sovereign debt sustainability.
- 2.9 During 2011/12 inflation remained high with Consumer Price Index (CPI - the official measure) and Retail Price Index (RPI) rising in September to 5.2% and 5.6% respectively primarily due to escalating utility prices and the January 2011 increase in VAT to 20%. Inflation eased slowly as reductions in transport costs, food prices, intensifying competition amongst retailers and supermarkets and the VAT effect falling out in 2012, pushed March 2012 CPI down to 3.5% and RPI to 3.6%. This, however, was not enough to offset low wage growth and, as a result, Britons suffered the biggest drop in disposable income in more than three decades.
- 2.10 Growth remained elusive. The Bank's Quarterly Inflation Reports painted a bleak picture as the outlook was downgraded to around 1% in 2011 and 2012. The unresolved problems in the Euro-zone weighed negatively on global economic prospects. UK GDP was positive in only the first and third calendar quarters of 2011; annual GDP to December 2011 registered just 0.5%. Unemployment rose to 2.68 million with youth unemployment over 1 million. House prices struggled to show sustained growth and consumer confidence remained fragile.
- 2.11 It was not surprising that the Bank of England's Monetary Policy Committee maintained the status quo on the Bank Rate which has now been held at 0.5% since March 2009, but increased asset purchases by £75bn in October 2011 and another £50bn in February 2012 taking the Quantitative Easing (QE) total to £325bn.
- 2.12 The policy measures announced in the March 2012 Budget statement were judged to be neutral. The government stuck broadly to its austerity plans as the economy was rebalancing slowly. The opinion of the independent Office for Budget Responsibility (OBR) was that the government was on track to meet its fiscal targets; the OBR identified oil price shocks and a further deterioration in Europe as the main risks to the outlook for growth and in meeting the fiscal target.
- 2.13 The US economy continued to show tentative, positive signs of growth alongside a gradual decline in the unemployment rate and the US Federal Reserve committed to keeping policy rates low until 2014.
- 2.14 In Europe, sovereign debt problems for some peripheral countries became critical. Several policy initiatives were largely ineffectual; two bailout

packages were required for Greece and one for Portugal, and the contagion spread to Spain and Italy whose sovereign bonds came under increased stress in November. Standard & Poor's downgraded nine European sovereigns and the European Financial Stability Facility (EFSF) bailout fund. The successful Greek sovereign bond swap in March 2012 shortly after its second bailout package allowed it to avoid bankruptcy later that month, but it was not a long-term solution. The European Central Bank's (ECB) €1.3 trillion Long-Term Refinancing Operations (LTROs) flooded the financial markets with cheap three year liquidity and relieved much of the immediate funding pressure facing European banks in 2012, but markets ultimately took the view the LTROs simply delayed resolution of the fundamental issues underpinning the Euro-zone's problems.

- 2.15 Markets sentiment oscillated between 'risk on'/'risk off' modes, this swing becoming the norm for much of 2011/12 as investors shifted between riskier assets and the relative safety of higher quality government bonds. Gilts, however, were a principal beneficiary of the 'risk-off' theme which helped push yields lower. There was little market reaction to or impact on gilts by the decision by Fitch and Moody's to change the outlook on the UK's triple-A rating from stable to negative. Over the 12-month period from April 2011 to March 2012, 5-year gilt yields more than halved from 2.40% to 1.06%; 10-year gilt yields fell from 3.67% to 2.25%; 20-year yields fell from 4.30% to 3.20% and 50-year yields from 4.20% to 3.35%.
- 2.16 Europe's banking sector was inextricably linked with the sovereign sector. Sharp moves in sovereign Credit Default Swaps (CDS) and bond yields were fairly correlated with the countries' banking sector performance. The deterioration in the prospects for real growth had implications for earnings and profit growth and banks' creditworthiness. The European Banking Authority's banking stress tests of 70 EU banks undertaken in October 2011 identified a collective €106 billion shortfall to banks' Core Tier 1 ratio of 9%. The slowdown in debt and equity capital market activity also had implications for banks' funding and liquidity. These principal factors, as well as a reassessment by the rating agencies of future sovereign support for banks, resulted in downgrades to the long-term ratings of several UK and non-UK financial institutions in autumn 2011.
- 2.17 Against this backdrop, the Council implemented its strategy of maximising returns within the unsettled environment, focusing on maintaining high levels of security and liquidity.
- 2.18 **Compliance with Treasury Limits**
- 2.19 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 2011/12 are shown in **Appendix A**.

3. Options analysis and proposal

3.1 Performance in 2011/12

3.2 **Borrowing** - With our borrowing needs restricted to meeting daily cash flow requirements, activity here is limited at the present time.

3.3 During February and March the Council's income is significantly reduced because no instalment monies are received for Council Tax and Business

Rates. As a result, short term borrowing requirements are often greater at this time of the year.

- 3.4 However, no borrowing was required during year because cash flow funds were more readily available. Market conditions resulted in a greater turnover of our overall investment portfolio as we had shorter maturities due to the increased credit risk in the market. Outstanding borrowing as at 31/3/12 was therefore limited to £35k in respect of small loans from charitable and voluntary groups.
- 3.5 **Investments** – The Council manages its investments in-house and invests with highly rated counterparties. During the year all investments were made in full compliance with the Council's treasury management policies and practices. At the start of 2011/12, the Council's net investment portfolio was £14.770m made up as follows:-

Investment Class	Amount	Average Rate
Euro-Sterling Bonds	6,000,000	4.17%
Fixed Term Deposits	5,000,000	1.56%
Money Market Funds	770,000	0.56%
Call Account Deposits	3,000,000	0.77%
Total Investment Portfolio at 1/4/11	14,770,000	2.40%

- 3.6 As at 31st March 2012 the net investment portfolio was £14.414m as set out below and full details of investments are set out in Appendix B:

Investment Class	Amount	Average Rate
Euro-Sterling Bonds	3,000,000	4.65%
Fixed Term Deposits	5,000,000	0.91%
Money Market Funds	1,000,000	0.61%
Call Account Deposits	5,414,000	0.78%
Total Investment Portfolio at 31/3/12	14,414,000	1.59%

- 3.7 The net overall return on investments was 1.59% for 2011/12 which is 0.60% higher than the benchmark average 3 month (London Inter-Bank Bid) LIBID rate of 0.99% for the year. The performance reflects our strategy against a background of continuing low interest rates, economic gloom in the UK and the European sovereign debt crisis.
- 3.8 The original estimate for net investment income to be credited to the General Fund in 2011/12 was £356k although the outturn for the year was £341k, a shortfall of £15k. This reflects the market conditions we have had to operate within this year. The situation in the Euro-zone resulted in the credit ratings of many of our usual counterparties being downgraded to such an extent that we could no longer use them. There were several periods when the UK Debt Management Office (DMO), which only pays 0.25% on investments, was the only available counterparty. Maturity limits were also significantly reduced and shorter maturities yield lower returns.

3.9 The actual outturn for the year was £341,116 made up as follows:

Investment Income	Actual £	Budget £
Temporary Investments	54,323	55,000
Fixed Term Deposits	65,587	84,000
Euro-Sterling Bonds	218,188	216,000
Total Investment Income	338,098	355,000
Other net Interest	3,646	3,000
Total Gross Investment Income	341,744	358,000
Interest paid on temporary borrowing	(628)	(2,000)
Available Interest	341,116	356,000
Transfer to Interest Equalisation Reserve	0	0
Credited to General Fund	341,116	356,000

3.10 Investment Performance Monitoring

- 3.11 Regular quarterly meetings of officers and the Portfolio holder are held with Arlingclose, our treasury management advisors and in-house performance is monitored monthly. 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.
- 3.12 Creditworthiness is also monitored regularly reflecting the changed financial environment. Many once highly rated institutions have had their credit ratings significantly downgraded and no longer meet our tight criteria. As a result these have subsequently been removed from our list of potential investment counterparties.
- 3.13 The Council uses Arlingclose's suggested criteria to assist in the selection of suitable investment counter-parties. This is based on credit ratings, including sovereign ratings, provided by the three main ratings agencies and supplemented by additional market data including rating outlooks, credit default swaps, bank equity prices etc to assist the Council in making more informed decisions about which counter-parties to invest with. However, the final selection decision rests with the Council.
- ### 3.14 Conclusions for 2011/12 and Prospects for 2012-13
- 3.15 Arlingclose believes that bank rates will remain at the historically low level of 0.5% until at least 2016 before starting to rise again. The return on investments this year has been good considering the current economic climate and level of interest rates, largely due to the fortunate timing of locking into fixed rates on deposits and Euro-Sterling Bonds.
- 3.16 The first of our EIB bonds matured in December 2011 and the others two will mature by January 2013. With cash rates likely to be very low for some time to come alternative investment options have been considered, specifically investing in pooled equity, corporate bond and property funds. These were

included in our investment strategy for 2012/12 as approved by Members in February 2012. Although the capital value of investments in such funds may fluctuate, these funds currently yield significantly higher rates than cash and would be held for the longer term and for a period of at least three to seven years.

- 3.17 The Council has approximately £9m available for longer term investments and in consultation with our advisors, will seek to invest this in high income funds. No treasury management activity is without risk but a balanced portfolio containing a good mix of asset classes can help to mitigate and manage risk effectively:

Pooled Fund Asset Class	Investment
Equity Funds	£3.0m
Corporate Bond Funds	£3.0m
Property Funds	£1.5m
Cash Deposits	£1.5m

- 3.18 Prior to any investment being made, fund managers are all interviewed by officers and our advisors and investments are only made in full consultation with and on the advice of Arlingclose. The yield on such funds may vary from time to time and the capital value will fluctuate but in general, they should yield at least 4% per annum, significantly better than cash. The first investments totalling £2.5m were made in mid May so the Council will soon see the benefit of the higher yield.

4. Financial implications

- 4.1 The financial implications are as set out in this report. The ability of the Council to generate maximum net investment returns with minimal risk provides significant resources for funding the Council's services.

5. Other considerations

- 5.1 There are none.

6. Risks and how they will be mitigated

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

7. Timetable for implementation

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

Background papers:

Appendices:

- A – Prudential Indicators 2011/12
B – Investments Held at 31/3/12

Appendix A

PRUDENTIAL INDICATORS
ACTUALS 2011/12

Capital Expenditure Prudential Indicators	2010/11 Actual	2011/12 Original Estimate	2011/12 Actual Outturn
Prudential Indicator	£'000	£'000	£'000
Capital Expenditure (gross)	2,277	2,039	1,862
Ratio Financing Costs to Net Revenue Stream	(3.39)	(3.20)	(3.08)
Net Longer-term Borrowing	£0	£0	£0
In year Capital Financing Requirement	£0	£0	£0
Capital Financing Requirement as at 31.3	£0	£0	£0
Affordable Borrowing Limit	£12,000	£12,000	£12,000

Treasury Management Prudential Indicators	2010/11 Actual	2011/12 Original Estimate	2011/12 Actual Outturn
Prudential Indicator	£'000	£'000	£'000
Authorised Limit for external debt	12,000	12,000	12,000
Operational Boundary for external debt	10,000	10,000	10,000
Net Borrowing/Capital Finance Requirement	0	0	0
Upper limit for fixed rate exposure	100%	100%	100%
Upper limit on variable rate exposure	100%	100%	100%
Upper limit principal invested for over 364 days	15,000	15,000	15,000

Maturity structure of fixed rate borrowing	Upper limit	Lower limit
Under 12 months	£12,000,000	£Nil
12 months but within 24 months	£Nil	£Nil
24 months but within 5 years	£Nil	£Nil
5 years but within 10 years	£Nil	£Nil
10 years and above	£Nil	£Nil

Actual External Debt as at 31.3.12	£35,428 (all short term borrowings)
---	-------------------------------------

Appendix B**Breakdown of Investments Held at 31/3/12**

Investment Type	Amount	Interest rate	Start Date	Maturity Date
<i>Euro Sterling Bonds</i>				
European Inv Bank 4.5% 14/01/13	2,000,000	4.75%	31-Oct-08	14-Jan-13
European Inv Bank 4.75% 06/06/12	1,000,000	4.20%	14-Nov-08	06-Jun-12
	3,000,000			
<i>Fixed Rate Deposits</i>				
Barclays	1,000,000	0.73%	19-Mar-12	21-May-12
Barclays	1,000,000	0.93%	15-Mar-12	15-Jun-12
Bank of Scotland	1,000,000	2.05%	01-Jun-11	01-Jun-12
Debt Management Office (DMO)	1,000,000	0.25%	15-Mar-12	12-Apr-12
Nationwide Building Society	1,000,000	0.60%	20-Mar-12	20-Jun-12
	5,000,000			
<i>Cash Flow Investments</i>				
Bank of Scotland Call Account	1,000,000	0.75		Instant
Nat West Call Account	1,000,000	0.75		Instant
Santander Call Account	2,000,000	0.80		Instant
Goldman Sachs MMF	1,000,000	0.61		Instant
Co-Op Bank Reserve Account	1,414,000	0.25		Instant
Total - Cash Flow Investments	6,414,000			
Total value of Investments	14,414,000			

Cabinet

17 July 2012



Title	Provisional Revenue Outturn report 2011/12		
Purpose	Resolution required		
Report of	Chief Finance Officer	Confidential	No
Cabinet Member	Councillor Tim Evans	Key Decision	Yes
Report Author	Adrian Flynn		
Summary	<p>To provide Cabinet with details of the provisional outturn spend on the revenue budget in 2011/12 and to identify major variances.</p> <ul style="list-style-type: none"> • The actual spend at year end against the revised budget of £12.387 m was £12,450m. (0.5%) overspend against the budget. • The interest earned on our investments was £341k • Extraordinary income received (relating to VAT) was £ 600k • After investment income, planned use of reserves and the extra ordinary VAT income there is a £443k net under spend 		
Financial Implications	<ul style="list-style-type: none"> • £62k overspend against budget at service level but this includes separation costs of £422k relating to deleted posts which will deliver ongoing savings • £15k Lower Investment income than budget • Vat refund of £595k produces an underspend of £517k This enables us not to use the budgeted use of interest equalisation reserve and new schemes fund helping to preserve our reserve balances <p>The residual underspend enables £218k of revenue carry forwards to be accommodated</p>		
Corporate Priority	All three priorities		
Recommendations	Cabinet is asked to note the provisional outturn position		

--	--

MAIN REPORT

1. Background

- 1.1 The purpose of the report is to update Cabinet on the provisional revenue outturn (prior to audit) spend for 2011/12.
- 1.2 To advise Cabinet of the reasons for variances identified against the original budget approved in February 2011.

2. Key issues

- 2.1 The summary on Appendix A shows that we have spent £12,450m against the full year budget of £12,387m
- 2.2 Within the expenditure there are one- off redundancy and pension costs of approximately £422k which will deliver ongoing savings in future years. We have currently not offset any of these costs by use of the Business improvement reserve, thereby helping to preserve the balance on this reserve.
- 2.3 Appendix B summarises spend across portfolios by service areas broken down into employees, other expenditure and income. Comments are provided from service managers in significant variances.
- 2.4 Appendices C1 to C9 give a breakdown by service of spend against the original budget.
- 2.5 **Investment Income**
- 2.6 Interest earned on our investments amounted to £341k which was £15,000 below the original budget. This was caused by low interest rates, issues around counter party credit risk making it harder to find counter parties we could place funds with and shorter investment periods throughout the year.
- 2.7 **Extraordinary Items**
- 2.8 The one off VAT refund of £595k related to prior year's overpayments of VAT in relation to trade waste recovered from Customs and Excise by the accountancy department.
- 2.9 The VAT refund has the effect of producing an underspend of £517k before contributions to or from reserves.
- 2.10 **Transfers to and from Reserves**
- 2.11 Transfers to and from reserves relating to New Schemes Fund (£50k), Interest Equalisation reserve (£150k) were as originally budgeted. As a result of the VAT refund it is not necessary to use these contributions, thereby helping to protect the balances on these reserves.
- 2.12 It was not necessary to use £75k from reserves as originally budgeted to fund Airtrak legal expenses as the Airtrak proposal was dropped.

- 2.13 Transfers relating to area based grant have been credited directly back to offset service expenditure.
- 2.14 The transfer in relation to Airtrack was not required as expenditure was not incurred.
- 2.15 Additional transfers to reserves are proposed relating to:
 - Carry forward reserve – an amount of £218k. This can be accommodated within the underspend. It is proposed to be transferred to reserves in relation to work underway but not completed in 2011/12 – these schemes are identified in appendix D.

3. Options analysis and proposal

- 3.1 Cabinet is asked to note the provisional outturn position for 2011/12.

4. Financial implications

- 4.1 There are no ongoing financial implications in the report but variances which have occurred will be investigated to see if they are ongoing and should be incorporated into future year budget deficit / surplus projection calculations.

5. Other considerations

- 5.1 There are none.

6. Risks and how they will be mitigated

- 6.1 Careful monitoring of the budgets on a monthly basis ensures that any problems or anomalies are identified and investigated at an early stage.
- 6.2 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 within the current financial year.

7. Timetable for implementation

- 7.1 Quarterly reports are provided to Cabinet plus Overview and Scrutiny committee for information, comment and scrutiny.
- 7.2 Monthly system generated summary reports with drill down facilities are sent to MAT, heads of service and cabinet members monthly.

Background papers:

There are none

Appendices: A,B, C1 to C8, D

Appendix A				
2011/12 Provisional Net Revenue Outturn				
	11/12	11/12	11/12	11/12
	Budget		Outturn	Variance
	Original	Revised	to date	to Revised
	£	£	£	£
Gross Expenditure	55,127,704	55,397,204	55,994,364	597,160
Less Benefits (overset by grant)	(34,243,800)	(34,243,800)	(34,889,361)	(645,561)
Total gross expenditure excluding benefits	20,883,904	21,153,404	21,105,002	(48,402)
Less specific fees and charges income	(8,221,004)	(8,221,004)	(8,655,119)	(434,115)
Net expenditure - broken down as below:	12,662,900	12,932,400	12,449,883	(482,517)
Economic Development	501,700	501,700	506,924	5,224
Planning and Housing	2,123,300	2,123,300	1,815,924	(307,376)
Older People and Health Liaison	1,160,800	1,241,300	1,056,964	(184,336)
Environment	3,043,200	3,059,200	2,836,710	(222,490)
Parks and Leisure	1,448,000	1,461,000	1,386,661	(74,339)
Communications	805,200	855,200	822,035	(33,165)
Community Safety and Assets	1,060,900	1,170,900	1,512,334	341,434
Finance	2,519,800	2,519,800	2,512,330	(7,470)
NET EXPENDITURE AT SERVICE LEVEL	12,662,900	12,932,400	12,449,883	(482,517)
Salary expenditure - vacancy monitoring	(300,000)	(300,000)	0	300,000
Restructuring savings	(165,000)	(165,000)	0	165,000
Partnership Savings	(30,000)	(30,000)	0	30,000
Less Support not charged to revenue	(50,000)	(50,000)	0	50,000
NET EXPENDITURE	12,117,900	12,387,400	12,449,883	62,483
NET EXPENDITURE	12,117,900	12,387,400	12,449,883	62,483
Interest earnings	(356,000)	(356,000)	(341,000)	15,000
Extraordinary Item				
Vat Refund			(595,000)	(595,000)
Appropriation from Reserves:				
Reserves - New Schemes Fund / HIF	(50,000)	(50,000)		50,000
Area Based Grant	(22,500)	(22,500)		22,500
				-
				-
Interest Equalisation reserve	(150,762)	(150,762)		150,762
Air track	(75,000)	(75,000)	0	75,000
Carry Forward reserve transfer	-	(269,500)	(269,500)	-
BUDGET REQUIREMENT	11,463,638	11,463,638	11,244,383	-219,255
National non domestic rates	(3,282,804)	(3,282,804)	(3,282,804)	-
Revenue Support Grant	(1,014,724)	(1,014,724)	(1,014,724)	-
New homes Bonus	(230,000)	(230,000)	(230,000)	-
Council Tax Freeze Grant	(170,000)	(170,000)	(170,000)	-
NET BUDGET REQUIREMENT	6,766,110	6,766,110	6,546,855	-219,255
Collection Fund Surplus/(deficit)	7,700	7,700	7,700	-
CHARGE TO COLLECTION FUND	6,773,810	6,773,810	6,554,555	-219,255
11/12 Revenue carry forward		0	218,000	218,000
Residual adjustment to general fund reserve		0	1255	1255
Net position				0

Appendix B				
REVENUE MONITORING 2011/12				
EXPENDITURE SUMMARY 31 MARCH 2012				
Results to	Budget		Actual	Variance
	Original	Revised		
31-Mar-12	£	£	£	to Revised
				£
Employees	664,600	664,600	668,162	3,562
Other Expenditure	597,300	597,300	691,379	94,079
Income	(760,200)	(760,200)	(852,616)	(92,416)
Economic Development	501,700	501,700	506,924	5,224
Employees	2,095,100	2,095,100	2,120,419	25,319
Other Expenditure	35,579,100	35,579,100	35,975,786	396,686
Income	(35,550,900)	(35,550,900)	(36,280,281)	(729,381)
Planning and Housing	2,123,300	2,123,300	1,815,924	(307,376)
Employees	1,456,400	1,456,400	1,434,751	(21,649)
Other Expenditure	532,200	612,700	526,596	(86,104)
Income	(827,800)	(827,800)	(904,384)	(76,584)
Older People and Health Liaison	1,160,800	1,241,300	1,056,964	(184,336)
Employees	2,610,300	2,610,300	2,651,704	41,404
Other Expenditure	1,769,200	1,785,200	1,745,706	(39,494)
Income	(1,336,300)	(1,336,300)	(1,560,700)	(224,400)
Environment	3,043,200	3,059,200	2,836,710	(222,490)
Employees	367,600	367,600	369,239	1,639
Other Expenditure	2,094,900	2,107,900	2,056,238	(51,662)
Income	(1,014,500)	(1,014,500)	(1,038,816)	(24,316)
Parks and Leisure	1,448,000	1,461,000	1,386,661	(74,339)
Employees	281,600	281,600	505,406	223,806
Other Expenditure	599,600	649,600	426,698	(222,902)
Income	(76,000)	(76,000)	(110,069)	(34,069)
Communications	805,200	855,200	822,035	(33,165)
Employees	468,800	468,800	613,365	144,565
Other Expenditure	1,025,000	1,135,000	1,408,183	273,183
Income	(432,900)	(432,900)	(509,215)	(76,315)
Community Safety and Assets	1,060,900	1,170,900	1,512,334	341,434
Employees	3,467,300	3,467,300	3,068,993	(398,307)
Other Expenditure	1,518,704	1,518,704	1,731,737	213,033
Income	(2,466,204)	(2,466,204)	(2,288,400)	177,804
Finance	2,519,800	2,519,800	2,512,330	(7,470)
NET EXPENDITURE AT SERVICE LEVEL	12,662,900	12,932,400	12,449,883	(482,517)
Total Employees	11,411,700	11,411,700	11,432,040	20,340
Total Other Expenditure	43,716,004	43,985,504	44,562,323	576,819
Total Income	(42,464,804)	(42,464,804)	(43,544,481)	(1,079,677)
	12,662,900	12,932,400	12,449,883	(482,517)

Appendix C1					
Economic Development : Cabinet Member - Cllr Colin Davis					
Results to 31-Mar-12	Budget		Actual £	Variance to Revised £	Comments
	Original £	Revised £			
Employees	0	0	0	-	
Other Expenditure	23,500	23,500	24,643	1,143	Higher Business rates payable
Income	0	0	0	-	
Bus Station	23,500	23,500	24,643	1,143	
Employees	258,300	258,300	260,990	2,690	Maternity cover cost expected to reduce following maternity submission to Dept Work Pensions
Other Expenditure	21,700	21,700	13,488	(8,212)	Savings on books and publications, printing and stationary, legal fees and court costs, offset by general subscriptions
Income	(1,200)	(1,200)	(10,195)	(8,995)	Income is higher than the budget due to more activity
Legal	278,800	278,800	264,283	(14,517)	
Employees	18,700	18,700	17,622	(1,078)	
Other Expenditure	120,000	120,000	183,047	63,047	Service charges on Spelthorne's share of the running cost of the Elmsleigh Centre is expected to be higher by £41k than the budget. Remainder relates to annual consultancy fees expenditure relating to Staines Town Centre Management.
Income	(581,000)	(581,000)	(581,708)	(708)	
Staines Town Centre Management	(442,300)	(442,300)	(381,039)	61,261	
Employees	0	0	243	243	
Other Expenditure	20,800	20,800	74,972	54,172	Purchase of Market stalls
Income	(177,000)	(177,000)	(249,172)	(72,172)	Increased income due to extra market on a Friday and taking the market back in-house
Staines Market	(156,200)	(156,200)	(173,957)	(17,757)	
Employees	140,000	140,000	133,247	(6,753)	Underspend due to in year vacancy - post now filled.
Other Expenditure	17,000	17,000	4,712	(12,288)	Savings on internal printing
Income	0	0	0	-	
Committee Services	157,000	157,000	137,959	(19,041)	
Employees	89,600	89,600	91,889	2,289	
Other Expenditure	0	0	1,533	1,533	
Income	0	0	0	-	
Corporate Governance	89,600	89,600	93,422	3,822	
Employees	0	0	0	-	
Other Expenditure	6,000	6,000	10,273	4,273	
Income	0	0	(8,608)	(8,608)	
Economic Development	6,000	6,000	1,665	(4,335)	
Employees	0	0	6,992	6,992	
Other Expenditure	105,800	105,800	78,289	(27,511)	Expenditure on local elections is lower than the budget and there was no by election costs incurred
Income	0	0	0	-	
Elections	105,800	105,800	85,281	(20,519)	
Employees	109,000	109,000	107,327	(1,673)	Savings expected against temporary staff budget
Other Expenditure	32,700	32,700	26,070	(6,630)	Savings expected mainly on Electoral Registration Phone Response costs
Income	(1,000)	(1,000)	(2,317)	(1,317)	More sale of Electoral Register than expected
Electoral Registration	140,700	140,700	131,081	(9,619)	
Employees	49,000	49,000	49,850	850	
Other Expenditure	249,800	249,800	274,353	24,553	Higher allowances, mobile phone and computer hardware spend
Income	0	0	(617)	(617)	
Democratic Rep & Management	298,800	298,800	323,587	24,787	
Total Employees	664,600	664,600	668,162	3,562	
Total Other Expenditure	597,300	597,300	691,379	94,079	
Total Income	(760,200)	(760,200)	(852,616)	(92,416)	
	501,700	501,700	506,924	5,224	

Appendix C2					
Planning and Housing : Cabinet Member - Cllr Gerry Forsbrey					
Results to 31-Mar-12	Budget		Actual	Variance	Comments
	Original	Revised		to Revised	
	£	£	£	£	
Employees	0	0	0	-	
Other Expenditure	270,300	270,300	223,428	(46,872)	In year savings on bed and breakfast costs
Income	(89,400)	(89,400)	(198,435)	(109,035)	
Homelessness	180,900	180,900	24,993	(155,907)	
Employees	541,200	541,200	518,454	(22,746)	Offsetting savings being made on housing needs salaries
Other Expenditure	36,500	36,500	26,321	(10,179)	
Income	(581,300)	(581,300)	(581,273)	27	
Housing Benefits Admin	(3,600)	(3,600)	(36,499)	(32,899)	
Employees	0	0	0	-	
Other Expenditure	34,043,800	34,043,800	34,649,501	605,701	Increased demand for benefit payments
Income	(34,243,800)	(34,243,800)	(34,889,362)	(645,562)	increased level of housing benefit overpayments recovered
Housing Benefits Payments	(200,000)	(200,000)	(239,860)	(39,860)	
Employees	475,300	475,300	491,543	16,243	Increased workloads require additional staffing but offset by savings on housing benefits salaries
Other Expenditure	29,800	29,800	23,055	(6,745)	
Income	(54,600)	(54,600)	(54,737)	(137)	
Housing Needs	450,500	450,500	459,861	9,361	
Employees	0	0	0	-	
Other Expenditure	100,000	100,000	0	(100,000)	
Income	(80,000)	(80,000)	0	80,000	
PSL	20,000	20,000	0	(20,000)	
Employees	55,100	55,100	57,199	2,099	
Other Expenditure	1,700	1,700	(2,357)	(4,057)	
Income	(130,000)	(130,000)	(188,403)	(58,403)	Income is higher due to greater activity
Land Charges	(73,200)	(73,200)	(133,562)	(60,362)	
Employees	607,400	607,400	621,248	13,848	Current service pension costs are higher
Other Expenditure	63,900	63,900	78,879	14,979	London Irish enquiry costs and statute advertisement costs.
Income	(343,800)	(343,800)	(317,986)	25,814	Unlikely to achieve Planning Applications income target due to external elements but additional large schemes are anticipated which will hopefully mitigate some of the under achievement of income.
Planning Development Control	327,500	327,500	382,141	54,641	
Employees	206,500	206,500	203,274	(3,226)	
Other Expenditure	101,300	101,300	79,411	(21,889)	Expenditure actively reduced throughout the year.
Income	(1,000)	(1,000)	(122)	878	Low sales as available online
Planning Policy	306,800	306,800	282,563	(24,237)	
Employees	209,600	209,600	228,701	19,101	Offset by additional income
Other Expenditure	931,800	931,800	897,550	(34,250)	Includes Price adjustments not budgeted and Capital Items that will need charging to Revenue
Income	(27,000)	(27,000)	(49,964)	(22,964)	Additional income from leased computers and greater reimbursement from Runnymede for Head of ICT
E Government Services	1,114,400	1,114,400	1,076,287	(38,113)	
Total Employees	2,095,100	2,095,100	2,120,419	25,319	
Total Other Expenditure	35,579,100	35,579,100	35,975,786	396,686	
Total Income	(35,550,900)	(35,550,900)	(36,280,281)	(729,381)	
	2,123,300	2,123,300	1,815,924	(307,376)	

Appendix C3					
Older People and Health Liaison : Cabinet Member - Cllr Jean Pinkerton					
Results to 31-Mar-12	Budget		Actual	Variance to Revised	Comments
	Original	Revised			
	£	£	£	£	
Employees	91,400	91,400	97,454	6,054	Increase of hours for one member of staff during the year not budgeted for.
Other Expenditure	15,600	27,800	27,780	(20)	
Income	0	0	0	-	
Com Care Administration	107,000	119,200	125,234	6,034	
Employees	316,700	316,700	313,575	(3,125)	Savings expected mainly due to lower expenditure against Temporary staff budget
Other Expenditure	259,900	259,900	208,848	(51,052)	Savings expected mainly against food purchases, Operational equipment maintenance and Utility Budgets
Income	(254,200)	(254,200)	(248,701)	5,499	Overall Day Centres Membership fees income is lower than the budget and no sale of food income against budget on Benwell Day Centre as they do not do any food sales, partly off set by rental income of £7k for Churchill Centre with no budget
Day Centres	322,400	322,400	273,722	(48,678)	
Employees	68,800	68,800	65,103	(3,697)	
Other Expenditure	95,400	95,400	88,549	(6,851)	Commercial vehicle lease payments are lower than the budget
Income	(167,000)	(167,000)	(186,168)	(19,168)	Sale of food income is higher by £12k and Critical/Substantial Needs contribution income from Surrey County Council is also higher by £7k than the budget
Meals On Wheels	(2,800)	(2,800)	(32,516)	(29,716)	
Employees	86,300	86,300	75,632	(10,668)	One member of staff on maternity leave covered by temporary staff on lower grade and no expenditure against Temporary staff Budget
Other Expenditure	30,100	65,400	74,913	9,513	Community Alarms Capital costs of £25k was moved here following recommended reclassification by Council's external auditors KPMG and external telecare monitoring contract payments are higher by £4k than the Budget partly off by lower Expenditure of £16k as against total agreed carried forward of £35k for supporting people agreement project.
Income	(289,800)	(289,800)	(257,280)	32,520	Mainly charges for services income is lower by £38k against the budget, partly off set by higher income by £6k from SCC for supporting people agreement.
Span	(173,400)	(138,100)	(106,736)	31,364	
Employees	0	0	0	-	
Other Expenditure	0	0	904	904	
Income	0	0	(52)	(52)	
Concessionary Fares	0	0	852	852	
Employees	112,600	112,600	119,890	7,290	
Other Expenditure	44,400	44,400	42,733	(1,667)	
Income	(79,800)	(79,800)	(91,693)	(11,893)	Increased usage of the service by the public
SAT	77,200	77,200	70,931	(6,269)	
Employees	780,600	780,600	761,381	(19,219)	Staffing vacancy saving
Other Expenditure	33,600	33,600	32,189	(1,411)	Reduced Contractor costs
Income	(18,500)	(18,500)	(93,275)	(74,775)	Warmer homes fund grant awarded
Environmental Health Admin	795,700	795,700	700,295	(95,405)	
Employees	0	0	0	-	
Other Expenditure	25,800	58,800	12,737	(46,063)	Air quality survey delayed and lower spending on assessments
Income	(8,600)	(8,600)	(5,183)	3,417	
Environmental Protection Act	17,200	50,200	7,554	(42,646)	
Employees	0	0	0	-	
Other Expenditure	2,500	2,500	3,651	1,151	
Income	(4,000)	(4,000)	(5,332)	(1,332)	Low uptake of food safety courses, bookings made for future periods
Food Safety	(1,500)	(1,500)	(1,681)	(181)	

Older People and Health Liaison : Cabinet Member - Cllr Jean Pinkerton

Results to 31-Mar-12	Budget		Actual	Variance to Revised	Comments
	Original	Revised			
	£	£	£	£	
Employees	0	0	1,717	1,717	Costs to be reclaimed for temp from Surrey Future Jobs Fund
Other Expenditure	5,400	5,400	9,481	4,081	Health & Safety Equipment purchases
Income	(3,900)	(3,900)	(15,528)	(11,628)	Additional non budgeted income generated from First Aid courses
Public Health	1,500	1,500	(4,330)	(5,830)	
Employees	0	0	0	-	
Other Expenditure	19,500	19,500	24,811	5,311	Increased collection of stray dogs.
Income	(2,000)	(2,000)	(7,082)	(5,082)	Increased income from the return of stray dogs to their owners
Rodent & Pest Control	17,500	17,500	17,728	228	
Employees	0	0	0	-	
Other Expenditure	0	0	0	-	
Income	0	0	5,911	5,911	Write off of outstanding debts
Gypsy Sites	0	0	5,911	5,911	
Total Employees	1,456,400	1,456,400	1,434,751	(21,649)	
Total Other Expenditure	532,200	612,700	526,596	(86,104)	
Total Income	(827,800)	(827,800)	(904,384)	(76,584)	
	1,160,800	1,241,300	1,056,964	(184,336)	

Appendix C4					
Environment : Cabinet Member - Cllr Robert Watts					
Results to 31-Mar-12	Budget		Actual	Variance	Comments
	Original	Revised		to Revised	
	£	£	£	£	
Employees	0	0	0	-	
Other Expenditure	3,000	3,000	450	(2,550)	DVLA now pick up the majority of vehicles due to car tax issues
Income	0	0	0	-	
Abandoned Vehicles	3,000	3,000	450	(2,550)	
Employees	0	0	9,972	9,972	Pension curtailment costs as part of technical pensions accounting adjustments
Other Expenditure	46,000	46,000	66,222	20,222	Increased business rates payable on the depot and the cost of security patrols
Income	0	0	697	697	
Depot	46,000	46,000	76,891	30,891	
Employees	551,800	551,800	549,820	(1,980)	
Other Expenditure	47,500	47,500	40,286	(7,214)	
Income	(17,000)	(17,000)	(4,283)	12,717	The majority of the Income is no longer receivable as the post holder Mick Raynor has left the authority
DS Management & Support	582,300	582,300	585,823	3,523	
Employees	833,600	833,600	848,367	14,767	Higher agency staff costs and extra staff for the food waste scheme.
Other Expenditure	756,300	756,300	830,353	74,053	Higher fuel, lease ,tyre and vehicle maintenance costs
Income	(355,000)	(355,000)	(572,635)	(217,635)	Increased income from the garden waste scheme, the supply of bins and bin collections from schools.
Refuse Collection	1,234,900	1,234,900	1,106,085	(128,815)	
Employees	0	0	0	-	
Other Expenditure	9,500	9,500	9,246	(254)	
Income	0	0	0	-	
Energy Initiatives	9,500	9,500	9,246	(254)	
Employees	0	0	0	-	
Other Expenditure	28,000	44,000	25,872	(18,128)	Carried forward of £16k from previous year was not utilised as no 'Surveys and associated works' were carried out due to a vacant post and further delay in filling that post.
Income	0	0	0	-	
Environmental Enhancements	28,000	44,000	25,872	(18,128)	
Employees	355,500	355,500	351,035	(4,465)	Actual expenditure expected to be lower against the budget due to a vacant post
Other Expenditure	16,500	16,500	14,756	(1,744)	
Income	(20,000)	(20,000)	(25,796)	(5,796)	
Enviro Services Administration	352,000	352,000	339,995	(12,005)	
Employees	615,100	615,100	620,473	5,373	Higher pension current service costs
Other Expenditure	313,600	313,600	294,060	(19,540)	Reduced expenditure on leasing of operational equipment, materials and supplies, vehicle maintenance and replacement transport and plant.
Income	(47,700)	(47,700)	(54,766)	(7,066)	Extra income received as a result of work on the 2011 local elections
Street Cleaning	881,000	881,000	859,767	(21,233)	
Employees	0	0	0	-	
Other Expenditure	0	0	0	-	
Income	0	0	0	-	
Street Scene Enforcement	0	0	0	0	
Employees	0	0	0	-	
Other Expenditure	370,800	370,800	278,306	(92,494)	Lower contractor costs for disposal of the waste
Income	(603,600)	(603,600)	(598,930)	4,670	Reduced credits received due to lower tonnages
Waste Recycling	(232,800)	(232,800)	(320,624)	(87,824)	

Environment : Cabinet Member - Cllr Robert Watts

Results to 31-Mar-12	Budget		Actual £	Variance to Revised £	Comments
	Original £	Revised £			
	Employees	0	0	0	
Other Expenditure	32,100	32,100	31,333	(767)	
Income	0	0	0	-	
Technical Projects	32,100	32,100	31,333	(767)	
Employees	0	0	0	-	
Other Expenditure	101,200	101,200	102,963	1,763	
Income	0	0	0	-	
Public Conveniences	101,200	101,200	102,963	1,763	
Employees	0	0	0	-	
Other Expenditure	9,400	9,400	7,720	(1,680)	
Income	0	0	0	-	
Emergency Planning	9,400	9,400	7,720	(1,680)	
Employees	0	0	0	-	
Other Expenditure	3,000	3,000	0	(3,000)	
Income	(3,000)	(3,000)	0	3,000	
Waste Recycling Marketing	0	0	0	0	
Employees	0	0	0	-	
Other Expenditure	9,100	9,100	32,821	23,721	Critical ditches capital costs of has now been moved here following recommended reclassification by Council's external auditors KPMG.
Income	0	0	0	-	
Water Courses & Land Drainage	9,100	9,100	32,821	23,721	
Employees	254,300	254,300	272,037	17,737	
Other Expenditure	23,200	23,200	11,317	(11,883)	Expenditure low as consultant not used, and Microfilming not carried out.
Income	(290,000)	(290,000)	(304,987)	(14,987)	Up on budget, still suspected however that some work being taken by 'Competent Persons' instead of SBC.
Building Control	(12,500)	(12,500)	(21,633)	(9,133)	
Total Employees	2,610,300	2,610,300	2,651,704	41,404	
Total Other Expenditure	1,769,200	1,785,200	1,745,706	(39,494)	
Total Income	(1,336,300)	(1,336,300)	(1,560,700)	(224,400)	
	3,043,200	3,059,200	2,836,710	(222,490)	

Appendix C5					
Parks and Leisure : Cabinet Member - Cllr Denise Grant					
Results to 31-Mar-12	Budget		Actual £	Variance to Revised £	Comments
	Original £	Revised £			
Employees	0	0	0	-	
Other Expenditure	6,500	6,500	31,165	24,665	Allotments capital costs of £11k has now been moved here following recommended reclassification by Council's external auditors KPMG. Water charges are expected to be higher by £5k than the budget.
Income	(22,700)	(22,700)	(35,710)	(13,010)	Increased usage resulting in better income figures
Allotments	(16,200)	(16,200)	(4,545)	11,655	
Employees	0	0	0	-	
Other Expenditure	0	0	116	116	Expenditure misposted and will be transferred to grounds maintenance
Income	0	0	0	-	
Nursery	0	0	116	116	
Employees	0	0	0	-	
Other Expenditure	35,900	35,900	35,496	(404)	Savings expected against site improvements budget
Income	0	0	0	-	
Staines Metro Commons	35,900	35,900	35,496	(404)	
Employees	122,100	122,100	103,837	(18,263)	Savings due to vacant posts
Other Expenditure	1,643,400	1,656,400	1,596,461	(59,939)	March weed spraying was cancelled , lower vehicle costs and reduced level of repairs required for playground equipment
Income	(190,600)	(190,600)	(194,816)	(4,216)	Increased income form sponsorship for Spelthorne in bloom, civic floral displays and advertising.
Grounds Maintenance	1,574,900	1,587,900	1,505,482	(82,418)	
Employees	0	0	0	-	
Other Expenditure	141,300	141,300	149,329	8,029	Higher water charges than the budget
Income	(111,500)	(111,500)	(91,366)	20,134	Loss of rental income (£18k) for Fordbridge Park due to surrender of lease this year. Other Grants, Reimbursement, football, lettings, Filming & Refreshment Rights income are also expected to be lower than the budget
Parks Strategy	29,800	29,800	57,963	28,163	
Employees	2,600	2,600	6,493	3,893	Increase in Temp staff employed through out the year
Other Expenditure	19,400	19,400	18,345	(1,055)	
Income	(47,000)	(47,000)	(48,096)	(1,096)	
Arts Development	(25,000)	(25,000)	(23,259)	1,741	
Employees	5,000	5,000	3,590	(1,410)	
Other Expenditure	2,800	2,800	8,801	6,001	Additional contribution of £4k to Surrey county council towards 'Olympics look 2012 banners' and more events happened this year than expected
Income	0	0	(242)	(242)	
Festivals	7,800	7,800	12,150	4,350	
Employees	223,300	223,300	229,077	5,777	
Other Expenditure	15,700	15,700	9,620	(6,080)	
Income	0	0	0	-	
Leisure Administration	239,000	239,000	238,698	(302)	
Employees	14,600	14,600	13,788	(812)	
Other Expenditure	24,500	24,500	58,354	33,854	Bowls Clubs capital costs of £30k has now been moved here following recommended reclassification by Council's external auditors KPMG, partly off set by savings expected against other budgets.
Income	(12,100)	(12,100)	(14,323)	(2,223)	
Leisure Development	27,000	27,000	57,820	30,820	

Parks and Leisure : Cabinet Member - Cllr Denise Grant

Results to 31-Mar-12	Budget		Actual £	Variance to Revised £	Comments
	Original £	Revised £			
	Employees	0	0	0	
Other Expenditure	27,400	27,400	26,386	(1,014)	
Income	0	0	0	-	
Leisure Grants	27,400	27,400	26,386	(1,014)	
Employees	0	0	0	-	
Other Expenditure	0	0	0	-	
Income	(47,500)	(47,500)	(41,408)	6,092	Lower profit share income from Crown Golf at Sunbury Ltd.
Leisure Promotions	(47,500)	(47,500)	(41,408)	6,092	
Employees	0	0	0	-	
Other Expenditure	1,200	1,200	11,624	10,424	Higher business Rates payable (3K)
Income	0	0	(15,000)	(15,000)	Museum internal transfer of grant income with no budget.
Museum	1,200	1,200	(3,376)	(4,576)	
Employees	0	0	1,118	1,118	
Other Expenditure	24,700	24,700	13,927	(10,773)	Savings expected mainly against budget for contribution to R&R Funds.
Income	(42,500)	(42,500)	(40,569)	1,931	Rental income is expected to be lower due to St. Martins lease was terminated with Jean Bamforth School of Dance and income from new lease with Kings Community Church will start next year.
Public Halls	(17,800)	(17,800)	(25,523)	(7,723)	
Employees	0	0	0	-	
Other Expenditure	71,000	71,000	29,517	(41,483)	Reduced energy costs
Income	(227,600)	(227,600)	(214,701)	12,899	SLM annual contract income is lower than the budget
Spelthorne Leisure Centre	(156,600)	(156,600)	(185,184)	(28,584)	
Employees	0	0	0	-	
Other Expenditure	12,100	12,100	9,266	(2,834)	Reduced facilities mgt charges
Income	(3,000)	(3,000)	0	3,000	
Sunbury Leisure Centre	9,100	9,100	9,266	166	
Employees	0	0	11,335	11,335	Temporary staff expenditure with no budget. It was agreed by MAT to fund small projects relating to the youth active lifestyle. External funding received of £7800 in previous year was agreed to be carried forward to be used in this year on various projects
Other Expenditure	49,100	49,100	31,140	(17,960)	Expenditure mainly against operational Equipment budget is lower than expected
Income	(8,600)	(8,600)	(12,341)	(3,741)	Youth- Active Lifestyles other reimbursements income is expected to be higher than budget
Youth	40,500	40,500	30,134	(10,366)	
Employees	0	0	0	-	
Other Expenditure	19,900	19,900	26,690	6,790	Higher Grounds maintenance, electricity, water and business rates charges
Income	(301,400)	(301,400)	(330,244)	(28,844)	Higher income due to increased demand
Cemeteries	(281,500)	(281,500)	(303,554)	(22,054)	
Total Employees	367,600	367,600	369,239	1,639	
Total Other Expenditure	2,094,900	2,107,900	2,056,238	(51,662)	
Total Income	(1,014,500)	(1,014,500)	(1,038,816)	(24,316)	
	1,448,000	1,461,000	1,386,661	(74,339)	

Appendix C6					
Communications : Cabinet Member - Cllr Nick Gething					
Results to 31-Mar-12	Budget		Actual £	Variance to Revised £	Comments
	Original £	Revised £			
Employees	0	0	0	-	
Other Expenditure	469,500	469,500	359,754	(109,746)	All grants expected to be distributed by year end aside from CAB Staines which has 20k to carry forward to Housing Options budget for 2012/13. Charitable Rate Relief transfer yet to be actioned, budget for this is £97,500.
Income	0	0	(11,392)	(11,392)	Unbudgeted sponsorship income
General Grants	469,500	469,500	348,362	(121,138)	
Employees	112,500	112,500	329,472	216,972	Redundancy costs of £60k and pr-rata year end pension settlement/ curtailment adjustment of £130k for one member of staff with no budget, partly off set by lower salary costs for last quarter.
Other Expenditure	5,400	5,400	1,191	(4,209)	Savings expected against Printing and Postage budgets.
Income	0	0	(21)	(21)	
Corporate Service	117,900	117,900	330,642	212,742	
Employees	169,100	169,100	175,935	6,835	
Other Expenditure	107,600	157,600	61,227	(96,373)	Savings on the borough newspaper
Income	0	0	(24,897)	(24,897)	50% of Head of Communication costs are being recharged to Runnymede BC due to partnership arrangements w.e.f.June 2011.
Corporate Publicity	276,700	326,700	212,264	(114,436)	
Employees	0	0	0	-	
Other Expenditure	13,800	13,800	0	(13,800)	
Income	0	0	0	-	
Research & Consultation	13,800	13,800	0	(13,800)	
Employees	0	0	0	-	
Other Expenditure	3,300	3,300	4,527	1,227	
Income	(76,000)	(76,000)	(73,759)	2,241	
Taxi Licensing	(72,700)	(72,700)	(69,233)	3,467	
Total Employees	281,600	281,600	505,406	223,806	
Total Other Expenditure	599,600	649,600	426,698	(222,902)	
Total Income	(76,000)	(76,000)	(110,069)	(34,069)	
	805,200	855,200	822,035	(33,165)	

Appendix C7					
Community Safety and Assets : Cabinet Member - Cllr Penny Forbes- Forsyth					
Results to 31-Mar-12	Budget		Actual £	Variance to Revised £	Comments
	Original £	Revised £			
Employees	93,600	93,600	151,150	57,550	Redundancy costs not in budgeted - to be funded from the Business Improvement Reserve at year end. Additional temp costs
Other Expenditure	17,494	37,494	162,513	125,019	Purchase order raised for Asbestos survey, Runnymede partnership costs
Income	0	0	0	-	
Asset Mgn Administration	111,094	131,094	313,663	182,569	
Employees	0	0	0	-	
Other Expenditure	56,200	56,200	74,621	18,421	Profiling of Ridge consultants budget, Electrical testing/inspections. Forthcoming overspend on Esso site works to be financed by insurance monies. Forthcoming Surrey First overspend as agreed by Cabinet.
Income	(21,800)	(21,800)	(71,210)	(49,410)	Surrender of lease on Beresford House generated additional £22500, and grazing licences receipts
General Property Expenses	34,400	34,400	3,411	(30,989)	
Employees	0	0	0	-	
Other Expenditure	20,000	20,000	1,353	(18,647)	Repair and replacement of plant room, fittings etc ('Reflections'). RBC have been consulted and this will now be commencing in 2012/13.
Income	0	0	0	-	
Memorial Gardens	20,000	20,000	1,353	(18,647)	
Employees	0	0	0	-	
Other Expenditure	0	0	41,670	41,670	Expenditure relates to hire and insurance of portacabins and the cost of a feasibility study.
Income	0	0	0	-	
Sea Cadets	0	0	41,670	41,670	
Employees	0	0	0	-	
Other Expenditure	1,200	1,200	0	(1,200)	Offered as a saving in 12/13 budget
Income	0	0	0	-	
War Memorials	1,200	1,200	0	(1,200)	
Employees	87,400	87,400	135,476	48,076	Additional salary costs as 3 members of staff not budgeted for, off set by grant contributions.
Other Expenditure	163,700	163,700	177,990	14,290	Telephone maintenance and CCTV monitoring payments to BT and Runnymede are expected to be higher than the budget
Income	(44,400)	(44,400)	(93,674)	(49,274)	CDRP/SSSP contributions to off set additional Salary expenditure.
Community Safety	206,700	206,700	219,792	13,092	
Employees	99,600	99,600	100,731	1,131	
Other Expenditure	3,900	3,900	5,276	1,376	
Income	(101,600)	(101,600)	(102,850)	(1,250)	
Licensing	1,900	1,900	3,158	1,258	
Employees	188,200	188,200	226,008	37,808	Over budget largely due to redundancy and overtime
Other Expenditure	406,506	406,506	521,753	115,247	Business rates higher than budget
Income	(265,100)	(265,100)	(241,482)	23,618	Air track Inquiry income will not be achieved. Rental income from SCDT will also not be achieved due to cessation of the contract.
Knowle Green	329,606	329,606	506,279	176,673	
Employees	0	0	0	-	
Other Expenditure	126,000	446,000	414,778	(31,222)	Additional works identified as part of the Runnymede Contract, savings of c£30k made this year.
Income	0	0	0	-	
Planned Maintenance Programme	126,000	446,000	414,778	(31,222)	
Employees	0	0	0	-	
Other Expenditure	230,000	0	8,229	8,229	Budget transferred to Planned Maintenance as Runnymede partnership works.
Income	0	0	0	-	
Responsive Maintenance Program	230,000	0	8,229	8,229	
Total Employees	468,800	468,800	613,365	144,565	
Total Other Expenditure	1,025,000	1,135,000	1,408,183	273,183	
Total Income	(432,900)	(432,900)	(509,215)	(76,315)	
	1,060,900	1,170,900	1,512,334	341,434	

Appendix C8					
Finance : Cabinet Member - Cllr Tim Evans					
Results to 31-Mar-12	Budget		Actual	Variance	Comments
	Original	Revised		to Revised	
	£	£	£	£	
Employees	164,400	164,400	165,012	612	
Other Expenditure	20,700	20,700	20,492	(208)	
Income	(41,200)	(41,200)	(37,437)	3,763	
Audit	143,900	143,900	148,067	4,167	
Employees	0	0	0	-	
Other Expenditure	88,400	88,400	102,266	13,866	This budget requires a revision to better reflect the increasing costs of the printers.
Income	0	0	0	-	
Print Unit	88,400	88,400	102,266	13,866	
Employees	0	0	0	-	
Other Expenditure	21,500	21,500	19,549	(1,951)	
Income	0	0	0	-	
People & Partnerships	21,500	21,500	19,549	(1,951)	
Employees	111,100	111,100	150,343	39,243	Redundancy payments to two members of staff
Other Expenditure	6,200	6,200	899	(5,301)	Savings on stationary and printing
Income	0	0	0	-	
MaT Secretariat & Support	117,300	117,300	151,241	33,941	
Employees	259,500	259,500	300,412	40,912	Includes redundancy payments to be funded through the Business Improvement Reserve
Other Expenditure	21,200	21,200	14,060	(7,140)	Underspend on conference expenses
Income	0	0	(321)	(321)	
Assistant Chief Executives	280,700	280,700	314,152	33,452	
Employees	326,300	326,300	262,866	(63,434)	Deputy CX has left the authority, plus a under spend on the training budget
Other Expenditure	16,600	16,600	8,883	(7,717)	Under spend on public transport budget
Income	0	0	(238)	(238)	
Chief Executive	342,900	342,900	271,511	(71,389)	
Employees	90,900	90,900	2,752	(88,148)	vacant posts
Other Expenditure	2,600	2,600	359	(2,241)	
Income	0	0	0	-	
Business Improvement	93,500	93,500	3,111	(90,389)	
Employees	214,600	214,600	247,618	33,018	Overspend on staffing cover as agreed by MAT
Other Expenditure	14,704	14,704	12,641	(2,063)	
Income	(42,204)	(42,204)	(35,586)	6,618	
HR	187,100	187,100	224,673	37,573	
Employees	50,600	50,600	58,162	7,562	Overtime costs associated with transfer to the new payroll System.
Other Expenditure	2,200	2,200	2,491	291	
Income	0	0	0	-	
Payroll	52,800	52,800	60,653	7,853	
Employees	0	0	0	-	
Other Expenditure	0	0	129	129	One off Payment to consultant
Income	(2,000)	(2,000)	0	2,000	
Mortgages	(2,000)	(2,000)	129	2,129	
Employees	743,200	743,200	944,947	201,747	Redundancy costs of £127k for 4 members of staff and final technical pension accounting adjustments relating to pro-rata settlement/curtailment costs of £106k with no budget partly off set by savings achieved for these posts.
Other Expenditure	96,900	96,900	73,412	(23,488)	Savings achieved mainly against postage budget
Income	(144,300)	(144,300)	(152,738)	(8,438)	Legal costs reimbursements income is mainly higher than the budget.
CServ Management & Support	695,800	695,800	865,621	169,821	

Finance : Cabinet Member - Cllr Tim Evans

Results to 31-Mar-12	Budget		Actual £	Variance to Revised £	Comments
	Original £	Revised £			
	Employees	0	0	5,934	
Other Expenditure	211,200	211,200	333,867	122,667	
Income	(100,000)	(100,000)	(98,968)	1,032	Charge to A2 Dominion for sponsorship of services
Corporate Management	111,200	111,200	240,833	129,633	
Employees	0	0	0	-	
Other Expenditure	10,000	10,000	49,227	39,227	Legal Services write off claim with Havensilver agreed by Cabinet- 20/01/11
Income	0	0	0	-	
Misc Expenses	10,000	10,000	49,227	39,227	
Employees	685,400	685,400	38,710	(646,690)	Pension added years payments to SCC are lower than budget
Other Expenditure	51,700	51,700	29,258	(22,442)	
Income	0	0	0	-	
Unapportionable CentralO/Heads	737,100	737,100	67,968	(669,132)	
Employees	288,600	288,600	328,149	39,549	£23k reduction in salary budget at the beginning of the year. Overtime payment (£2k) and Temporary staff (£8k)
Other Expenditure	12,100	12,100	15,916	3,816	CIPFA subscription payment (£6.6k)
Income	0	0	(5)	(5)	
Accountancy	300,700	300,700	344,061	43,361	
Employees	0	0	0	-	
Other Expenditure	0	0	834	834	Summons costs
Income	(145,600)	(145,600)	0	145,600	
Business Rates	(145,600)	(145,600)	834	146,434	
Employees	0	0	0	-	
Other Expenditure	0	0	0	-	
Income	0	0	0	-	
Council Tax	0	0	0	0	
Employees	192,200	192,200	192,964	764	
Other Expenditure	6,900	6,900	6,740	(160)	
Income	0	0	(20)	(20)	
Financial Support	199,100	199,100	199,684	584	
Employees	0	0	0	-	
Other Expenditure	207,600	207,600	225,884	18,284	Premises insurance double the set budget
Income	0	0	(897)	(897)	
Insurance	207,600	207,600	224,987	17,387	
Employees	340,500	340,500	371,125	30,625	Cost of employing agency staff to cover for vacant posts
Other Expenditure	728,200	728,200	814,830	86,630	Cost of repairs to the lift at Tothill car par plus higher business rates payable. Lines and signs expenditure, operational equipment purchases, fuel and leasing costs were higher than the budget.
Income	(1,990,900)	(1,990,900)	(1,962,190)	28,710	Rental income down but offset by higher pay and display income, Season tickets sales and park/phone income
Car Parks	(922,200)	(922,200)	(776,236)	145,964	
Total Employees	3,467,300	3,467,300	3,068,993	(398,307)	
Total Other Expenditure	1,518,704	1,518,704	1,731,737	213,033	
Total Income	(2,466,204)	(2,466,204)	(2,288,400)	177,804	
	2,519,800	2,519,800	2,512,330	(7,470)	

Appendix D
Revenue Carry Forwards

Service Area	Expenditure Area	Officer Responsible	Carry forward Value	Works Agreed	Comments
Mayoral Services	Town Twinning	R.Tambini	1824		
StreetScene	Highways Verges	J.Taylor	15000	Weed spraying	Weed spraying due in March was delayed to April as a result of the cold weather.
HR	In house Training	J.Hunt	13448	In House training	HR have identified a number of key area's that require funding form the in house budget for 12/13 e.g. Project Mgt and performance management training.
Environmental Health	Warm Homes Healthy People Project	TW.French	28917	Handy man scheme in partnership with Runnymede.	Grant funding obtained from DCLG, if not spent then it has to be returned.
Leisure	Youth Operational equipment purchase	L.Stonehouse	7000	To continue to administer play scheme vouchers for families on low incomes.	The majority of the Operational equipment was purchased as a result of a grant from the Big Lottery, resulting in a budget under spent.
Ind Living	Supporting People	J.Lowin	39190	Purchase of Telecare equipment to allow people to remain independently in their own homes for longer	Funded by the county and there is no cost to the council and should generate additional income.
Asset Mgt	Responsive Maintenance and service contracts	D.Phillips	27000	Electrical testing & remedial works	Delay in completing the works
Asset Mgt	Responsive Maintenance and service contracts	D.Phillips	18500	Memorial Gardens Reflections	Delay in completing the works due to further work having to be undertaken.
Asset Mgt	Responsive Maintenance and service contracts	D.Phillips	15000	Fire risk Assessments	Delay in completing the works due to resource issues. Work is being undertaken on a part time basis
Asset Mgt	Responsive Maintenance and service contracts	D.Phillips	5000	Knowle Green Space audit	Tied in with the Public sector hub project for Knowle Green
Asset Mgt	Responsive Maintenance and service contracts	D.Phillips	27000	Beresford house	Work required to put the property into a condition, so that it can be leased out.
Asset Mgt	Responsive Maintenance and service contracts	D.Phillips	20000	Bridge Street	Delay in completing the works.
Total			217879		

Cabinet

17 July 2012



Title	Integration of Spelthorne & Runnymede ICT		
Purpose	Resolution required		
Report of	Assistant Chief Executive	Confidential	No
Cabinet Member	Councillor Mrs C.A. Bannister	Key Decision	Yes
Report Author	Helen Dunn		
Summary	To propose the integration of the ICT teams at Spelthorne (SBC) and Runnymede (RBC) to deliver a joint service across both authorities with the approval to make Spelthorne the lead employer.		
Financial Implications	The establishment costs will remain within budget and overall savings will still be achieved (over £200k).		
Corporate Priority	Service and Support		
Recommendations	<p>The Leader resolves:</p> <ul style="list-style-type: none"> (i) in principle that the integration of the ICT teams as described in the report goes ahead and that the Head of ICT is delegated to commence consultation with staff with a view to Spelthorne becoming the employing authority, and , (ii) the Assistant Chief Executive, in consultation with the Head of Corporate Governance, is delegated to negotiate the terms of an agreement with Runnymede to recover costs and deal with all other relevant legal and governance issues as may be advised 		

MAIN REPORT

1. Background

- 1.1 ICT at Spelthorne has been delivered by an external, outsourced supplier since 1989. The current incumbent is a company called Steria and their contract has been in place since 2003 and has involved a number of extensions. Whilst the relationship with Steria has been a successful one, the contract costs the council over £530,000 per annum.
- 1.2 With the contract renewal date of 31 December 2012 on the horizon, a Leaders' Task Group of selected Councillors was convened in 2011 to look at the options on ICT for the Council post-2012. Their discussion document (28 September 2011) went to MAT on 25 October 2011 and to Cabinet on 22 November 2011 where it was agreed that the contract would be brought back in-house which would give us substantial savings (over £200k). This also means the current outsourced staff will be subject to the Transfer of Undertaking (Protection of Employment) Regulations [TUPE] and transferred to Spelthorne's establishment at this time.
- 1.3 In April 2011, the Head of ICT became the shared head of service for Runnymede having had a 6 month hand-over period with the outgoing head. This working relationship has proved to be positive and negotiations with both authorities has suggested that a single, merged team would be the appropriate and beneficial approach for the future.
- 1.4 With the agreed termination of the current outsourced (Steria) contract at the end of the year and the transfer of the staff back in house, it was felt that at the same time it would be appropriate to converge the two teams. That is, all the staff involved (Steria and Runnymede) will transfer to Spelthorne on 1 January 2013.
- 1.5 This transfer and convergence has been discussed by both Chief Executives, both Heads of Corporate Governance and the shared Head of Human Resources.
- 1.6 Both authorities' staff have been notified that this merger is being proposed and they have been made aware of the TUPE issues and that there will be a considerable period of consultation before a final decision is made.

2. Key issues

- 2.1 Although the sharing of the post between SBC and RBC has been working well, merging the two teams would give significant benefits :
 - (a) The team would become stronger and much more resilient
 - (b) The opportunity for transfer of skills and learning opportunities
 - (c) Sharing knowledge and experience
 - (d) Converging hardware and software for ease of maintenance and support and associated procurement savings
 - (e) Expanding skill sets to cover both sites
 - (f) Mutual business continuity and disaster recovery opportunities

- (g) Sharing resources
- (h) Opportunities for efficiency savings down the line with natural turn-over, staff leaving may not have to be replaced
- (i) Mutual hosting opportunities e.g. web-site content management software, health and safety software
- (j) Establish a stable and sustainable workforce
- (k) Ability to do more in-house and not having to rely on costly consultancy with the suppliers

3. Options analysis and proposal

- 3.1 There is the option to do nothing and leave the teams working separately as they are now, however this achieves none of the benefits as listed above.
- 3.2 The option to merge and consolidate the teams is the preferred one :
 - (a) Spelthorne becomes the lead employer and the staff transfer under TUPE regulations.
 - (b) That officers are given the authority to agree the structure subsequently.
 - (c) That SBC and RBC enter into a contractual agreement for the financial arrangements, i.e. remuneration by RBC for the staffing costs. This is being drafted by the Corporate Head of Governance and Assets at Runnymede. This is an administrative agreement between two authorities and therefore a procurement exercise is not required.
 - (d) That this contractual agreement has clauses to protect the transferring staff should the arrangement not work.
 - (e) That the contract should be reviewed after a year of operation.
 - (f) That job descriptions and contracts of employment be amended to enable staff to work within both authorities.

4. Financial implications

- 4.1 As the RBC and Steria staff will transfer under TUPE regulations and as no redundancies have been planned, there will be no change to the total FTE count.
- 4.2 Staffing costs will be increased because of the Steria transfer but this is more than compensated by the savings from bringing the contract back in-house and has been budgeted for. The remaining salaries will essentially stay the same, although as some staff may move onto SBC pay scales, there may be some slight variations as staff are slotted in to the SBC spinal column point pay scale. The proposed savings from the in-sourcing of the Steria contract (over £200k) will still be met in spite of these minor increases as this was also accounted for.
- 4.3 However, natural turnover and wastage will offer savings and efficiencies for the future.
- 4.4 We will be transferring a vacant post from Steria which may or may not be recruited.
- 4.5 The table below shows the bottom line of the staffing costs over both authorities. The costs are remarkably similar and on this basis, it is proposed

that there is a simple 50:50 split between the two authorities for ease of calculation (as is currently done with the shared Heads of Service).

Spelthorne staff costs	196,232
Steria staff costs	214,254
Sub-total	410,486
Runnymede staff costs	371,468

- 4.6 Whilst the combination of Steria and Spelthorne costs are more than Runnymede, as stated there is one vacant post within the Spelthorne costings and we know that one member of Steria staff has requested the desire to go part-time at transfer. This balances the equation. Runnymede are not looking at this as a cost-saving exercise but as a long term objective that will give economies of scale, efficiencies and savings for the future.
- 4.7 There will have to be some consideration of travelling expenses where staff travel between sites and/or incur journeys longer than that they have now. It is impossible to quantify this at this point, however, it is suggested that this consideration is for a fixed term only (possibly two years).

5. Other considerations

- 5.1 Due to the Committee / Cabinet cycle at both authorities and the consultation period required by TUPE regulations, it is appropriate that this process starts now as the deadline for the Steria transfer is already fixed by virtue of the contract.
- 5.2 Spelthorne will have to comply with the Transferee's obligations under the TUPE regulations, including consultation with affected staff and the recognised trades unions. Transferring staff from Steria and Runnymede will have their current terms and conditions of employment protected on transfer, unless they agree to move onto Spelthorne terms and conditions. Transferring staff will slot into posts on the new Spelthorne establishment for the combined team.
- 5.3 Staff have been advised that for operational and organisational reasons, they will be expected to move to Spelthorne's pay date with the appropriate consultation and notice.
- 5.4 Unison have and will be involved at all stages of the process.

6. Risks and how they will be mitigated

- 6.1 With the convergence of the teams and staff having similar roles, we must be aware of the possibility of equal pay issues, although we have borne this in mind whilst looking at the salary and job description details.
- 6.2 This is a significant change for the staff transferring and we must be mindful that this may cause performance issues, increased sickness absence, among other possibilities. This will be monitored closely.
- 6.3 There is a risk that the convergence simply doesn't work or is too difficult to manage. There will be termination clauses on both sides to mitigate this.

7. Timetable for implementation

- 7.1 SBC Cabinet 17 July.
- 7.2 RBC Corporate Management Committee 26 July.
- 7.3 August – December – consultation period, individual interviews with staff.
- 7.4 Need to bring a final report back in the autumn to give approval following consultation or alternatively a delegation needs to be considered for someone to finally approve the Terms and Conditions on which the deal is going to be done.
- 7.5 Transition and TUPE transfer 1 January 2013.

Background papers: ICT Members Working Group (discussion document) 28 September 2011

ICT post-2012 MAT 25 October 2011, Cabinet 22 November 2011 (with appendices 1-4)

Appendices: there are none

Cabinet

17 July 2012



Title	Bailiff Contract Review		
Purpose	Recommendation required		
Report of	Assistant Chief Executive	Confidential	No
Cabinet Member	Councillor Tim Evans	Key Decision	Yes
Report Author	Linda Norman		
Summary	<ul style="list-style-type: none"> • The Bailiff contract is due for review 31 December 2012. • The current contract is worth over £100,000 per annum in statutory fees. • The Council is required to give three months notice to either change or terminate the existing contract. • The current contract was amended in 2011 to include Parking, Housing Benefit Overpayment and Sundry debts for a trial period. • The future of Parking services will not be known until December 2012. • By extending the existing contract to 30 June 2013, this will ensure that the Council can plan effectively its corporate requirements for Bailiff services for the future. 		
Financial Implications	There are none. Bailiffs earn their remuneration from statutory fees		
Corporate Priority	Service and Support		
Recommendations	To extend the existing Bailiff contract to 30 June 2013.		

--	--

MAIN REPORT

1. Background

- 1.1 Chandlers were appointed as Bailiffs service provider for Council Tax and Business Rates after a tendering process in 2001.
- 1.2 In 2009, the service was reviewed and Cabinet agreed to an extension of the existing contract until December 2012 when it was expected that the Courts and Enforcement Tribunal Act would come into force with regards to up front bailiff fees.
- 1.3 In 2009, following the review, Chandlers were selected as corporate bailiffs for Parking, Sundry debts and Housing Benefit overpayments as part of the Council's corporate debt strategy on a trial basis.
- 1.4 The existing contract and service level agreements were amended to include the other areas of collection and either side could terminate the contract with three months notice or upon poor performance.
- 1.5 Chandlers have provided copies of their bailiff code of conduct and other documents and no new bailiff works in Spelthorne's area until they have met the Recovery team to discuss Spelthorne's expectations.
- 1.6 Chandlers seek Council approval prior to lifting goods or extending arrangements beyond nine months to maximise collection rates and have an agreed list of vulnerable customers where advice is sought on how best to recover monies from these vulnerable people.
- 1.7 The Council receive very few complaints from the public with regards to Chandlers and any that are received, are investigated by senior staff together with one of the company directors.
- 1.8 Monies are paid over on a monthly basis through secure banking and reconciliation is agreed.
- 1.9 Spelthorne senior staff have developed a good working relationship with Chandlers senior staff and have worked together over the years to improve bailiff performance within the area.

2. Key issues

- 2.1 The Bailiff contract was formally reviewed in 2009 and the contract was extended to 31 December 2012 to enable the Courts and Enforcement Act 2007 to come into force with regards to up front Bailiff fees.
- 2.2 The Tribunal Courts and Enforcement Act 2007, suggested that up front fees for Bailiff services would come into force from 2010, however this part of the act has not come into effect yet and is again subject to consultation.
- 2.3 As the Council do not pay for this service as the Bailiffs earn money from their statutory fees, it is difficult to value the contract in monetary terms but Chandlers have advised that fees earned are in the region of £100,000 a year

and therefore responsibility falls to Cabinet with regards to appointing or retaining Bailiff services.

- 2.4 Since January 2011, Chandlers have been used on a trial basis for collection of other Council debts, such as Parking and Housing Benefit overpayments. They have started work on Sundry debts collection from February 2012.
- 2.5 This trial was reviewed in March 2012 and discussions were had with three other bailiff firms to see whether Spelthorne was still receiving an efficient effective service and maximising collection.
- 2.6 The Head of Customer Services as the Council's corporate debt lead and the Parking Manager felt that Chandlers performed well on collection rates.
- 2.7 Chandlers have developed their web-site and given secure access to Spelthorne staff to enable Spelthorne staff to view and update accounts in real-time.
- 2.8 This means where there is a dispute with a debtor, Council staff can access the account and view the history of the account since it was passed to the bailiffs. This often enables Council staff to make an informed decision as to the next course of action.
- 2.9 Spelthorne send and receive all information relating to corporate debt electronically in a secure and efficient manner.
- 2.10 Chandlers have provided free training sessions for new staff to explain what happens to the orders once they receive them, which helps Spelthorne staff, explain the process to debtor who may query with the office.
- 2.11 Chandlers provide monthly reports on performance and the Client Director visits Spelthorne quarterly to discuss any issues and training needs.
- 2.12 Chandler's collection rates on orders passed to them for 11/12;
 - 48.46% Council Tax
 - 53.29% Business Rates
 - 9.11% Housing Benefit overpayments
 - 42.66% Parking
- 2.13 Parking are currently looking at a shared service for off street parking with another Surrey authority and a decision will not be known until December 2012 as to the future of parking services.
- 2.14 Parking fines form a large part of the revised contract and if Spelthorne were to remove this part of the contract, three months notice would have to be given and the existing contract is due for renewal on 31 December 2012 so notice would have to be given by 30 September if parking were to be removed from this contract.
- 2.15 A decision would then need to be made regarding enforcement of PCN's post December to ensure collection rates on Parking is not effected.

3. Options analysis and proposal

- 3.1 Extend the existing contract with Chandlers to 30 June 2013 and re-tender the whole contract in April 2013 when the future of the Parking partnership is known and further information on the up front fees becomes clearer.
- 3.2 Give notice on Parking services in September 2012 and re-tender the contract for Revenues only but the contract will have to be reviewed again in December 2012 for Parking services or risk collection rates.
- 3.3 Split the existing contract and appoint a second firm on a trial basis to compare performance. However, three months notice would have to be given to Chandlers to terminate the existing contract and senior staff would then have to monitor two contracts and ensure staff new which bailiffs were dealing with which debts. There may also be a delay in setting up and testing interfaces between the Council and the additional firm which could effect collection rates.
- 3.4 Discussions were had with three other Bailiff firms during February 2012, Bristow & Sutor, Equita and Confero collections to ensure the existing contract was still value for money.
- 3.5 Grid analysis was used to ensure Spelthorne were achieving value for money and was developed on the services currently provided by Chandlers

Service	Chandlers	Bristow & Sutor	Equita	Confero
Performance Management reports	Yes	Yes	Yes	Yes
Secure electronic two way transfer of data	Yes	Yes	Yes	No
Real time secure access to Bailiff system	Yes	Yes	Yes	No
Automatic system updates of Bailiff mobile technology	Yes	Yes	Yes	No
Free staff training	Yes	No	No	No
Free annual CAB training	Yes	No	No	No
Certificated Bailiffs	Yes	Yes	Yes	Yes
Other Surrey Authorities	Runnymede Surrey Heath	Reigate & Banstead	No	Parking – Woking

	Mole Valley	Runnymede Woking		Tandridge
Able to deal with Housing Benefit overpayments	Yes Nil commission	Yes commission payable	Yes commission payable	Yes commission payable
Parking contracts	Yes	Yes	Yes	Yes

3.6 Chandlers are the only firm who would not charge commission on enforcing other debts and will provide staff and third party training free of charge.

4. Financial implications

4.1 If the contract is extended, there are no financial implications

4.2 If the contract is split, a budget provision will have to be made to pay commission on sundry and Housing Benefit overpayment debts.

5. Other considerations

5.1 In October 2010, MAT approved the Corporate Debt policy which included the use of Bailiffs for the enforcement of other corporate debts and to have a co-ordinated approach to debt collection across the whole Council.

5.2 Two firms had been selected on a trial basis, Chandlers and Ross & Roberts. However the second firm had issues around the technological infrastructure required to send and receive information and payments in a secure environment and as such, only Chandlers proceeded with the trial.

6. Risks and how they will be mitigated

6.1 By re-tendering bailiff services for Revenues in September 2012, the Council may not get value for money as the contract will again have to be reviewed once the legislation regarding up front fees is brought into force and the future of Parking services is known.

6.2 Chandlers have worked with Spelthorne since 2001, they have a good relationship with the authority and collection rates are relatively high across all areas of work. By extending the existing contract, there is no risk to the authority as Chandlers already provide an effective and efficient service.

6.3 There is a risk to collection rates if a new company is appointed as there may be a delay in setting up interfaces to enable secure electronic transfer of data.

6.4 There is also a risk that Chandlers may become complacent and not perform as well as previously but by monitoring the performance monthly and continuing with management meetings, this should not occur.

7. Timetable for implementation

7.1 The existing contract should be extended to 30 June 2013 and the Council's overall requirements for Bailiff services should again be reviewed from April 2013 when more is known about the future of Parking services and the Courts and Enforcement Tribunal Act 2007.

Background papers:

There are none
Appendices:
There are none.

Cabinet

17 July 2012



Title	Gambling Act Policy 2013 – 2016 Draft for consultation		
Purpose	Resolution required		
Report of	Assistant Chief Executive	Confidential	No
Cabinet Member	Councillor Penny Forbes-Forsyth	Key Decision	No
Report Author	Dawn Morrison		
Summary	<ul style="list-style-type: none"> • Spelthorne must review its Statement of Policy at least every three years. A revised version must be published by 31 December 2012 to be brought into effect by 31 January 2013. • Before a revised policy can be published Spelthorne must consult with certain stakeholders such as Surrey Police, gambling businesses and other organisations affected by gambling activities. • The revised draft policy has only been amended in respect of minor changes to references. The Gambling Commission Guidance on which it is based has not been updated since the last policy came into effect in January 2010. 		
Financial Implications	The costs of revising the policy and the consultation exercise will be met within existing budgets.		
Corporate Priority	Service and Safety		
Recommendations	Cabinet is asked to approve the revised Statement of Gambling Policy 2013 – 2016 for consultation in accordance with the timetable specified in this report.		

MAIN REPORT

1. Background

- 1.1 Section 349 of the Gambling Act 2005 (2005 Act) requires all licensing authorities to prepare and publish a Statement of Policy that they propose to apply in exercising their functions under this legislation. The Statement of Policy will last a maximum of three years, at which time it must be reviewed.
- 1.2 The existing Statement of Gambling Policy has been kept under review since coming into force on 31 January 2010 and no revision has been deemed necessary. However the policy requires revision in order for it to take effect from 31 January 2013.
- 1.3 Spelthorne currently has a total of 21 local businesses with a premises licence under the 2005 Act. This number consists of 19 betting shops, one adult gaming centre and one track betting licence (Kempton Park Racecourse).

2. Key issues

- 2.1 Section 349 (3) of the 2005 Act requires that licensing authorities consult the following stakeholders on revisions to their gambling policies:
 - The Chief Officer of Police for the authority's area.
 - One or more people who appear to the Authority to represent the interests of persons carrying on gambling businesses in the authority's area.
 - One or more persons who appear to the authority to represent the interests of persons who may be affected by the exercise of the authority's functions under the 2005 Act.
- 2.2 Any written consultation should follow best practice as set out by the Cabinet Office including allowing 12 weeks for responses. The proposed timescale for consulting on Spelthorne's policy will achieve this recommendation. It is proposed to consult by notifying those stake holders listed in Annex 2 of the proposed revised policy document, by e-mail where possible with a link to the relevant area of the Spelthorne website. **A copy of this draft policy for consultation is located in the Members' Room.**
- 2.3 The regulations state that the Statement of Policy must be published on the authority's website and be made available for inspection by the public in the principle office of the authority or a public library in the area covered by the Statement. The Policy or revision must be published at least one month before it takes effect. Therefore any statement will be required to be ratified by the Council no later than 31 December 2012. Section 154 of the 2005 Act provides that functions in relation to the three year policy statement cannot be delegated and remains functions of the Council.
- 2.4 In the last three years experience has shown that gambling premises are generally well run and cooperate with Council officers in addressing any concerns relating to the 2005 Act. Issues that have arisen included complaints about under 18s using gaming machines in betting shops. These were resolved by the re-positioning of machines to improve supervision by staff, installation of remote disabling devices, and in one case removal of a

recessed shop front to stop youths congregating. There is an on-going investigation into an illegal gaming machine seized from a local public house in October 2011.

2.5 Spelthorne's proposed revised policy for consultation is based on the requirements of the 2005 Act, and the Gambling Commission Guidance (May 2009).

2.6 The revised draft policy has only been amended in respect of minor changes to references. The 2005 Act and Gambling Commission Guidance on which it is based have not been updated since the last policy was revised. For ease of reference all proposed amendments to the existing policy are highlighted in bold text.

3. Options analysis and proposal

3.1 The preferred option is for Cabinet to approve the revised draft policy so that it can go out to consultation with relevant stakeholders according to the timetable set out in this report.

3.2 There is an option for Cabinet to amend the policy. However if Cabinet decides on the latter course of action this may cause a delay in starting the consultation process and implementation of the policy beyond the required time limit.

3.3 It is proposed that the revised draft Statement of Gambling Policy is approved to go out for consultation of stakeholders.

4. Financial implications

4.1 The cost of revising the Statement of Policy and the planned consultation will be met within existing budgets.

5. Other considerations

5.1 There are none.

6. Risks and how they will be mitigated

6.1 In revising the policy and conducting the required consultation the Council will meet the requirements of the 2005 Act.

7. Timetable for implementation

7.1 The proposed timetable is as follows:

- Report to Cabinet on 17 July 2012 to obtain approval to consult on the revised draft policy.
- Consult with stakeholders between 18 July 2012 and 10 October 2012.
- Report to Licensing Committee on 7 November 2012 to seek a recommendation to adopt a final proposed policy.
- Report to Cabinet on 20 November 2012 to seek a recommendation to adopt the final proposed policy.
- Council adopts final proposed policy on 13 December 2012.
- Publish updated policy and add to Spelthorne's website by 31 December 2012 to take effect from 31 January 2013.

Background papers: There are none.

