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Our Ref: PGH/Cabinet  
Date: 13 January 2012

## Notice of meeting

### CABINET

**Date:** Tuesday 24 January 2012

**Time:** 6.00 p.m.

**Place:** Goddard Room, Council Offices, Knowle Green, Staines.

#### To: Members of Cabinet

<b>Members of the Cabinet</b>	<b>Cabinet member areas of responsibility</b>
Mrs. V.J. Leighton (Chairman)	Leader of the Council and Strategy & Staff
R.A. Smith-Ainsley [Vice-Chairman]	Planning & Housing
Mrs. J.M. Pinkerton	Older People & Health Liaison
F. Ayers	Community Safety & Assets
C.A. Davis	Economic Development
T.J.M. Evans	Finance
P.C. Forbes-Forsyth	Parks & Leisure
N. St. J. Gething	Communications
R.L. Watts	Environment

## Agenda

	Pages	Times
<p><b>1. Apologies for absence</b></p> <p>To receive any apologies for non-attendance.</p>		<b>6.00</b>
<p><b>2. Minutes</b></p> <p>To confirm the minutes of the meeting held on 13 December 2011.</p>	<b>5 - 8</b>	<b>6.01</b>
<p><b>3. Disclosures of Interest</b></p> <p>To receive any disclosures of interest from members in accordance with the Council's Code of Conduct for members.</p>		
<p><b>4. Minutes of the Members Development Steering Group</b> <i>(Councillor Gething)</i></p> <p>a) To note the minutes of the meeting held on 11 October 2011.</p> <p>b) To consider the minutes and recommendations of the meeting held on 6 December 2011.</p>	<b>9</b> <b>11 - 14</b>	<b>6.05</b>
<p><b>5. Recommendation from Audit Committee</b></p> <p>To consider the recommendation of the Audit Committee on the review of the Corporate Risk Register.</p>	<b>15 - 26</b>	<b>6.10</b>
<p><b>6. Treasury Management Strategy Statement and Annual Investment Strategy 2012-13 – Key Decision</b> <i>(Councillor Evans)</i></p>	<b>27-43</b>	<b>6.15</b>
<p><b>7. Replacement of pay-on-foot machines in Elmsleigh surface and multi-storey car parks</b> <i>(Councillor Evans)</i></p>	<b>45-48</b>	<b>6.20</b>
<p><b>8. Car parks fees and charges</b> <i>(Councillor Evans)</i></p>	<b>49-55</b>	<b>6.25</b>
<p><b>9. Draft Calendar of meetings for 2012-13</b> <i>(Councillor Davis)</i></p>	<b>63-65</b>	<b>6.35</b>
<p><b>10. Appointments to outside bodies</b> <i>(Councillor Leighton)</i></p>	<b>67</b>	<b>6.40</b>
<p><b>11. Issues for future meetings</b></p> <p>Members are requested to identify issues to be considered at future meetings.</p>		

**12. Urgent items**



## Minutes of the Cabinet

13 December 2011

### Present:

Councillor Mrs. V.J. Leighton (Leader of the Council and Chairman of the Cabinet)  
Councillor R.A. Smith-Ainsley (Deputy Leader of the Council, Vice-Chairman of the Cabinet and Cabinet Member for Planning and Housing)  
Councillor Mrs. J.M. Pinkerton (Deputy Leader and Cabinet Member for Older People and Health Liaison)  
Councillor F. Ayers (Cabinet Member for Community Safety and Assets)  
Councillor C. A. Davis (Cabinet Member for Economic Development)  
Councillor T.J.M. Evans (Cabinet Member for Finance)  
Councillor P. Forbes-Forsyth (Cabinet Member for Parks and Leisure)  
Councillor R.L. Watts (Cabinet Member for Environment)

**Apologies:** Councillor N. St. J. Gething

### 1757. Minutes

The minutes of the meeting held on 22 November 2011 were agreed as a correct record.

### 1758. Disclosures of interest

There were none.

### 1759. \*[Recommendation from the Licensing Committee](#)

Cabinet considered a report from the Licensing Committee on the adoption of legislation to regulate sex establishments.

Cabinet noted that a draft Sex Establishment Licensing Policy had been submitted to the Licensing Committee for consideration, subject to consultation with interested parties.

#### **Resolved to recommend that Council agrees to:**

1. Adopt the powers to regulate sex establishments and the proposed fees for the licensing of those venues, subject to the Council advertising its intention to do so; and
2. Approve the proposed policy for sex establishments for public consultation.

### 1760. \*[Draft outline budget 2012-13](#)

Cabinet considered a report on the draft outline budget for 2012-13 to 2016-17.

Cabinet noted that the first year forms the framework for the detailed budget for the next financial year.

#### **Resolved to recommend that Council approves the following:**

1. That the net budgeted expenditure (before investment income and use of reserves) for 2012/2013 be set at a maximum level of £11.282m.
2. That, in order to reach this level, the Management Team, identifies a package of options by which the budget can be balanced both in 2012-13 and 2013-14 and over the next three years of the outline period.

3. For planning purposes of the Outline Budget an annual increase of 0% has been assumed for pay and council tax increases for 2012-13 except for staff earning less than £21k per annum.
4. That the Council's use of reserves policy be reviewed with the aim of the Council seeking to take account of the impact of the economic downturn and the reduced potential for capital receipts and the need to maintain a capital programme whilst continuing to maximise the level of its reserves
5. That an agreed total reserves target minimum level (as measured on 31 March each year) be set at a level of £11m for 31/3/13.

**1761. [\\*Treasury Management Strategy 2011-12 update](#)**

Cabinet considered a report updating members on the current advice from our treasury advisors in respect of credit worthiness in order to maintain flexibility in investment decisions.

Cabinet noted the ongoing and uncertain environment in the global, financial markets.

**Resolved to recommend that Council** approves the proposed changes to the creditworthiness criteria within the Council's Treasury Management Strategy. Specifically that the minimum required counterparty credit rating be reduced to A- for:

- Deposits and Certificates of Deposit with nationalised and part nationalised UK banks and building societies,
- Deposits and Certificates of Deposit with UK banks and building societies; and
- forward deals and fixed term deposits with variable interest rates and variable maturities, including callable deposits in UK banks and building societies

**1762. [\\*Charging for pre-application planning advice](#)**

Cabinet considered a report on the introduction of fees for pre-application planning advice.

Cabinet noted that the implementation of fees will secure continuity of a high quality service and ensure that the costs fall on those who use the service.

**Resolved to recommend that Council** agrees to the introduction of pre-application fees for householder and other proposals, as set out in Appendix 1 to the report of the Assistant Chief Executive, from 3 January 2012.

**1763. [Customer Services Strategy 2011-14](#)**

Cabinet considered a report on the proposed, revised Customer Services Strategy which showed how the Council intended to enhance the customer experience over the next three years.

**Resolved** that Cabinet approves and adopts the Customer Services Strategy.

**1764. [Update on St. Martin's Court hall](#)**

Cabinet considered an update report on the outcome of the negotiations and subsequent agreement for the lease of St. Martin's Court hall to The King's Church.

Cabinet noted The King's Church was spending substantial funds to improve St. Martin's Court hall for the benefit of the Council and the community.

**Resolved** that Cabinet gives retrospective approval to completion of the lease to The King's Church. notwithstanding a minor discrepancy with the terms of the Cabinet decision on 23

November 2010, namely that the break clause after two years and at any time afterwards on six months notice is for the tenant's benefit only.

**1765. \*[Dog Control Order](#)**

Cabinet considered a report on responses to the consultation on making Dog Control Orders for playgrounds, parks and roads within Spelthorne.

Cabinet noted that dog fouling in parks and on pavements had increased and the public was complaining about this issue.

**Resolved to recommend that Council:**

- (a) proceeds to make the Dog Control Orders
- (b) delegates authority to the Head of Corporate Governance to publish notices in the newspapers as required by regulations.
- (c) delegates authority to the Head of Corporate Governance to deal with all consultation responses.
- (d) adopts Fixed Penalty Notices for the Dog Control Orders with the Penalty being £75 or reduced to £50 if paid within 14 days.
- (e) delegates authority to the Head of StreetScene to issue Fixed Penalty Notices for breaches of the Dog Control Orders.

**1766. [Queen Elizabeth II Fields Challenge](#)**

Cabinet considered a report on the QEII Fields Challenge which allowed authorities to designate one or more parks or open spaces for QEII Field status.

Cabinet noted that the project would undoubtedly raise the profile of the borough's parks and open spaces and encourage members of the public to use them.

**Resolved** that Cabinet approves the following parks for nomination as Queen Elizabeth II Fields in Trust:

1. Orchard Meadow in Sunbury.
2. Stanwell New Start Open Space.

**1767. Issues for future meetings**

There were none.

**1768. Urgent items**

Cabinet noted the 33-signature petition on Stanwell Health and Community centre but resolved that there was no need to respond directly to Mr. McLuskey in view of the large amounts of officer time and correspondence already expended on this subject.

**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 23 December 2011**



**MINUTES OF THE MEMBER DEVELOPMENT STEERING GROUP**

**6 DECEMBER 2011**

Present:

Councillor N. Gething (Chairman)

Councillor Mrs J.M. Pinkerton (Vice Chairman)

Councillors:

Mrs J.A. Dale

C. Frazer

Mrs M. Madams

Mrs S. Dunn

Mrs D.L. Grant

**Also in attendance:** Councillors Mrs M. Rough and R.D. Dunn

**14/11 MINUTES**

The Minutes of the meeting held on 11 October 2011 were confirmed as a correct record.

**15/11 MATTERS ARISING FROM THE MINUTES**

No matters reported

**16/11 MEMBER DEVELOPMENT**

The Steering Group discussed the report of the Assistant Chief Executive which covered four specific areas:

**(a) SE Charter of Elected Member Development**

The Assistant Chief Executive reported that the Charter Status had been re confirmed and this had been achieved due to two of the recommendations from the Assessment Panel being met. These were to achieve the 60% usage of the skills portal and confirmation of the use of Member mentors/Officer buddies following the borough elections in May 2011

The Group noted that the next review would take place in May 2012 and would be a desk top exercise involving the Chairman of the Steering Group and Lead Officers. The full reassessment would take place at the end of 2013 if the Council wanted to seek reaccreditation.

**The Steering Group noted** that the SEE Charter for Member Development had been reconfirmed with a further review taking place in May 2012.

**(b) Assessment Panel Recommendations**

The Group discussed with the Assistant Chief Executive the action plan being put in place to ensure that the recommendations put forward by the Assessment Panel were completed within the timescale set. The Group indicated that in this economic climate there was no justification for supporting the Charter plus at a cost of £2000.

## Member Development Steering Group 5 December 2011 - Continued

The Group noted that the use of the skills portal (cost £995) was available until March 2012. At that time a decision would need to be made as to whether to continue to use the portal or whether a survey of all members (each year) to identify their development needs would be sufficient.

The Group discussed with the Head of Human Resources on how best to publicise the skills portal to all members and how to support those councillors who had problems with their IT equipment.

The Group discussed the approach adopted by the majority group for mentoring newly elected members and which had been accepted by South East Employers. Consideration was given as to whether mentoring needed to be formalised and adopted across the Council.

The Steering Group **agreed:**

1. that the Head of Human Resources would contact all councillors in the new year to ascertain how useful the Skills Portal had been;
2. that the approach to member mentoring and as accepted by the South East Employers be adopted;
3. the list of officer buddies be re circulated to Councillors;
4. to note the progress being made with the action plan based on the 6 recommendations from the Assessment Panel. and
5. not to pursue the Charter Plus.

### **(c) Member Development Budget**

The Group discussed with the Assistant Chief Executive and Head of Human Resources the budget required for member development. It was noted that the total budget for member development had been set at £18,880 and covered the four years of the administration as follows:

2011/2012	£4900
2012/2013	£4900
2013/2014	£4500
2014/2015	£4500
Total	£18800

During the discussion it was noted that the above figures could be exceeded in any one year provided that the overall expenditure over the 4 year period did not exceed the total budget.

The Group indicated that where possible member development be in partnership with other authorities which would help to reduce costs.

**The Steering Group recommend to the Cabinet that**

1. the Member development budget be set at £4900 for 2012/13;
2. The amount to be reviewed and confirmed for 2013/14 and 2014/15 budget with the overall expenditure over the 4 years not to exceed £18800.

**(d) Member Development Events including Seminars 2011/12**

The Group discussed with the Assistant Chief Executive his report which covered the evaluation of the various development events and seminars held since the beginning of the new Administration in May 2011.

The Group discussed the type of training events that could be undertaken during the remainder of this Municipal Year including self management / public speaking / chairing skills and media training. The Chairman reported on the arrangements being put in place for training members on committee procedures particularly for planning committee members.

**The Steering Group agreed** that arrangements be put in place for training on speed reading and public speaking in this Municipal Year as well as a Question and Answer session with Management Team; with media training and Charing meetings being organised for the next Municipal Year.

**17/11 BRIAN HARRIS – ASSISTANT CHIEF EXECUTIVE**

The Chairman on behalf of the Steering Group conveyed thanks and appreciated to the service that Brian Harris had given to the council over the many years he had been in service.

**18/11 NEXT MEETING OF THE MEMBER DEVELOPMENT STEERING GROUP**

The next meeting of the Steering Group to be arranged to take place in February 2012.

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Chairman

## Minutes of the Member Development Steering Group

11 October 2011

Present:

Councillor N. Gething (Chairman)

Councillor Mrs J.M. Pinkerton (Vice Chairman)

Councillors: Mrs. S. Dunn

**Apologies:** Councillor M. Madams

**Also in attendance:** Councillors Mrs V.L. Leighton, R. Smith-Ainsley, T. Evans, D. Patel, M. Rough, R. Sider, S. Webb.

### 9/11 MINUTES

The minutes of the meeting held on 22 June 2011 were confirmed as a correct record.

### 10/11 Matters arising from the minutes

No matters reported

### 11/11 SEE Elected Members' Charter

#### (a). Skills Portal

The use of the Skills Portal is an issue as some councillors have struggled to complete it, though the SE Charter for Member Development requirement that 60% of councillors should complete the Portal has now been achieved. Councillors need to progress onto 'my learning' in order to look at ways of dealing with their own identified learning needs.

**Action:** Jan Hunt will send an e-mail to those councillors who have completed the portal assessment to remind them how to access the 'my-learning' part of the site. Jan will also send an e-mail to all councillors reminding them that they have access to the same e-learning courses as staff.

#### (b). Mentoring

**Action:** Councillor Gething to let Brian Harris have a note about mentoring.

### 12/11 Member Development Steering Group meeting on

25 October 2011

There was a discussion about members' further training needs. Suggestions already received included self-management speed reading and public speaking. It was noted that we are trying to run joint training with Runnymede and Elmbridge.

**Action:** Brian Harris will investigate options, including costs, for further media training and what other authorities are doing in relation to joint member/officer training.

**13/11 Date of next meeting:** 25 October 2011 at 18.30 pm in the Goddard room

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Chairman

## **Recommendation from the Audit Committee on Corporate Risk Management**

**Cabinet: 24 January 2012**

### **Purpose of report**

**To present the Cabinet with the recommendation made by the Audit Committee on the review of the Corporate Risk Register**

### **Background**

- 1.1 The Council's Risk Management Policy/Strategy was approved by the Executive in 2002.
- 1.2 The Audit Committee is responsible for considering the effectiveness of the authority's risk management arrangements, and receives regular reports on risk issues.
- 1.3 The policy/strategy, flowchart of responsibilities and Corporate Risk Register (Appendix 1) can be found on SpelNet, and the service risk registers can be found on global public folders.
- 1.4 The Corporate Risk Management Group revises the Corporate Risk Register on a quarterly basis. Actions required to reduce risks are shown together with officers responsible for implementing recommendations and deadlines.
- 1.5 The Audit Committee reviewed the revised Corporate Risk Register at its meeting on 8 December 2011 and noted and accepted the contents.

### **Audit Committee recommendation**

The Audit Committee recommends to the Cabinet:

That the Corporate Risk Register, as submitted, be approved.

**Contact: Deanna Harris, Head of Audit Services (01784) 446207**  
**Cabinet member: Councillor Tim Evans**

**SPELTHORNE BOROUGH COUNCIL  
CORPORATE RISK REGISTER – 2011/12 QUARTER 3**

The register summarises the high level risks faced by the Council in relation to achieving the objectives and priorities as defined in the Council's corporate plan. The register sets out the control procedures in place to mitigate these risks, and identifies any further action needed to manage these risks effectively. Actions are assigned to appropriate officers with target dates for implementation.

**Corporate Priority themes are referred to in the risk register. It is acknowledged that corporate priorities have been updated.**

**Level of risk: Likelihood vs. Impact on a scale of 1 (lowest) to 4 (highest)**

<b>Risk Category</b>	<b>Risk/Consequences</b>	<b>Corp Priority</b>	<b>Level Of Risk</b>	<b>Control / Action</b>	<b>Owner-ship</b>	<b>Target Date</b>	<b>Progress</b>
<b>1. Technology/ Infrastructure /Operations</b>	Failure to align service objectives to corporate aims	All	3	<b>Controls:</b> Service plans are derived from Community and Corporate Plans. <b>Actions: All Service Plans require updating annually and need to reflect corporate priorities. Plans for 2012/13 to incorporate new corporate priorities.</b>	Service Heads	Jan 2013	<b>Nov 2011: All Service Plans for 2011/12 now updated.</b>
<b>2. Technology/ Infrastructure /Operations</b>	Failure of projects due to poor project management arrangements.	All	3	<b>Controls:</b> Project management principles and methodology agreed some years ago, although not consistently applied and scope for senior management to re launch on a corporate level. <b>Actions: Review corporate reporting and management of projects; allocation of responsibilities and resources; corporate guidance; business case preparation and post implementation reviews.</b>	MAT	Jan 2013	<b>Some. Nov 2011: Project Management is being relaunched across the authority. A project register has been set up and training is being arranged.</b>

Risk Category	Risk/Consequences	Corp Priority	Level Of Risk	Control / Action	Owner-ship	Target Date	Progress
<p><b>3. Technology/ Infrastructure /Operations</b></p>	<p>3i.Security breaches, system failure, loss of data</p>	<p>All</p>	<p>3</p>	<p><b>Controls:</b>                      Back up and continuity arrangements managed by Steria and tested by Service Heads.                      IT security policies. Personal Commitment statement required from all staff.                      Contractual responsibilities of Steria.                      IT security group assess ongoing risks.                      IT disaster recovery test conducted June 2011.</p>	<p>Terry Collier/ Helen Dunn</p>		<p>Ongoing</p>
	<p>3ii. Failure to meet the minimum security requirements of the Government Code of Connection resulting in termination of connection to any other government sites/data.</p>	<p>All</p>	<p>3</p>	<p><b>Controls:</b>                      COCO review group assess compliance with the Code of Connection                      Successfully passed security requirements of the Government Code of Connection (COCO) in December 2010 and further COCO submission by 13<sup>th</sup> Dec 2011.                      New firewall installed.                      Independent health check completed in October 2010 and actions addressed.                      Additional security measures have been implemented, including encryption of laptops, CD'S and memory sticks, (memory sticks banned until they are 'white-listed' as known devices on the network), locking down universal serial bus (USB) ports and improved authentication for remote working. Dual factor authentication set up for all new laptops and most existing laptops. Steria have been requested to complete dual factor authentication on all existing laptops.                      Penetration testing conducted annually, in accordance with COCO requirements. Latest exercise carried out in June 2011.                      New arrangements have been implemented for voluntary sector access.</p>	<p>Terry Collier/ Helen Dunn</p>		<p>Ongoing</p>

Risk Category	Risk/Consequences	Corp Priority	Level Of Risk	Control / Action	Owner-ship	Target Date	Progress
<b>4. Financial</b>	Poor return on long term investments /investments insecure in current climate.	All	3	<p><b>Controls:</b> Treasury Management strategy approved by Members. Aim to select counter parties of the highest credit quality; credit ratings monitored closely. Council's investments managed internally in consultation with Arlingclose. Use Fitch ratings and criteria recommended by Arlingclose. Regular monitoring and reporting of investment portfolio and returns achieved.</p>	Terry Collier		
<b>5. Technology/ Infrastructure /Operations</b>	Disaster in Council buildings / Lack of continuity planning within services and reliance on individuals/ systems	All	3	<p><b>Controls:</b> The Health and Safety Officer chairs the gold corporate Business Continuity group under the guidance of the ACX (Brian Harris). The Gold corporate Business Continuity plan has been updated. An action Plan is in place for the Business Continuity Forum which is monitored. Although the Business Continuity forum has not met regularly during 2011, updates on business continuity planning have been provided to the Corporate Risk Management Group. The Health and Safety Officer is responsible for the coordination of business continuity plans. The majority of services have submitted updated plans during 2011 (17 out of 21). A Questionnaire has been issued to all Service Heads (May 2011) in order to seek assurance that plans are fit for purpose and being regularly tested, and returns are outstanding for a few areas undergoing change. There are aspects of business continuity planning which overlap with emergency planning and this is being addressed by Management Team. New website developed to include information on conference calling and provide a single access point for storing information on business continuity planning.</p>	Service Heads/ MAT /Stuart Mann		<b>Some/ Ongoing. Nov 2011: Business Continuity Forum to evaluate responses from questionnaires at December meeting, and draw up an action plan for 2012.</b>



				<p><b>Action: The Authority must ensure the plans are fully communicated, tested and updated regularly.</b></p> <p><b>Action Nov 2011: Management team (MAT) should consider the adequacy of business continuity planning arrangements and whether there should be a more holistic approach to overall emergency planning activities.</b></p>	Service Heads/ MAT/ Stuart Mann	Jan 2013	Ongoing
<b>6. Environment</b>	Disaster- major in borough, e.g. pandemic influenza, resulting in inability to provide services	Environment	4	<p><b>Controls:</b> Emergency Plan (strategic approach) being updated. Borough Emergency centre plan (operational approach) written and approved by Management Team, setting out additional requirements for some staff. The Emergency Planning Officer is training individual officers in new roles as part of the emergency response. Training relating to the Borough's emergency centre plan held and ongoing. Members of Management Team attended specialist gold training with Surrey Local Resilience Forum (Sept 2011), and Incident Management team training scheduled for November 2011. Emergency assistance centre work also underway with issues arising being reported to Management Team. Risk assessments completed and major incident flood plan submitted to Surrey Local Resilience forum. Advice and training provided by Surrey Local Resilience forum and the Primary Care Trust. Counter terrorism exercises and reservoir response planning currently underway. National emergency planning exercise attended.</p> <p><b>Action March 2011: The Borough Emergency Plan (strategic approach) requires updating.</b></p> <p><b>Action Nov 2011: Actions aimed at further strengthening emergency planning arrangements have been considered by Management Team and the Emergency Planning Officer and require implementation. These relate to reporting lines, roles and responsibilities, guidance, resilience, operational matters and business continuity.</b></p>	Liz Borthwick/ Sandy Muirhead	Jan 2013	<p><b>Some. Nov 2011: The Emergency plan (strategic approach) is being updated and a draft version has been circulated for comments. Also awaiting updated multi agency numbers. A borough emergency training/test exercise was carried out on 13<sup>th</sup> Oct 2011.</b></p>

<p><b>7. Environment</b></p>	<p>Uncertainty surrounding the financial /economic/other consequences of contaminated land</p>	<p>Environment</p>	<p>4</p>	<p><b>Controls:</b>                  Legal duty to inspect land and prioritise action                  Progress reports issued to Management Team and Cabinet outlining financial and other risks. Department for Environment, Food and Rural Affairs (DEFRA) review on statutory guidance.                  A separate risk assessment updated in September 2011 is being reviewed by the Head of Environmental Health and Building Control which addresses contractual, financial/resources and legal/regulatory risks. Awaiting the outcome of government consultation exercise to determine Spelthorne's future strategy on contaminated land.</p>	<p>Liz Borthwick / Lee O'Neil</p>	<p>Jan 2013</p>	<p>Ongoing</p>
<p><b>8. Regulation/ Legal / Litigation</b></p>	<p>Health and Safety failing resulting in death or serious injuries to staff/public and legal action against the Council</p>	<p>All</p>	<p>4</p>	<p><b>Controls:</b>                  Managers responsible for conducting regular risk assessments                  Induction training for staff and policies clarify responsibilities                  Health and Safety Officer in post and reports relevant issues/legislation to Cabinet, Management Team, Corporate Risk Management Group (CRMG), all staff, e.g. Corporate Manslaughter Act and associated risks.                  Contract let to manage Legionella and progress reported to Asset Management Group (AMG) and Management Team as appropriate. Information held on the Council's SHE system for ongoing management by Health &amp; Safety Officer and Asset Management.                  Procedure document held clarifying health and safety responsibilities/ arrangements where the authority leases out assets.</p>	<p>MAT/ Dave Phillips/ Service Heads</p>		

<p><b>9. Regulation/ Legal / Litigation</b></p>	<p>Failure to comply with employment legislation or statutory duty leading to possible compensation (unlimited), damage to reputation, Legal costs and significant officer time.</p>	<p>All</p>	<p>3</p>	<p><b>Controls:</b>                  Human Resources (HR) identify new employment legislation HR provide staff guidance on new/existing legislation and arrange training to ensure compliance, although the HR partnership with Runnymede has led to a reduction in professional HR support which could impact on the ability to identify and deal with employment law issues (see risk 10 below – partnerships).                  Clear documented processes exist for Recruitment and Selection, and Managers Briefings provide opportunity to promote corporate procedures.                  Equality and Diversity working group set up and training provided to all staff.</p>	<p>Service Heads/ Jan Hunt/ MAT</p>		
<p><b>10. Partner/ Contractor/ Commercial</b></p>	<p>Failure to obtain value for money (vfm) / lack of transparency in awarding contracts</p> <p>Contractual disputes and Potential claims through poor documentation.</p> <p>Weak contract management</p>	<p>All</p>	<p>3</p>	<p><b>Controls:</b>                  Contract guidelines (simplified version of Contract Standing Orders in place with compliance checklist).                  Procurement guidance being updated, to be launched in 2012.                  E-tendering system                  Procurement and contract management training.                  Surrey First Initiative identified scope for procurement savings.                  Performance measures in place and contractual safeguards - Management responsibility.</p>	<p>Service Heads/ MAT</p>		<p>Ongoing</p>

	<p>resulting in Contractors/partners failing to deliver expected outcomes</p> <p>Weak partnership governance arrangements</p>			<p>Review of strategic and internal partnerships undertaken</p> <p>Partnership governance policy in place, and reminders issued to Service Heads on need to comply.</p> <p>Significant partnerships identified.</p> <p>Overview and scrutiny committee to periodically review partnerships.</p>			
	<p>Suppliers/contractors go out of business, affecting the completion of contract works/service delivery, and ability to pay business rates.</p>	All	3	<p><b>Controls:</b></p> <p>Financial Services monitor the financial media in relation to larger companies and critical commercial partners that the authority engages with.</p>	Service heads/ MAT/ Terry Collier		Ongoing.
<b>11. Economic/Social</b>	<p>Service planning difficulties due to changes in economic and social conditions beyond Council's control</p>	Environment /Economic Development	3	<p><b>Controls:</b></p> <p>Long term strategic planning</p> <p>Corporate and community plans linked to service plans</p> <p>Corporate priority themes being reviewed.</p>	Sandy Muirhead /Liz Borthwick		Ongoing
<b>12. Environment</b>	<p>Failure to deliver sustainable community strategy / deliver climate change strategy:</p>	Environment	3	<p><b>Controls:</b></p> <p>Sustainable Development strategy (SDS) and joint Climate change strategy. Energy policy and Carbon Management plan in development. Action plans prepared assigning tasks and targets to named officers, with timescales for delivery.</p> <p>Surrey wide climate change projects being developed through</p>	Liz Borthwick /Sandy Muirhead		Ongoing

	<p>-Contravening legislation (Climate Change Act 2008)</p> <p>-Poor resilience to climate change by services and community</p> <p>-Services not adequately prepared for climate change, effecting service delivery.</p>			<p>the Surrey Climate Change Partnership (SCCP), to be assigned as and when appropriate.</p> <p>Environmental impact assessments completed.</p> <p>National Indicator 188 (climate change) no longer applicable.</p> <p>Climate change impact reports will be used to identify key risks.</p> <p>SDS Delivery Board set up to monitor the implementation of Sustainable Development strategy and related action plans including climate change measures. Meetings held every two months and minutes available.</p>			
<b>13. Financial</b>	<p>Fraud / theft (income, assets, payments), resulting in financial losses and damage to reputation of authority.</p> <p>In current economic climate, increased risk that individuals will be tempted to perpetrate fraud.</p>	All	3	<p><b>Controls:</b> Corporate Policies in place to help create a culture of honesty and ethical behaviour such as Whistle blowing, Anti-fraud, Bribery and Corruption, employee Code of Conduct, gifts and hospitality, Register of Interest. Staff to be reminded about governance policies as part of the annual appraisal process. Fraud awareness report due to go to MAT. Implications of Bribery Act (July 2011) being considered. Service risk assessments outlining control procedures and arrangements in place to prevent the risk of fraud or help detect it.</p> <p>Key controls include compliance with policies and procedures such as Financial Regulations and Contract Standing Orders (CSO'S), management checks, segregation of duties, reconciliation processes for financial systems, good IT Security measures.</p>	Service Heads/MAT		Ongoing
<b>14. Technology/Infrastructure/Operations</b>	<p>Failure in service delivery due to over reliance on</p>	All	3	<p><b>Controls:</b> Resilience and back up arrangements within Housing Benefits, Revenues and Customer Services have been addressed.</p>	Terry Collier/Deborah	Nov 2011	<b>Actioned. Nov 2011: Housing Options feel</b>

	<p>individuals eg Housing Options, Revenue and Benefit system administrator roles.</p>			<p><b>Action Aug 2011: <i>The joint Heads of Housing Options and Independent Living to consider ongoing support available to the Housing Options Manager for system administration relating to the Northgate Housing system.</i></b></p>	<p>Ashman /Karen Sinclair / Liz Borthwick</p>	<p><b><i>that sufficient support is provided by the Treasury Accountant on the Northgate Housing system. Runnymede borough council also use the Northgate system, providing further resilience.</i></b></p>
	<p>Failure in service delivery due to reduced capacity and demands from the community Increased risk of delay, errors or stress Organisational impact (and impact on individuals) arising from the significant level of change at senior management level.</p>			<p>Short term reductions in capacity due to increasing demand from the community or short term absence of staff on leave or sickness are accommodated by careful prioritisation and reallocating work among staff.                  Longer term impacts and changes to demand may be more difficult to address and a fundamental review of arrangements may be required to align staff resources to the work required.                  System redesign may be possible to help match resources to the level of work                  In some circumstances it is necessary to supplement staffing levels with additional temporary or permanent resource.                  Resources need to be diverted to implementing new systems or introduce ways of working                  Plans are in place to deal with the reallocation of responsibilities following the planned senior staff reductions that will take place at the end of the year.</p>		

<b>15. Regulation/ Legal/ Litigation</b>	Failure by County to address Spelthorne referrals relating to vulnerable children.	All	3	<b>Controls:</b> The Council has policy/procedures in place and all relevant staff have been trained. A meeting has been held between the Assistant Chief Executive (Liz Borthwick) and Surrey County Council (SCC) to discuss this issue, and the Leader has also met with the Chief Executive (SCC). The Housing Options Manager regularly monitors cases/referrals and reports any outstanding issues to SCC. Any concerns are brought to the attention of the Service Head. Regular meetings with SCC and joint training provided.	Liz Borthwick/Lisa Stonehouse		Ongoing
<b>16. Financial</b>	Pressures on Housing Service as a result of changes in government policy to restrict housing benefit and general economic climate. Changes announced relating to the future administration of Housing Benefit may lead to staff seeking alternative jobs.	All	3	<p><b>Controls:</b> Service Heads/ MAT/Members aware of possible risks. Internal structures being reviewed.</p> <p><b>Action: Service Heads/MAT to monitor, evaluate performance and recommend changes in staffing requirements as appropriate.</b></p> <p><b>Action: In light of the future transfer of Housing Benefit administration to the Department for Work and Pensions (DWP), as well as planned retirements within the service, the joint Heads of Housing Options and Independent Living to ensure adequate arrangements are in place for staff resilience within the interim period. It is acknowledged that there is still uncertainty as to future government plans.</b></p>	Karen Sinclair / Deborah Ashman/ MAT	Jan 2013	<b>Ongoing</b> <b>Nov 2011: Heads of Service update MAT on changes in government policy and implications for Service. Reports issued on Housing Benefit staffing and a Housing report was issued to Overview and Scrutiny committee.</b>

<p><b>17. Financial</b></p>	<p>Reduction in service delivery and possible loss of internal control as a result of savings required to balance budget</p>	<p>All</p>	<p>3</p>	<p><b>Controls:</b>                  Management is responsible for maintaining key internal controls regardless of resource levels.                  Any savings offered will be accompanied with summary of any associated risks.</p>	<p>MAT/                  Service                  Heads</p>		<p>Ongoing.</p>
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*Reviewed November 2011*

*Punita Talwar, Audit Team Leader, Audit Services.*



## **Treasury Management Strategy Statement and Annual Investment Strategy 2012/2013 – KEY DECISION**

**Cabinet: 24 January 2012**

**Recommendation required**

**Report of the Chief Finance Officer**

**Executive Summary**

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

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

### **Purpose of Report**

This report is to update members on the current treasury position and to set the Annual Investment Strategy and Prudential Indicators for 2012/13 to 2014/15.

### **Key Issues**

- To review and set treasury limits and Prudential Indicators for 2012/13 to 2014/15.
- To note the current treasury position and the future prospects for interest rates and economic background.
- To review the annual investment strategy and the current policy for managing the Council's investments.
- To formally adopt the revised Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code of Practice (2011 Edition).

### **Financial Implications**

- The need to maximize the Council's investment returns while maintaining flexibility and a high level of security with minimal risk.

### **Corporate Priority**

All corporate priorities are supported.

### **Officer Recommendations:**

**The Cabinet are asked to recommend that the Council:**

- **Approve the proposed Treasury Management Strategy and Annual Investment Strategy for 2012/13 as set out in this report.**
- **Approve the Prudential Indicators for 2012/13 as set out in this report.**
- **Formally adopt the Chartered Institute in Public Finance and Accountancy's (CIPFA) Code of Practice for Treasury Management in Public Services (2011).**

**Contact: Terry Collier, Chief Finance Officer on (01784) 446296  
Cabinet Member: Councillor Tim Evans**

## **MAIN REPORT**

### **1. BACKGROUND**

- 1.1** The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement (TMSS) and Prudential Indicators (PIs) on an annual basis. The TMSS also includes the Annual Investment strategy (AIS), which is a requirement of the Department of Communities and Local Government (DCLG) Investment Guidance.
- 1.2** CIPFA revised the Treasury Management Code of Practice in the Public Services in November 2011 and the Code is required to be formally adopted by the Council. Members are therefore requested to formally adopt the Code at this meeting.

#### **Treasury Management Strategy for 2012/13**

- 1.3** The suggested strategy for 2012/13 in respect of the following aspects of the treasury management function is based upon the view of the Chief Finance Officer on interest rates supplemented by leading market forecasts provided by, and in consultation with Arlingclose, the Council's treasury management advisors. The strategy covers:-
- (a) Treasury limits in force that will limit the treasury risk and activities of the Council;
  - (b) Prudential Indicators
  - (c) The current treasury position
  - (d) Prospects for interest rates
  - (e) The borrowing strategy
  - (f) The investment strategy
  - (g) Creditworthiness policy
  - (h) Policy on the use of external service providers
- 1.4** It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. Increases in capital expenditure must be limited to a level where increases in interest charges from borrowing to finance capital expenditure, and increases in running costs from new capital projects are affordable for the foreseeable future.

### **2. MAIN ISSUES**

#### **Treasury Limits 2011/12 to 2013/14**

- 2.1** It is a statutory duty under Section 3 of the Local Government Act 2003, and supporting regulations, for the Council to determine and keep under review a limit on how much it can afford to borrow. The amount so determined is called

the Affordable Borrowing Limit, and it represents the legislative authorised limit specified in Section 3 of the Local Government Act 2003.

- 2.2** The Council must have regard to the Prudential Code when setting this limit because it is required to ensure that the total capital investment is within sustainable limits and that the impact on the Council Tax is acceptable. The limit is set on a rolling basis, for the forthcoming financial year and two successive financial years and is included in the table of Prudential Indicators set out below.

**Prudential Indicators for 2012/13 to 2014/15**

- 2.3** The following Prudential and Treasury indicators are relevant for the purpose of setting an integrated treasury management strategy:

<b>Extract from Budget Setting Report</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
<b>Prudential Indicator</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Gross Capital Expenditure	£1,832	£2,100	£841	£761
Ratio of Financing Costs to Net Revenue Stream	(2.69)	(1.69)	1.4	1.37
Net Longer-term Borrowing	£0	£0	£0	£0
In year Capital Financing Requirement	£0	£0	£0	£0
Capital Financing Requirement as at 31.3	£0	£0	£0	£0
Affordable Borrowing Limit	£12,000	£12,000	£12,000	£12,000

<b>Treasury Management Prudential Indicators</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
<b>Prudential Indicator</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Authorized Limit for external debt	£12,000	£12,000	£12,000	£12,000
Operational Boundary for external debt	£10,000	£10,000	£10,000	£10,000
Net Borrowing and Capital Finance Requirement	£0	£0	£0	£0
Gross Debt to Net Debt	0%	0%	0%	0%
Upper limit for fixed rate exposure	100%	100%	100%	100%
Upper limit on variable rate exposure	100%	100%	100%	100%
Upper limit for principal invested for over 364 days	£15,000	£10,000	£10,000	£10,000

<b>Maturity structure of fixed rate borrowing</b>	<b>Upper limit</b>	<b>Lower limit</b>
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 31.3.11	£35,388 (all short term borrowings)
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## The Current Treasury Position

The Council has £24.5 million invested as at 31st December 2011 as follows:

Investment	£m
European Investment Bank Bonds	3.0
UK Treasury Bills	3.0
Fixed Term Deposits	5.0
Cash Flow Investments (approx)	13.5
<b>Total Value of Investments at 31.12.11</b>	<b>24.5</b>

- 2.4** The Council manages all investments in house and a detailed analysis of investments held by the Council as at 31st December 2011 is attached as Appendix A. The return on the core investment portfolio is currently running at **1.89%** for 2011/12.
- 2.5** The Council has no long-term outstanding debt. Borrowing has been restricted to meeting daily cash flow requirements and activity here is very limited. Currently short-term borrowing rates are around 0.65%.
- 2.6** The bulk of cash from Council Tax and Business Rates is collected in instalments over the first ten months of the year, although this may change to twelve monthly instalments under the Localism Bill. Therefore, cash flow activity is higher during February and March because the Council is still incurring revenue and capital expenditure. This will require using liquidity funds or additional short term borrowing to cover any daily shortfalls.
- 2.7** The investment portfolio will be reduced during the last quarter of the year to fund expenditure when instalments cease. Short term investments of £9.7m, as indicated in the above table, are available for this purpose.

### Prospects for Interest Rates

- 2.8** Anticipating future interest rate increases and reductions is very important in managing the spread of maturity dates on our portfolio. The Council has retained Arlingclose as treasury management advisors and part of their service is to assist the Chief Finance Officer formulate a view on interest rates.
- 2.9** Arlingclose forecast that bank rate will remain 0.50% until 2016 mainly due to the ongoing lack of resolution to the Euro and sovereign debt crises and other leading market forecasters also support this view. The Council will reappraise its strategies from time to time in response to evolving economic, political and financial events.

### Economic Background

- 2.10** Economic growth in the UK was 0.6% in the third quarter 2011. The outlook is for weak growth continuing into 2012/13 largely due to the effect of the Euro crisis which will have a major impact on the UK because the EU is an important trading partner. It is now likely that another recession in Europe and the UK cannot be avoided and the situation is unlikely to improve until European leaders put forward a credible plan to resolve the crisis.

- 2.11** In the meantime, cuts in public spending in the UK will continue to impact the economy and unemployment has started rising and this trend is likely to continue.
- 2.12** Inflation has remained high and well above the MPC 2% target rate; CPI was 4.8% and RPI was 5.2% in November. Despite this the MPC is confident that inflation will fall back below target over the next two years and there is some evidence of this because inflation has fallen slightly from the previous month levels of 5.2% and 5.4% respectively.
- 2.13** The Bank of England has increased its programme of quantitative easing (QE) to a total of £275bn in November 2011. However, there is currently a major expectation that another round could begin in early 2012 to help support economic growth.
- 2.14** Sovereign debt levels have been continued to cause major concern for international investors. What began in the southern European countries and Ireland has now spread to other Euro members including Italy. This is affecting confidence in the stronger EU countries including France and Germany as the markets remain fearful of further contagion and in early December, ratings agency Standard and Poor's placed Germany, France, Finland and the Netherlands on credit-watch for a possible downgrade of their AAA sovereign ratings.
- 2.15** Fortunately, the UK has retained its AAA sovereign credit rating which means that its cost of borrowing is still manageable. Markets seem reassured by the package of austerity measures announced by the government and international investors continue to view UK gilts as a safe haven from EU government debt. However, the increased demand for gilts has resulted in much lower yields and the 5 year gilt has fallen to a yield of below 1%.
- 2.16** There are major difficulties in forecasting the speed of global economic recovery although growth in the US has improved. However, until the Euro crisis is resolved markets will remain very volatile and subject to sudden swings as sentiment changes.

### **3. OPTIONS ANALYSIS**

#### **Borrowing Strategy**

- 3.1** At the present time, it is intended that the Council shall continue to finance capital expenditure from capital receipts and it is therefore anticipated that there will be no capital borrowings required during 2012/13. Borrowing under the Prudential Regime may be an option for the future depending on the prevailing circumstances and it could be considered for specific new projects on a scheme-by-scheme basis.

#### **Annual Investment Strategy**

##### **Investment Policy**

- 3.2** The Council will have regard to the revised Department for Communities and Local Government (DCLG) Guidance on Local Government Investments and the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management in Public Services Code of Practice and Cross-Sectional Guidance Notes (2011). The Council's investment priorities are the security of capital and the liquidity of its investments.

- 3.3** The overall policy objective for the Council is the prudent investment of its treasury balances with minimal risk to capital. All investments will be made in sterling and the Council will aim to achieve the optimum return commensurate with proper levels of security and liquidity.
- 3.4** The borrowing of monies purely to invest or lend-on to make a return is unlawful and this Council will not engage in such activity.
- 3.5** The Council will seek professional advice from Arlingclose when considering treasury management decisions. Investments, which the Council may use for the prudent management of its treasury balances, are classified as Specified and Non-Specified investments and are set out in the Department for Communities and Local Government (DCLG) guidance on investments. Specified investments are investments with maturities within one year and non-specified investments are investments with maturities in excess of one year.
- 3.6** Details of the type of instruments that may be used for investments and the overall limits under each of these classifications are attached as **Appendix B** and Members are required to approve the minimum credit criteria for investment counter-parties.
- 3.6** Counter-party investment limits are set through the Council's Treasury Management Practices Schedules. Whilst the overall credit criteria in place is high to minimise risk, the counter-party monetary and time limits are directly related to the credit quality of the institutions with lower limits applied to lower rated organisations. These limits will be kept under constant review by the Chief Finance Officer and amended under delegated powers to reflect current market conditions and achieve optimum investment returns.

### **Creditworthiness Policy**

- 3.7** The Council uses the creditworthiness criteria recommended by Arlingclose to assist its selection of suitable counter-parties and this is reviewed on an ongoing basis to ensure the risk to the Council of counter-party defaults remains low. The credit quality of counter-parties and investment instruments is assessed by reference to major rating agencies including Fitch, Moody's and Standard and Poor's and details of their credit rating definitions are attached as **Appendix C** to provide more insight into how the level of perceived risk is assessed.
- 3.8** All credit ratings are constantly monitored by Arlingclose who notify the Council promptly of any ratings changes so that appropriate action can be taken. Downgraded counter-parties are immediately withdrawn from future use. Investments that no longer meet the Council's minimum criteria are reported to the Chief Finance Officer although where these investments are fixed term deposits, no effective action can be taken until the deposits mature.
- 3.9** The Council will not solely rely on the Arlingclose service but it will also make use of other sources of generally available information when considering counter-party credit risk. These may include the use of the quality financial press, market data (including credit default swaps, share price, annual reports, statements to the market etc), information on government support for banks and the credit ratings of that government support.

## **Investment Strategy**

- 3.10** The Council manages all investments in-house and investment decisions are made in consultation with Arlingclose. The portfolio will be structured to provide a suitable range of different investment options and maturities to facilitate better risk management and an element of certainty of returns. Against a background of historically low interest rates, current investments include two Multilateral Development Bank (MLDB) Bonds issued by the European Investment Bank maturing at various intervals over an 12 month period and shorter term deposits.
- 3.11** Other funds managed in-house are related to the day-to-day cash flow movements and are held in instant access and notice accounts. Surpluses arising from the day-to-day activities are generally invested in higher rate interest accounts, although amounts exceeding £1 million are invested in UK Treasury Bills, with the UK Debt Management Office or with various bank treasury facilities and money market funds available to the Council. The aim is to maximise short term returns wherever possible.
- 3.12** The Council banks with the Co-Operative Bank which at the current time does not meet the minimum credit criteria of A- long term. Despite the credit rating being below the Council's minimum criteria it will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.
- 3.13** Minimising risk to capital is paramount and due to the instability of the current investment environment a greater use of the UK Debt Management Office or Treasury Bills is very likely, certainly in the short term.
- 3.14** The Council has evaluated the use of pooled funds and determined the appropriateness of their use within the investment portfolio. Pooled funds enable the Council to diversify the assets and the underlying risk in the investment portfolio and provide potential for enhanced returns. Investments in pooled funds will be undertaken with advice from Arlingclose.

## **Policy on Use of External Service Providers**

- 3.15** The Council uses professional treasury advisors to acquire specialist skills and resources and Arlingclose were appointed with effect from August 2011 to advise on all treasury management matters. Regular quarterly meetings are held with them to discuss the Council's treasury options and all major investment and borrowing decisions are made on their advice. However, the Council recognises that the responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon external service providers.
- 3.16** The Council recognises the value of access to the specialist resources provided by external advisors and will continue to ensure that the terms of their appointment and methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

## **Scheme of Delegation and Role of the S151 Officer**

- 3.17** The revised CIPFA "Treasury Management in the Public Services Code of Practice and Cross-Sectional Guidance Notes 2011" requires that the Council's scheme of delegation and the role of the S151 officer be set out in this report and these are duly attached as **Appendix D and E**.

## **4. PROPOSALS**

- 4.1** Bank rate has been 0.50% since March 2009 and Arlingclose is currently forecasting it to remain at this level until 2016. All investment decisions will be taken in consultation with Arlingclose and, on their advice, the Council will avoid locking into longer term deals while investment rates are down at historically low levels unless exceptionally attractive rates with high quality counterparties are available that make longer term deals worthwhile.
- 4.2** The balance of the portfolio will be invested in more liquid investment instruments to enable the Council to have the ability to take advantage of higher short-term interest rates that may be available at times of market volatility. Currently, the effect of low interest rates and the ongoing uncertainty surrounding the financial markets is likely to present few opportunities.
- 4.3** It is also proposed that part of the portfolio will be invested in pooled equity and property funds both to enhance returns but also to diversify the portfolio into other asset classes. The current market volatility makes the timing of such investments critical and any investment would only be made in full consultation with Arlingclose.
- 4.4** For its cash flow generated balances, the Council will seek to utilise its instant access and business reserve accounts, its money market fund and short dated deposits. UK treasury bills will also be used where appropriate rather than the UK Debt Management Office. Both are UK government investments so are AAA rated but the former produce a slightly enhanced return for the same level of credit risk.
- 4.5** Treasury Management activity and interest earned on investments will continue to be closely monitored each month to ensure that the maximum overall return is achieved for the Council. Internal investment performance will be measured and compared to the average 7 day and 3 month rates for monitoring purposes. At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

## **5. BENEFITS AND SUSTAINABILITY**

- 5.1** The relevant benefits and sustainability are as set out in this report.

## **6. FINANCIAL IMPLICATIONS**

- 6.1** The ability to maximise interest returns is paramount to generate sufficient funds to support the General Fund and even a small move in interest rates can have a significant effect on cash returns. Therefore, it is our aim to maintain flexibility commensurate with the highest level of security and liquidity and minimal risk when making investment decisions.

## **7. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS**

- 7.1** The Council fully complies with best practice as set out in the CIPFA Prudential Code for Capital Finance in Local Authorities, the DCLG Guidance on Local Authorities Investments and the CIPFA "Treasury Management in the Public Services Code of Practice and Cross-Sectional Guidance Notes 2011." The Council's Treasury Management Policy Statement is set out in **Appendix F**.
- 7.2** The CIPFA Code recommends the enhanced role of scrutiny, more transparent reporting requirements and greater emphasis on the requirement for sufficient skills for those involved in treasury management activity and governance. The



need for future training of Members and treasury staff will be kept under regular review.

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

**8.1** Although economic and market risk are outside the control of the Council, risk will be managed and mitigated in accordance with the policies set out in the Treasury Management Practices and Schedules.

**9. TIMETABLE FOR IMPLEMENTATION**

**9.1** There is no timetable for implementation as this is an ongoing activity.

**Report Author: Terry Collier, Chief Finance Officer on 01784 446296.**

**Background Papers: There are none.**

## Appendix A

### Details of Core Investments Held as at 31st December 2011

Investment Type	Amount £m	Yield %	Start Date	Maturity Date
<u>UK Government Issues and Euro Sterling Bonds</u>				
European Investment Bank 4.75% 6/6/12	1.0	4.20	14 Nov 2008	6 Jun 2012
European Investment Bank 4.50% 13/1/13	2.0	4.87	31 Oct 2008	13 Jan 2013
UK Treasury Bills	3.0	0.31	07 Dec 2011	23 Jan 2012
<u>Fixed rate Deposits</u>				
Santander	2.0	1.29	28 Oct 2011	30 Jan 2012
Bank of Scotland	1.0	2.05	01 Jun 2011	1 Jun 2012
Barclays	1.0	0.87	17 Oct 2011	17 Jan 2012
Barclays	1.0	0.50	19 Dec 2011	19 Jan 2012
<b>Total - Core Investment Portfolio</b>	<b>11.0</b>	<b>1.89</b>		<b>Average</b>
<u>Cash Flow Investments</u>				
Bank of Scotland Call Acc	1.0	0.75		Instant Access
Goldman Sachs MMF	1.0	0.61		Instant Access
UK Debt Management Office	<b>8.5</b>	0.25		Various to Jan 12
Co-Op Treasury	1.5	0.45		3 Jan 2012
Nationwide Building Society	1.5	0.62		19Jan 2012
<b>Investments at 31.12.11</b>	<b>24.5</b>	<b>1.06</b>		<b>Overall Average</b>

## Appendix B

### **Specified Investments**

All such investments will be sterling denominated, with maturities of up to a maximum of one year. These investments must also meet the minimum high rating criteria and may be used in house or, if applicable, by fund managers, and are set out in the table below:

<b>Investment Type/Counterparty</b>	<b>Minimum Credit Criteria (see below*)</b>	<b>Maximum Term</b>	<b>Maximum Sum</b>
Deposits with UK Debt Management Office (DMO)	Government backed	No limit	No limit
Deposits with other local authorities, including Police Authority etc.	High security but not usually credit rated	1 year	£3m
Deposits and Certificates of Deposit with nationalised and part owned UK banks and building societies	Long Term A- (see below*), and in consultation with treasury advisors	1 year	£3m
Deposits and Certificates of Deposit with UK banks and building societies.	Long Term A- (see below*), and in consultation with treasury advisors Special arrangements apply for the Council's bankers only, currently The Co-Operative Bank plc	1 year	£3m
		2 weeks	£3m
UK Government Gilts	Long Term AAA	No limit	No limit
Bonds issued by multilateral development banks such as European Investment Bank, World Bank etc.	Long Term AAA	10 year	£10m
UK Treasury Bills	Long Term AAA	No limit	No limit
Deposits with Money Market Funds	AAA	1 year	£3m
Forward deals and fixed term deposits with variable interest rates and variable maturities, including callable deposits in UK banks and building societies	Long Term A- (see below*), and in consultation with treasury advisors	1 year	£2m

**\*Counterparty credit quality is assessed and monitored with reference to:**

- Credit Ratings (the Council's minimum long term counterparty rating of A-, or equivalent, across Fitch, Standard and Poor's and Moody's)
- Credit default swaps (CDS)
- GDP of the country in which the institution operates
- Country's net debt as a percentage of GDP
- Sovereign support mechanisms
- Potential support from a well resourced parent institution
- Share price

### **Non-Specified Investments**

All such investments will be sterling denominated and a maximum of 100% will be held in aggregate in non-specified investments with a maturity exceeding one year. These investments must also meet the minimum high rating criteria and may be used in house or, if applicable, by fund managers, and are set out in the table below:

<b>Investment Type/Counterparty</b>	<b>Minimum Credit Criteria (see below*)</b>	<b>Maximum Maturity Period</b>	<b>Maximum Sum</b>
Deposits with other local authorities, including Police etc.	High security but not usually credit rated	3 years	£3m
Deposits and Certificates of Deposit with nationalised and part nationalised UK banks and building societies	Long Term A- (see below*), and in consultation with treasury advisors	1 year	£3m
UK Government Gilts	AAA and Government backed	No limit	No limit
Bonds issued by multilateral development banks including European Investment Bank, World Bank etc.	AAA and Government backed	10 years	£10m
Forward deals and Fixed term deposits with variable interest rates and variable maturities, including callable deposits.	Long Term A- (see below*), and in consultation with treasury advisors	1 year	£1m
Pooled Funds and Collective Investment Schemes, including property and equity funds, meeting the criteria in SI 2004 No. 534 and subsequent amendments.	Not Credit Rated As recommended by treasury advisors (see below)	10 Years	£3m

#### **\*Counterparty credit quality is assessed and monitored with reference to:**

- Credit Ratings (the Council's minimum long term counterparty rating of A- ,or equivalent, across Fitch, Standard and Poor's and Moody's)
- Credit default swaps (CDS)
- GDP of the country in which the institution operates
- Country's net debt as a percentage of GDP
- Sovereign support mechanisms
- Potential support from a well resourced parent institution
- Share price

**CREDIT RATING EQUIVALENTS AND DEFINITIONS**

The three main credit rating agencies assign their own ratings based on their opinion of credit quality. The table below sets out the equivalent ratings across all three agencies that are assigned to investments and institutions where they are classed as long term investment grade. Ratings below BBB are classed as sub investment grade. The modifiers “+” or “-” are added to a rating to denote relative status within the major categories.

<b>Fitch</b>	<b>Moody's</b>	<b>Standard &amp; Poor's</b>
<p><b>AAA</b></p> <p>Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.</p>	<p><b>Aaa</b></p> <p>Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.</p>	<p><b>AAA</b></p> <p>An obligor rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest Issuer Credit Rating assigned by Standard &amp; Poor's.</p>
<p><b>AA</b></p> <p>Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.</p>	<p><b>Aa</b></p> <p>Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.</p>	<p><b>AA</b></p> <p>An obligor rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest rated obligors only in small degree.</p>
<p><b>A</b></p> <p>High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.</p>	<p><b>A</b></p> <p>Obligations rated A are considered upper-medium grade and are subject to low credit risk.</p>	<p><b>A</b></p> <p>An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.</p>
<p><b>BBB</b></p> <p>Good credit quality. 'BBB' ratings indicate that there are currently expectations of low credit risk. The capacity for payment of financial commitments is considered adequate but adverse changes in circumstances and economic conditions are more likely to impair this capacity. This is the lowest investment grade category.</p>	<p><b>Baa</b></p> <p>Obligations rated Baa are subject to moderate credit risk. They are considered medium grade and as such may possess certain speculative characteristics.</p>	<p><b>BBB</b></p> <p>An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.</p>

## **Treasury Management Scheme of Delegation**

### **Full Council**

- Receiving and reviewing reports on treasury management policies, practices and activities
- Approval of annual strategy

### **Cabinet**

- Approval of or amendment to the Council's adopted clauses, treasury management policy statement and treasury management practices
- Budget consideration and approval
- Approval of the division of responsibilities
- Receiving and reviewing regular monitoring reports and acting on recommendations
- Approving the selection of external service providers and agreeing terms of appointment

### **Overview and Scrutiny Committee**

- Reviewing the treasury management policy and procedures and making recommendations to Cabinet

## The Treasury Management Role of the S151 Officer

### The S151 (responsible) Officer

- Recommending clauses, treasury management policy and practices for approval, reviewing the same regularly, and monitoring compliance
- Submitting regular treasury management policy reports
- Submitting budgets and budget variances
- Receiving and reviewing management information reports
- Reviewing the performance of the treasury management function
- Ensuring the adequacy of the treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- Ensuring the adequacy of internal audit and liaising with external audit
- Recommending the appointment of external service providers

## **Treasury Management Policy Statement**

### **1. Introduction and Background**

- 1.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code.
- 1.2 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-
  - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
  - Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 1.3 The Council (i.e. full Council) will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- 1.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Cabinet, and for the execution and administration of treasury management decisions to the Assistant Chief Executive and Chief Finance Officer, who will act in accordance with the organisation's policy statement and TMPs and Chartered Institute of Public Finance and Accountancy's (CIPFA) Standard of Professional Practice on Treasury Management.
- 1.5 The Council nominates the Overview and Scrutiny Committee and the Assistant Chief Executive and Chief Finance Officer to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

### **2. Policies and Objectives of Treasury Management Activities**

- 2.1 The Council defines its treasury management activities as:

*“The management of the Council's investments and 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.”*
- 2.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- 2.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is



therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.”

- 2.4 The Council’s borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.
- 2.5 The Council’s primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority’s investments followed by the yield earned on investments remain important but are secondary considerations.

**Replacement of pay on foot machines in Elmsleigh surface and multi storey car parks.**

**Cabinet: 24 January 2012**

**Recommendation required**

**Report Assistant Chief Executive**

**REPORT SUMMARY**

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

The replacement of the pay on foot parking machines in the Elmsleigh car parks would make it a more pleasurable experience for residents and visitors using the car parks due to the current problems with the existing system. The new system would also help prevent loss of income due to people waiting until the car park closes and the barriers raised so they can exit without paying, despite parking all day.

**Purpose of Report**

To request permission to tender for a new parking payment system

**Key Issues**

- Age and reliability of current technology
- Efficient running of the parking service to maximise income streams
- Use of modern technology to provide better service to customers

**Financial Implications**

To replace like for like system would cost in the region of £150k but a more modern automated system using automatic number plate recognition would cost £75-80k

**Corporate Priority.**A Cleaner and Greener Environment, 6. Economic Development

**Officer Recommendations**

**The Cabinet is asked to agree the funding of automatic number plate recognition system for car parks in the sum of £80k plus annual maintenance costs of 10-12k/year after first year warranty**

**The Cabinet is asked to delegate the selection of the shortlist of tenders to the Head of Sustainability and Leisure**

**Report Author: Sandy Muirhead Head of Sustainability and Leisure 01784 446318**

**Area of Responsibility: Assistant Chief Executive Liz Borthwick 01784 446376**

**Cabinet member: Councillor Tim Evans**

## **MAIN REPORT**

### **1. BACKGROUND**

- 1.1 The Elmsleigh surface and multi storey car parks are currently operated as Pay on Foot, the payment system was introduced in early 2004. In recent years, the system has become unreliable which has reduced the amount of revenue collected and given poor customer service. The main problem with the system is that it is capable of crashing, leaving staff with no control of the entry/exit barriers or pay-stations. The primary daily inconvenience to our customers is the failure of the Pay on Foot tickets, which results in customers having to attend the car park office to obtain a replacement. At times, customers will have to queue and can become very irritated/angry on say a busy Saturday afternoon. This then negates the positive concepts of pay on foot or ANPR where the visitor is not set to arbitrary hourly time slots as with pay and display. Retailers also prefer these systems as the shopper is not so "time bound".
- 1.2 At the systems height of unreliability in 2010, the supplier recommended software and wiring upgrade at a cost of £46k. This may have addressed the unreliable operation of the system, but would have left us with hardware that looks tired and well used, which should be expected after 7 years of daily use. The other main drawback is that the system only accepts coin or note payments and does not accept debit/credit cards
- 1.3 The car park operates every day of the year, with the exception of Easter Sunday and Christmas day and is staffed from 7am to 7pm. Due to the unreliability of the system the barriers are raised when the staff leave at 7pm. This is to prevent customers being trapped in the car park if the system fails. This has been tested and customers have been trapped in the car park. Over the last year it has become apparent that some of our customers have realised that if they wait until after 7pm, they can leave the car park without payment. The car parks team have randomly stayed on, at a cost, to monitor the number of vehicles waiting to leave the car park without payment. On occasions up to 50/60 vehicles have not left the car park by the time the staff have finish their shifts, which represents lost revenue

### **2. KEY ISSUES**

- 2.1 Inconvenience to customer and staff of current system "crashing" on a regular basis leading to dissatisfaction by customers.
- 2.2 Loss of income after 7pm when people can leave the car park for free after parking there all day.
- 2.3 To replace like for like system would cost in the region of £150k but a more modern automated system using automatic number plate recognition would cost £75-80k

### **3. OPTIONS ANALYSIS**

- 3.1 The preferred option is to replace the current system with Automatic Number Plate recognition technology (ANPR) as this would ensure a reliable system requiring less maintenance by staff. Though much of this work is carried out by the car park administrators civil enforcement officers also have to carry out the work at certain times. A more reliable system frees them for further enforcement duties. Also as the current system is nearing its end of life we would need to

replace shortly at a cost of around £150k whereas to move to a modern more automated system especially one able to accept credit/debit cards it is estimated will cost £75-80k.

- 3.2 Not to install a new system will lead to further cost in terms of customer dissatisfaction and therefore their migration to other car parks with loss of income.

#### **4. PROPOSALS**

- 4.1 To bring the car park back to the standard of a premium car park and address the problem of unreliability, it is proposed that the car park is converted to Automatic Number Plate Recognition (ANPR) technology. This type of system will ensure that all vehicles entering, and leaving, the car park are recorded to a database and will ensure that parking charges are collected. We will not be losing income, which could be between £1 and 2k per month through people leaving the car park once the barrier is raised at 7pm. The system will operate automatically 24 hours per day, 363 day per year. There would be no need for entry/exit barriers or Pay on Foot tickets. Customers would have the option of paying for their parking with coins, notes, debit/credit card, pay by phone or pay online. Clear information and signage would be provided to customers.

#### **5. BENEFITS AND SUSTAINABILITY**

- 5.1 The system would enhance the customer experience and reduce verbal abuse to staff. It will also require less maintenance and thus there will be ongoing revenue cost savings

#### **6. FINANCIAL IMPLICATIONS**

- 6.1 To upgrade the software and wiring on the current system would cost approximately £46k. However, this will not resolve the issue around the age of the current machines. The annual maintenance agreement is about £17k but due to the unreliability of the machines we have to date this financial year spent £2.7k on extra callouts not covered in the maintenance agreement thus spend has been nearly £20k in the last year.
- 6.2 Replacing the current system with a like for like Pay on Foot system, of proven reliability, could cost up to £150k. Installing ANPR technology will cost between £74 / £79k with ongoing maintenance costs of £10-12k/year a saving of around £5k per year on the current maintenance agreement.

#### **7. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS**

- 7.1 It is estimated that the total contract value (including purchase, installation and four years maintenance) will be a maximum of £144,000. This is under the threshold which would require EU procurement, however under contract standing orders the Council is required to undertake a tender process including advertisement, this is most likely to be on the Council's website.
- 7.2 Contract standing orders require the shortlist of tenderers to be approved by Cabinet; however this report requests that this function is delegated to the Head of Sustainability and Leisure, as this will shorten the timescales for the procurement process. The shortlist will be selected on the stability and financial position of the tenderer together with such matters as there level of insurance

and the previous experience of installing and managing the system. The final selection of the contractor will be referred back to cabinet in due course.

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

- 8.1 A good contract with a reliable ongoing maintenance agreement after the warranty period will mitigate any issues with the new system if they arise.

**9. TIMETABLE FOR IMPLEMENTATION**

- 9.1 If approval is given it is intended to tender as soon as possible and install in spring 2012.

**Report Author: Sandy Muirhead Head of Sustainability and Leisure**

**Background papers:**

There are none

**Car parks' fees and charges**  
**Cabinet: 24 January 2012**  
**Recommendation required**  
**Report of the Assistant Chief Executive**  
**Report Summary**

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

Residents need somewhere to park and charges are a balance between affordability and encouragement of use. Car parks provide off street facilities for residents and visitors to park their cars but they do have to be maintained and patrolled to ensure safety and compliance.

**Purpose of Report**

Request limited changes in charging and amendments to car park orders to resolve anomalies.

**Key Issues**

- To consider only increasing parking charges where we have attractions, the demand is high and, or, we are offering good value for money.
- Removal of anomalies in the traffic orders
- Increases in permit prices

**Financial Implications**

The increased charges in Lammas and Laleham will bring in £10,000 and increases in permit income **£6,700**.

**Corporate Priority** \*.A Cleaner and Greener Environment, Economic Development

**Officer Recommendations**

**The Cabinet is asked to:**

- (1) authorise the Head of Sustainability and Leisure to proceed with proposals provided in 4.2.**
- (2) authorise the Head of Corporate Governance to publish a notice of proposal to advertise the proposed changes in 4.2**
- (3) delegate authority to the Head of Corporate Governance, in consultation with the Head of Sustainability and Leisure and the Cabinet Member for parking services to deal with any responses to the consultation**
- (4) delegate authority to the Head of Sustainability and Leisure, in consultation with the cabinet Member for parking services to amend the proposals following consultation**
- (5) to authorise the Head of Corporate Governance to publish a notice of making once the final decision is made.**

**Report author: Sandy Muirhead Head of Sustainability and Leisure 01784 446318**  
**Area of responsibility: Assistant Chief Executive Liz Borthwick 01784 446376**  
**Cabinet member: Councillor Tim Evans**

## MAIN REPORT

### 1. BACKGROUND

- 1.1 The Council aims to provide easy access to safe, secure and clean facilities that meet the demands of residents and businesses in the Borough. The service has attained and maintained this autumn with commendations the Park Mark status for all car parks, an initiative of the Association of Chief Police Officers and the British Parking Association. Park Mark encourages the use of car parks to help maintain economic growth by ensuring car parks are safe, well-lit and attractive to users.
- 1.2 Car parks represent a considerable part of the Council's asset portfolio. Whilst they predominantly focus on town centres, particularly Staines, they are recognised as a key to providing facilities for local people and visitors
- 1.3 Car parks provide off street facilities for residents and visitors to park their cars but they do have to be maintained and patrolled to ensure safety and compliance. The need for good quality car parking, with appropriate charging, is important in achieving and maintaining economic buoyancy.

### 2. KEY ISSUES

- 2.1 Income from our car parks is a significant part of the Council's budget. In 2011/12 the expected outturn income to be received from parking services, excluding on-street enforcement, is expected to be £1.678m compared to the budget estimate of £1.758m. Bearing in mind the current economic climate and a forecast that finances will not improve over the next year, we should only consider increasing parking charges where we have attractions, the demand is high and, or, we are offering good value for money. This will help support residents and businesses in this currently difficult economic climate.
- 2.2 The charges for the Laleham and Lammas car parks should reflect the high demand during the summer months and seasonal use. These parking charge increases will help cover the costs for maintaining/cleaning the park areas and Street Scene enforcement during the periods when these attractions are busy.
- 2.3 During the autumn/winter months the parking charges would revert to the current prices.
- 2.4 It is also proposed to remove anomalies not included in the order last year for the tariffs for the Elmsleigh Road Pay & Display, Riverside Underground Pay & Display and South Street Saturday Pay & Display they are increased in line with other town centre car parks. These increases were not made in 2011 and the intention is that they be included in the 2012 Off Street Parking Order to achieve consistency with the tariffs of the other short stay car parks which were increased in 2011 (appendix 1).

### **3. OPTIONS ANALYSIS**

- 3.1 In the current economic climate it is not appropriate to increase charges overall for parking. However it seems appropriate to charge higher in our well used car parks of Lammas and Laleham in the summer to fund cleaning and maintenance and the spray park.
- 3.2 Given the small value of the current permits for businesses and given administration time involved it is appropriate to charge to ensure our costs are covered. This may cause some initial concern from businesses but the prices are reasonable when costed per week. Similarly for residents permits.
- 3.3 It is appropriate to ensure all our traffic orders are correct and avoid anomalies. Hence the amendment re charges in small surface and underground car parks in Staines. Not to do so will cause confusion and result in limited lost revenue and the charges from last year are accepted in the other car parks

### **4. PROPOSALS**

- 4.1 Details of the increase in charges are provided in Appendix 1.
- 4.2 The proposals are:-
- To raise our business and resident permit charges as provided in Appendix 1
  - To charge at peak season in Lammas for all day at £7 and Laleham £10, but to keep winter charging the same as shown in Appendix 1.
  - To increase the tariffs for the Elmsleigh Road Pay & Display, Riverside Underground Pay & Display and South Street Saturday Pay & Display as shown in Appendix 1. These increases were not made in 2011 and the intention is that they be included in the 2012 Off Street Parking Order to achieve consistency with the tariffs of the other short stay car parks, which were increased in 2011.

### **5. BENEFITS AND SUSTAINABILITY**

- 5.1 The income from parking assists the Council in maintaining and providing these facilities for residents and businesses but they do have to be maintained and administered therefore the income generated assists with service provision.

### **6. FINANCIAL IMPLICATIONS**

- 6.1 The increased charges in Lammas and Laleham will bring in £10,000 and increases in permits **£6,700**.

### **7. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS**

- 7.1 All amendments to traffic orders require public consultation. Therefore, after agreement to the amendments a notice regarding the changes will be made in the local paper. If any objections are submitted then a further report will be brought to Cabinet.

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



- 8.1 There is a risk in raising charges at Lammas and Laleham in the summer that it may deter visitors but given the popularity of the park and seeming willingness to pay penalty charge notices it is suggested that most individuals will not see the increases as costly for a “day out”.
- 8.2 There may be some complaints from businesses requiring permits but businesses will realise the modest cost per week

## **9. TIMETABLE FOR IMPLEMENTATION**

Cabinet	24 January
Notice	2 February
Consultation	2-26 February
If <b>no</b> objections Implementation with delegations	1 April 2012

**Background Papers:  
There are none.**

## Appendix 1

The charges for the Laleham and Lammas car parks should reflect the high demand during the summer months and seasonal use.

### Laleham Park/Thameside Car Parks

April – September

Up to 1 hour	£0.50
Up to 2 hours	£2.00
Up to 4 hours	£4.00
Over 4 hours	£10.00

These parking charge increases will help cover the costs for maintaining/cleaning the park areas and Street Scene enforcement during the periods when these attractions are busy.

During the autumn/winter months the parking charges would revert to:

October – March

Up to 1 hour	£0.50
Up to 2 hours	£1.60
Up to 4 hours	£3.00
Over 4 hours	£5.00

### Lammas Car park

April – September

Up to 1 hour	£0.50
Up to 2 hours	£2.00
Up to 4 hours	£3.00
Over 4 hours	£7.00

These increases will help with the costs for maintaining the water feature, which attracts large numbers of customs in the summer months.

During the autumn/winter months the parking charges would revert to:

October – March

Up to 1 hour	£0.50
Up to 2 hours	£1.60
Up to 4 hours	£3.00
Over 4 hours	£5.00

### Resident and Visitors Car Park Permits

We currently have 76 resident permits in car parks in the Borough and the current cost for the resident car park permits are:

3 Months	£11.00
6 Months	£15.50
12 months	£21.00
Visitor Permits	£0.00

**Other authorities charge more for resident permits as shown below**

<b>Location</b>	<b>Resident Permit cost</b>
<b>Elmbridge – for town centre and village car parks</b>	<b>£70-£101</b>
<b>Guildford</b>	<b>£50 per year for 1st permit 2nd resident's permit £80</b>
<b>Woking, Surrey Heath and Epsom and Ewell</b>	<b>£50 per year for 1st permit 2<sup>nd</sup> resident's permit £75</b>
<b>On street permits in Spelthorne</b>	<b>£50 per year</b>

To bring our permit charges in-line with on street permit charges it is recommended that the cost of the resident permit is increased to £50 per annum. To cover some administration charges it is recommended that visitor permits are charged at £1 each

3 Months	£30.00
6 Months	£40.00
12 months	£50.00
Visitor Permits	£1.00

At these prices the permit cost is considerably cheaper than the standard parking charges and offer very good value for money

## Business Permits

The current cost of these permits is:

3 Months	£26.00
6 Months	£39.50
12 months	£50.00

It is proposed that the charge for these permits is increased to:

3 Months	£60.00
6 Months	£80.00
12 months	£100.00

Considering that these permits are for business use, they still offer good value for money.

Proposed increase in tariff for the Elmsleigh Road Pay & Display, Riverside Underground Pay & Display and South Street Saturday Pay & Display

The tariffs for the Elmsleigh Road Pay & Display, Riverside Underground Pay & Display and South Street Saturday Pay & Display to be increased as below. These increases were not made in 2011 and the intention is that they be included in the 2012 Off Street Parking Order to achieve consistency with the tariffs of the other short stay car parks which were increased in 2011.

	Current	Proposed
Up to 1 hour	£0.90	£1.00
Up to 2 hours	£1.60	£1.70
Up to 3 hours	£2.20	£2.30

(All other time period costs will remain as present)

**Draft Calendar of Meetings – June 2012 to May 2013**

**Cabinet: 24 January 2012 Council: 23 February 2012**

**Resolution required**

**Report of the Chief Executive**

**Report Summary**

**How does the content of this report improve the quality of life of Borough residents**

The preparation of a calendar of future Council, Cabinet and Committee meetings helps facilitate the proper organisation of Council business

**Purpose of Report**

This report seeks approval of a draft Calendar of Meetings for 2012-13 covering the period 1 June 2012 to 23 May 2013, for onward recommendation to Council for approval.

**Key Issues**

The draft Calendar of Council, Cabinet and Committee meetings [**Appendix A**] is based on the current pattern and numbers of meetings. Meeting dates for SCC Local Committee in Spelthorne have also been included.

The Chief Finance Officer has been consulted on the suitability of dates to enable end of period financial reports to be available for consideration at Cabinet and Overview and Scrutiny Committee meetings.

The Leader has agreed to continue to hold seven Cabinet meetings during the year and dates have been identified for these meetings in 2012 in June, September, November and December and in 2013 in January, February and April. This does mean that there is a 14 week gap between meetings in June and September 2012, although, of course, this covers the summer break period as well.

This may be avoided by inserting an eighth meeting in July, and in the event that this is not needed, a decision would be made to cancel the meeting.

**Financial Implications** There are no direct financial implications.

**Corporate Priority** Not appropriate.

**Officer recommendations**

**Cabinet is asked to recommend to Council the draft Calendar of Meetings for the period 1 June 2012 to 23 May 2013, attached at Appendix A to this report.**

**Report author:** Gillian Hobbs, Committee Manager Tel: (01784) 444243

**Area of responsibility:** Roberto Tambini, Chief Executive (01784) 446250

**Cabinet member:** Councillor Colin Davis

2012 YEAR PLANNER

\* Holiday (subject to regional and institutional variation)

	January	February	March	April	May	June
Mon						
Tue					1	
Wed		1 SEMINAR			2 PLANNING	
Thu		2 STANDARDS	1		3	
Fri		3	2		4	1
Sat		4	3		5	2
Sun		5	4	1	6	3
Mon	2 *BANK HOL.	6 CAB. BRIEF	5	2	7 *BANK HOL.	4 *BANK HOL.
Tue	3 *	7 O+S	6	3	8	5 *BANK HOL.
Wed	4	8 PLANNING	7 PLANNING	4 PLANNING	9 LICENSING	6
Thu	5	9 SEMINAR	8	5	10	7
Fri	6	10	9	6 *BANK HOL.	11	8
Sat	7	11	10	7	12	9
Sun	8	12	11	8	13	10
Mon	9	13 LOCAL CTEE	12 SEMINAR	9 *BANK HOL.	14 SEMINAR	11
Tue	10 O+S CAB. BRIEF	14 GROUP	13	10 GROUP	15	12 CABINET
Wed	11 RANNING	15 LICENSING	14 LICENSING	11	16	13 LICENSING
Thu	12	16	15	12	17 CIVIC RECEP.	14
Fri	13	17	16	13	18	15
Sat	14	18	17	14	19	16
Sun	15	19	18	15	20	17
Mon	16 LOCAL CTEE	20	19 *LOCAL CTEE	16	21 BRIEFING	18
Tue	17 GROUP	21 CABINET	20	17 CABINET	22	19 O+S
Wed	18 LICENSING	22	21	18 LICENSING	23	20
Thu	19	23 COUNCIL	22	19 STANDARDS	24 ACM	21 AUDIT
Fri	20	24	23	20	25	22
Sat	21	25	24	21	26	23
Sun	22	26	25	22	27	24
Mon	23	27	26 CAB. BRIEF	23 SEMINAR	28 GROUP	25 SEMINAR
Tue	24 CABINET	28 SEMINAR	27	24	29	26
Wed	25	29	28	25	30 PLANNING	27 PLANNING
Thu	26		29 AUDIT	26 COUNCIL	31	28
Fri	27		30	27		29
Sat	28		31	28		30
Sun	29			29		31
Mon	30 SP. CAB. BRIEF			30		
Tue	31					

	July	August	September	October	November	December
Mon				1 SEMINAR		
Tue				2 C+D SCRUTINY		
Wed				3		
Thu		1		4	1	
Fri		2		5	2	
Sat		3		6	3	
Sun		4		7	4	
Mon	2 CAB BRIEF	6 *	3 SEMINAR	8 LOCAL CTEE	5 CAB BRIEF	3 CAB BRIEF
Tue	3	7	4	9	6	4 O+S
Wed	4	8	5 LICENSING	10 LICENSING	7 LICENSING	5
Thu	5	9	6	11 MAYORS RECEP.	8	6 AUDIT
Fri	6	10	7	12	9	7
Sat	7	11	8	13	10	8
Sun	8	12	9	14	11	9
Mon	9 LOCAL CTEE	13	10 CAB BRIEF	15	12 LOCAL CTEE	10 GROUP
Tue	10 GROUP	14	11 O+S	16	13 GROUP	11
Wed	11 LICENSING	15	12	17 PLANNING	14 PLANNING	12 PLANNING
Thu	12 *	16	13	18 MAYORS RECEP.	15	13 COUNCIL
Fri	13	17	14	19	16	14
Sat	14	18	15	20	17	15
Sun	15	19	16	21	18	16
Mon	16 SP. CAB BRIEF	20	17 GROUP	22 SP. CAB BRIEF	19	17
Tue	17 CABINET	21	18	23	20 CABINET	18 CABINET
Wed	18	22 PLANNING	19 PLANNING	24	21	19 LICENSING
Thu	19 COUNCIL	23	20 AUDIT	25 COUNCIL	22	20
Fri	20	24	21	26	23	21
Sat	21	25	22	27	24	22
Sun	22	26	23	28	25	23
Mon	23	27 *BANK HOL.	24	29 *	26 SEMINAR	24
Tue	24	28	25 CABINET	30	27	25 *BANK HOL.
Wed	25 PLANNING	29	26	31	28	26 *BANK HOL.
Thu	26	30	27		29	27
Fri	27	31	28		30	28
Sat	28		29			29
Sun	29		30			30
Mon	30					31
Tue	31					

July	August	September	October	November	December
12 N Ireland	6 Scotland, R of Ireland 27 UK		29 R of Ireland		25 Christmas Day UK, R of Ireland 26 UK, R of Ireland

KEY: SURREY SCHOOLS HOLIDAYS [shaded] LGF CONFERENCE [shaded] CX LEAVE [shaded] CONSERVATIVE CONFERENCE [shaded]

# 2013 YEAR PLANNER

\* Holiday (subject to regional and institutional variation)

	January	February	March	April	May	June
Mon				1 *BANK HOL.		
Tue	1 *BANK HOL.			2		
Wed	2 *			3	1	
Thu	3			4	2 COUNCIL	
Fri	4	1	1	5	3	
Sat	5	2	2	6	4	1
Sun	6	3	3	7	5	2
Mon	7	4 GROUP	4	8	6 *	3 *
Tue	8	5 O+S	5	9	7	4
Wed	9 LICENSING	6 LICENSING	6 LICENSING	10 PLANNING	8 PLANNING	5 PLANNING
Thu	10	7	7	11	9	6
Fri	11	8	8	12	10	7
Sat	12	9	9	13	11	8
Sun	13	10	10	14	12	9
Mon	14 CAB BRIEF	11	11	15 CAB BRIEF	13	10 CAB BRIEF
Tue	15	12 CABINET	12	16	14	11
Wed	16 PLANNING	13 PLANNING	13 PLANNING	17 LICENSING	15 LICENSING	12 LICENSING
Thu	17	14	14	18	16	13
Fri	18	15	15	19	17	14
Sat	19	16	16	20	18	15
Sun	20	17	17	21	19	16
Mon	21 LOCAL CITEE	18 LOCAL CITEE	18 *LOCAL CITEE	22 GROUP	20	17 GROUP
Tue	22 GROUP	19	19	23	21	18 O+S
Wed	23	20	20	24	22	19
Thu	24 SPCAB BRIEF	21 COUNCIL	21 AUDIT	25	23 ACM	20 AUDIT
Fri	25	22	22	26	24	21
Sat	26	23	23	27	25	22
Sun	27	24	24	28	26	23
Mon	28 CAB BRIEF	25	25	29	27 *BANK HOL.	24
Tue	29 CABINET	26	26	30 CABINET	28	25 CABINET
Wed	30	27	27		29	26
Thu	31	28	28		30	27
Fri			29 *BANK HOL.		31	28
Sat			30			29
Sun			31			30
Mon						
Tue						

July	August	September	October	November	December	
1						Mon
2			1			Tue
3			2			Wed
4	1		3			Thu
5	2		4	1		Fri
6	3		5	2		Sat
7	4	1	6	3	1	Sun
8	5 *	2	7	4	2	Mon
9	6	3	8	5	3	Tue
10	7	4	9	6	4	Wed
11	8	5	10	7	5	Thu
12 *	9	6	11	8	6	Fri
13	10	7	12	9	7	Sat
14	11	8	13	10	8	Sun
15	12	9	14	11	9	Mon
16	13	10	15	12	10	Tue
17	14	11	16	13	11	Wed
18	15	12	17	14	12	Thu
19	16	13	18	15	13	Fri
20	17	14	19	16	14	Sat
21	18	15	20	17	15	Sun
22	19	16	21	18	16	Mon
23	20	17	22	19	17	Tue
24	21	18	23	20	18	Wed
25	22	19	24	21	19	Thu
26	23	20	25	22	20	Fri
27	24	21	26	23	21	Sat
28	25	22	27	24	22	Sun
29	26 *	23	28 *	25	23	Mon
30	27	24	29	26	24	Tue
31	28	25	30	27	25 *	Wed
	29	26	31	28	26 *	Thu
	30	27		29	27	Fri
	31	28		30	28	Sat
		29			29	Sun
		30			30	Mon
					31	Tue

July: 12 N Ireland  
 August: 5 Scotland, R of Ireland; 26 UK  
 September: 28 R of Ireland  
 October: 28 R of Ireland  
 November: 25 Christmas Day UK, R of Ireland; 26 UK, R of Ireland  
 December: 25 Christmas Day UK, R of Ireland; 26 UK, R of Ireland

KEY: SURREY SCHOOLS HOLIDAYS

**Appointments to Outside Bodies –  
Cabinet: 24 January 2012  
Resolution required  
Report of the Chief Executive**

**1. Purpose of report**

- 1.1 **a)** To appoint a representative to serve on the London 2012 Olympics Steering Group
- 1.2 **b)** To appoint a representative to serve on the Surrey High Sheriff Youth Awards Council

**2. Background**

- 2.1 The Cabinet made its annual appointments of representatives to serve on outside bodies at its meeting on 21 June 2011.
- 2.2 **a)** Spelthorne Council was invited to nominate a representative to the Olympics Steering Group only after 21 June 2011.
- 2.3 **b)** Spelthorne Council was invited to nominate a representative to the Surrey High Sheriff Youth Awards Council only after 21 June 2011.

**3. Recommendations**

- 3.1 **a)** The Cabinet is asked to appoint Councillor Forbes-Forsyth as a representative on the London 2012 Olympics Steering Group.
- 3.2 **b)** The Cabinet is asked to appoint Councillor Harman as a representative on the Surrey High Sheriff Youth Awards Council until June 2014.

**Report author: Greg Halliwell, Principal Committee Manager, (01784) 446267  
Area of responsibility: Roberto Tambini, Chief Executive, (01784) 446250  
Cabinet member: Councillor Vivienne Leighton**



