

**Roberto Tambini**  
**Chief Executive**

Please contact: Greg Halliwell  
Please telephone: 01784 446267  
Fax Number: 01784 446333  
Email Address: g.halliwell@spelthorne.gov.uk  
Our Ref: PGH/Cabinet  
Date: 15 November 2013

**Notice of Meeting – Revised agenda**

**CABINET**

**Date:** Tuesday 26 November 2013

**Time:** 19.00hrs

**Place:** Council Chamber, Council Offices, Knowle Green, Staines-upon-Thames.

<b>Members of the Cabinet</b>	<b>Cabinet member areas of responsibility</b>
R.L. Watts (Chairman)	Leader of the Council, Strategy and Corporate Governance, Human Resources
P. Forbes-Forsyth (Vice-Chairman)	Deputy Leader, Community Safety, Young People, Leisure and Culture
T.J.M. Evans	Finance
N. St. J. Gething	Economic Development and Fixed Assets
V. J. Leighton	Planning and Corporate Development
A. J. Mitchell	Environment (including Parks and Waste Management)
D. Patel	Parking services and ICT
J. M. Pinkerton OBE	Housing, Health, Wellbeing and Independent Living
J. R. Sexton	Communications and Procurement



## AGENDA

Description	Page Number
<b>1. Apologies for absence</b>	
To receive any apologies for non-attendance.	
<b>2. Minutes</b>	
To confirm the minutes of the Extraordinary Cabinet meeting held on 9 September and the Cabinet meeting held on 24 September 2013.	1 - 10
<b>3. Disclosures of Interest</b>	
To receive any disclosures of interest from members in accordance with the Council's Code of Conduct for members.	
<b>4. Surrey Local Flood Risk Management Strategy - Key Decision</b>	
Councillor Mitchell	11 - 14
<b>5. Parking fees and charges - Key Decision</b>	
Councillor Patel	15 - 26
<b>6. Leisure and Culture Strategy 2014-16 - Key Decision</b>	
Councillor Forbes-Forsyth	27 - 28
<b>7. Staines-upon-Thames programme - Key Decision</b>	
Councillor Gething	29 - 62
<b>8. Treasury Management half-yearly report 2013-14</b>	
Councillor Evans	63 - 72
<b>9. Capital monitoring report 6-months' update</b>	
Councillor Evans	73 - 78
<b>10. Revenue monitoring and projected outturn report</b>	
Councillor Evans	79 - 93
<b>11. Outline Budget 2014-15 to 2017-18</b>	
Councillor Evans	94 - 111
<b>12. Welfare reform</b>	
Councillor Pinkerton OBE	112 - 117

Description	Page Number
<b>13. Sustainable funding for Surrey Waste Partnership</b>	
Councillor Mitchell	118 - 124
<b>14. Moorings</b>	
Councillors Mitchell and Leighton	125 - 130
<b>15. Future arrangements for Spelthorne pay awards</b>	
Councillor Watts	131 - 143
<b>16. Staines-upon-Thames market contractor update</b>	
Councillor Gething	144 - 150
<b>17. Catering contract at Staines-upon-Thames Community Centre</b>	
Councillor Pinkerton OBE	151 - 152
<b>18. The appointments process for the Independent Remuneration Panel</b>	
Councillor Watts	153 - 155
<b>19. Outside Bodies appointment</b>	
Councillor Watts	156 - 157
<b>20. Issues for future meetings</b>	
Members are requested to identify issues to be considered at future meetings.	
<b>21. Urgent Items</b>	
To consider any items which the Chairman considers as urgent.	

## **Minutes of the Extraordinary Cabinet**

**Monday 9 September 2013**

### **Present:**

Councillor R.L. Watts, Leader of the Council, Chairman of the Cabinet and  
Cabinet Member for Strategy and Corporate Governance  
Councillor T.J.M. Evans, Cabinet Member for Finance  
Councillor V.J. Leighton, Cabinet Member for Corporate Development  
Councillor T. Mitchell, Cabinet Member for Environment  
Councillor J. Sexton, Cabinet Member for Communications, ICT and  
Procurement  
Councillor S. Webb, Cabinet Member for Planning and Housing

### **Apologies:**

Councillor P. Forbes-Forsyth, Deputy Leader and Cabinet Member for  
Community Safety, Young People, Leisure and Culture  
Councillor N. Gething, Cabinet Member for Economic Development and Fixed  
Assets  
Councillor J.M. Pinkerton OBE, Cabinet Member for Health, Wellbeing and  
Independent Living

### **1955/13 Disclosures of Interest**

There were none.

### **1956/13 Technical Reforms to Council Tax Discounts and Premiums (consultation) – Key Decision**

Cabinet considered a report on the proposed options for consultation on  
technical reforms to Council Tax discounts and premiums.

### **RESOLVED** that Cabinet:

- (1)** Approves the two options proposed for Council Tax discounts and premiums, including preferred Option 1.
- (2)** Approves a formal six weeks' consultation period to consult on the options for Council Tax discounts and premiums.

## Extraordinary Cabinet, 9 September 2013 - continued

**1957/13      Localisation of Council Tax Support (consultation) – Key Decision**

Cabinet considered a report on a revised local Council Tax support scheme.

**RESOLVED** that Cabinet:

- (1) Approves the options for a revised local Council Tax scheme, including preferred Option 2.
- (2) Approves a formal six weeks' consultation period to consult on the options for a revised local Council Tax support scheme.
- (3) Notes the timetable for implementation.

**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 16 September 2013***

## **Minutes of Cabinet**

**24 September 2013**

### **Present:**

Councillor R.L. Watts, Leader of the Council, Chairman of the Cabinet and Cabinet Member for Strategy and Corporate Governance  
Councillor P. Forbes-Forsyth, Deputy Leader and Cabinet Member for Community Safety, Young People, Leisure and Culture  
Councillor T.J.M. Evans, Cabinet Member for Finance  
Councillor N. Gething, Cabinet Member for Economic Development and Fixed Assets  
Councillor V.J. Leighton, Cabinet Member for Corporate Development  
Councillor J.M. Pinkerton OBE, Cabinet Member for Health, Wellbeing and Independent Living  
Councillor J. Sexton, Cabinet Member for Communications, ICT and Procurement  
Councillor S. Webb, Cabinet Member for Planning and Housing

**Apologies:** None given.

**In attendance:** Councillor F. Ayers, Leader of the Spelthorne Independent Party

### **1958. Minutes**

The minutes of the Cabinet meeting held on 16 July 2013 and the minutes of the Extraordinary Cabinet meeting held on 9 September 2013 were agreed as a correct record.

### **1959. Disclosures of Interest**

There were none.

### **1960. Local Plan Working Party Minutes and Recommendations**

Cabinet received the minutes of the meeting held on 4 September 2013.

**RESOLVED** that Cabinet notes the minutes and agrees the recommendations of the Local Plan Working Party as follows:

- That the Authority Monitoring Report 2013 is approved.
- That progress on CIL is delayed until the expected new Government Regulations are introduced.
- That the Working Party is asked to progress the work to introduce CIL as quickly as possible once the Regulations are in place.

### **1961. Economic Development Task Group and Economic Strategy (1<sup>st</sup> draft) – Key Decision**

Cabinet considered a report on the meeting of the Leader's Economic Development Task Group of 5 September 2013 and the 1<sup>st</sup> draft of the Economic Strategy 2013.

**RESOLVED** that Cabinet agrees the draft Economic Strategy for public consultation.



**Reason for the decision:**

Cabinet noted that the Economic Strategy sets out the actions the Council will be taking over the coming few years to further secure the sustainable growth of the local economy.

**1962. \*Search Moves Common Allocations Policy – Key Decision**

Cabinet considered a report on the Council's housing allocations policy which it has in common with Elmbridge Borough Council, Elmbridge Housing Trust and A2Dominion.

**RESOLVED TO RECOMMEND** that Council:

- Approves the proposed policy so the IT provider can be instructed to build the system to facilitate implementation of the new allocation policy.
- Approves the Portfolio holder to be given authority to approve any minor amendments to the policy due to the changing nature of legislation/case law and the changing needs of the community.

**Reason for the decision:**

Cabinet noted that Search Moves is regarded as a success especially by applicants who find the bidding process easier and the allocation of properties more transparent.

**1963. Commuted Sums Investment Strategy – Key Decision**

Cabinet considered a report on the Commuted Sums Investment Strategy.

**RESOLVED** that Cabinet approves the Commuted Sums Investment Strategy as set out in Appendix 2 of the report of the Assistant Chief Executive.

**Reason for the decision:**

Cabinet noted that the Strategy will maximise the Council's opportunities for bringing forward much needed affordable housing in a difficult economic climate.

**1964. Statement of Licensing Policy 2014-2019 (1<sup>st</sup> draft) – Key Decision**

Cabinet considered a report on the draft Statement of Licensing Policy for 2014-2019.

**RESOLVED** that Cabinet approves the draft Statement of Licensing Policy 2014 to 2019 in Appendix A of the Assistant Chief Executive's report to be sent out for consultation with relevant stakeholders in accordance with the timetable outlined in paragraph 7.1 of the report.

**Reason for the decision:**

Cabinet noted that the amendments to the policy have been made largely to reflect legislative changes which have been introduced since the current policy was approved in 2011.

**1965. Safeguarding Children and Adults at risk Policies – Key Decision**

Cabinet considered a report on the updated policies.

**RESOLVED** that Cabinet:

- Approves the Safeguarding Children and Adults at risk policies.

- Approves a budget of £3000 per annum be allocated to pay casual staff to attend training in the future, and to
- Approve a £1500 supplementary estimate for the remainder of this financial year 2013-14.
- Approves that the portfolio holder will have delegated authority to approve any further amendments to the policy from Surrey County Council.

**Reason for the decision:**

Cabinet noted that the Council's safeguarding children and adults at risk policies have been updated to comply with a recent statutory self-assessment audit and new guidance.

**1966. Gym extension at Spelthorne Leisure Centre – Key Decision**

Cabinet considered a report on the request from SLM for a supplementary capital payment of £300,000 to extend the gymnasium at Spelthorne Leisure Centre.

**RESOLVED** that Cabinet approves a supplementary capital estimate of £300,000 for payment to SLM for this project in return for an addition to the existing management fee of £4,350 per month over the remaining 7-year term.

**Reason for the decision:**

Cabinet noted that:

- The Council expects to recover the Capital outlay as well as receiving an addition to the existing management fee.
- The gymnasium extension will offer an improved facility to its users.

**1967. Capital Monitoring**

Cabinet considered a report on the spend figures for the Capital Programme for the period April to July 2013.

**RESOLVED** that Cabinet notes the report.

**1968. Revenue Monitoring**

Cabinet considered a report on the net revenue spend figures to the end of July 2013.

**RESOLVED** that Cabinet notes the report.

**1969. Local Enforcement (Planning) Policy**

Cabinet considered a report on the Council's policy towards dealing with unauthorised development.

**RESOLVED** that Cabinet adopts the policy set out in Appendix 1 of the Assistant Chief Executive's report 'Local Enforcement Plan (Planning) - The Council's policy towards dealing with unauthorised development'.

**Reason for the decision:**

Cabinet noted the importance of adopting the policy in order to manage local enforcement reasonably and proportionately where unauthorised development has taken place.

**1970. Housing Options and Housing Benefits Accommodation Works**

Cabinet considered a report requesting a £70,000 supplementary capital estimate to cover the estimated cost of works to make the ground floor west wing of Knowle Green suitable to accommodate the Housing Benefits and Housing Options teams.

**RESOLVED** that Cabinet approves the estimated £70,000 cost of works to make the ground floor west wing of Knowle Green suitable to accommodate the Housing Benefits and Housing Options teams.

**Reason for the decision:**

Cabinet noted that one of the main outcomes of the proposed works would be to bring the housing benefits and housing options teams together in the one room.

**1971. Response to the Independent Airports Commission on submissions for a third and fourth runway at Heathrow airport**

Cabinet considered a report on submissions made to the Davies Commission on proposals to add a third and possibly fourth runway at Heathrow airport.

**RESOLVED** that Cabinet requests the Davies Commission to:

1. Maintain Heathrow's hub status which is the best and most expeditious way of securing the UK's aviation industry and in turn support the UK economy.
2. Support the North West runway options as the quickest, cheapest and least complex full third runway option at Heathrow.
3. Support the dual North West runway option as the most cost-effective and easy to implement of the fourth-runway options.
4. Strongly reject the South West option on the grounds of:
  - a. Cost
  - b. Delay in implementation
  - c. Construction complexity and risk to delivery
  - d. Significant environmental impact on a large number of people, uncertain environmental risks in resolving serious nature conservation and flood issues, and uncertainty over continuity of fresh water supply for London.

**Reason for the decision:**

Cabinet noted the importance of Heathrow's hub status to the local economy – 8.3% of Spelthorne's residents work there.

**1972. Outside Bodies appointments**

Cabinet considered a report on a proposal to appoint a representative and a deputy to the Strategic Aviation Special Interest Group (SASIG).

**RESOLVED** that Cabinet appoints Councillor Mark Francis as a representative and Councillor Spencer Taylor as a deputy to the Strategic Aviation Special Interest Group (SASIG).

## **1973. Leader's announcements**

### **The Greeno Centre in Shepperton**

The successful intergenerational project at the Greeno Centre in Shepperton – initiated to combat antisocial behaviour by youths congregating near the centre – was recently featured in Street Patrol, a BBC1 documentary series, as an example of good partnership working between Spelthorne Council, the police neighbourhoods team, Surrey Youth Service and the Greeno Centre.

### **The Engage App**

This has just gone live in Spelthorne, the first local authority in Surrey to have one. The top 5 areas which people have been looking at are:

Spelthorne news

What's on in Spelthorne?

Tweets from Surrey Police

Other News

Local Events

### **Mobile Website**

In conjunction with Engage we have also launched a mobile version of the full website. This is specifically designed for use on mobile phones and displays the most commonly requested areas of the full website in a simpler format. The mobile website is automatically displayed when you log in from your mobile phone.

### **Stanwell meeting on the Heathrow runways issue**

The Council has received many positive comments on how well organised the meeting was and how it helped clarify people's understanding of the issues and gave people the opportunity to raise questions.

### **KPMG's Audit**

The Council has just received a very positive report from KPMG on the 2012-13 Statement of Accounts which acknowledged improvements made by Accountancy. KPMG said the audit process went very smoothly.

### **Celebration of Orchard Meadow**

This was a free fun family activity day to celebrate the re-naming of Orchard Meadow to 'The Queen Elizabeth II Field' in celebration of the Jubilee.

### **Community Centre in Stanwell**

The Stanwell Community Centre is now open and a wide range of classes is on offer to local residents including Singing for Wellbeing, chair-based exercise plus games and quizzes.

### **Planning enforcement**

The Council has won an enforcement appeal at the Bugle Returns Public House in Halliford to remove a number of residential caravans on a green belt site. The owner now has six months to remove the permanent residential caravans from the site. If they do not do so, the next stage will be to consider prosecution.

### **A field to the east of 684, London Road Ashford**

The Council has successfully used planning enforcement action to stop the unauthorised use of this site in the Green Belt as a car park. The enforcement action was upheld, the site has now been cleared and the owners have agreed to pay the Council's costs in running up a case at public inquiry which the landowners withdrew from. The Council will be claiming back £14,000 in costs.

### **South and South East in Bloom**

The Council scooped five awards.

Sunbury Walled Garden claimed the top-spot, receiving a Gold award and being declared overall winner in the Small Park category.

Sunbury Cemetery also topped its group as winner of the Small Cemetery category and Staines Cemetery gained a Silver Gilt award in the same category.

The Ash Link Nature Reserve in Shepperton was awarded a Silver Gilt award in the Conservation Area category.

Shepperton High Street was recognised with Silver in the Town Centre class.

### **1974. Issues for Future Meetings**

There were none.

### **1975. Urgent Items**

There were none.

### **1976. Exempt Business**

**RESOLVED** to move the exclusion of the Press and Public for the following item in view of the likely disclosure of exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006.

### **1977. Exempt Report – Procurement of support services for temporary accommodation – Key Decision**

**Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding the information).**

Cabinet considered an exempt report on the procurement of support services for temporary accommodation in the Borough.

**RESOLVED** that Cabinet agrees to the shortlist of 4 potential suppliers to proceed to the next stage of the procurement process for support services within temporary accommodation:

- A2Dominion
- Home Group Limited
- St. Mungo's Community Housing Association
- The Salvation Army

**Reason for the decision:**

Cabinet noted that the current support arrangement contract is due to end in February 2014 and there is an ongoing need to provide adequate support to homeless households placed in temporary accommodation by the Council.

**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 30 September 2013***

**Cabinet****26 November 2013**

<b>Title</b>	Surrey Flood Risk Management Strategy		
<b>Purpose</b>	Resolution required		
<b>Report of</b>	Assistant Chief Executive	<b>Confidential</b>	No
<b>Cabinet Member</b>	Councillor Tony Mitchell	<b>Key Decision</b>	Yes
<b>Report Author</b>	Sandy Muirhead		
<b>Summary and Key Issues</b>	<p>Spelthorne is a Borough with a high risk of flooding and has experienced several flood incidents over the last 10 years.</p> <p>As a result of the 2007 floods the Government introduced the 2010 Flood and Water Management Act. Under this Act Surrey County Council has a statutory duty to produce a Local Flood Risk Management Strategy.</p> <p>The second draft of the strategy has been produced in co-operation with the Boroughs and Districts. . This report summarizes the key strategy areas.</p>		
<b>Financial Implications</b>	There are no immediate financial implications arising from this report. Funding for any projects will be made through future bidding processes.		
<b>Corporate Priority</b>	Service delivery Communication		
<b>Recommendations</b>	Cabinet is asked to endorse the aims of the draft strategy and the principle of multi-agency joint working to deliver them.		

## 1. Background

- 1.1 Surrey is a County with a high risk of flooding and has experienced several major flood incidents over the last 10 years. Evidence indicates that in the future the damage caused by flood incidents could increase with the impact of climate change and further pressure for development in areas at risk of flooding.
- 1.2 As a result of the 2007 floods the Government introduced the 2010 Flood and Water Management Act (FWMA). The Act gave county councils and unitary authorities the new statutory role of Lead Local Flood Authorities. SCC is therefore the Lead Local Authority for the borough of Spelthorne. Under this Act Surrey County Council (SCC) has a statutory duty to produce a Local Flood Risk Management Strategy and in September 2012 it was one of the first Lead Local Flood Authorities to publish a draft strategy for public consultation. Spelthorne Borough Council fed into its production. Key to the strategy's delivery has been the partnering approach on its development and that partnering between all parties involved will be required to ensure its delivery.
- 1.3 At district and borough level we have the general duty under the Land drainage Act 1991, as well as the FWMA, to work in partnership with other risk management authorities, such as SCC and the Environment Agency.
- 1.4 Local Planning Authorities Districts and Boroughs are required to take account of national policy guidance on flood risk, amongst other considerations, in both their development control and forward planning work. Districts and Boroughs also have a number of other powers and statutory obligations on flood risk management. The National Planning Policy Framework requires local plans, and developers on individual planning applications, to take full account of flood risk and water supply. The Flood and Water Management Act requires planning authorities (and other risk management authorities) to take account of Local Flood Risk Management Strategy's when they are prepared.
- 1.5 Residents and businesses do not always distinguish between different types of flood risk; the impact is their key concern. The strategy therefore illustrates levels of risk within the county from all sources of flood risk. This is broader than the types of flood risk for which Surrey County Council is strictly responsible. It recognizes the importance of partnership to manage and prevent flood risk in Surrey.
- 1.6 Through this Surrey Local Flood Risk Management Strategy there is a Surrey wide aim to increase awareness of local flood risk issues. The Strategy sets out how partners are working together to reduce flood risk. It provides, for the first time, an overview of the ongoing flood risk management work underway county wide. The organisations in Surrey with responsibility for flood risk management have worked together to produce the strategy.
- 1.7 SCC is also working with Boroughs and Districts to produce Surface Water Management Plans. A Surface Water Management Plan (SWMP) is a plan that outlines the preferred surface water management strategy in a given location. In this context surface water flooding describes flooding from



sewers. Drains, groundwater, and runoff from land, small water courses and ditches that occurs as a result of heavy rainfall. This is separate from the Environment Agency's responsibilities for major water courses.

- 1.8 Surrey Flood Risk Partnership Board oversees the implementation of the strategy. The Surrey County Council Assistant Director, Highways, chairs the partnership board, which ensures there is a strategic approach to flood risk management within Surrey. Districts and Boroughs most at risk of flooding are members and the Head of Sustainability and Leisure attends on Spelthorne Borough Council's behalf.
- 1.9 The Strategy is intended to deliver:-
- Effective partnership working on a joint understanding of local flood risk and an alignment of priorities and investment under the strategy
  - An action plan sitting alongside the strategy to ensure its delivery
  - A partnership board which oversees a programme of bids for funds to deliver schemes to alleviate/manage flood risk
- 1.10 The aims of the draft strategy (to 2017) are:-
- i) Drainage strategy – to develop long term drainage and asset management strategy which covered highways and ordinary watercourse management. As a result it would target high risk and high need areas in a joined up way.
  - ii) Infrastructure - the relevant Local Authorities would work together with the Environment Agency to ensure development and implementation of flood risk management strategies including the Lower Thames and Wey. This would bring tangible reductions in flood risk to some Surrey communities.
  - iii) Sustainable drainage - to develop an approach to sustainable drainage systems that were fully integrated with the planning system. Large development sites would be exemplars. The aim was also to see more retrofitting of sustainable drainage systems in high risk areas
  - iv) Resilience – To promote flood resilience and resistance measures to “at risk” households and businesses in Surrey. This would include the continued development and sharing of self help opportunities.
  - v) Insurance - To urge the Government to work with the insurance industry to guarantee the availability and affordability of flood insurance
  - vi) Funding – To be ambitious in the approach to securing national flood risk management funding, and in exploring additional funding sources. To assist, where possible, in supporting the funding of property level protection schemes in high risk areas.
  - vii) Communications - to continue to explain the work underway to reduce flood risk, how this was prioritised and what role residents and businesses could play

- viii) Technology - to continue to promote and use innovative technologies to better understand the nature of flood risk and identify potential flood risk mitigation measures.

## **2. Key issues**

- 2.1 By far the greatest flood risk in Spelthorne is from the River Thames and there are also risks from the Rivers Colne and Ash. A potential 1 in 100 flood event could affect over 2800 residential properties and large commercial areas including about half of Staines town centre
- 2.2 Surrey Chief Executives agreed in June 2013 that it was important that all districts in a spirit of partnership with SCC, supported the Surrey Flood Risk Strategy.
- 2.3 A “duty” under the 2010 legislation requires Surrey to establish a “sustainable drainage approving body”. DEFRA is likely to commence this aspect of new legislation (Schedule 3 of the 2010 Flood and Water Management Act) in April 2014. Joint preparatory work is in hand.

## **3. Options analysis and proposal**

- 3.1 Given the importance of managing flood risk especially, in Spelthorne it is considered important to agree the Strategy locally and work with adjacent authorities and others to mitigate risk of flooding within the Borough

## **4. Options analysis and proposal**

- 4.1 To agree to support the strategy
- 4.2 Not to agree
- 4.3 It is proposed the Strategy is supported and we help deliver its aims and objectives which will help protect or reduce the risk of flooding, to our residents and businesses.

## **5. Financial implications**

- 5.1 There are no immediate financial implications arising from this report. Any officer time allocated to the SLFRMS will be met from existing resources and budgets. Funding for any projects will be made through any future bidding processes.

## **6. Other considerations**

- 6.1 SCC intend to publish the final strategy in December 2013

## **7. Risks and how they will be mitigated**

- 7.1 The strategy is about mitigating risk and therefore these aspects are incorporated in the delivery process or the strategy. There are, however, risks of greater impacts from flooding if the Strategy is not implemented effectively.

## **8. Timetable for implementation**

- 8.1 SCC intends to publish a final version in December 2013 and the strategy will have a four year life.

**Background papers: There are none**

**Cabinet****26 November 2013**

<b>Title</b>	Parking fees and charges – Revised 26 November 2013		
<b>Purpose</b>	Recommendation required		
<b>Report of</b>	Assistant Chief Executive	<b>Confidential</b>	No
<b>Cabinet Member</b>	Councillor D Patel	<b>Key Decision</b>	Yes
<b>Report Author</b>	Sandy Muirhead		
<b>Summary and Key Issues</b>	<p>The purpose of this report is to review car parks fees and charges, which have been kept low since 2011. This report suggests some changes which will maintain income and manage costs. Key suggestions are</p> <ul style="list-style-type: none"> <li>• Maintaining and supporting the retail sector with a Sunday charge of £2 for the whole day</li> <li>• Increasing the two hour charge in Staines-upon-Thames car parks to £2.00 from £1.70 and 3hour charge to £2.50 from £2.30</li> <li>• Upgrading signage</li> <li>• Introducing a parking order for Groveley recreation ground car park.</li> <li>• There are proposed changes to consolidate the Off Street Parking Order</li> </ul>		
<b>Financial Implications</b>	<p>Potential income increase of £9.6k/year  Capital outlay of £13k for signage which will enhance the car parks and make them more attractive to users.</p>		
<b>Corporate Priority</b>	*Service delivery, *Communication, *Efficient use of assets		
<b>Recommendations</b>	<p>Cabinet is asked to:</p> <ol style="list-style-type: none"> <li>(1) authorise the Head of Sustainability and Leisure to proceed with proposals made in this report and Appendix 1</li> <li>(2) authorise the Head of Corporate Governance to publish a notice of proposal to advertise the proposed changes</li> <li>(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 proposed changes</li> <li>(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</li> <li>(5) to authorise the Head of Corporate Governance to publish a notice of making once the final decision is made.</li> </ol>		

## **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 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, thus creating a safe environment for the customer and their vehicle.
- 1.2 Car parks represent a considerable part of the Council's asset portfolio. Whilst they predominantly focus on town centres, particularly Staines-upon-Thames, 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.
- 1.4 However, there is a cost to maintaining and operating car parks and striking the balance between covering costs and provision of a good service is important.

## **2. Key issues**

- 2.1 Income from our car parks is a significant part of the Council's budget. In 2012/13 the outturn income to be received from parking services, excluding on-street enforcement, is £1,945,000m compared to the budget estimate of £1,838,300m. 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, we need to cover costs and/or, we are offering good value for money. This will help support residents and businesses in the economic climate, which although showing recent signs of improvement, for the resident or visitor many have seen a drop in their household incomes over the last few years.
- 2.2 Also we need to be aware of the negative press parking has recently receive, much it wrongly portraying parking and its role.
- 2.3 Prices in most of Spelthorne's car parks have not changed since 2011 and in 2012 prices were altered in just Lammas and Laleham car parks to reflect the seasonality of use.
- 2.4 It has been noted that Groveley park recreation ground car park is being used by BP staff for all day parking. As there is currently no parking order on this site we need to implement one so we can bring in restrictions to curb all day parking.
- 2.5 There are proposed changes to consolidate the Off Street Parking Order.

## **3. Options analysis and proposal**

- 3.1 Details of the proposed increases in charges are provided in Appendix 1.

- 3.2 The price increases proposed in this report are small to help assist the local economy. Due to the need to go through a formal procedure of approval and advertising for these charges/changes to parking orders it will be April 2014 before they are implemented. The proposals are:-
- a) To raise in car parks in Staines-upon-Thames charges for 2 hours from £1.70 to £2.00 and 3 hours changes from £2.30 to £2.50 (Monday – Saturday). Given the current economic climate and recent furore over parking this is a measured approach generating about an extra £9k/year.
  - b) Trial in all car parks (which normally operate on Sundays) in Staines-upon-Thames of a £2.00 charge to park all day on Sunday for 6 months. It is hoped this will assist economic development and the retail sector in the town centre. However, this could have significant impact on revenue as the car parks are well used, particularly at Christmas, hence it seems appropriate to trial the scheme to determining the impact of the £2.00 charge.
  - c) To request a capital bid of £13k to allow replacement of signage in order to “declutter” current signage and ensure all car parks clearly display the terms and conditions. The signs have been modified to accept any annual changes over the last 5 years and as a result need to be redone to cover terms and conditions, charges and details on the paybyphone option. The latter has become increasingly popular as a payment option. Changes to signage will assist in ensuring clarity for users of car parks (and happier customers) and reduce challenges to penalty charge notices which often refer to signage not being clear even when the information is present on the sign.
  - d) To increase season ticket charges in Staines-upon-Thames which are competitively priced in relation to other town centres and railway parking charges (Appendix 1).
- 3.3 A consolidation of the car park site plans in the Off-Street Parking Order is also proposed. It is proposed that new site plans for each car park be included in the Off Street Parking Order so as to consolidate and refresh plans which have been included in various orders over the years.
- 3.4 A clarification of the boundary of the Spelthorne Borough Council Car Park, Staines-upon-Thames (Knowle Green) is proposed. On reviewing the Off Street Parking Order, it is proposed that the boundary of the Spelthorne Borough Council Car Park, Staines-upon-Thames (Knowle Green) be clarified to accurately reflect the current extent and operation of this car park. This will result in an increase in regulated parking spaces.
- 3.5 The removal of parking places at Stanwell Village Car Park is proposed due to redevelopment of the space for housing development. Any public parking spaces provided within the development by the Developer are not to be included in the Off Street Parking Order.

#### **4. Financial implications**

- 4.1 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. The increase in the 2 hour fee would generate an income of £9k/year. The increase in permit charges could potentially generate an extra £2666 in income per year.

4.2 To charge £2/day on a Sunday will impact by on revenue, especially at Christmas, though it is difficult to assess in detail due to the machines not splitting the data easily over a weekend.

4.3 To request consideration of a capital bid for to upgrade signage in the car parks in readiness for implementation of new charges in April 2014

## **5. Risks and how they will be mitigated**

5.1 There is a risk that if charges are raised then this will act as a disincentive to people using our car parks and lead them to either not visit the Borough's shopping centres or use other operator's car parks. The trial on Sunday charging at £2 may result in a decline in income or not benefit retailers as well as hoped.

## **6. Timetable for implementation**

26 November 2013 Cabinet decision

December 2013 / January 2014 Consultation

January 2014 Consideration of objections

Orders made and implemented April 2014

### **Background papers:**

There are none

### **Appendices:**

Appendix 1

## Proposed car park charges increase 2013

Bearing in mind the current economic climate and a forecast that finance's will not improve over the next year, we should only consider increasing parking charges where we have attractions, the demand is high, the need to cover costs and, or, we are offering good value for money.

### Car parks in Staines-upon-Thames

**Proposal:** There will be a £2.00 charge to park all day on Sundays at all car parks (which normally operate on Sundays) in Staines-upon-Thames i.e. Bridge Street, Elmsleigh Road, Elmsleigh Multi-storey, Elmsleigh Surface, Riverside Surface, Kingston Road, Tothill Multi-storey

### Long stay car parks

#### Bridge Street, Staines-upon-Thames TW18 4TG (Monday to Saturday)

Up to 1 hour	£1.00
Up to 2 hours Changed from £1.70	£2.00
Up to 3 hours Changed from £2.30	£2.50
Up to 5 hours	£3.30
Over 5 hours	£7.00
7pm-12am	£1.00

### Lower level

#### Monday to Friday

BUPA Permit Holders

#### Saturday to Sunday

Public Parking - Pay and Display

#### Disabled badge Holders

At any time - Pay and Display

## Top level

### Monday to Friday

BUPA Permit Holders

Public Parking - Pay and Display

### Saturday to Sunday

Public Parking - Pay and Display

### **Tothill MSCP, Staines-upon-Thames TW18 4PN (Monday to Saturday)** **Kingston Road, Staines-upon-Thames TW18 4LQ (Monday to Saturday)**

Up to 1 hour	£1.00
Up to 2 hours changed from £1.70	£2.00
Up to 3 hours changed from £2.30	£2.50
Up to 5 hours	£3.30
Over 5 hours	£7.00

### Short stay car parks

### **Elmsleigh MSCP and Elmsleigh Surface, Elmsleigh Road TW18 4TL** **(Monday to Saturday)**

Up to 1 hour	£1.00
Up to 2 hours changed from £1.70	£2.00
Up to 3 hours changed from £2.30	£2.50
Up to 4 hours	£3.50
Up to 5 hours	£6.80
Over 5 hours	£12.00



**South Street  
Riverside Underground**

**Saturday only - 8am-7pm**

Up to 1 hour	£1.00
Up to 2 hours changed from £1.70	£2.00
Up to 3 hours changed from £2.30	£2.50
Up to 4 hours	£3.50
Up to 5 hours	£6.80
Over 5 hours	£12.00

**Maximum stay car park  
Riverside Surface, TW18 4UD (Monday to Saturday)**

Up to 1 hour	£1.00
Up to 2 hours changed from £1.70	£2.00
Up to 3 hours changed from £2.30	£2.50
Up to 4 hours	£3.50
Up to 5 hours	£6.80
Over 5 hours	£12.00
7pm-12am	£1.00

**Ashford –long stay car park**

Up to 30 minutes	£0.40
Up to 2 hours	£1.00
Over 2 hours	£1.30

**Long stay car park**

**Abbey Drive, Laleham TW18 1SR**  
**The Broadway, Laleham TW18 1RZ**  
 Monday to Sunday - 7am-7pm

Up to 1 hour	free
Up to 2 hours	£1.10
Over 2 hours	£1.50

**Long stay car parks**

**Dumsey Meadow, Shepperton KT16 8LT**

Monday to Sunday - 7am-7pm

Up to 1 hour	free
Up to 2 hours	£1.10
Over 2 hours	£1.50

**Manor Park, Shepperton TW17 9JT**

Monday to Sunday - 7am-7pm (April – September and October – March)

Up to 1 hour	free
Up to 2 hours	£1.10
Over 2 hours	£1.50

## Shepperton Village Hall, Shepperton TW17 9AU

Monday to Sunday - 7am-7pm

Up to 1 hour	free
Up to 2 hours	£1.10
Over 2 hours	£1.50

## Car parks in Sunbury

### Long stay car parks

**Thames Street, Sunbury TW16 5QF**  
**Old Bathing Station, Sunbury TW16 6BT/TW16 6AH**  
**Orchard Meadow, Sunbury TW16 5HY**  
**Sunbury Park/Green Street, Sunbury TW16 6RA**  
**The Walled Garden, Sunbury TW16 6AF**

Monday to Sunday - 7am-7pm

Up to 1 hour	free
Up to 2 hours	£1.10
Over 2 hours	£1.50

**PERMITS Current Numbers of Permits issued**

	<b><u>Business</u></b>	<b><u>Residents</u></b>
Broadway	9	2
Manor Park	0	1
Orchard Meadow	13	39
Shepperton Village Hall	12	0
Thames Street	6	32
Walled Garden	25	22
<b>TOTAL</b>	<b>65</b>	<b>96</b>
	<b>Other non business or resident permits</b>	
Also have the following allocated for free	Permits issued for free	
Broadway Allotment Holders	78	
Walled Garden/Orchard Meadow Sunbury Embroidery Gallery	72	- Used by volunteers at Sunbury Embroidery Gallery

## Car Park Season Tickets

## Car park season ticket prices

<b>Ashford</b> <b>Ashford MSCP</b>  Monday - Saturday	<b>No change proposed</b>	
1 month	£14	
3 months	£35	
6 months	£67	
1 year	£130	
<b>Ashford Chamber of Commerce</b>  Monday - Saturday	<b>No change proposed</b>	
Members of Ashford Chamber of Commerce	£20	
First member employees of Ashford Chamber of Commerce	£30	
Additional member of employees	£100	
<b>Staines-upon-Thames</b>	<b>Proposed</b>	
Up to three months current £201	£205	
Up to six months current £376	£380	
Up to 12 months current £710	£715	
<b>Railway, Kingston Road,</b>	<b>Proposed</b>	

<b>Staines-upon-Thames</b>	
1 month current £67 increase to avoid people paying monthly and necessary admin	£80
3 months current £206	£210
12 months current £670	£780

**Cabinet****26 November 2013**

<b>Title</b>	Leisure and Culture Strategy 2014-2016		
<b>Purpose</b>	Resolution required		
<b>Report of</b>	Assistant Chief Executive	<b>Confidential</b>	No
<b>Cabinet Member</b>	Councillor Penny Forbes-Forsyth	<b>Key Decision</b>	Yes
<b>Report Author</b>	Lisa Stonehouse		
<b>Summary and Key Issues</b>	The previous Leisure and Culture Strategy expired in 2012. A new strategy is essential in order to outline the priorities of the Leisure Team for 2014-16. The strategy was compiled in partnership with the Overview and Scrutiny Task Group and was presented to the Overview and Scrutiny Committee in September.		
<b>Financial Implications</b>	<ul style="list-style-type: none"> <li>• The actions within the strategy will be undertaken by the Leisure Services Team within their allocated department budget.</li> <li>• A robust Leisure and Culture Strategy is required to source external funding. Agencies such as Sport England and national governing bodies for sport require that a strategy is in place prior to awarding funding.</li> </ul>		
<b>Corporate Priority</b>	Service delivery Communication Efficient use of assets		
<b>Recommendations</b>	The Cabinet is asked to approve the Leisure and Culture Strategy 2014-16		

**1. Background**

- 1.1 The Leisure and Culture Strategy provides an outline of the priorities for the work of the Leisure Services Team and an overview of the local and national policies that influence this work. An action plan for 2014 is on pages 19-25 of the strategy and will be reviewed each year.

**2. Key issues**

- 2.1 The action plan will be reviewed in December each year. The strategy includes actions in relation to sport, active lifestyle, arts, heritage and youth.
- 2.2 The document will be utilised at a corporate level to inform decisions regarding leisure priorities.

**3. Options analysis and proposal**

- 3.1 To approve the strategy and give direction for the work of the Leisure Services Team for the period 2014-2016.

**4. Financial implications**

- 4.1 The Leisure Team are regularly seeking external funding for projects and events.
- 4.2 Many of the actions are reliant on partnership work with statutory and non-statutory services.

**5. Other considerations**

- 5.1 This document will be utilised by planning and asset management as part of the needs analysis in relation to new developments.

**6. Risks and how they will be mitigated**

- 6.1 Staffing changes or changes to budgets could affect the achievement of the actions within the strategy.

**7. Timetable for implementation**

- 7.1 If approved, the policy will cover the period 2014-2016. The action plan will run from January 2014 to December 2014 and will be reviewed annually.

**Background papers:** There are none

**Appendices:** The Leisure and Culture Strategy 2014-2016 – **available in the members' room.**



# Cabinet

26 November 2013



<b>Title</b>	Staines Upon Thames Programme		
<b>Purpose</b>	Resolution required		
<b>Report of</b>	Assistant Chief Executive	<b>Confidential</b>	No
<b>Cabinet Member</b>	Councillor Nick Gething	<b>Key Decision</b>	Yes
<b>Report Author</b>	Heather Morgan, Head of Planning and Housing Strategy		
<b>Summary and Key Issues</b>	<ul style="list-style-type: none"> <li>• Staines Upon Thames is a key priority project, delivering economic and making best use of Council assets</li> <li>• Understand the key issues, risks and interdependencies between the potential development sites</li> <li>• Decide which of our town centre sites we want to pursue from a development perspective</li> <li>• Decide if a document setting out a vision for the whole of town centre is required</li> <li>• Decide at what level decision making takes place in order to bring forward schemes in a timely manner</li> </ul>		
<b>Financial Implications</b>	<ul style="list-style-type: none"> <li>• There is no current budgetary provision for these projects</li> <li>• Business cases will be developed for individual sites and there will be a requirement to get approval for capital budgets</li> </ul>		
<b>Corporate Priority</b>	Efficient use of assets Economic Growth		
<b>Recommendations</b>	<p><b>That Cabinet:</b></p> <p>Agree the preferred options for: Bridge Street (<b>para 3.6</b>), Tothill (<b>para 3.16</b>), Riverside (<b>para 3.27</b>), Elmsleigh surface (<b>para 3.37</b>) car parks</p> <p>Agree to <b>develop a promotional document</b> for Staines Upon Thames and commit to an Area Action Plan for Staines upon Thames when the Local Plan is reviewed (<b>para 3.45</b>)</p> <p>Agree to formally <b>set up a sub-committee of Cabinet</b> with the appropriate delegations (<b>para 3.52</b>)</p>		

## 1. Background

### Council priorities

- 1.1 The Council has made a clear decision to focus on a number of areas to “achieve our potential, meet residents’ expectations and compete to attract business investment into the borough”. Key areas which have been identified are economic development, planning and housing and making the most of Council assets. With this in mind, the Council has embarked on a number of related initiatives including the development of an Economic Strategy (which will be adopted by Cabinet in December).
- 1.2 Spelthorne does not have significant land holdings, and therefore has to be very clear about how it wants to use these assets in order to maximise their impact, and shape the future of the borough. This is not purely focused on redevelopment or income generation, and includes opportunities for using some of our buildings for community based/voluntary organisations.

### Assets - Car parks

- 1.3 As an authority, our most substantial land holdings (in size and from a current income generation point of view) are our car parks, most of which are located within our major town centre, Staines Upon Thames. They provide a large proportion of the parking in the town, but are not used to capacity. A study, which was completed in January 2013 by MVM Consultancy, indicates that there is scope to reduce our level of parking capacity without having an adverse impact on the long term attractiveness of the town. (The final recommendations are set out in **Appendix 1**).
- 1.4 Effectively the Council can redevelop Bridge Street car park, Tothill car park or Riverside car park in isolation without an adverse impact on the required level of parking provision in the town centre. However, if Bridge Street and Tothill are both redeveloped for alternative uses then the Council needs to consider alternative re-provision. It is for this reason that one of the Councils other car parks (Elmsleigh surface) has been included in this report for Cabinet consideration.
- 1.5 The recommendations of the Parking Study provide a clear opportunity for the Council to play a key role in shaping the future of the town by making better use of its assets, and to demonstrate its commitment to economic growth by bringing forward its own developments to act as a catalyst.
- 1.6 Cabinet need to consider very carefully the wider implications of taking out a number of the Councils car parks (not simply just the number of spaces). The car parks are currently distributed around the south western (Bridge Street), southern (Tothill and Riverside) and eastern (Elmsleigh surface and Multi Storey) sides of the centre, with Kingston Road being somewhat more remote to the north. There is also Two Rivers to the west which is privately operated.
- 1.7 Shoppers therefore have a choice of car parks depending on which route they come into town. The potential loss of several of these car parks will limit the options available. If car parks appear full or are not attractive then people may well decide to go to a different town centre. Concentrating all the parking at Elmsleigh surface (with or without decking) and the Multi Storey will inevitably limit choice. These options will therefore need to be very attractive to prevent ‘leakage’ to Two Rivers or other centres such as Walton.

- 1.8 Members need to bear this in mind when considering the preferred options in section three of this report.

### Economic growth

- 1.9 The town itself is seen as a core to the success of the Borough, and the name change in October 2011 from Staines to Staines Upon Thames was seen as the first step in recognising this. However, there is significant scope to build on this and use Council land to send a strong message that we are fully committed to the town. In this way it is anticipated we can stimulate further investment both within the town and across the borough.
- 1.10 The Council has set up an Economic Development Task Group (EDTG) which has councillor and external business representatives. The role of this group is to develop an Economic Strategy (and review and update as appropriate), involve the business community and other stakeholders in implementing that strategy, and to set up sub groups to look at regeneration and growth in Staines Upon Thames and Ashford. The latter sub group reports to the main EDTG which is chaired by the Cabinet Member for Economic Development and Fixed Assets.

## **2. Key issues**

- 2.1 Cabinet needs to:

- (a) Understand the key issues, risks and interdependencies between the potential development sites (and the benefits of de-risking all our sites as far as possible to maximise interest and financial return)
- (b) Understand the wider implications for loss of parking within the town centre
- (c) Decide which Council owned sites it wishes to pursue, in principle, and prioritise from a development perspective, including the most appropriate type of development. Options, costings and a full business case will then be developed
- (d) Decide whether there are wider issues that need to be considered around the future development of Staines Upon Thames as a whole and how this could be addressed
- (e) Decide how key decisions will be made on these individual sites, and whether the current scheme of delegation allow decisions to be made at the right pace to ensure developments are brought forward in a timely manner (speed of programme delivery and governance arrangements)

## **3. Options analysis and proposal**

### **Bridge Street car park**

- 3.1 This is a key site for the town, being located on the River Thames immediately alongside Staines Bridge (one of the three main routes into Staines Upon Thames). It was subject to a previous planning application for 120 flats, which was agreed subject to a S106 agreement. The permission and development agreement were not progressed due to the economic downturn and the significant reduction in the capital receipt offered.

- 3.2 Soft market testing (and enquiries to the Council) clearly indicates that there is renewed interest in the site for residential development. There are two main options for bringing forward this site (1) sale of the site for a capital receipt to allow a private residential development to proceed (2) development of the site for private residential to rent, with an on-going income stream
- 3.3 The commercial property advice that we have received for all our sites is that as far as possible we should reduce the level of risk by resolving outstanding issues.
- 3.4 Any redevelopment scheme also needs to consider the loss of parking income (netted off against business rates and maintenance) and upfront costs against a capital receipt/income stream.
- 3.5 More detail on all of the above are set out in **Appendix 2**
- 3.6 Preferred option
- (a) To proceed with the redevelopment of Bridge Street car park for private residential development (with off-site affordable housing or a financial contribution). Note: a detailed view will be needed from the Council's internal Strategic Housing Board on the most suitable/sustainable approach to the affordable housing.
  - (b) To dispose of the site for a capital receipt to be re-invested. This will ensure a high quality riverside development whilst maximising the receipt.
  - (c) To maximise the capital receipt for the site as far as possible
  - (d) The Council will develop 'parameter' plans and submit an application to resolve the affordable housing issue prior to going to the market
- 3.7 Alternative options
- 3.8 To proceed with a private residential development for rent and receive an on-going income stream. Whilst this does give an income stream and allows the Council to retain a freehold interest in the site, we have been advised by our commercial property advisors that the returns are considerably lower. It therefore does not represent the best option for helping to secure the longer term financial sustainability of the Council.
- 3.9 To hold off redeveloping the site until the economic climate improves considerably. There is clear evidence that the economy is starting to improve, and soft marketing testing has established there is an appetite from developers. We have been advised that the financial returns we could expect to achieve will not alter very much in the next few years (and would only do so if the economy was at the height it was in 2007). If as a Council we were to delay we would be taking a risk on a significant upturn happening relatively quickly (and over which we have no control). As a result we would significantly delay any capital receipt that would be paid by a developer. There are financial pressures which will come to bear from 2015/16 onwards which mean that any additional receipt from an improved economy could be more than offset by the widening funding gap which the Council needs to close. To leave the site as it is would not be in line with the Council's wider aspirations for Staines Upon Thames.

### Tothill car park/Elmsleigh Phase IV

- 3.10 This site has been allocated for redevelopment for a number of years and is included as an Allocations site in the Local Plan. A draft brief for the site advocates a mixed use development which is predominantly retail led, with opportunities for parking, residential and leisure uses.
- 3.11 Soft market testing with all the major supermarket operators has revealed that there are two who are interested in developing the site (although for differing sizes of stores and under different leases/terms and conditions. There have been discussions in the past with one of the operators (when any redevelopment scheme would have been led by the Investment Company – Scottish Widows Investment Pensions). Earlier in 2013 they indicated that were withdrawing from investing in the retail market (nationally) and the Council has been investigating alternative options for delivery.
- 3.12 The only interest for the site (and in line with the planning brief) is for a retail supermarket with associated parking. This type of development does not lend itself to a capital receipt and there are two options for delivering an on-going income stream (1) Joint Venture with a retailer (2) Direct development by the Council, bringing a retailer on board at a later stage.
- 3.13 The commercial property advice that we have received for all our sites is that as far as possible we should reduce the level of risk by resolving outstanding issues.
- 3.14 Any redevelopment scheme also needs to consider the loss of parking income (netted off against business rates and maintenance) and upfront costs against an income stream.
- 3.15 More detail on all of the above are set out in **Appendix 3**.
- 3.16 Preferred option
- (a) To proceed with the redevelopment of Tothill car park for a retail supermarket, plus parking and re-location of the library and the museum
  - (b) To proceed on the basis of a direct development by the Council (by either selling the site with planning permission directly to the supermarket operator **or** by procuring the construction and forward selling the investment)
  - (c) To consider options for the re-location of the library
  - (d) The Council will submit and determine a planning application for the retail development
  - (e) The Council will use its Compulsory Purchase Order powers to bring together the site for redevelopment
- 3.17 Alternative options
- 3.18 To proceed with a Joint Venture with a development partner. This would reduce the financial benefit to the Council and commercial property advice indicates that those retailers interested in the site would not necessarily favour this approach.
- 3.19 To hold off developing the site until the economic climate improves and there is scope for a mixed use redevelopment that fully complies with the planning brief. This is not recommended. Even at the height of the market no realistic redevelopment proposals came forward and none are likely to do so for a

period of years. This would significantly delay any capital receipt that would be paid by a developer. There are financial pressures which will come to bear from 2015/16 onwards which mean that any additional receipt from an improved economy could be more than offset by the widening funding gap which the Council needs to close. To leave the site as it is would not be in line with the Council's wider aspirations for Staines Upon Thames.

### **Riverside car park/Memorial Gardens**

- 3.20 This is a prime Riverside location, and the Memorial Gardens were subject to improvements as part of a landscape enhancement strategy around 10 years ago (£2.5 million). This, along with the pedestrianisation of the High Street was aimed at 'turning' the town towards the Thames. Neither the car park nor the gardens are allocated for any form of development in the adopted Local Plan.
- 3.21 A Flood Risk Assessment (FRA) of the area was undertaken in the summer of 2013 which concluded that commercial development is feasible subject to compensatory flood storage provision and no adverse impact on the flow of flood water (but these are not insignificant issues to overcome). Cabinet should note that the FRA did not comment on whether various forms of development were viable. Compensatory flood storage and ensuring the design of a building does not adversely affect flood flow will increase the costs of any project.
- 3.22 The FRA did, however, conclude that residential development could not meet the requirements of our policy or practically ensure a dry route of escape. The conclusions of the FRA are set out at **Appendix 4**
- 3.23 The development opportunities of this site are not as advanced as Bridge Street or Tothill. Decisions will need to be made on a number of matters before details of costings can be established. These include (1) the loss of a valued surface car park close to the town centre (2) the size of the site to be considered (3) the type of development being contemplated (4) flood compensation issues (5) soft market testing. On the latter initial soundings would seem to indicate that there would be interest for a glazed pavilion style building for several restaurants (with some retained parking). Testing has not been done regarding interest for a wider area than the current car park.
- 3.24 The commercial property advice that we have received for all our sites is that as far as possible we should reduce the level of risk by resolving outstanding issues.
- 3.25 Any redevelopment scheme also needs to consider the loss of parking income (netted off against business rates and maintenance) and upfront costs against an income stream.
- 3.26 More detail on all of the above are set out in **Appendix 5**.
- 3.27 Preferred option
- (a) To consider in more depth the loss of a valuable surface car park
  - (b) To proceed with soft market testing (commercial)
  - (c) For the testing to cover two areas (1) just the car park (2) the car park and the area of the Memorial Gardens up to the Methodist Church/Spelthorne House

- (d) To then consider what development options are feasible to take to the next stage
- (e) To then consider whether off site flood storage compensation will be required at Elmsleigh surface car park

### 3.28 Alternative options

- 3.29 To proceed with testing for residential development on the site. There would be very significant challenges with delivering a scheme which would overcome the Environment Agency's concerns about additional residents living in the floodplain and dry routes of escape. Technical solutions may add to the cost of the overall development making it unviable.
- 3.30 To leave the site as a car park, recognising the important role it plays in providing a relatively high turnover of surface car parking close to the town centre, library and day centre.
- 3.31 To hold off redeveloping the site until the economic climate improves considerably. There is clear evidence that the economy is starting to improve, and soft marketing testing has established there is an appetite from developers. We have been advised that the financial returns we could expect to achieve will not alter very much in the next few years (and would only do so if the economy was at the height it was in 2007). If as a Council we were to delay we would be taking a risk on a significant upturn happening relatively quickly (and over which we have no control). As a result we would significantly delay any capital receipt that would be paid by a developer. There are financial pressures which will come to bear from 2015/16 onwards which mean that any additional receipt from an improved economy could be more than offset by the widening funding gap which the Council needs to close. To leave the site as it is would not be in line with the Council's wider aspirations for Staines Upon Thames.

### **Elmsleigh Surface car park**

- 3.32 This car park is located alongside the railway embankment and provides access to the multi storey car park. It is not a gateway site and does not provide opportunities for enhancements to the River frontage. However it could help facilitate and enable other key development sites to come forwards. As set out in paras 1.3 – 1.5 if the Council wants to re-develop both Bridge Street and Tothill (let alone lose Riverside) then there will be parking capacity issues for the town. This needs to be avoided as it could have a significant negative impact on the longer term vitality of the town (and our freehold interest in the Elmsleigh Centre which brings in an annual income for the authority).
- 3.33 There are a number of opportunities to re-provide the lost spaces (within and outside the control of the Council). There is clearly scope for modern construction decked parking to be erected on part of the surface car park in order to offset losses elsewhere. This will only need to be done if the other schemes go ahead and we are moving towards the closure of the existing car parks as they are knocked down to allow construction to start.
- 3.34 No detailed work has been done as yet on the cost of the decking or the income that could be achieved as no formal decision has been made confirming we are proceeding with development on Bridge Street and Tothill

car parks. Costings etc would come forward as part of the design and build tender process which would then form part of the overall business case.

- 3.35 Cabinet should also be aware that any decking should not preclude the possibility that part of the surface car park may need to be lowered as part of any flood compensation scheme for the redevelopment of Riverside car park (e.g. lowering the land to bring it into the floodplain).
- 3.36 Any development scheme also needs to consider any very minor loss of parking income (netted off against business rates and maintenance) and upfront costs against an income stream.

#### Preferred option

- 3.37 If Cabinet agrees to proceed with both Bridge Street and Tothill that:
- (a) To proceed with design and build tender for building decked parking
  - (b) Develop a business case
  - (c) Review when the requirement for additional parking would take effect
  - (d) Make a decision on when to bring forward the decked parking (and what number/level)

#### 3.38 Alternative options

- 3.39 To provide parking on other sites within the town centre. There are no other sites that the Borough own and it would therefore need to enter into negotiations with the County or landowners to buy/lease the land. Bearing in mind high town centre land values this is not likely to present a robust business case or an on-going income stream for the council from parking.
- 3.40 Not to provide any replacement parking. This is not recommended as it may well deter people from coming to shop in Staines Upon Thames altogether. This would clearly not be in the Council's interests (either financially) or on terms of supporting local business (which pay business rates). It would also run counter to our priority of promoting economic growth and the future success and re-branding of the town.

### **Wider Issues – addressing the future development of Staines Upon Thames**

- 3.41 Cabinet has clearly indicated a desire to have a Council document which sets out a 'Vision' for the future development of Staines Upon Thames for the next 10 – 15 years. This would be a document which sets out how the Council wishes to influence and shape the future development of specific sites within the town centre (not just its' own sites). It would paint a picture of what the town will be like in the future, with particular reference to the Riverside, tourism, and high quality development.
- 3.42 Councils' opinion has been sought on whether it is feasible to develop such a document in isolation from a review of the Local Plan, which is currently not anticipated within the next 2 years. There are a number of examples where other Councils have sought to 'set out their stall' on future development which has not directly linked back to a policy set out in an adopted Local Plan. A number have been subject to Judicial Review, and the High Court has rules in several cases that the Council has acted illegally (ultra vires).



- 3.43 The advice is that there is that if the Council wishes to proceed with a document as set out above there is a 'significant risk of legal challenge' if a third party contests that the document has not gone through the proper planning process. This matter requires serious consideration and on the basis of that advice an alternative preferred option is suggested

Preferred option

- 3.44 To develop a promotional document which sets out the numerous benefits of locating residential development and business in Staines Upon Thames, highlights the attractions of the River Thames, and sets out the positive planning policies and sites already allocated for re-development. The document will not be able to change or add to any existing planning policy position.

- 3.45 This is a very low risk option and would not be subject to legal challenge. It will not, however, deliver a different 'Vision' for the future of the town centre.

3.46 Alternative options

- 3.47 It is not an option to proceed with an Area Action Plan now for the reasons mentioned above, the correct process has to be followed to align the document with the Local Plan and produce the document as a Development Plan document in line with legislation..

- 3.48 It is however possible to proceed with an Area Action Plan alongside the review of the Local Plan. This approach is recommended as the best option for setting out the Councils vision for the town in the longer term. However this would be two to three years in the future, and it is recognised that there is a more immediate need to promote Staines Upon Thames and a place to invest.

**Speed of programme delivery and governance arrangements**

- 3.49 There is an assumption built in to the programme timetable that project delivery will not be 'impacted upon' by the Councils decision making process. It is fully accepted that the Council needs to go through due process and has to be seen at every stage to be getting best value and meeting all the necessary contract and procurement requirements. This function is ordinarily carried out by Cabinet which only meets on a monthly basis (with a lead in time on top of this).

Preferred option

- 3.50 To accelerate the decision making process it is recommended that a sub-committee of Cabinet is set up which would have the necessary and relevant delegated powers to allow the programme to progress in line with the work programme (and not the Cabinet cycle).

- 3.51 The sub-committee would be specific to the Staines Upon Thames Programme and would comprise the following members of Cabinet:

Cabinet Member for Economic Development and Fixed Assets (Chairman)

Cabinet Member for Finance

Cabinet Member for Planning

Deputy Leader

The Chairman of the Staines Sub Group of the EDTG will act as an Advisor to the sub-committee but will have no decision making powers.

- 3.53 As these are priority projects their progress will be reported to Cabinet through the project management dashboard. Additionally, if required the Chairman of the sub committee could report updates to Cabinet briefing. The Chairman would also report progress on key milestones to the EDTG.

Alternative option

- 3.52 For decision making at key stages to remain with Cabinet. This would ensure that of Cabinet are fully aware of progress and decisions to be made. However, it is likely to extend the timescale of the programme and the individual projects by at least 6 months or so.
- 3.53 As will be discussed later in the report, even with the additional delegation to a sub-committee, the programme timetable will require additional resources to meet the proposed timescales.

#### **4. Financial implications**

- 4.1 There is no current budgetary provision for these projects, but separate cost codes have been set up in order to track spend.
- 4.2 In order to move these and other schemes forward, the Council has re-aligned staff resources to help bring forward these and other projects. A Joint Head of Assets (full time) has been appointed, along with a Staines Programme Manager (one day per week) for a fixed term. An internal project team is in place which includes the Programme Manager, Joint Head of Assets, Head of Corporate Governance, Head of Leisure and Sustainability and a member of the Communications team.
- 4.3 External resource has been secured to provide advice for the whole programme from a legal and commercial/property point of view. External resources will also be required for drawing up plans, undertaking the necessary surveys and submitting planning applications
- 4.4 In scoping the detail of the projects it is evident that if they are to meet the timescales set out in the programme (to ensure income streams start coming on line at the appropriate time) then a full time project manager will be required addition to the internal project team. This post would be for a fixed term. A capital bid has been put forward to cover this cost
- 4.5 Once business cases have been developed and work has progressed to the stage where proposals have been worked up, there will be a requirement to get approval for additional budget in order for the schemes to progress. In the interim capital bids are being put forward on the basis of the best available information at the current time. This will cover the external resources required set out in paragraphs 4.3 and 4.4 above
- 4.6 Cabinet will need to be aware that any redevelopment of its car parks will have an impact in terms of lost revenue (both from specific car parks and in terms of the wider issue of whether the concentration of all the Councils car parking in one location means people decide to shop elsewhere altogether). This will be considered as part of any business case which is developed for individual sites.

- 4.7 The commercial property advice which we have been given indicates that there may be different financial solutions for different sites (depending on the eventual type of development). A capital receipt is likely to be the most beneficial outcome for residential redevelopment (which can then be re-invested to deliver an on-going income stream). The best solution for the redevelopment for a supermarket and car parking would be an on-going income stream.
- 4.8 If Councillors wish to see an accelerated programme then additional financial resources for staffing will need to be provided.

## 5. Other considerations

### Communications

- 5.1 Each of the individual projects which form part of the Staines Upon Thames programme will be dealt with in accordance with the Council's approved project management system. A stakeholder strategy will form part of the Project Implementation Document, be covered in highlight reports and issues documented in the risks and issues log. A high level stakeholder strategy is included as **Appendix 6**

## 6. Risks and how they will be mitigated

- 6.1 Each of the individual projects which form part of the Staines Upon Thames programme will be dealt with in accordance with the Council's approved project management system. Risks and how they will be mitigated will form part of the Project Implementation Document, be covered in highlight reports and documented in the risks and issues log. High level risks and mitigation measures are included as **Appendix 7**
- 6.2 Staff resources have been covered in section 4 of this report

## 7. Timetable for implementation

An overall high level programme timetable has been developed (**Appendix 8**). This builds on detailed project plans which have been developed for the individual sites. Cabinet should note that the timescales set out are based on a number of assumptions, which are:

- A sub committee of Cabinet is put in place
- A full time programme manager is appointed to manage delivery of the projects
- External legal, commercial, architectural and planning consultancy advice is in place to ensure speed of delivery
- Internal project teams are widened in scope to cover all aspects of project delivery

### **Background papers:**

Confidential advice referred to in this report.

**Appendices:**

- 1 Final recommendations of MVA parking study
- 2 Bridge Street redevelopment - options, issues to note
- 3 Tothill redevelopment - options, issues to note
- 4 Conclusions – Flood Risk Assessment (Riverside car park and Memorial Gardens)
- 5 Riverside redevelopment - options, issues to note
- 6 High level stakeholder strategy
- 7 High level risks and mitigations
- 8 Programme timetable

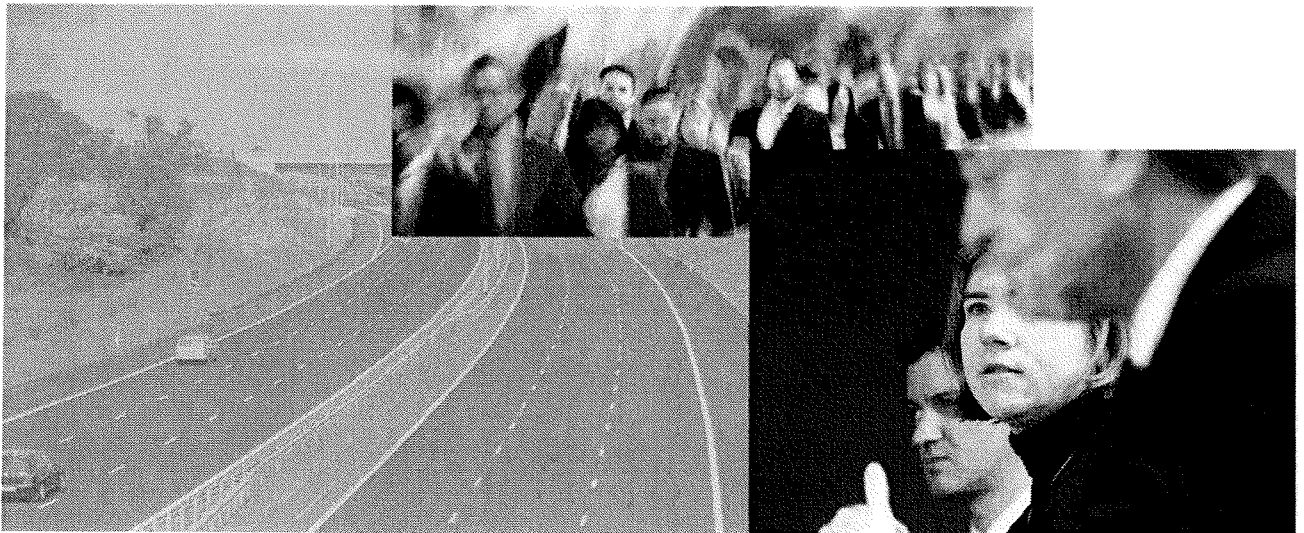


# Assisting Decisions

## Staines-upon-Thames Town Centre Parking Study

Report for Spelthorne Borough Council

November 2012



- 8.4.2 However, the construction of Elmsleigh Phase 4 will have the most significant construction impact on car parking, as the Tothill multi-storey car park will be lost and the c.200 visitors and resident permit-holders using this car park will need to park elsewhere. Currently Staines does not have sufficient spare parking capacity to accommodate this displaced demand.

### **8.5 Long-stay Parking**

- 8.5.1 Both the Bridge Street and Kingston Road car parks have been identified as development sites and the loss of these facilities will remove much of the town centre's long-stay parking provision. The tariffs of both car parks are described as long-stay (although short-stay charges are the same as other town centre car parks) and are set at a levels which are less costly for longer parking durations.
- 8.5.2 The Tothill car park also shares this long-stay parking tariff and may attract displaced long-stay parking from Bridge Street and Kingston Road in the short to medium term. However, following completion of Elmsleigh Phase 4 this location is likely to be subject to a significant increase in short-stay parking demand. In this scenario, it will be important to safeguard an appropriate number of parking spaces for long-stay parking at Tothill and/or at other off-street locations.

### **8.6 Residential and Office Parking**

- 8.6.1 New developments which will have a demand for office or residential parking, such as Bridge Street, Majestic House and the Centrica site, are expected to provide this within the sites and thus there is not expected to be any additional parking pressure on public parking areas arising from these developments.
- 8.6.2 However, there are already a number of residential permit holders that use the Tothill multi-storey car park and demand for residential parking at this location is expected to increase in line with the number of residential units provided as part of the development. Thus decisions on the level of parking to be re-provided at this site must take account of the levels of both public and residential parking demand.

### **8.7 Recommendations**

#### **Majestic House Temporary Parking**

- 8.7.1 The recent planning consent for a temporary car park on the site of Majestic House at the southern end of the High Street will increase Staines town centre's parking stock by approximately 300 spaces once it is operational. This additional parking will initially contribute to an over-supply of parking within the town but, depending on the timetable for the delivery of future developments, this facility may have an important role in providing for displaced parking from other car parks in the future. In particular, this car park is expected to provide important additional parking during the construction of Elmsleigh Phase 3 and the development of the Bridge Street car park.

- 8.7.2 The current permission will be valid for a period of three years and this may overlap with the commencement of construction of Elmsleigh Phase 4. In this instance the Majestic House site will offer what will be much-needed additional parking capacity whilst Elmsleigh Phase 4 is delivered.
- 8.7.3 **RECOMMENDATION 1:** Dependent on the development programme for the Majestic House site, we recommend the Council seeks to maintain a level of public parking on this site until the completion of Elmsleigh Phase 4 to provide relief parking facilities whilst the Tothill multi-storey car park is closed for development.

#### Other Temporary Parking Options

- 8.7.4 It cannot be guaranteed that it will be possible to provide temporary parking on the Majestic House site until the completion of Elmsleigh Phase 4, and thus it will be necessary to consider other options for providing temporary parking to accommodate displaced parking from the Tothill MSCP during this period. Possible options include:
- Temporary parking on the Centrica site, subject to agreement with the land owners;
  - Temporary partial decking of the Elmsleigh surface car park; and/or
  - Temporary decking of the Riverside car park.

**RECOMMENDATION 2:** It is recommended that the Council investigates alternative options for the temporary provision of 300 car parking spaces to provide for displaced parking from Tothill and Bridge Street car parks in the event the Majestic House site is unavailable for use as temporary car parking during the construction of Elmsleigh Phase 4.

#### Long-stay Parking

- 8.7.5 The development over time of the car parks at Bridge Street and Kingston Road will remove much of the long-stay parking provision within Staines town centre. Whilst the Tothill car park also offers a long-stay parking tariff and can be expected to take up displaced long-stay parking in the shorter term, this facility will come under increased pressure from the demand for short-stay and permit holder parking in the future which may limit its availability for long-stay use.
- 8.7.6 The car park at Kingston Road provides a valuable long-stay parking facility on the eastern side of the town which serves smaller businesses located to the east of the railway line as well as the town centre. Upon re-development it is expected that short-stay parking at this location will be displaced to town centre car parks, but it is likely that users of businesses on that side of the railway will seek alternative parking locations nearby, most probably on-street.
- 8.7.7 It will be important to maintain an appropriate level of long-stay parking going forward and this should be provided at a location that can be easily identified and accessed by drivers. Use of a location away from Staines railway station should ensure that long-stay parking remains predominantly for town centre users.

**RECOMMENDATION 3:** We recommend that the Riverside car park be converted for use for long-stay parking only, providing a dedicated long-stay car park to accommodate demand from the closed car parks at Bridge Street and Kingston Road as well as the re-developed Tothill car park.

**RECOMMENDATION 4:** Development proposals for the Kingston Road site are not clear at this time, but we recommend that any proposals for this site continue to include an amount of long-stay parking provision in order to support local businesses and prevent additional parking pressure being placed on nearby streets.

#### **Additional Permanent Parking Provision**

- 8.7.8 It is clear from our analysis that parking demand in Staines town centre will outstrip supply in the short to medium term, and a level of additional parking provision will be required in the future to support development and help maintain Staines' position as a primary retail centre for the surrounding area.
- 8.7.9 The level of future demand which can be expected, as identified in the preceding analysis, suggests that new parking should be provided in the medium term at a minimum level of 680 spaces, based upon:
- Potential capacity reduction of up to 710 spaces at Bridge Street, Tothill and Kingston Road car parks;
  - Identified future average month parking shortfall of 365 spaces in the medium term;
  - Need for up to 65 new residential parking spaces as part of Elmsleigh Phase 4; and
  - Provision of an additional 10% of capacity overall to act as a parking 'float' to accommodate fluctuations and growth in public parking demand.
- 8.7.10 The figure of 680 spaces is provided as a minimum to accommodate anticipated medium-term parking demand. Should the Council choose to accommodate the anticipated level of demand during the medium-term Christmas peak an additional 1,230 would be required
- 8.7.11 It is often challenging to find suitable locations for additional car parking in town centres and Staines is no exception to this. New development sites suitable for the required level of public car parking are not known to be available, and it is therefore considered that any additional parking supply should be provided at locations already used for parking. Potential options for the expansion of parking provision include:
- Maximised provision as part of the re-developed Tothill car park;
  - Full or partial decking of the car park at Riverside (subject to an evaluation of environmental and flood risk issues), whilst maintaining a level of long-stay parking provision;
  - Partial decking of the Elmsleigh surface car park; and/or
  - Provision of additional public parking at other non-retail development sites.
- 8.7.12 New parking provision at these locations at the level of 680 spaces is intended to accommodate the increase in average monthly demand generated by the Elmsleigh Phase 4, Bridge Street and Kingston Road developments but not longer-term demand from the expansion of Two Rivers

**RECOMMENDATION 5:** We recommend that the Council investigates options for increasing the parking capacity of Elmsleigh Phase 4, Elmsleigh multi-storey and surface and Riverside car parks with a view to providing a minimum of 680 additional parking spaces over the medium term.



**RECOMMENDATION 6:** The longer term expansion of the Two Rivers retail area should provide sufficient additional parking to accommodate the growth in parking demand on an average month plus an uplift of 20%.

## 9 Conclusions

### 9.1 Future Change

- 9.1.1 Spelthorne Borough Council is committed to expansion of the commercial and retail facilities within Staines-upon-Thames town centre and currently has plans to provide a significant amount of additional retail and office floorspace. Both of these elements will bring an increased demand for car parking. The retail expansion in particular will, when coupled with an overall reduction in the number of car parking spaces due to the loss of two car parks to development, place considerable additional parking pressure on the town.
- 9.1.2 Whilst Staines currently has sufficient car parking capacity to provide for demand for at least the next six years, it will thereafter suffer an increasing shortfall in parking supply as the retail expansion of the town takes place unless new parking can be provided. Thus, the provision of a level of new car parking will be an important factor in the success of these planned developments.

### 9.2 The Requirement for Parking

- 9.2.1 The existing excess of parking supply over demand means that Staines currently is able to provide parking for the highest levels of demand experienced and this has been the case for some years. However, this policy may no longer be considered appropriate when considering future parking levels. Spelthorne Council's LDF Core Strategy promotes the location of new development in areas of good sustainable transport accessibility with a view to reducing the need to travel by private car, and the location of developments in Staines town centre is commensurate with that policy. The provision of car parking at the highest level of expected demand could be considered to be at odds with this policy and a balance needs to be struck between managing demand and maintaining town centre vitality.
- 9.2.2 The recommendations for the level of parking provision in this document are aimed at providing for the average level of parking demand but with a level of spare capacity to allow for fluctuations in demand and occasional peaks. However, this means that the peak Christmas period may experience a shortfall in the level of parking supply, and a policy view needs to be taken as to whether this is an acceptable situation or whether parking for the busiest period of retail demand should be provided for.
- 9.2.3 What is clear is that in order to provide for the predicted levels of additional parking demand at Christmas after year 10, the town will need to find sites where up to an additional 1,700 car parking spaces can be provided. Whilst the development sites considered by this report may have the potential to provide for some of this demand, further sites are likely to be required. Suitable sites are not currently available either within or around Staines town centre, and it is thought unlikely that this situation will change at least in the shorter term.

### 9.3 Parking Balance

- 9.3.1 A key element of parking provision is ensuring an appropriate balance between long and short stay parking is provided. The loss of two of Staines' long stay car parks to development will upset the current balance and additional long-stay parking provision will

need to be provided to redress this balance. The recommendations in this report are that long-stay parking be consolidated into a primary location close to the town centre with additional, smaller level of provision to the east of the railway line as part of the development of the Kingston Road car park.

#### **9.4 Disabled Parking**

- 9.4.1 Our review of disabled parking provision in the town centre's car parks has concluded that the quality of provision is generally good, particularly at surface parking locations. The levels of usage at the various locations are variable throughout the day and the overall levels of provision are commensurate with demand levels.
- 9.4.2 The removal of disabled parking at Bridge Street and Kingston Road in the future will impact on drivers that currently use these facilities, although their numbers are generally low. Whilst off-street options exist, they may not be as convenient for drivers depending on their journey purpose, and additional levels of on-street parking may result.

## BRIDGE STREET CAR PARK

### Recommended development options

	Option
1	Private residential sale
2	Private residential rent

### Model of delivery

	Option
1	Outright sale for capital receipt
2	Partnership with developer to achieve on-going income stream

### Key issue - De-risk in order to maximise value of the asset

	Ways to de-risk and achieve maximum value
1	Affordable housing to be provided via commuted sum or off site. Council submits and grants planning permission before going to market
2	100 spaces leased to Courage are re-located (a) within blue line of lease which involves A2D giving up some of their spaces (b) negotiate with HSBC outside the blue line with financial incentive (c) buying out the spaces
3	Obtain high quality professional advice in submitting a planning application which will meet market requirements

### Reputational risk issues

It should be noted that whilst a capital receipt with no affordable housing is inevitably higher, this assumes **no** offsite/financial contribution either. As a Council we have a policy of requiring up to 50% affordable on site. There are very clear risks if we set this aside for our own sites, but insist on developers providing it for their own. As a Council, there may be scope to take the higher sum as a capital receipt and make it clear that a specified sum (equivalent to affordable requirement) will be used for affordable provision. This will not however address the policy conflict, or the duty we have to help house people.

### Timescales

See high level programme project plan

**TOTHILL CAR PARK/ELMSLEIGH PHASE IV****Recommended development options**

	<b>Option</b>
1	Retail supermarket (80,000 sq.ft) plus 440 parking spaces, plus re-located library and museum

**Model of delivery**

	<b>Option</b>
1	Joint venture
2	Direct development

**Key issue - De-risk in order to maximise value of the asset**

	<b>Ways to de-risk and achieve best prospect for redevelopment</b>
1	Council to negotiate with SWIP (current investors for Elmsleigh Centre) regarding unit for re-located library
2	Council to secure re-location of library from Surrey County Council
3	Council to secure planning permission
4	Council to use Compulsory Purchase Powers to acquire necessary land/rights

**Other issues to note**

There is an adjoining landowner (owns the Nightclub and has an option on the Masonic Lodge) who is under an obligation to out in a planning application on land his land by Easter 2014. His development proposals are unacceptable from a planning point of view, and would not facilitate a comprehensive redevelopment of the site (as required by the Planning Brief). The Council would need to compulsorily purchase this land in order for the retail supermarket development to go ahead (or reach an agreement through private treaty)

**Timescales**

See high level programme project plan



**Riverside Car Park/  
Memorial Gardens,  
Staines upon Thames**  
Flood Risk Scoping Report

On behalf of **Spelthorne Borough Council**



Project Ref: 28848/001 | Rev: FINAL | Date: October 2013

Office Address: Caversham Bridge House, Waterman Place, Reading, Berkshire RG1 8DN  
T: +44 (0)118 950 0761 F: +44 (0)118 959 7498 E: reading@peterbrett.com



## 7 Conclusions

The available information indicates the Riverside Car Park site in Staines lies primarily within Flood Zone 3a 'high probability' (greater than 1 in 100 (1.0%) annual probability of river flooding), with small areas within Flood Zone 2 'medium probability' and the land immediately adjacent to the River Thames in Flood Zone 3b 'functional floodplain'.

Fluvial flooding of the site occurs either directly from the adjacent River Thames, or via overland flow routes from the north (emanating from the River Colne channel when the Thames is in flood, flanking the centre of Staines).

- The NPPF Technical Guidance Table 3 confirms that 'more vulnerable' development (e.g. residential) is acceptable in Flood Zone 2 and would be acceptable in Zone 3a provided the Exception Test is passed. 'Less vulnerable' development is acceptable in Zones 2 and 3a. As the site is not in Flood Zone 1 'low probability', the NPPF Sequential Test would be required to demonstrate there are no 'reasonably available' alternative sites at lower probability of flooding more suitable for future development. However, it is noted that the Spelthorne Borough Council Flooding SPD indicates that there is sufficient housing and employment land availability in both Zones 1 and 2 of the Borough to meet needs over the next 15 years;
- Current guidance from the EA, Spelthorne SFRA and BS8533 indicates a required minimum ground floor level for new residential development of 16.18m AOD (i.e. 300mm above the modelled River Thames 1 in 100 annual probability plus allowance for climate change flood level);
- A large proportion of the site lies within the current 1 in 100 annual probability plus allowance for climate change floodplain, imposing a significant constraint on future built development. Any future development will need to incorporate mitigation to ensure no detrimental impact on the floodplain capacity, and in order to provide a significant building footprint over the site it is likely that floodable construction measures will need to be incorporated to address this requirement (notwithstanding the potential provision of off-site flood compensation);
- It would be necessary to ensure any future development does not detrimentally impact on flow routes; particularly with regard to the flow route southward across the site, which could potentially increase flood risk to third parties;
- Pedestrian access routes around the site are significantly impacted in a major flood event. Further survey information will be required to determine the suitability of routes from the site if 'more vulnerable' residential development was proposed, but a recent planning decision at the nearby Bridge Street Car Park suggests a safe access route is available. It would not typically be necessary to provide a 'dry' route from the site if 'less vulnerable' development was proposed (on the basis that the site could be secured and vacated in advance of any flooding);
- It is noted that the River Thames is a very well monitored watercourse in this location, with several days of warning in the event of a major flood. As such, there is valid justification to argue that safe access could be addressed through effective management and early warning systems. It is noted that this approach may contradict the requirements set out in the Spelthorne Borough Council 'Flooding' SPD;
- The surface water drainage arrangements for any development should be prepared using SuDS measures where appropriate and in accordance with the Building Regulations hierarchy. Any future FRA will need to include details of the surface water drainage arrangements to demonstrate no increase in flood risk from such sources.

## RIVERSIDE CAR PARK/MEMORIAL GARDENS

### Possible development options

	Option
1	Glazed pavilion to accommodate two restaurants plus some parking
2	Hotel (will be depend on the results of soft market testing) with public landscaped area along riverside
3	Residential with public landscaped areas along riverside

### Model of delivery (options will depend on scheme coming forwards)

	Option
1	Development by developer
2	Joint venture
3	Direct development by the Council

### Key issue - De-risk in order to maximise value of the asset

	Ways to de-risk and achieve best prospect for redevelopment
1	Avoid residential development on the site (significant flooding issues from putting additional people permanently in the floodplain)
2	Obtain high quality professional advice in submitting a planning application which will meet market requirements (depending on route taken)

### Timescales

See high level programme project plan



## STAINES UPON THAMES – HIGH LEVEL STAKEHOLDER STRATEGY

Stakeholders	Engagements	Measuring success
<b>Councillors</b>	Briefing/seminar, face to face meetings, reports, emails Initial stage after developer chosen, pre-application consultation, application stage	Signed up and endorse the final schemes and programme overall
<b>Business and retailing community</b>	Public consultation, meetings if appropriate Initial stage after developer chosen, pre-application consultation, application stage	Positive involvement and support for the final scheme
<b>Residents associations and interest groups</b>	Public consultation, quarterly meetings Initial stage after developer chosen, pre-application consultation, application stage	Positive involvement and support for the final scheme
Surrey County Council	face to face meetings, phone/email Initial stage after developer chosen, pre-application consultation, application stage	Library re-located as part of the wider re-development of Elmsleigh Phase IV
<b>Adjoining landowners/parties with leasehold interests</b>	face to face meetings, phone/email Initial stage after developer chosen, pre-application consultation, application stage	Positive involvement and need for Compulsory Purchase Order averted
Environment Agency	face to face meetings, phone/email Initial stage after developer chosen, pre-application consultation, application stage	No objection to the scheme coming forwards
General public	Website, press releases Initial stage after developer chosen, pre-application consultation, application stage	Measured response to the planning applications after pre-application consultations

## STAINES UPON THAMES – HIGH LEVEL PROGRAMME RISKS AND MITIGATION

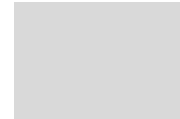
Risk	Mitigation
<b>1</b> Slippage of individual timescales	Set a very clear ITT and delivery timescales at outset. Ensure we have tight contracts Additional project management resource to drive forwards
<b>2</b> Interdependencies between the projects leads to programme slippage	Tight programme management Only move on Elmsleigh surface if and when required
<b>3</b> Cost of Council element to deliver schemes increases	Regularly review the programme business case Control costs of our spend
<b>4</b> On-going revenue stream decreases when redevelopments actually come forwards	Regularly review the programme business case Tight agreements to ensure no loss of income if a downward trend and overage if an upward trend
<b>5</b> Market interest is not there for the sites	Soft market testing and only move forward once commitment is made (staged approach)
<b>6</b> Parking in the town centre in one main location reduces the attractiveness and people go to other town centres (further erosion of parking income stream)	Increase attractiveness and signage for our car parks through additional investment Establish if Council could run the supermarket car park
<b>7</b> Flooding – development of Riverside results in flooding on South Street and Elmsleigh Centre reducing the value of another asset	Scheme will need to be designed to ensure this risk is minimised
<b>8</b> Payback of schemes in relation to loss of parking income is not sufficiently quick	Reduce by developing decked car parking at Elmsleigh surface car park to compensate Funding to increase attractiveness of Elmsleigh Multi storey car park
<b>9</b> Insufficient resources put in to move the projects forward at a pace to bring forward the development/capital receipt/income stream when it is needed from a financial point of view	Need additional resources to drive forward projects to meet the necessary timescales
<b>10</b> Negative reaction and ‘kick back’ from business and retailing community (including those losing car parking)	Reduce by early meaningful consultation before formal pre-app discussions, involve ward councillors and all interest groups
<b>11</b> Third parties (Surrey County Council, adjoining private landowners) delay the delivery of the programme	Reduce by early discussions to allow for lead in times and library (for example) to deal with the move

**HIGH LEVEL PROGRAMME (as of 31.10.13)**

Lead Oct - Dec 13

**Cross cutting/consultants**

confirm property consultants	SBC
confirm legal consultants	SBC
Tender for planning consultants and architects	SBC
Appoint planning consultants and architects	SBC
Resouce for vision document (comms/publisher)	SBC



**Promotional document for Staines Upon Thames\***

Draft document for consultation	SBC
Undertake public consultation	SBC
Revise document post consultation	SBC
Promotional document adopted and published	SBC

**Riverside car park \*\***

Finalise analysis of issues and constraints	SBC
Soft market testing	CW
Develop more detailed options	SBC
Decide most feasible option	SBC
Agree scope of application/pre-application	SBC
Planning application submitted (SBC)	PC
Planning application determined (SBC)	PC
Tender for development partner	SBC
Contract with development partner signed	SBC
receive capital receipt (IF the best option)	SBC
Detailed planning determined/conditions	Dev P
Construction	Dev P
Development completed	Dev P



**Bridge Street car park**

Negotiations with HSBC	CW
Agree scope of application/pre-application	SBC
Planning application submitted (SBC)	PC
Planning application determined (SBC)	PC
Tender for development partner	CW
Contract with development partner signed	SBC
Receive capital receipt	SBC
Pre-application advice and consultation	Dev P
Detailed planning/reserved matters application submitted	Dev P
Detailed planning determined/conditions	SBC
Re-locate HSBC spaces (temp or perm)	SBC
Construction	Dev P
Development completed	Dev P



**Elmsleigh Phase IV**

Discussions with SCC (re-locating the library)	SBC
Discussions with SWIP/Aberdeen (library)	SBC
Agree scope of application	SBC
Planning application submitted (SBC)	PCon
Planning application determined (SBC)	Pcon
Compulsory Purchase Order (or agreed settlement)	SBC
Tender for development partner	SBC
Contract with development partner signed	SBC
Detailed planning determined/conditions	Dev P
Re-locate library and museum	SBC
Construction	Dev P
Development completed	Dev P



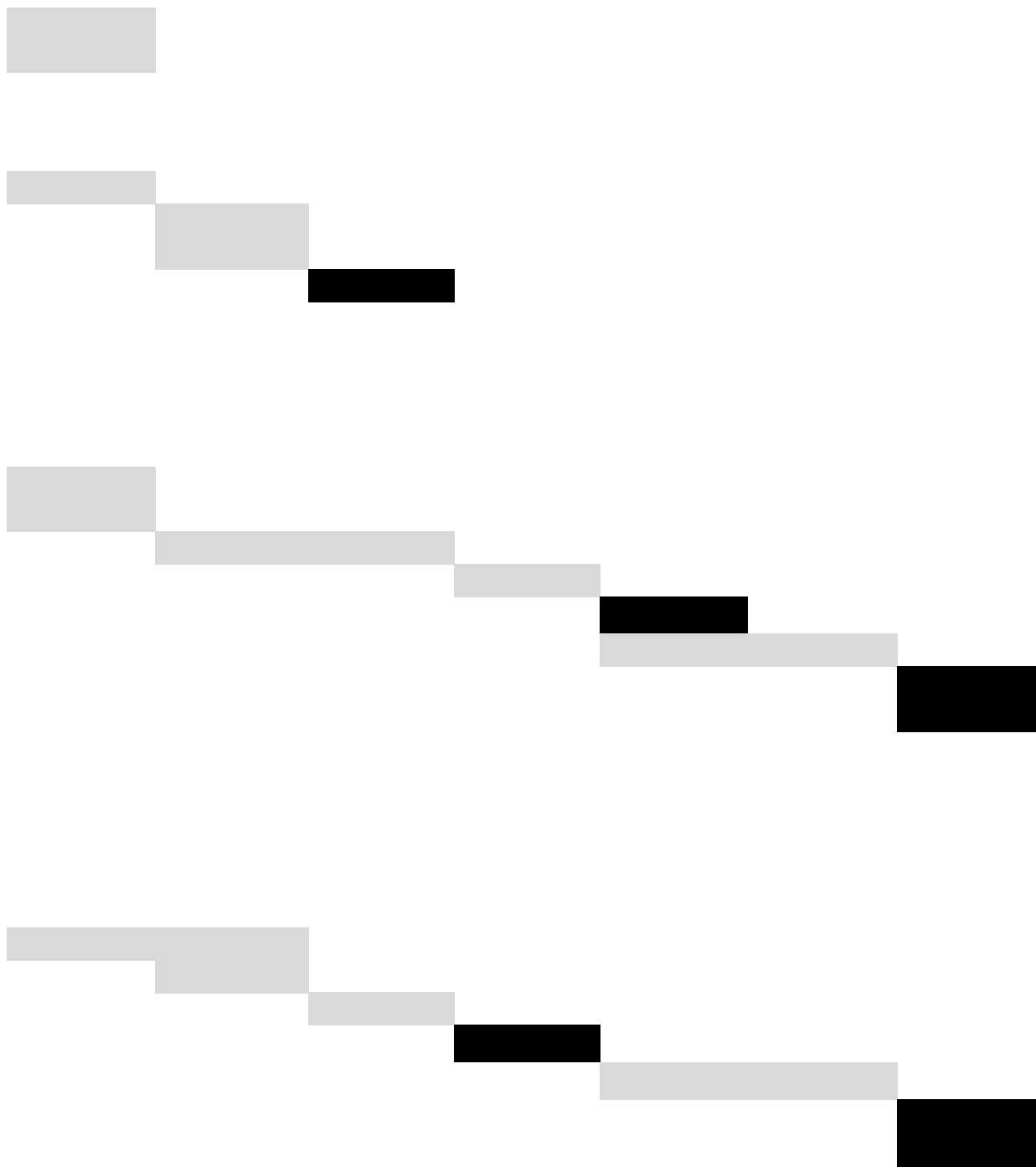
**Elmsleigh Surface car park**

Go out to tender for design and build	SBC
Contract signed	SBC
Planning application submitted (SBC)	SBC
Planning application determined (SBC)	SBC
Decked parking constructed	Dev P
Development completed	Dev P

\* Interim advice from Counsel is that an Area Action Plan/Masterplan would have to be considered as part of the review of the Local Plan - timescale 2-3 years)

\*\* Assuming scheme of cafes/restuarants and parking only

Jan - Mar 14   Apr - Jun 14   Jul - Sep 14   Oct - Dec 14   Jan - Mar 15   Apr - Jun 15   Jul - Sep 15



[Redacted]

[Redacted]

Oct - Dec 15   Jan - Mar 16   Apr - Jun 16   Jul - Sep 16   Oct - Dec 16   Jan - Mar 17   Apr - Jun 17



[Redacted]

[Redacted]



Jul - Sep 17    Oct - Dec 17





**Cabinet****26 November 2013**

<b>Title</b>	Treasury Management Half Yearly Report 2013/14		
<b>Purpose</b>	For Information		
<b>Report of</b>	Chief Finance Officer	<b>Confidential</b>	No
<b>Cabinet Member</b>	Councillor Tim Evans	<b>Key Decision</b>	No
<b>Report Author</b>	Jo Hanger		
<b>Summary</b>	This report is to update members on treasury management activities for the first half year to 30 <sup>th</sup> September 2013		
<b>Financial Implications</b>	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.		
<b>Corporate Priority</b>	All corporate priorities are supported.		
<b>Recommendations</b>	<ul style="list-style-type: none"> <li>The Cabinet is asked to note the treasury position achieved during the first six months of 2013/14 and the financial environment in global markets.</li> </ul>		

## **1. Background**

- 1.1 Treasury Management is “the management of the Council’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
- 1.2 The Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice 2009 which includes the requirement for determining a treasury strategy for financing and investing activity for the forthcoming year. Consequently the Council’s policy was reviewed and approved by this Committee in January 2013 and has been consistently applied since then.
- 1.3 This report is an interim statement of treasury activities for the first six months of the financial year, to the end of September 2013.

## **2. Key Issues**

### **Strategy for the year**

- 2.1 The overall treasury policy objective is the prudent investment of treasury balances. It is our aim to achieve the maximum return commensurate with proper levels of security and liquidity.
- 2.2 The Council seeks professional advice from Arlingclose and closely adheres to the advice set out in the Department for Communities and Local Government (DCLG) guidance. Given Spelthorne’s dependency on investment returns to balance the budget, the Council’s investment strategy is also kept under constant review and regular quarterly review meetings are held with Arlingclose, the Council’s treasury advisors. All investment and borrowing decisions are made in consultation with our advisors.
- 2.3 The credit quality of counter-parties (issuers and issues) and investment instruments is assessed by reference to credit ratings issued by Fitch, Moody’s and Standard and Poor’s. The Council’s counter-party credit policy is based on creditworthiness criteria recommended by our advisors and is reviewed on an ongoing basis to ensure that risk to the Council of counter-party defaults remains low.

### **Compliance with Treasury Limits**

- 2.4 During the first six months of the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council’s Treasury Policy Statement, and the annual Treasury Management Strategy Statement and Annual Investment Strategy approved by Council in January 2013.

### **Economic Background**

- 2.5 The UK economy showed some improvement with consumer spending boosting growth. GDP was 0.4% up for the first quarter and 0.7% up for the second quarter although growth is still 3% below its peak back in 2007.
- 2.6 Some positive signs for household spending emerged and consumer confidence improved. Household savings rates remained high, which is unsurprising given the uncertain economic outlook, but appear to be on a

downward track, suggesting that spending was being driven by both borrowing and lower household savings ratios.

- 2.7 UK inflation fell in line with expectations and the CPI for August was 2.7%, and is expected to remain close to this level throughout the autumn. Further out, inflation should fall back towards the 2% BoE target and there is no change in the Bank of England's monetary policy target. The new governor has implemented forward guidance and linked monetary policy to the unemployment rate but it is still expected that bank rate will remain at 0.50% until 2016.
- 2.8 In the US, the economy continued to improve but the lack of agreement on the federal budget caused a partial government shutdown at the beginning of October, which will have an effect on GDP growth. Political risks also remain regarding the debt ceiling.
- 2.9 Whilst the outlook for the global economy appears to have improved significant economic risks remain, particularly in China and the Eurozone. The Chinese banking system is facing tighter liquidity conditions as officials seek to slow down rampant credit growth and the Eurozone debt crisis has not gone away. The German elections in September passed with little incident but political uncertainties, particularly in Italy, could derail any progress towards a more balanced and stable regional economy.

### 3. Options Analysis and Proposals

#### **Borrowing Activity to 30<sup>th</sup> September 2013**

- 3.1 At 30<sup>th</sup> September 2013, the Council had no outstanding short term borrowings. Short term borrowing rates are now at around 0.50% - 0.75%pa but borrowing has been restricted to meeting daily cash flow requirements and activity here is limited. However, short term borrowing may increase during February and March when levels of Council Tax and Business Rate instalments reduce.

#### **Investment Activity to 30<sup>th</sup> September 2013**

- 3.2 The ability to maximise interest returns is paramount to generate sufficient funds to support the General Fund. Last year the Council in consultation with Arlingclose, invested part of its core portfolio in pooled equity and bond funds and this action should secure higher returns than cash deposits over the next few years. Although there is more risk attached to these types of investments the intention is that they are held for the longer term of 5 to 7 years.
- 3.3 As at 30<sup>th</sup> September 2013, the Council's investment portfolio was a total of £20.9m and a breakdown of the investments is attached as **Appendix A**. The availability of funds for investment is dependent upon the timing of precept payments, receipt of grants and progress on the capital programme. Consequently the core cash balance available for longer term investment is £12.5m and the bulk of other funds, £8.4m in the table in *Appendix A*, are only available on a temporary basis pending cash flow activities.
- 3.4 The core investment portfolio of £12.5m now includes £7.5m in pooled equity, bond and property funds and a list of the individual investments and their current performance is detailed in **Appendix B**.

### **Investment Performance Monitoring**

- 3.5 All investment performance is monitored on a monthly basis. The original estimate for net investment income to be credited to the General Fund in 2013/14 was £345,000. This reflected the Council's investment in pooled funds but over the past few months the interest rates on all the Council's call accounts have been reduced significantly as banks obtain cheaper funding from the Bank of England's Funding for Lending Scheme.
- 3.6 As at 30<sup>th</sup> September 2013 the total net investment income earned to date was £171,500 of which £140,000 was from pooled funds. These investments were specifically purchased to replace the income lost when the Council's European Investment Bank (EIB) Bonds, which had been earning around 4%, matured. The figures in Appendix B illustrate that this objective has been broadly achieved.
- 3.7 Assuming that cash rates do not fall any further and pooled fund dividends remain at their current levels, the outturn for the full year is expected to meet the estimate of £345,000. Action will be taken wherever possible to mitigate this by taking advantage of enhanced deposit rates that may be available.
- 3.8 The average annualised rate of return for the first six months is 1.51%, which is 1.07% above the benchmark 3 month LIBID rate of 0.44% at 30<sup>th</sup> September. This outperformance is due to the Council's current pooled funds and bond investments and also taking advantage of enhanced market rates for deposits whenever possible.

### **Conclusions and Outlook for 2014/15**

- 3.9 The investment strategy is kept under constant review so that the Council can adapt quickly to the constantly changing environment. The Council continues to be proactive in seeking ways of maintaining and improving current levels of return against a very challenging global investment environment.
- 3.10 Arlingclose believes that Bank Rate will remain at 0.50% until at least 2016 and cash rates for deposits are likely to remain at historically low levels for the foreseeable future.
- 3.11 Arlingclose provides a monthly update of the credit ratings of major financial institutions. Counterparty credit quality is assessed and monitored with reference to the rating agencies Fitch, Moody's and Standard and Poor's; credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP; sovereign support mechanisms and potential support from a well resourced parent institution and share price. This information is used for reference and decision making purposes and will continue to be monitored closely.
- 3.12 The full list of approved investment instruments is attached as **Appendix C** and this reflects the application of the creditworthiness criteria recommended by the Council's advisors, Arlingclose.

### **Proposals**

- 3.13 Diversifying part of the portfolio into pooled investment funds has been beneficial to our returns and should help maintain overall investment returns into the future. These investments will also enable the Council to diversify the assets and underlying risk in the investment portfolio and should provide the potential for enhanced returns.

- 3.14 The Council is also considering the potential of investing in local businesses via Funding Circle, a peer to peer lender. Any investment would be made in full consultation with our advisors and should also be viewed from the perspective of economic development within the local area by lending to established profitable businesses who are finding it difficult to obtain funding from banks.
- 3.15 These types of investments can generate higher returns but risk is significantly higher than with larger banks and institutions. Consequently, the level of investment would be very limited in cash terms and also to geographical area, specifically with businesses in the Surrey area.

#### **4. Financial Implications**

- 4.1 The financial implications are as set out in this report. 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 mean a significant reduction in cash returns. Therefore, it is our aim to continue to maintain flexibility commensurate with the high level of security and liquidity and minimal risk when making investment decisions.
- 4.2 The Council's current bankers, the Co-Operative Bank plc has been in the news lately as it needs to raise additional funds due to bad loans taken on in its merger with the Britannia Building Society. The bank want to raise some of the funds by "bailing-in" its bondholders, which include several hedge funds. No settlement has yet been agreed.
- 4.3 Contingency plans are currently being put in place to support the Council's business banking if the bank is unable to acquire sufficient funding to shore up its balance sheet. Changing bankers will have significant financial and other resource implications for the Council and the situation is being closely monitored.

#### **5. Other Considerations**

- 5.1 The Council fully complies with best practice as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities, the Department for Communities and Local Government (DCLG) Guidance on Investments issued in March 2004 and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management in the Public Sector 2009 and Cross Sectional Guidance Notes.
- 5.2 Nothing in the Council's current strategy is intended to preclude or inhibit capital investment in local projects deemed beneficial to the local community and which have been approved by the Council.

#### **6. Risks and how they will be mitigated**

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

#### **7. Timetable for Implementation**

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

**Report Author:** Jo Hanger

**Background papers:** There are none



## Appendix A

Details of Investments Held as at 30<sup>th</sup> September 2013

<b>Investment Type</b>	<b>Amount £m</b>	<b>Yield %</b>	<b>Start Date</b>	<b>Maturity Date</b>
<u>Pooled Investment Funds</u> (see Appendix B for details)				
Charteris Elite Equity Income	1.0	5.00*	11 May 2012	N/A
Cazenove UK Corporate Bond	1.5	4.00*	11 May 2012	N/A
M&G Strategic Corporate Bond	1.5	3.00*	30 May 2012	N/A
M&G Global Dividend	1.0	3.00*	27 Jun 2012	N/A
Schroders Income Maximiser	1.0	5.00*	06 Jul 2012	N/A
CCLA Property Fund (LAMIT)	1.5	4.00*	31 Mar 2013	N/A
<u>Fixed rate Deposits (short term)</u>				
Nationwide Building Society	1.0	0.70	01 Aug 2013	01 Aug 2014
Nationwide Building Society	1.0	0.38	03 Sep 2013	04 Oct 2013
Barclays	1.0	1.00	03 Dec 2012	03 Dec 2013
Lloyds/Bank of Scotland	1.0	0.75	02 Aug 2013	02 Feb 2014
Lloyds/Bank of Scotland	1.0	0.75	15 Feb 2013	15 Aug 2014
<b>Total - Core Investment Portfolio</b>	<b>12.5</b>	<b>1.88</b>		<b>Average</b>
<u>Cash Flow Investments</u>				
Santander Call Account	2.8	0.80		Instant Access
Nat West Call Account	1.6	0.50		Instant Access
Lloyds/BOS Call Account	0.8	0.40		Instant Access
Goldman Sachs MMF	1.7	0.37		Instant Access
UK Debt Management Office	1.5	0.25		Various Oct 13
<b>Investments at 30.9.12</b>	<b>20.9</b>	<b>1.51</b>		<b>Overall Average</b>

\* Yields on pooled funds are approximate

## Appendix B

**Pooled Funds as at 30<sup>th</sup> September 2013**

<b>Fund</b>	<b>Date of Purchase</b>	<b>Investment</b>	<b>Dividends Received to 30/9</b>	<b>Annualised Dividend Yield</b>	<b>Capital Gain at 30/9</b>	<b>Total Return at 30/9</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Charteris Elite Income Fund	11/05/12	1,000,000	22,316	4.46%	55,120	77,436
Cazenove UK Corporate Bond Fund	11/05/12	1,500,000	38,130	5.08%	60,422	98,552
M&G Strategic Bond Fund	30/05/12	1,500,000	14,803	1.97%	70,788	85,591
M&G Global Dividend Fund	27/06/12	1,000,000	21,823	4.36%	223,896	245,719
Schroders Income Maximizer Fund	06/07/12	1,000,000	26,627	5.33%	231,012	257,639
CCLA Property Fund (LAMIT)	28/03/13	1,500,000	16,357	2.18%	- 1,879	14,478
<b>Value 30/9/13</b>		<b>7,500,000</b>	<b>140,056</b>	<b>3.73%</b>	<b>639,359</b>	<b>779,415</b>

**Pooled Fund Performance to 30<sup>th</sup> September 2013**

The Capital appreciation of these investments as at 30/9/13 equates to 8.52%. However, capital gains and losses may fluctuate throughout the period the investments are held. Any gains would only be realised when the funds are sold.

Dividends are received at various times during the year and some are paid quarterly and other half yearly. The income yield as at 30/9/13 is 1.87% and the estimated annualised income yield on these funds is expected to be in the region of 4%.

## Appendix C

### **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 nationalised 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 the 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

## Appendix C continued

**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
Investments with Registered Providers/Housing Associations	Long Term A- (see below*), and in consultation with treasury advisors	2 years	£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

**Cabinet****26 November 2013**

<b>Title</b>	Capital Monitoring Report		
<b>Purpose</b>	Recommendation required		
<b>Report of</b>	Chief Finance Officer	<b>Confidential</b>	No
<b>Cabinet Member</b>	Councillor Tim Evans	<b>Key Decision</b>	No
<b>Report Author</b>	Adrian Flynn		
<b>Summary and Key Issues</b>	<p>To provide Cabinet with the spend figures for the period April to end of September 2013 on the Capital Programme.</p> <p>The current position show that we have spent/committed £544k to date which represents 29% of the revised budget</p> <p>The projected outturn shows that we are anticipating to spend £1.857m which represents 98.1 % of the revised budget.</p> <p>Agree to rephrase the Capital budget for Kenyngton Manor from 2013/14 to 2014/15.</p> <p>Agree to increase the Stanwell CCTV budget by £18.1k</p> <p>Agree to remove the budget for meals on wheels vans £50k from the 2013/14 capital programme as it is no longer required.</p>		
<b>Financial Implications</b>	As set out within the report and appendices.		
<b>Corporate Priority</b>	All Priorities		
<b>Recommendations</b>	<p>To note the current spend position</p> <p>That the Capital Programme provision for Kenyngton Manor Pavilion be rephrased with the 2013/14 provision reduced by £33k and the provision for 2014-15 increased by £33k.</p> <p>The budget for the Stanwell CCTV project is increased by £18,110 to cover the actual expenditure incurred which is offset in full by increased funding from A2D.</p> <p>The Budget for Meals on wheels vans is no longer required and the 2013/14 programme should be reduced by £50k.</p>		

## 1. Background

- 1.1 The Purpose of this report is to update Cabinet on the capital spend against the budget position of the schemes within the capital programme.
- 1.2 To inform Cabinet of the reasons for the variances
- 1.3 This may be the last financial year, where Spelthorne will have sufficient capital funds to fully fund anticipated future capital programmes, there after we will need to start either drawing down revenue reserves, making revenue contributions to capital or finding additional funding sources.

## 2. Key issues

- 2.1 A key issue in 2012/13 was that a number of capital projects slipped ,with increased focus on more robust monitoring and tighter project management, it was anticipated that outturn would be much closer to budget in 2013/14.It has become apparent at the end of this quarter that slippage on some schemes could become an issue during the second half of 2013/14, as many of the projects still have either no spend or very little spend against them despite finance being given assurances that projects are either under way or will be spent in full by year end.
- 2.2 Attached as Appendix A & B is the actual spend to date on capital covering the period April to September 2013.
- 2.3 For the period ending September 2013, capital expenditure was £311k (27%) of the original budget and (16%) against the revised budget.
- 2.4 The difference between the original and revised budgets is shown in the following table.

Original Budget 2013/14						1,129,200
Carry Forwards from 2012/13						723,619
Supplementary Estimates						
	Additional Funding received - DFG's			-	4,717	
	Additional Funding DCLG			-	34,246	
	Projects removed from the programme			-	397,000	
	Supplementary Estimates approved during year				476,588	
						40,625
Revised Budget 2013/14						1,893,444

- 2.5 Transactions involving all projects are reviewed on a regular basis throughout the year to ensure that they meet the definition of capital expenditure as laid down by our external auditor's KPMG and accounting standards. Any transaction that fails to meet the capital definition will be transferred to revenue.

## **Significant Developments/variances**

- 2.6 The following projects are worth noting :
- (a) Kenyngton Manor Pavilion (£33K) : Problems surrounding the feasibility study has resulted in direct contact with the FA regarding the funding for this project. As the majority of the work needs to be done outside of the football season, it would be better to amend the budget to better reflect the actual spend pattern on this project.
  - (b) Bring Site Initiative (£60k) Project currently out to tender with a deadline date of the 14 November, after which a supplier will be chosen with the housing units installed early in the new year.
  - (c) Car Park Improvements (£71k) Problems surrounding getting all stakeholders on board with this project, may result in it not being completed by the 31<sup>st</sup> March 2014 deadline.
  - (d) Customer Relationship Management (CRM) (£160k) The project team are evaluating 3 software companies and the procurement of the preferred supplier will go to Cabinet in January 2014 with a project completion date of March 2015.
  - (e) Two ICT projects: ICT security and Integra upgrade will require carry forwards totalling £22k at year end.

## **2.7 Options analysis and proposal**

- 2.8 Cabinet are asked to note the current spend position

## **3. Financial implications**

- 3.1 Any underspend on the approved capital programme enables the authority to invest the monies to gain additional investment income or can be used to fund additional schemes.

## **4. Other considerations**

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

## **5. Risks and how they will be mitigated**

- 5.1 Regular monitoring and updating of the actual figures will enable changes to be picked up and allow corrective action to be taken where necessary in a timely manner.

## **6. Timetable for implementation**

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

**Background papers: None**

**Appendices: A&B**

## Appendix A

**CAPITAL MONITORING REPORT P.6 SEPTEMBER 2013/14**

<b>Portfolio Member</b>	<b>ORIGINAL BUDGET</b>	<b>CARRY FORWARDS</b>	<b>SUPPLEMENTARY ESTIMATE</b>	<b>REVISED BUDGET</b>	<b>ACTUALS YTD</b>	<b>COMMITMENTS</b>	<b>MANAGERS PROJECTED OUTTURN</b>	<b>MANAGERS PROJECTION TO REVISED BUDGET</b>
<b>Cllr Webb - Planning &amp; Housing</b>	301,600	-	(4,717)	296,883	14,575	27,084	296,967	84
<b>Cllr Pinkerton - Health Wellbeing &amp; Ind Living</b>	50,000	75,601	(50,000)	75,601	10,017	4,068	60,501	(15,100)
<b>Cllr Mitchell - Environment</b>	85,000	5,000	(34,246)	55,754	7,500	-	90,000	34,246
<b>Cllr Gething - Parks and Assets</b>	364,700	288,318	196,588	849,606	215,312	139,668	816,464	(33,142)
<b>Cllr Sexton - Communications</b>	327,900	271,100	(67,000)	532,000	66,468	59,712	510,000	(22,000)
<b>Cllr Forbes-Forsyth - Comm Safety &amp; Young People</b>	-	13,000	-	13,000	(0)	-	13,000	-
<b>Cllr Evans - Finance &amp; Resources</b>	-	70,600	-	70,600	(3,200)	3,200	70,600	-
	<b>1,129,200</b>	<b>723,619</b>	<b>40,625</b>	<b>1,893,444</b>	<b>310,672</b>	<b>233,732</b>	<b>1,857,532</b>	<b>(35,912)</b>



Appendix B

**CAPITAL MONITORING REPORT P.6 SEPTEMBER 2013/14**

Portfolio Member / Service Head	Cost Centre	Description	Original Budget	Carry Forwards	Supplementary Estimate	Revised Budget	Actuals YTD	Commitments	Managers Projected Outturn	Managers Projection to Revised Budget	Comments
<b>Housing Investment Programme</b>											
<b>Cllr Webb - Planning &amp; Housing</b>											
Lee O'Neil	40203	Disabled Facilities Mandatory	520,000	-	-	520,000	159,433	-	520,000	-	On target to spend budget. DCLG have awarded SBC an additional grant of £4717
Lee O'Neil	40204	Disabled Facilities Discretion	29,600	-	-	29,600	-	-	29,600	-	No spend likely until much later in financial year
Lee O'Neil		Less Specified Capital Grant	(285,000)	-	(4,717)	(289,717)	(144,859)	-	(289,717)	-	
		<b>Net Cost of Disabled Facilities Grants</b>	<b>264,600</b>	<b>-</b>	<b>(4,717)</b>	<b>259,883</b>	<b>14,575</b>	<b>-</b>	<b>259,883</b>	<b>-</b>	
Lee O'Neil	40207	Equity Release Scheme	10,000	-	-	10,000	-	-	10,000	-	Home Improvement Trusts equity release scheme has been closed. Replacement scheme being sought.
Lee O'Neil	40209	Home Improvement Agency grant	27,000	-	-	27,000	-	27,084	27,084	84	Annual Invoice received in October 2013
		<b>Total</b>	<b>37,000</b>	<b>-</b>	<b>-</b>	<b>37,000</b>	<b>-</b>	<b>27,084</b>	<b>37,084</b>	<b>84</b>	
<b>Total For HIP</b>			<b>301,600</b>	<b>-</b>	<b>(4,717)</b>	<b>296,883</b>	<b>14,575</b>	<b>27,084</b>	<b>296,967</b>	<b>84</b>	
<b>Other Capital Programme</b>											
<b>Cllr Pinkerton - Health Wellbeing &amp; Independent Living</b>											
Deborah Ashman	42271	Fordbridge Day Centre	-	20,716	6,000	26,716	11,127	186	26,716	-	Works to reception area still to be carried out, anticipated to be finished by February 2014
Deborah Ashman		External Funding	-	(3,276)	(6,000)	(9,276)	(9,276)	-	(9,276)	-	
Deborah Ashman	41013	Wellbeing Centre	-	69,144	7,000	76,144	75,248	3,882	76,144	-	All works are finished, waiting on the closure report to be signed off
Deborah Ashman		External Funding	-	(60,083)	(7,000)	(67,083)	(67,083)	-	(67,083)	-	
Deborah Ashman	42014	Housing Locata	-	24,000	-	24,000	-	-	24,000	-	Project kick off dependant on the outcome of the future Search Moves partnership arrangements and the ratification of the Housing Allocations Policy. As these are now in place the project is close to kick off. Anticipated go live date 31st March 2014
Deborah Ashman	40106	Meals on Wheels Vans	50,000	-	(50,000)	-	-	-	-	-	This budget is no longer needed
		<b>Total</b>	<b>50,000</b>	<b>50,501</b>	<b>(50,000)</b>	<b>50,501</b>	<b>10,017</b>	<b>4,068</b>	<b>50,501</b>	<b>-</b>	
Lee O'Neil	41314	Air Quality	-	25,100	-	25,100	-	-	10,000	(15,100)	£25,100 is the outstanding balance on a DEFRA grant to be used for air quality action planning purposes. Project expected to be completed by March 2015
		<b>Total</b>	<b>-</b>	<b>25,100</b>	<b>-</b>	<b>25,100</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>(15,100)</b>	
<b>Cllr Mitchell - Environment</b>											
Jackie Taylor	41502	DCLG Lorry	180,000	-	-	180,000	214,246	-	214,246	34,246	Lorry has been delivered. Overspend will be funded from DCLG revenue grant
Jackie Taylor	41601	DCLG Bins	48,000	-	-	48,000	47,500	-	48,000	-	Bins have been delivered. Budget for year will be fully spent
Jackie Taylor		DCLG Grant	(228,000)	-	(34,246)	(262,246)	(262,246)	-	(262,246)	-	
		<b>Total</b>	<b>-</b>	<b>-</b>	<b>(34,246)</b>	<b>(34,246)</b>	<b>(500)</b>	<b>-</b>	<b>-</b>	<b>34,246</b>	
Sandy Muirhead	40602	HeatingRepairs&DraughtProofing	25,000	-	-	25,000	3,000	-	25,000	-	Monies to be spent later in year on addressing fuel poverty issues
Sandy Muirhead	41309	Critical Ditches	-	5,000	-	5,000	5,000	-	5,000	-	Felix Lane ditch project has been completed
Sandy Muirhead	42047	Bring Site Initiative	60,000	-	-	60,000	-	-	60,000	-	Bring sites currently being reviewed. New bins to be bought & put in place in Autumn 2013
		<b>Total</b>	<b>85,000</b>	<b>5,000</b>	<b>-</b>	<b>90,000</b>	<b>8,000</b>	<b>-</b>	<b>90,000</b>	<b>-</b>	
<b>Cllr Gething - Parks and Assets</b>											
Dave Phillips	41015	Runnymede Estates	-	-	-	-	1,225	54,300	-	-	Actuals to be transferred at end of year
Dave Phillips	41028	Fire Alarm Systems	29,000	-	-	29,000	-	-	29,000	-	Upgrading Fire Alarm systems at Greeno & Fordbridge Day Centres. Out to tender. To be completed by the end of the year
Dave Phillips	41031	Fencing	64,000	-	-	64,000	-	-	64,000	-	Tendering contract being put together. Works to be completed by end of financial year
Dave Phillips	41618	Esso Site Stanwell	-	20,000	-	20,000	-	-	20,000	-	Leisure have expressed an interest in running the site for football. Costs of decontamination and levelling of site being obtained
Dave Phillips	42007	Lammas Park Water Mains	-	35,000	-	35,000	35,830	2,520	35,000	-	Works completed. Retention payment to be made next year
Dave Phillips	42043	Renewal of Toilet Facilities	20,000	20,000	-	40,000	1,367	18,623	40,000	-	2nd floor toilets completed, final invoice due. Phase 2 to be completed by end of financial year
Dave Phillips	42050	KG Reception & Other Moves	-	45,657	-	45,657	690	11,270	45,657	-	ICT area moves - progressing & hope to be completed mid October 2013. Works to meeting rooms in reception to start in October 2013. Audit moving to existing ICT area end of November 2013. Further moves to be agreed by MAT
Dave Phillips	42053	Knowle Green Heating	-	25,561	-	25,561	-	46,306	25,561	-	Works completed to renew old valves at Knowle Green. Estimated outturn is £26k, commitment to be cleared once final invoices received
Dave Phillips	42101	Housing Accommodation Moves	-	-	70,000	70,000	-	-	70,000	-	Works on reorganising Housing Options, Benefits & reception to start in October 2013. Due to be completed by end of December 2013
		<b>Total</b>	<b>113,000</b>	<b>146,218</b>	<b>70,000</b>	<b>329,218</b>	<b>39,112</b>	<b>133,018</b>	<b>329,218</b>	<b>-</b>	
Lisa Stonehouse	41006	Kenyngton Manor Pavilion	33,000	-	-	33,000	-	-	-	(33,000)	Project progressing. Meeting in October with FA to discuss their bid for football foundation funding
Lisa Stonehouse	41007	Sunbury Skate Park	18,700	-	-	18,700	7,654	6,650	18,700	-	Lighting has been installed. CCTV hoping to be in place by the end of October 2013
Lisa Stonehouse	41018	Pool Covers	-	14,500	-	14,500	14,526	-	14,526	26	Project complete
Lisa Stonehouse	41202	Loan to SLM	-	-	300,000	300,000	-	-	300,000	-	Legal agreement being looked at regarding loan and repayments
Lisa Stonehouse	42274	SkatePark+Multi use games area	-	6,000	-	6,000	5,860	-	5,860	(140)	Project complete, retention paid
		<b>Total</b>	<b>51,700</b>	<b>20,500</b>	<b>300,000</b>	<b>372,200</b>	<b>28,040</b>	<b>6,650</b>	<b>339,086</b>	<b>(33,114)</b>	

**CAPITAL MONITORING REPORT P.6 SEPTEMBER 2013/14**

Portfolio Member / Service Head	Cost Centre	Description	Original Budget	Carry Forwards	Supplementary Estimate	Revised Budget	Actuals YTD	Commitments	Managers Projected Outturn	Managers Projection to Revised Budget	Comments
Sandy Muirhead	41023	Technical Equipment	-	-	26,588	26,588	26,588	-	26,588	-	Strong leader decision to purchase Christmas lights for Staines Town Centre. Purchased in September 2013
Sandy Muirhead	41026	Laleham Park Upgrade	200,000	-	(200,000)	-	-	-	-	-	Project deferred until 2014/15
Sandy Muirhead	41207	Combined Heat & Power	-	121,600	-	121,600	121,572	-	121,572	(28)	Project complete
Sandy Muirhead	42031	M2G Boiler Controls	-	-	18,350	18,350	-	-	18,350	-	SALIX project monies from SALIX fund complete by March 2014
Sandy Muirhead		Salix funding	-	-	(18,350)	(18,350)	-	-	(18,350)	-	
<b>Total</b>			<b>200,000</b>	<b>121,600</b>	<b>(173,412)</b>	<b>148,188</b>	<b>148,160</b>	<b>-</b>	<b>148,160</b>	<b>(28)</b>	
<b>CLr Sexton - Communications</b>											
Helen Dunn	43003	New Software	40,000	-	-	40,000	1,868	-	40,000	-	Will be spent throughout the year on various software enhancements
Helen Dunn	43306	Geographical Info System	-	-	-	-	-	633	-	-	Flight took place in March 2013. Invoice has now been received
Helen Dunn	43310	Virtual Desktop (VDI)	100,000	47,000	(147,000)	-	-	-	-	-	Project will no longer take place
Helen Dunn	43311	Voice Over Internet (VOIP)	75,000	85,000	-	160,000	-	-	160,000	-	Project progressing, design document drawn up, suppliers found and quotes received
Helen Dunn	43314	Integra Upgrade	24,000	-	-	24,000	6,755	7,145	12,000	(12,000)	Phase 1 of 2 of Integra upgrade underway. Phase 2 - eSeries 2 to be done early 2014. It is anticipated that £12k will be spent in 13/14 & a carry forward of £12k will need to be submitted for 14/15
Helen Dunn	43315	GOSS (Runnymede)	-	-	-	-	3,500	19,573	-	-	All costs to be recharged to Runnymede
Helen Dunn	43507	Car Parks Link	12,000	-	-	12,000	210	-	12,000	-	Project is complete. Awaiting invoices
Helen Dunn	43601	Remote & Mobile Working, Depot	-	16,000	-	16,000	-	-	16,000	-	Awaiting evaluation report linked to 43307 - EHBC Mobile Working project. £1k to be spent on a tablet as a proof of concept
Helen Dunn	43603	Server Updates	30,000	-	-	30,000	1,270	-	30,000	-	No specific requirements as yet, but will be spent later in the year
Helen Dunn	43604	Desktop Upgrades	10,000	-	-	10,000	7,999	3,990	10,000	-	Spend to date relates to laptops purchased for new employees
Helen Dunn	43608	Other Hardware	10,000	-	-	10,000	4,300	-	10,000	-	Replacement of Digital Film Scanner (Microfiche) purchased for Reception area
Helen Dunn	43609	ICT Security	26,900	-	-	26,900	-	-	16,900	(10,000)	Project split into Intrusion Detection & Protective Markings. PC Monitoring Endpoint Security took place in 2012/13. Anticipated to spend £16,900 in 13/14 & carry forward of £10k will need to be submitted for 14/15
<b>Total</b>			<b>327,900</b>	<b>148,000</b>	<b>(147,000)</b>	<b>328,900</b>	<b>25,902</b>	<b>31,341</b>	<b>306,900</b>	<b>(22,000)</b>	
Jan Hunt	41608	HR and Payroll system	-	12,500	-	12,500	(3,500)	5,379	12,500	-	Phases 1 & 2 complete. Phase 3 (self-service) & Phase 4 (automated workflows & e-recruitment) are in progress
<b>Total</b>			<b>-</b>	<b>12,500</b>	<b>-</b>	<b>12,500</b>	<b>(3,500)</b>	<b>5,379</b>	<b>12,500</b>	<b>-</b>	
Lee O'Neil	43307	EHBC Mobile Working	-	15,600	-	15,600	-	-	15,600	-	Comprehensive evaluation report to MAT 29th October 2013. Subject to MAT agreement, progress options for reducing office space occupied by EH and BC services and "hot desking" arrangements
<b>Total</b>			<b>-</b>	<b>15,600</b>	<b>-</b>	<b>15,600</b>	<b>-</b>	<b>-</b>	<b>15,600</b>	<b>-</b>	
Linda Norman	43505	CRM Solution	-	80,000	80,000	160,000	35,000	22,992	160,000	-	The project team are currently evaluating 3 software companies and have issued a requirement specification to each. It is anticipated that the procurement of the preferred supplier will go to Cabinet in January 2014 with the project being completed by March 2015
<b>Total</b>			<b>-</b>	<b>80,000</b>	<b>80,000</b>	<b>160,000</b>	<b>35,000</b>	<b>22,992</b>	<b>160,000</b>	<b>-</b>	
Rowena Davison	43304	GOSS - Website Upgrade	-	15,000	-	15,000	9,066	-	15,000	-	The project itself was completed in 2012/13, however there is ongoing work with various fixes and bugs etc that are currently being worked on with GOSS
<b>Total</b>			<b>-</b>	<b>15,000</b>	<b>-</b>	<b>15,000</b>	<b>9,066</b>	<b>-</b>	<b>15,000</b>	<b>-</b>	
<b>CLr Forbes-Forsyth - Community Safety &amp; Young People</b>											
Keith McGroary	41605	Staisafe Radio	-	13,000	-	13,000	-	-	13,000	-	A new report will be going to cabinet in November 2013, as there has been a change in the initial bid regarding the radio type
Keith McGroary	41604	Stanwell CCTV	-	60,000	18,110	78,110	78,110	-	78,110	-	Project complete, CCTV cameras installed in August 2013
Keith McGroary		S106 Funding	-	(60,000)	(18,110)	(78,110)	(78,110)	-	(78,110)	-	
<b>Total</b>			<b>-</b>	<b>13,000</b>	<b>-</b>	<b>13,000</b>	<b>(0)</b>	<b>-</b>	<b>13,000</b>	<b>-</b>	
<b>CLr Evans - Finance &amp; Resources</b>											
Sandy Muirhead	41302	Parking Handhelds	-	-	-	-	(3,200)	3,200	-	-	Waiting for special creditor to clear
Sandy Muirhead	41317	Car Park Improvements	-	70,600	-	70,600	-	-	70,600	-	Will go towards some form of Automatic Number Plate Reader system. Project to go out to tender in November 2013, to be installed by March 2014 at latest
<b>Total</b>			<b>-</b>	<b>70,600</b>	<b>-</b>	<b>70,600</b>	<b>(3,200)</b>	<b>3,200</b>	<b>70,600</b>	<b>-</b>	
<b>Total For Other</b>			<b>827,600</b>	<b>723,619</b>	<b>45,342</b>	<b>1,596,561</b>	<b>296,097</b>	<b>206,648</b>	<b>1,560,565</b>	<b>(35,996)</b>	
Total Expenditure			1,642,200	846,978	129,048	2,618,226	872,246	233,732	2,582,314	(35,912)	
Total Funding			(513,000)	(123,359)	(88,423)	(724,782)	(561,574)	-	(724,782)	-	
<b>GRAND TOTAL</b>			<b>1,129,200</b>	<b>723,619</b>	<b>40,625</b>	<b>1,893,444</b>	<b>310,672</b>	<b>233,732</b>	<b>1,857,532</b>	<b>(35,912)</b>	

**Cabinet****26 November 2013**

<b>Title</b>	Revenue Monitoring Report		
<b>Purpose</b>	Recommendation required		
<b>Report of</b>	Chief Finance Officer	<b>Confidential</b>	No
<b>Cabinet Member</b>	Councillor Tim Evans	<b>Key Decision</b>	No
<b>Report Author</b>	Adrian Flynn		
<b>Summary and Key Issues</b>	<p>To provide Cabinet with the net revenue spend figures to the end of September 2013.</p> <p>The forecast outturn at net expenditure level is £12.151m against the revised budget of £12.310m: A projected favourable variance of £159k is anticipated for the year end</p> <p>After taking into account the use of carry forwards, the projected net position is approximately £323k favourable variance.</p> <p>Interest earnings are forecast to be in line with budget</p>		
<b>Financial Implications</b>	As set out within the report and appendices		
<b>Corporate Priority</b>	All Priorities		
<b>Recommendations</b>	Cabinet is asked to note the report		

## 1. Background

- 1.1 The purpose of this report is to update Members on the net revenue spend and forecast outturn position as at the end of September 2013.
- 1.2 To inform members of the reasons for the variances identified against the budget agreed in February 2013 and revised for carry forwards.
- 1.3 In the budgets agreed for Heads of Service, It is always anticipated that there will be budget variances from the original budget. This ensures that the authority meets any change in the needs of the service to adapt to any unexpected changes which happen in the period.

## 2. Key issues

- 2.1 The forecast under/over spend at net expenditure level is £159k (1.3 %) against the revised budget. Once we take into account the use of carry forwards, the under spend increases to approximately £323 K.
- 2.2 Appendices B and C1 to C8 show the major area's causing the year to date budget to be higher or lower than the actual spend to date are detailed.

### 2.3 Details of Monitoring

- 2.4 Budgets are profiled where there is a normal expected payment date e.g. National Non-Domestic rates (NNDR) payments are profiled to be paid in May, salaries in 12ths, grants on the month they are received previously, contracts on the payment frequency agreed, rentals on a quarterly basis etc. This still means however that the majority of the expenditure, profiled in 12ths to be spent, is reliant upon Service Heads ordering goods and services on a regular basis. In reality the major proportion of spend is generally made in the second half of the year. There will always be some timing differences which do not reflect underlying budget variances.
- 2.5 The major area of spend relates to Housing Benefit payments which are made 4 weekly at varying levels from £1.7m max to £20k minimum. However the grant income received comes in monthly based on estimates agreed at the start of the year. An Interim adjustment payment is paid or repaid after the midyear claim is submitted. Timing differences in excess of £1.5m in one month could occur if 2 large benefit payment runs occur within the same month.
- 2.6 Appendices B and C1 to C give a summarised breakdown of the revenue spend by portfolio area, firstly in overall terms and then breaking each portfolio down by cost centres.

## 3. Options analysis and proposal

- 3.1 Cabinet are asked to note the current net revenue spend and forecast position.
- 3.2 The following highlights the more significant or material variances.

### Planning and Housing

Housing Needs: £33k adverse variance - Extension of two temporary posts approved by MAT

Planning Policy: £44k favourable variance – Reduced Consultants expenditure.

### **Health/Wellbeing**

Day centres: £52k adverse variance – Increased utility bills

£194k favourable variance – Additional funding

Meals on wheels: £9k adverse variance – Extended Weekend service.

£27k favourable variance – Additional funding

Spelride: £40k favourable variance – Additional funding

### **Environment**

Refuse Collection: £110k favourable variance- Reduced lease and hired transport costs offset by higher fuel costs, plus increased income from bulky waste and collection service.

### **Economic Development and Fixed Assets**

Knowle Green: £44k adverse variance – Increased weekend overtime working and increased business rates and cleaning costs.

### **Communications, ICT & Procurement**

Corporate Publicity: £50k favourable variance – reduced hours and two members of staff have moved to other departments.

ICT: £25k favourable variance – Savings on maintenance and support

### **Community Safety, Young People, Leisure and Culture**

Community Safety: £67k adverse variance – Increased CCTV maintenance costs plus staffing costs that are funded externally.

£46k favourable variance – External funding for staffing.

Licensing: £18k adverse variance – Two Members of staff regraded plus increased temporary staff costs.

### **Finance**

Customer Services: £60k adverse variance – Increased expenditure on corporate debt work, plus costs of providing cover for shared recovery officer post.

£30k: Favourable variance -Reimbursement of shared Recovery officer costs.

HR: £19k adverse variance – Contract extended of a temporary staff member.

Corporate Management: £23k adverse variance – Increased fees for treasury advisor and external audit.

Car Parks: £10k adverse variance – Increased Equipment maintenance  
£42k favourable variance – Increased level of Income

### **Corporate Development**

Committee Services: £36k favourable variance – Vacant post

#### **4. Financial implications**

4.1 As set out within the report and appendices.

#### **5. Other considerations**

5.1 There are none.

#### **6. Risks and how they will be mitigated**

6.1 A projected balanced outturn depends on Management team (MAT), heads of service and all Budget Managers, managing their budgets within the parameters which were originally agreed and achieving where necessary, corresponding growth and savings within those budgets. Careful monitoring of the budgets on a monthly basis ensures that any problems or anomalies are identified and investigated at an early stage

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

#### **7. Timetable for implementation**

Bi – Monthly reports are produced for Management team

**Background papers: There are none**

**Appendices:A,B, C1 to C8**

## APPENDIX A

**2013/14 Net Revenue Budget Monitoring**  
As at end of Sept 2013

	13/14	13/14	13/14	13/14
	Budget		Forecast	Variance
	Original	Revised	Outturn	to Revised
	£	£	£	£
Gross Expenditure	51,897,500	52,113,400	52,604,448	491,048
Less Benefits (offset by grant)				
Total Gross Expenditure excluding Benefits	51,897,500	52,113,400	52,604,448	491,048
Less Specific fees and charges income	(39,578,400)	(39,563,900)	(40,453,467)	(889,567)
Net Expenditure - broken down as below	12,319,100	12,549,500	12,150,981	(398,519)
Corporate Development	1,577,100	1,623,800	1,587,025	(36,775)
Planning and Housing	1,191,300	1,221,700	1,216,850	(4,850)
Health Wellbeing and Independent Living	1,381,400	1,394,100	1,219,700	(174,400)
Environment	2,835,400	2,798,000	2,604,600	(193,400)
Economic Development and Fixed Assets	2,262,400	2,395,900	2,422,630	26,730
Communications, ICT, Procurement	1,254,800	1,276,500	1,192,400	(84,100)
Community Safety ,Young People,Leisure & Culture	206,500	211,700	255,000	43,300
Finance	1,610,200	1,627,800	1,652,775	24,975
<b>NET EXPENDITURE AT SERVICE LEVEL</b>	<b>12,319,100</b>	<b>12,549,500</b>	<b>12,150,981</b>	<b>(398,519)</b>
Salary expenditure - vacancy monitoring	(160,000)	(160,000)	-	160,000
Salary Savings efficiencies			-	-
Restructuring Savings	(40,000)	(40,000)	-	40,000
Partnership Savings	(40,000)	(40,000)	-	40,000
Resources to address project management issues	-	-	-	-
<b>NET EXPENDITURE</b>	<b>12,079,100</b>	<b>12,309,500</b>	<b>12,150,981</b>	<b>(158,519)</b>
<b>NET EXPENDITURE</b>	<b>12,079,100</b>	<b>12,309,500</b>	<b>12,150,981</b>	<b>(158,519)</b>
Interest earnings	(345,000)	(345,000)	(345,000)	-
<b>Extraordinary Item</b>				-
<b>Appropriation from Reserves:</b>				
Feasibility Study for Knowle Green Hub	(70,000)	(70,000)	(70,000)	-
Spend to Save (APC's)	(56,500)	(56,500)	(56,500)	-
Interest Equalisation reserve	(70,048)	(70,048)	(70,048)	-
<b>BUDGET REQUIREMENT</b>	<b>11,537,552</b>	<b>11,767,952</b>	<b>11,609,433</b>	<b>(158,519)</b>
Baseline NNDR Funding	(1,685,030)	(1,685,030)	(1,685,030)	-
Revenue Support grant	(2,532,841)	(2,532,841)	(2,532,841)	-
New Homes Bonus	(910,300)	(910,300)	(910,300)	-
DCLG Transitional LCTSS grant	(16,000)	(16,000)	(16,000)	-
<b>NET BUDGET REQUIREMENT</b>	<b>6,393,381</b>	<b>6,623,781</b>	<b>6,465,262</b>	<b>(158,519)</b>
Collection Fund Surplus/(deficit)	28,800	28,800	28,800	-
<b>CHARGE TO COLLECTION FUND</b>	<b>6,422,181</b>	<b>6,652,581</b>	<b>6,494,062</b>	<b>(158,519)</b>
2012/13 Revenue carry forward			(164,290)	(164,290)
Net Position				(322,809)

<b>Appendix B</b>					
<b>REVENUE MONITORING 2013/14</b>					
<b>EXPENDITURE AND INCOME SUMMARY 30 SEPTEMBER 2013</b>					
<b>Results to 30-Sep-13</b>	<b>Budget</b>		<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>
	<b>Revised</b>	<b>YTD</b>	<b>YTD</b>	<b>Outturn</b>	<b>to Revised</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Corporate Development</b>					
Employees	1,266,800	617,500	582,664	1,227,400	(39,400)
Other Expenditure	359,200	165,070	147,546	368,320	9,120
Income	(2,200)	(1,200)	(38,395)	(8,695)	(6,495)
	<b>1,623,800</b>	<b>781,370</b>	<b>691,815</b>	<b>1,587,025</b>	<b>(36,775)</b>
<b>Planning and Housing</b>					
Employees	2,240,500	1,114,550	1,102,196	2,268,600	28,100
Other Expenditure	31,464,500	15,736,900	14,919,892	31,728,450	263,950
Income	(32,483,300)	(16,240,700)	(16,466,896)	(32,780,200)	(296,900)
	<b>1,221,700</b>	<b>610,750</b>	<b>(444,808)</b>	<b>1,216,850</b>	<b>(4,850)</b>
<b>Health Wellbeing and Independent Living</b>					
Employees	1,646,300	822,650	812,135	1,671,000	24,700
Other Expenditure	789,200	421,950	457,463	885,027	95,827
Income	(1,041,400)	(753,500)	(1,008,450)	(1,336,327)	(294,927)
	<b>1,394,100</b>	<b>491,100</b>	<b>261,148</b>	<b>1,219,700</b>	<b>(174,400)</b>
<b>Environment</b>					
Employees	2,505,700	1,266,900	1,157,607	2,342,300	(163,400)
Other Expenditure	1,583,700	753,676	834,777	1,590,820	7,120
Income	(1,291,400)	(690,240)	(689,374)	(1,328,520)	(37,120)
	<b>2,798,000</b>	<b>1,330,336</b>	<b>1,303,010</b>	<b>2,604,600</b>	<b>(193,400)</b>
<b>Economic Development and Fixed Assets</b>					
Employees	742,200	369,020	395,542	774,030	31,830
Other Expenditure	3,766,800	1,992,934	1,804,543	3,880,700	113,900
Income	(2,113,100)	(1,199,168)	(1,584,474)	(2,232,100)	(119,000)
	<b>2,395,900</b>	<b>1,162,786</b>	<b>615,610</b>	<b>2,422,630</b>	<b>26,730</b>
<b>Communications,ICT,Procurement</b>					
Employees	631,100	320,950	262,002	573,500	(57,600)
Other Expenditure	693,800	477,400	489,560	667,300	(26,500)
Income	(48,400)	(24,200)	(50,569)	(48,400)	-
	<b>1,276,500</b>	<b>774,150</b>	<b>700,993</b>	<b>1,192,400</b>	<b>(84,100)</b>
<b>Community Safety and Young People</b>					
Employees	180,200	89,500	125,659	254,400	74,200
Other Expenditure	224,600	118,300	125,644	254,000	29,400
Income	(193,100)	(88,250)	(131,942)	(253,400)	(60,300)
	<b>211,700</b>	<b>119,550</b>	<b>119,361</b>	<b>255,000</b>	<b>43,300</b>
<b>Finance</b>					
Employees	2,567,100	1,278,500	1,128,785	2,606,100	39,000
Other Expenditure	1,451,700	869,203	886,691	1,512,500	60,800
Income	(2,391,000)	(1,003,430)	(1,005,145)	(2,465,825)	(74,825)
	<b>1,627,800</b>	<b>1,144,273</b>	<b>1,010,332</b>	<b>1,652,775</b>	<b>24,975</b>
<b>NET EXPENDITURE AT SERVICE LEVEL</b>					
	<b>12,549,500</b>	<b>6,414,315</b>	<b>4,257,462</b>	<b>12,150,981</b>	<b>(398,519)</b>
Total Employees	<b>11,779,900</b>	<b>5,879,570</b>	<b>5,566,590</b>	<b>11,717,330</b>	<b>(62,570)</b>
Total Other Expenditure	<b>40,333,500</b>	<b>20,535,433</b>	<b>19,666,117</b>	<b>40,887,117</b>	<b>553,617</b>
Total Income	<b>(39,563,900)</b>	<b>(20,000,688)</b>	<b>(20,975,245)</b>	<b>(40,453,467)</b>	<b>(889,567)</b>
	<b>12,549,500</b>	<b>6,414,315</b>	<b>4,257,462</b>	<b>12,150,981</b>	<b>(398,519)</b>
<b>Total Expenditure</b>	<b>52,113,400</b>	<b>26,415,003</b>	<b>25,232,707</b>	<b>52,604,448</b>	<b>491,048</b>
<b>Total Income</b>	<b>(39,563,900)</b>	<b>(20,000,688)</b>	<b>(20,975,245)</b>	<b>(40,453,467)</b>	<b>(889,567)</b>
<b>Net</b>	<b>12,549,500</b>	<b>6,414,315</b>	<b>4,257,462</b>	<b>12,150,981</b>	<b>(398,519)</b>



Appendix C1						
<b>Corporate Development</b>						
<b>Results to 30-Sep-13</b>	<b>Budget</b>		<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>	<b>Comments</b>
	<b>Revised</b>	<b>YTD</b>	<b>YTD</b>	<b>Outturn</b>	<b>to Revised</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
Employees	112,800	56,050	56,390	112,800	-	
Other Expenditure	5,800	2,900	870	5,800	-	
Income	0	0	0	0	-	
<b>MaT Secretariat &amp; Support</b>	<b>118,600</b>	<b>58,950</b>	<b>57,260</b>	<b>118,600</b>	<b>0</b>	
Employees	304,900	152,350	150,494	304,900	-	
Other Expenditure	6,600	3,300	441	6,600	-	
Income	0	0	(50)	(50)	(50)	
<b>Assistant Chief Executives</b>	<b>311,500</b>	<b>155,650</b>	<b>150,885</b>	<b>311,450</b>	<b>(50)</b>	
Employees	204,800	102,350	91,948	204,800	-	
Other Expenditure	8,000	5,300	2,639	8,000	-	
Income	0	0	(35)	(35)	(35)	
<b>Chief Executive</b>	<b>212,800</b>	<b>107,650</b>	<b>94,552</b>	<b>212,765</b>	<b>(35)</b>	
Employees	273,900	134,750	131,301	273,900	-	
Other Expenditure	23,200	19,720	15,093	23,200	-	
Income	(1,200)	(1,200)	(31,638)	(1,200)	-	
<b>Legal</b>	<b>295,900</b>	<b>153,270</b>	<b>114,756</b>	<b>295,900</b>	<b>0</b>	
Employees	145,800	72,500	54,722	109,800	(36,000)	Internal secondment partially offset by temporary staff costs
Other Expenditure	27,500	5,250	1,183	27,500	0	
Income	0	0	0	0	0	
<b>Committee Services</b>	<b>173,300</b>	<b>77,750</b>	<b>55,905</b>	<b>137,300</b>	<b>(36,000)</b>	
Employees	90,300	45,100	44,598	90,300	0	
Other Expenditure	0	0	720	720	720	
Income	0	0	(10)	(10)	(10)	
<b>Corporate Governance</b>	<b>90,300</b>	<b>45,100</b>	<b>45,308</b>	<b>91,010</b>	<b>710</b>	
Employees	0	0	345	0	0	
Other Expenditure	10,900	1,900	1,529	10,900	0	By election in November
Income	0	0	0	0	0	
<b>Elections</b>	<b>10,900</b>	<b>1,900</b>	<b>1,874</b>	<b>10,900</b>	<b>0</b>	
Employees	115,900	45,100	45,840	115,900	0	
Other Expenditure	25,600	5,400	2,731	32,000	6,400	Higher expenditure expected due to work relating to Individual Electoral Registration funded through Govt. Grant
Income	(1,000)	0	(6,662)	(7,400)	(6,400)	Govt Grant relating to 'Individual Electoral Registration'
<b>Electoral Registration</b>	<b>140,500</b>	<b>50,500</b>	<b>41,909</b>	<b>140,500</b>	<b>0</b>	
Employees	18,400	9,300	7,026	15,000	(3,400)	NI saving
Other Expenditure	251,600	121,300	122,340	253,600	2,000	Overspend mainly due to reimbursement to Members for home internet partially offset by underspend on conference expenses
Income	0	0	0	0	0	
<b>Democratic Rep &amp; Management</b>	<b>270,000</b>	<b>130,600</b>	<b>129,366</b>	<b>268,600</b>	<b>(1,400)</b>	
<b>Total Employees</b>	<b>1,266,800</b>	<b>617,500</b>	<b>582,664</b>	<b>1,227,400</b>	<b>(39,400)</b>	
<b>Total Other Expenditure</b>	<b>359,200</b>	<b>165,070</b>	<b>147,546</b>	<b>368,320</b>	<b>9,120</b>	
<b>Total Income</b>	<b>(2,200)</b>	<b>(1,200)</b>	<b>(38,395)</b>	<b>(8,695)</b>	<b>(6,495)</b>	
	<b>1,623,800</b>	<b>781,370</b>	<b>691,815</b>	<b>1,587,025</b>	<b>(36,775)</b>	

Appendix C2						
<b>Planning and Housing</b>						
Results to 30-Sep-13	Budget		Actual	Forecast	Variance	Comments
	Revised	YTD	YTD	Outturn	to Revised	
	£	£	£	£	£	
Employees	0	0	0	0	0	
Other Expenditure	327,300	163,800	224,928	628,300	301,000	
Income	(139,400)	(69,700)	(220,453)	(423,400)	(284,000)	
<b>Homelessness</b>	<b>187,900</b>	<b>94,100</b>	<b>4,475</b>	<b>204,900</b>	<b>17,000</b>	Will be overspent due to increased usage of Bed & Breakfast
Employees	538,400	267,100	264,128	538,400	0	
Other Expenditure	33,500	16,800	15,412	33,500	0	
Income	(495,300)	(247,700)	(247,668)	(495,300)	0	
<b>Housing Benefits Admin</b>	<b>76,600</b>	<b>36,200</b>	<b>31,873</b>	<b>76,600</b>	<b>0</b>	
Employees	0	0	0	0	0	
Other Expenditure	30,883,000	15,441,400	14,620,936	30,883,000	0	
Income	(30,988,000)	(15,494,000)	(15,512,234)	(30,988,000)	0	
<b>Housing Benefits Payments</b>	<b>(105,000)</b>	<b>(52,600)</b>	<b>(891,298)</b>	<b>(105,000)</b>	<b>0</b>	
Employees	563,500	280,200	268,571	597,000	33,500	Extension of 2 temporary posts approved by MAT
Other Expenditure	41,200	18,900	10,965	48,050	6,850	£6850 supplementary estimate for scanning costs approved by MAT
Income	(2,200)	0	(8)	(2,200)	0	
<b>Housing Needs</b>	<b>602,500</b>	<b>299,100</b>	<b>279,527</b>	<b>642,850</b>	<b>40,350</b>	
Employees	56,500	28,200	28,101	64,500	8,000	
Other Expenditure	1,600	100	(2,776)	1,600	0	
Income	(180,000)	(90,000)	(99,981)	(188,000)	(8,000)	
<b>Land Charges</b>	<b>(121,900)</b>	<b>(61,700)</b>	<b>(74,657)</b>	<b>(121,900)</b>	<b>0</b>	In year restructure of staffing budget offset by over recovery of income.
Employees	656,600	327,000	315,664	645,300	(11,300)	Savings due to restructure
Other Expenditure	53,700	26,800	29,727	53,700	0	
Income	(369,300)	(184,800)	(170,452)	(369,300)	0	
<b>Planning Development Control</b>	<b>341,000</b>	<b>169,000</b>	<b>174,938</b>	<b>329,700</b>	<b>(11,300)</b>	
Employees	167,700	83,200	90,936	160,200	(7,500)	Savings mainly due to a vacant post of Senior Planning Officer
Other Expenditure	110,800	60,000	12,852	66,900	(43,900)	Savings expected against Consultants budget as work has been delayed due to the above vacant post.
Income	(1,000)	(500)	(261)	(500)	500	
<b>Planning Policy</b>	<b>277,500</b>	<b>142,700</b>	<b>103,528</b>	<b>226,600</b>	<b>(50,900)</b>	
Employees	257,800	128,850	134,797	263,200	5,400	Current vacant post covered by temporary staff & some overtime payments
Other Expenditure	13,400	9,100	7,848	13,400	0	
Income	(308,100)	(154,000)	(215,838)	(313,500)	(5,400)	Income may exceed the target due to more activity but expecting Income to reduce over the winter months.
<b>Building Control</b>	<b>(36,900)</b>	<b>(16,050)</b>	<b>(73,194)</b>	<b>(36,900)</b>	<b>0</b>	
Total Employees	<b>2,240,500</b>	<b>1,114,550</b>	<b>1,102,196</b>	<b>2,268,600</b>	<b>28,100</b>	
Total Other Expenditure	<b>31,464,500</b>	<b>15,736,900</b>	<b>14,919,892</b>	<b>31,728,450</b>	<b>263,950</b>	
Total Income	<b>(32,483,300)</b>	<b>(16,240,700)</b>	<b>(16,466,896)</b>	<b>(32,780,200)</b>	<b>(296,900)</b>	
	<b>1,221,700</b>	<b>610,750</b>	<b>(444,808)</b>	<b>1,216,850</b>	<b>(4,850)</b>	

Appendix C3						
<b>Health Wellbeing and Independent Living</b>						
<b>Results to</b>	<b>Budget</b>		<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>	<b>Comments</b>
	<b>Revised</b>	<b>YTD</b>	<b>YTD</b>	<b>Outturn</b>	<b>to Revised</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
<b>30-Sep-13</b>						
Employees	0	0	0	0	-	
Other Expenditure	309,000	190,400	204,885	322,400	13,400	Higher grants payments than the budget
Income	0	0	(1,500)	(2,100)	(2,100)	Carried forward Stanwell Hub income to off set the costs
<b>General Grants</b>	<b>309,000</b>	<b>190,400</b>	<b>203,385</b>	<b>320,300</b>	<b>11,300</b>	
Employees	89,900	44,550	56,005	106,900	17,000	Additional payments to one of the temporary staff approved by MAT with no budget
Other Expenditure	10,500	4,600	4,828	10,500	0	
Income	0	0	0	0	0	
<b>Com Care Administration</b>	<b>100,400</b>	<b>49,150</b>	<b>60,833</b>	<b>117,400</b>	<b>17,000</b>	
Employees	572,800	285,700	269,891	557,700	(15,100)	Savings due to few vacant posts in earlier part of the year, which have now been filled
Other Expenditure	193,400	94,800	140,055	246,000	52,600	Overall higher utility costs and one electricity bill backdated to 3 years for Staines Community Centre.
Income	(432,200)	(362,100)	(511,922)	(627,000)	(194,800)	Higher due to carried forward income of £48k from previous year, £54k additional funding allocated in the current year relating to personalisation and prevention Partnership fund. Additional income of £90k expected relating to 'High Needs Group' and the remainder relates to increased activity
<b>Day Centres</b>	<b>334,000</b>	<b>18,400</b>	<b>(101,976)</b>	<b>176,700</b>	<b>(157,300)</b>	
Employees	67,800	33,700	31,176	72,000	4,200	Higher salary costs are expected due to increased MOW provision at weekends
Other Expenditure	86,800	37,200	37,414	92,000	5,200	Higher food costs are expected due to increased MOW provision at weekends
Income	(185,800)	(115,500)	(140,743)	(213,100)	(27,300)	Higher due to additional funding from personalisation and prevention Partnership fund to increase MOW provision for weekend and higher income for sale of food
<b>Meals On Wheels</b>	<b>(31,200)</b>	<b>(44,600)</b>	<b>(72,153)</b>	<b>(49,100)</b>	<b>(17,900)</b>	
Employees	87,400	43,400	45,436	90,400	3,000	Higher out of hours payments
Other Expenditure	67,800	31,400	31,634	67,800	0	
Income	(280,100)	(200,900)	(214,882)	(293,100)	(13,000)	Higher due to additional funding from personalisation and prevention Partnership fund for Telecare support to promote independence
<b>Span</b>	<b>(124,900)</b>	<b>(126,100)</b>	<b>(137,812)</b>	<b>(134,900)</b>	<b>(10,000)</b>	
Employees	111,500	55,800	62,528	128,000	16,500	Employment of a temp member of staff
Other Expenditure	51,400	35,100	15,961	50,000	(1,400)	
Income	(113,800)	(55,600)	(98,767)	(153,000)	(39,200)	Extra grant income received from Surrey CC
<b>SAT</b>	<b>49,100</b>	<b>35,300</b>	<b>(20,279)</b>	<b>25,000</b>	<b>(24,100)</b>	
Employees	716,900	359,500	347,100	716,000	(900)	
Other Expenditure	31,500	10,500	5,709	54,027	22,527	Expenditure on Warmer homes
Income	(10,500)	(10,500)	(22,527)	(22,527)	(12,027)	No income expected, budget has to be removed. Carried forward income relating to warmer homes' is expected to be utilised in the current year, if not requested to be carried forward in the next year.
<b>Environmental Health Admin</b>	<b>737,900</b>	<b>359,500</b>	<b>330,281</b>	<b>747,500</b>	<b>9,600</b>	
Employees	0	0	0	0	0	
Other Expenditure	12,000	4,000	2,229	12,000	0	
Income	(5,100)	(2,600)	(3,675)	(5,100)	0	
<b>Environmental Protection Act</b>	<b>6,900</b>	<b>1,400</b>	<b>(1,446)</b>	<b>6,900</b>	<b>0</b>	
Employees	0	0	0	0	0	
Other Expenditure	1,300	900	609	1,300	0	
Income	(3,000)	(1,500)	(1,416)	(3,000)	0	
<b>Food Safety</b>	<b>(1,700)</b>	<b>(600)</b>	<b>(807)</b>	<b>(1,700)</b>	<b>0</b>	
Employees	0	0	0	0	0	
Other Expenditure	5,400	3,000	4,116	8,900	3,500	
Income	(8,900)	(3,800)	(9,003)	(12,400)	(3,500)	
<b>Public Health</b>	<b>(3,500)</b>	<b>(800)</b>	<b>(4,887)</b>	<b>(3,500)</b>	<b>0</b>	
Employees	0	0	0	0	0	
Other Expenditure	20,100	10,050	10,024	20,100	0	
Income	(2,000)	(1,000)	(4,016)	(5,000)	(3,000)	Higher collection fees for control of stray dogs
<b>Rodent &amp; Pest Control</b>	<b>18,100</b>	<b>9,050</b>	<b>6,008</b>	<b>15,100</b>	<b>(3,000)</b>	
<b>Total Employees</b>	<b>1,646,300</b>	<b>822,650</b>	<b>812,135</b>	<b>1,671,000</b>	<b>24,700</b>	
<b>Total Other Expenditure</b>	<b>789,200</b>	<b>421,950</b>	<b>457,463</b>	<b>885,027</b>	<b>95,827</b>	
<b>Total Income</b>	<b>(1,041,400)</b>	<b>(753,500)</b>	<b>(1,008,450)</b>	<b>(1,336,327)</b>	<b>(294,927)</b>	
	<b>1,394,100</b>	<b>491,100</b>	<b>261,148</b>	<b>1,219,700</b>	<b>(174,400)</b>	

Appendix C4						
<b>Environment</b>						
<b>Results to 30-Sep-13</b>	<b>Budget</b>		<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>	<b>Comments</b>
	<b>Revised</b>	<b>YTD</b>	<b>YTD</b>	<b>Outturn</b>	<b>to Revised</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
Employees	0	0	0	0	0	
Other Expenditure	500	0	0	0	(500)	
Income	0	0	0	0	0	
<b>Abandoned Vehicles</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(500)</b>	
Employees	0	0	0	0	0	
Other Expenditure	57,500	45,376	46,614	63,000	5,500	Increased Electricity and business rates costs and renting of the vending machine.
Income	0	0	0	0	0	
<b>Depot</b>	<b>57,500</b>	<b>45,376</b>	<b>46,614</b>	<b>63,000</b>	<b>5,500</b>	
Employees	589,000	294,900	257,453	514,000	(75,000)	Staines Market manager post vacant plus two street cleaning posts also included within the budget.
Other Expenditure	61,500	25,800	24,197	59,000	(2,500)	
Income	(21,200)	(19,100)	(459)	(21,200)	0	
<b>DS Management &amp; Support</b>	<b>629,300</b>	<b>301,600</b>	<b>281,190</b>	<b>551,800</b>	<b>(77,500)</b>	
Employees	1,045,700	534,900	475,513	960,000	(85,700)	Vacant posts
Other Expenditure	786,300	367,000	372,511	773,000	(13,300)	Reduced hired transport and lease costs offset by increased fuel costs
Income	(537,400)	(448,700)	(459,368)	(550,000)	(12,600)	Increased Bulky waste and school collection services income
<b>Refuse Collection</b>	<b>1,294,600</b>	<b>453,200</b>	<b>388,656</b>	<b>1,183,000</b>	<b>(111,600)</b>	
Employees	0	0	0	0	0	
Other Expenditure	9,500	3,300	838	9,500	0	
Income	0	0	0	0	0	
<b>Energy Initiatives</b>	<b>9,500</b>	<b>3,300</b>	<b>838</b>	<b>9,500</b>	<b>0</b>	
Employees	0	0	0	0	0	
Other Expenditure	15,300	11,300	15,197	39,820	24,520	Higher Level Stewardship grant expenditure
Income	0	0	(24,520)	(24,520)	(24,520)	Higher Level Stewardship grant income (Agricultural monies from Natural England)
<b>Environmental Enhancements</b>	<b>15,300</b>	<b>11,300</b>	<b>(9,323)</b>	<b>15,300</b>	<b>0</b>	
Employees	312,800	157,500	151,846	305,300	(7,500)	Maternity leave saving
Other Expenditure	28,000	8,600	21,786	37,500	9,500	Insurance claim
Income	(34,100)	(13,640)	(5,396)	(34,100)	0	
<b>Enviro Services Administration</b>	<b>306,700</b>	<b>152,460</b>	<b>168,236</b>	<b>308,700</b>	<b>2,000</b>	
Employees	558,200	279,600	272,795	563,000	4,800	Increased overtime and national insurance contributions
Other Expenditure	318,600	155,500	129,970	318,600	0	
Income	(47,700)	(43,300)	(46,349)	(47,700)	0	
<b>Street Cleaning</b>	<b>829,100</b>	<b>391,800</b>	<b>356,416</b>	<b>833,900</b>	<b>4,800</b>	
Employees	0	0	0	0	0	
Other Expenditure	190,800	95,400	66,427	120,000	(70,800)	
Income	(651,000)	(165,500)	(153,282)	(651,000)	0	
<b>Waste Recycling</b>	<b>(460,200)</b>	<b>(70,100)</b>	<b>(86,855)</b>	<b>(531,000)</b>	<b>(70,800)</b>	
Employees	0	0	0	0	0	
Other Expenditure	500	0	0	500	0	
Income	0	0	0	0	0	
<b>Technical Projects</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>500</b>	<b>0</b>	
Employees	0	0	0	0	0	
Other Expenditure	101,700	33,100	150,295	156,000	54,300	Overspending due to termination charges in relation to JC Decaux contract. A transfer of £50k will be funded from reserves at year end.
Income	0	0	0	0	0	
<b>Public Conveniences</b>	<b>101,700</b>	<b>33,100</b>	<b>150,295</b>	<b>156,000</b>	<b>54,300</b>	
Employees	0	0	0	0	0	
Other Expenditure	8,000	4,300	3,470	8,400	400	
Income	0	0	0	0	0	
<b>Emergency Planning</b>	<b>8,000</b>	<b>4,300</b>	<b>3,470</b>	<b>8,400</b>	<b>400</b>	
Employees	0	0	0	0	0	
Other Expenditure	0	0	774	0	0	Expenditure miscoded and will be transferred in Oct
Income	0	0	0	0	0	
<b>Nursery</b>	<b>0</b>	<b>0</b>	<b>774</b>	<b>0</b>	<b>0</b>	
Employees	0	0	0	0	0	
Other Expenditure	5,500	4,000	2,698	5,500	0	
Income	0	0	0	0	0	
<b>Water Courses &amp; Land Drainage</b>	<b>5,500</b>	<b>4,000</b>	<b>2,698</b>	<b>5,500</b>	<b>0</b>	
<b>Total Employees</b>	<b>2,505,700</b>	<b>1,266,900</b>	<b>1,157,607</b>	<b>2,342,300</b>	<b>(163,400)</b>	
<b>Total Other Expenditure</b>	<b>1,583,700</b>	<b>753,676</b>	<b>834,777</b>	<b>1,590,820</b>	<b>7,120</b>	
<b>Total Income</b>	<b>(1,291,400)</b>	<b>(690,240)</b>	<b>(689,374)</b>	<b>(1,328,520)</b>	<b>(37,120)</b>	
	<b>2,798,000</b>	<b>1,330,336</b>	<b>1,303,010</b>	<b>2,604,600</b>	<b>(193,400)</b>	

Appendix C5						
<b>Economic Development and Fixed Assets</b>						
Results to 30-Sep-13	Budget		Actual	Forecast	Variance	Comments
	Revised	YTD	YTD	Outturn	to Revised	
	£	£	£	£	£	
Employees	170,300	82,550	76,158	170,300	-	
Other Expenditure	119,800	25,150	23,726	119,800	-	
Income	0	0	0	0	-	
<b>Asset Mgn Administration</b>	<b>290,100</b>	<b>107,700</b>	<b>99,884</b>	<b>290,100</b>	<b>0</b>	
Employees	0	0	0	0	-	
Other Expenditure	2,200	2,200	3,694	5,600	3,400	Business rates & storage costs
Income	0	0	0	0	-	
<b>Sea Cadets</b>	<b>2,200</b>	<b>2,200</b>	<b>3,694</b>	<b>5,600</b>	<b>3,400</b>	
Employees	0	0	0	0	-	
Other Expenditure	107,000	53,900	17,741	107,000	0	
Income	(21,800)	(10,900)	(30,098)	(43,000)	(21,200)	Additional income expected, not in budget
<b>General Property Expenses</b>	<b>85,200</b>	<b>43,000</b>	<b>(12,357)</b>	<b>64,000</b>	<b>(21,200)</b>	Carry forwards of £15k for Fire Risk Assessments & £27k for Bereford House
Employees	0	0	0	0	-	
Other Expenditure	34,500	15,600	7,004	34,500	-	
Income	0	0	0	0	-	
<b>Memorial Gardens</b>	<b>34,500</b>	<b>15,600</b>	<b>7,004</b>	<b>34,500</b>	<b>0</b>	Carry forward of £24,500
Employees	0	0	0	0	-	
Other Expenditure	27,400	25,100	25,419	27,400	-	
Income	0	0	0	0	-	
<b>Bus Station</b>	<b>27,400</b>	<b>25,100</b>	<b>25,419</b>	<b>27,400</b>	<b>0</b>	
Employees	172,000	86,300	98,895	185,000	13,000	Increase in overtime, due to works to heating at weekends
Other Expenditure	448,200	316,000	300,914	478,900	30,700	Overspends in Business rates & office cleaning
Income	(144,900)	(83,900)	(92,214)	(146,200)	(1,300)	
<b>Knowle Green</b>	<b>475,300</b>	<b>318,400</b>	<b>307,595</b>	<b>517,700</b>	<b>42,400</b>	
Employees	0	0	0	0	-	
Other Expenditure	82,900	40,950	43,264	102,900	20,000	Photocopier Lease budget will be overspent by £20k
Income	0	0	0	0	-	
<b>Print Unit</b>	<b>82,900</b>	<b>40,950</b>	<b>43,264</b>	<b>102,900</b>	<b>20,000</b>	
Employees	0	0	0	0	-	
Other Expenditure	546,800	273,400	234,893	546,800	-	Planned maintenance and service agreement budgets to be used fully by year end in partnership with Runnymede BC
Income	0	0	(3,251)	0	-	
<b>Planned Maintenance Programme</b>	<b>546,800</b>	<b>273,400</b>	<b>231,642</b>	<b>546,800</b>	<b>0</b>	
Employees	0	0	0	0	-	
Other Expenditure	155,500	77,750	95,288	155,500	-	Responsive maintenance budget to be used fully by year end in partnership with Runnymede BC
Income	0	0	0	0	-	
<b>Responsive Maintenance Program</b>	<b>155,500</b>	<b>77,750</b>	<b>95,288</b>	<b>155,500</b>	<b>0</b>	
Employees	0	0	0	0	0	
Other Expenditure	6,200	3,900	7,081	12,900	6,700	Essential grounds maintenance work
Income	(43,200)	(13,130)	(11,510)	(40,400)	2,800	Non payment of allotment income at Vinery Lane due to potential for airport parking
<b>Allotments</b>	<b>(37,000)</b>	<b>(9,230)</b>	<b>(4,429)</b>	<b>(27,500)</b>	<b>9,500</b>	
Employees	0	0	0	0	0	
Other Expenditure	17,000	12,140	6,190	17,000	0	
Income	0	0	0	0	0	
<b>Staines Metro Commons</b>	<b>17,000</b>	<b>12,140</b>	<b>6,190</b>	<b>17,000</b>	<b>0</b>	
Employees	128,300	64,830	71,024	142,000	13,700	
Other Expenditure	1,682,800	843,500	732,786	1,682,800	0	
Income	(190,600)	(110,300)	(210,520)	(214,000)	(23,400)	
<b>Grounds Maintenance</b>	<b>1,620,500</b>	<b>798,030</b>	<b>593,291</b>	<b>1,610,800</b>	<b>(9,700)</b>	
Employees	0	0	4,623	0	0	
Other Expenditure	110,600	66,600	71,160	110,600	0	
Income	(117,700)	(66,200)	(91,607)	(117,700)	0	
<b>Parks Strategy</b>	<b>(7,100)</b>	<b>400</b>	<b>(15,824)</b>	<b>(7,100)</b>	<b>0</b>	
Employees	2,600	1,300	1,717	2,600	0	
Other Expenditure	19,400	16,318	14,283	29,400	10,000	Expenditure on arts activities for Vunerable adults grant
Income	(47,000)	(45,500)	(56,204)	(57,000)	(10,000)	Income from the arts activities for Vunerable adults grant
<b>Arts Development</b>	<b>(25,000)</b>	<b>(27,882)</b>	<b>(40,203)</b>	<b>(25,000)</b>	<b>0</b>	
Employees	5,000	1,300	712	5,000	0	
Other Expenditure	2,800	1,400	1,318	2,800	0	
Income	0	0	0	0	0	
<b>Festivals</b>	<b>7,800</b>	<b>2,700</b>	<b>2,030</b>	<b>7,800</b>	<b>0</b>	
Employees	207,800	105,200	108,816	211,800	4,000	Flexi payment made to one staff member earlier in the year
Other Expenditure	10,400	5,200	4,186	26,400	16,000	Leisure centre changing facility improvements grant expenditure
Income	0	0	(17,500)	(17,500)	(17,500)	Leisure centre changing facility improvements grant income
<b>Leisure Administration</b>	<b>218,200</b>	<b>110,400</b>	<b>95,503</b>	<b>220,700</b>	<b>2,500</b>	
Employees	10,200	4,540	10,124	10,200	0	
Other Expenditure	25,400	17,000	15,452	25,400	0	
Income	(12,500)	(6,200)	(11,912)	(12,500)	0	
<b>Leisure Development</b>	<b>23,100</b>	<b>15,340</b>	<b>13,664</b>	<b>23,100</b>	<b>0</b>	
Employees	0	0	0	0	0	
Other Expenditure	19,000	12,900	13,498	19,000	0	
Income	0	0	0	0	0	
<b>Leisure Grants</b>	<b>19,000</b>	<b>12,900</b>	<b>13,498</b>	<b>19,000</b>	<b>0</b>	
Employees	0	0	0	0	0	
Other Expenditure	4,400	3,800	3,737	4,400	0	
Income	(8,000)	(8,000)	(8,000)	(8,000)	0	
<b>Museum</b>	<b>(3,600)</b>	<b>(4,200)</b>	<b>(4,263)</b>	<b>(3,600)</b>	<b>0</b>	
Employees	0	0	730	730	730	Expenditure miscoded which we be transferred in Oct
Other Expenditure	7,800	5,100	3,482	7,800	0	
Income	(45,700)	(33,438)	(40,191)	(45,700)	0	
<b>Public Halls</b>	<b>(37,900)</b>	<b>(28,338)</b>	<b>(35,979)</b>	<b>(37,170)</b>	<b>730</b>	
Employees	0	0	0	0	0	

<b>Economic Development and Fixed Assets</b>						
	Budget		Actual	Forecast	Variance	Comments
<b>Results to 30-Sep-13</b>	Revised	YTD	YTD	Outturn	to Revised	
	£	£	£	£	£	
Other Expenditure	51,000	11,000	12,835	51,000	0	
Income	(237,600)	(228,300)	(232,442)	(237,600)	0	
<b>Spelthorne Leisure Centre</b>	<b>(186,600)</b>	<b>(217,300)</b>	<b>(219,607)</b>	<b>(186,600)</b>	<b>0</b>	
Employees	0	0	0	0	0	
Other Expenditure	8,300	8,300	10,079	8,300	0	
Income	0	0	0	0	0	
<b>Sunbury Leisure Centre</b>	<b>8,300</b>	<b>8,300</b>	<b>10,079</b>	<b>8,300</b>	<b>0</b>	
Employees	0	0	0	0	0	
Other Expenditure	21,100	16,976	22,004	28,000	6,900	Increase grounds maintenance cost's. Eg tree works
Income	(321,400)	(155,100)	(173,222)	(345,000)	(23,600)	Increased number of larger burials taking place in the 1st half of the year.
<b>Cemeteries</b>	<b>(300,300)</b>	<b>(138,124)</b>	<b>(151,218)</b>	<b>(317,000)</b>	<b>(16,700)</b>	
Employees	0	0	0	0	0	
Other Expenditure	0	0	0	0	0	
Income	(42,200)	(8,200)	(8,200)	(42,200)	0	
<b>Sunbury Golf Club</b>	<b>(42,200)</b>	<b>(8,200)</b>	<b>(8,200)</b>	<b>(42,200)</b>	<b>0</b>	
Employees	19,400	9,600	9,211	19,400	0	
Other Expenditure	160,000	80,000	70,686	160,000	0	
Income	(580,500)	(280,000)	(424,407)	(580,500)	0	
<b>Staines Town Centre Management</b>	<b>(401,100)</b>	<b>(190,400)</b>	<b>(344,510)</b>	<b>(401,100)</b>	<b>0</b>	
Employees	0	0	0	0	0	
Other Expenditure	84,700	47,150	46,573	95,500	10,800	Management costs and electricity higher than budget
Income	(300,000)	(150,000)	(163,352)	(315,000)	(15,000)	Increased Demand for Pitches
<b>Staines Market</b>	<b>(215,300)</b>	<b>(102,850)</b>	<b>(116,779)</b>	<b>(219,500)</b>	<b>(4,200)</b>	
Employees	26,600	13,400	13,531	27,000	400	
Other Expenditure	11,600	11,600	17,249	21,000	9,400	Expenditure relating to Staines upon Thames Day
Income	0	0	(9,845)	(9,800)	(9,800)	Staines upon Thames Day sponsorship
<b>Economic Development</b>	<b>38,200</b>	<b>25,000</b>	<b>20,935</b>	<b>38,200</b>	<b>0</b>	
Total Employees	<b>742,200</b>	<b>369,020</b>	<b>395,542</b>	<b>774,030</b>	<b>31,830</b>	
Total Other Expenditure	<b>3,766,800</b>	<b>1,992,934</b>	<b>1,804,543</b>	<b>3,880,700</b>	<b>113,900</b>	
Total Income	<b>(2,113,100)</b>	<b>(1,199,168)</b>	<b>(1,584,474)</b>	<b>(2,232,100)</b>	<b>(119,000)</b>	
	<b>2,395,900</b>	<b>1,162,786</b>	<b>615,610</b>	<b>2,422,630</b>	<b>26,730</b>	

Appendix C6							
<b>Communications, ICT, Procurement</b>							
<b>Results to 30-Sep-13</b>	<b>Budget</b>			<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>	<b>Comments</b>
	<b>Original</b>	<b>Revised</b>	<b>YTD</b>	<b>YTD</b>	<b>Outturn</b>	<b>to Revised</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
Employees	173,000	173,000	91,150	65,424	123,500	(49,500)	Two members of staff moved to other departments, one member reduced contracted hours and no expenditure expected against Tempoarry staff budget
Other Expenditure	79,300	75,400	19,800	18,521	74,500	(900)	
Income	0	0	0	(2)		-	
<b>Corporate Publicity</b>	<b>252,300</b>	<b>248,400</b>	<b>110,950</b>	<b>83,943</b>	<b>198,000</b>	<b>(50,400)</b>	
Employees	0	0	0	0	0	-	
Other Expenditure	13,000	13,000	6,400	0	13,000	-	
Income	0	0	0	0	0	-	
<b>Research &amp; Consultation</b>	<b>13,000</b>	<b>13,000</b>	<b>6,400</b>	<b>0</b>	<b>13,000</b>	<b>0</b>	
Employees	458,100	458,100	229,800	196,578	450,000	(8,100)	Currently underspent due to unfilled vacancies
Other Expenditure	579,800	605,400	451,200	471,039	579,800	(25,600)	Overspent YTD because of prepayments on maintenance and support
Income	(48,400)	(48,400)	(24,200)	(50,567)	(48,400)	0	Currently under target as RBC not yet invoiced for website work
<b>Information &amp; Comms Technology</b>	<b>989,500</b>	<b>1,015,100</b>	<b>656,800</b>	<b>617,051</b>	<b>981,400</b>	<b>(33,700)</b>	
Total Employees	<b>631,100</b>	<b>631,100</b>	<b>320,950</b>	<b>262,002</b>	<b>573,500</b>	<b>(57,600)</b>	
Total Other Expenditure	<b>672,100</b>	<b>693,800</b>	<b>477,400</b>	<b>489,560</b>	<b>667,300</b>	<b>(26,500)</b>	
Total Income	<b>(48,400)</b>	<b>(48,400)</b>	<b>(24,200)</b>	<b>(50,569)</b>	<b>(48,400)</b>	<b>0</b>	
	<b>1,254,800</b>	<b>1,276,500</b>	<b>774,150</b>	<b>700,993</b>	<b>1,192,400</b>	<b>(84,100)</b>	

Appendix C7						
<b>Community Safety, Young People ,Leisure &amp; Culture</b>						
<b>Results to 30-Sep-13</b>	<b>Budget</b>		<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>	<b>Comments</b>
	<b>Revised</b>	<b>YTD</b>	<b>YTD</b>	<b>Outturn</b>	<b>to Revised</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
Employees	0	0	0	0	-	
Other Expenditure	2,700	1,800	3,448	4,000	1,300	
Income	(76,000)	(38,000)	(38,961)	(76,000)	-	
<b>Taxi Licensing</b>	<b>(73,300)</b>	<b>(36,200)</b>	<b>(35,513)</b>	<b>(72,000)</b>	<b>1,300</b>	
Employees	96,100	47,700	74,397	151,800	55,700	Salary costs are expected to be higher as two additional members of staff funded through 'Crime & Disorder Reduction Partnership fund' and one member of staff's costs are charged here although 50% budgeted on different department
Other Expenditure	173,300	95,700	101,468	185,300	12,000	CCTV maintenance & monitoring costs are expected to be higher than the budget
Income	(15,000)	(7,500)	(33,062)	(61,300)	(46,300)	Income expected to be higher as Additional funding from 'Crime & Disorder Reduction Partnership fund' to off set the above salary costs.
<b>Community Safety</b>	<b>254,400</b>	<b>135,900</b>	<b>142,803</b>	<b>275,800</b>	<b>21,400</b>	
Employees	84,100	41,800	50,884	102,600	18,500	Two members of staff are being paid on higher grade than the budget and one member's two days being covered by Temporary staff.
Other Expenditure	3,900	1,900	5,854	6,000	2,100	Increased legal costs with no budget
Income	(100,600)	(41,500)	(41,861)	(100,600)	-	
<b>Licensing</b>	<b>(12,600)</b>	<b>2,200</b>	<b>14,877</b>	<b>8,000</b>	<b>20,600</b>	
Employees	0	0	378	0	0	
Other Expenditure	44,700	18,900	14,874	58,700	14,000	Stanwell new start extracare housing grant expenditure
Income	(1,500)	(1,250)	(18,058)	(15,500)	(14,000)	Stanwell new start extracare housing grant income
<b>Youth</b>	<b>43,200</b>	<b>17,650</b>	<b>(2,806)</b>	<b>43,200</b>	<b>0</b>	
<b>Total Employees</b>	<b>180,200</b>	<b>89,500</b>	<b>125,659</b>	<b>254,400</b>	<b>74,200</b>	
<b>Total Other Expenditure</b>	<b>224,600</b>	<b>118,300</b>	<b>125,644</b>	<b>254,000</b>	<b>29,400</b>	
<b>Total Income</b>	<b>(193,100)</b>	<b>(88,250)</b>	<b>(131,942)</b>	<b>(253,400)</b>	<b>(60,300)</b>	
	<b>211,700</b>	<b>119,550</b>	<b>119,361</b>	<b>255,000</b>	<b>43,300</b>	



Appendix C8							Finance						
Results to 30-Sep-13	Budget			Actual	Forecast	Variance	Comments						
	Original	Revised	YTD	YTD	Outturn	to Revised							
	£	£	£	£	£	£							
Employees	0	0	0	0	0	0							
Other Expenditure	0	0	0	0	0	0							
Income	0	0	0	0	0	0							
<b>Corporate Service</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							
Employees	164,300	164,300	82,000	79,972	164,300	-							
Other Expenditure	17,500	17,600	10,300	4,221	17,600	-							
Income	(44,900)	(42,200)	(14,100)	(15,604)	(42,200)	-							
<b>Audit</b>	<b>136,900</b>	<b>139,700</b>	<b>78,200</b>	<b>68,590</b>	<b>139,700</b>	<b>0</b>							
Employees	0	0	0	0	0	-							
Other Expenditure	18,500	18,500	4,700	4,600	18,500	-							
Income	0	0	0	0	0	-							
<b>People &amp; Partnerships</b>	<b>18,500</b>	<b>18,500</b>	<b>4,700</b>	<b>4,600</b>	<b>18,500</b>	<b>0</b>							
Employees	213,500	213,500	106,600	116,038	232,500	19,000	One temporary member of staff's contract extended up to March 2014 with no budget						
Other Expenditure	9,300	9,300	2,400	1,072	9,300	-							
Income	(42,200)	(42,200)	(21,200)	(21,245)	(42,200)	-							
<b>HR</b>	<b>180,600</b>	<b>180,600</b>	<b>87,800</b>	<b>95,865</b>	<b>199,600</b>	<b>19,000</b>							
Employees	50,400	50,400	25,200	24,921	50,400	-							
Other Expenditure	1,000	1,000	800	866	1,200	200							
Income	0	0	0	(20)	(20)	(20)							
<b>Payroll</b>	<b>51,400</b>	<b>51,400</b>	<b>26,000</b>	<b>25,767</b>	<b>51,580</b>	<b>180</b>							
Employees	0	0	0	0	0	-							
Other Expenditure	0	0	0	0	0	-							
Income	(2,000)	(2,000)	0	0	0	2,000	We no longer have any mortgages						
<b>Mortgages</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000</b>							
Employees	47,200	47,200	26,600	47,828	47,200	0							
Other Expenditure	159,800	162,800	81,864	91,609	185,800	23,000	Treasury advisory fees increase of £2k, Legal consultation costs overspend £10k and External audit grants certification certificate £11k.						
Income	(9,100)	(9,100)	(1,300)	0	(9,100)	0							
<b>Corporate Management</b>	<b>197,900</b>	<b>200,900</b>	<b>107,164</b>	<b>139,437</b>	<b>223,900</b>	<b>23,000</b>							
Employees	0	0	0	0	0	0							
Other Expenditure	10,000	10,000	0	1,207	10,000	0							
Income	(8,500)	(8,500)	0	0	(8,500)	0							
<b>Misc Expenses</b>	<b>1,500</b>	<b>1,500</b>	<b>0</b>	<b>1,207</b>	<b>1,500</b>	<b>0</b>							
Employees	680,200	680,200	339,500	184,955	700,200	20,000	Previous year's added year's payment is outstanding						
Other Expenditure	51,700	51,700	19,900	15,171	49,300	(2,400)							
Income	0	0	0	0	0	0							
<b>Unapportionable CentralO/Heads</b>	<b>731,900</b>	<b>731,900</b>	<b>359,400</b>	<b>200,126</b>	<b>749,500</b>	<b>17,600</b>							
Employees	381,600	381,600	191,650	164,252	351,600	(30,000)	Vacant post						
Other Expenditure	8,900	8,900	3,500	2,256	8,900	0							
Income	0	0	0	(5)	(5)	(5)							
<b>Accountancy</b>	<b>390,500</b>	<b>390,500</b>	<b>195,150</b>	<b>166,503</b>	<b>360,495</b>	<b>(30,005)</b>							
Employees	0	0	0	0	0	0							
Other Expenditure	0	0	0	0	0	0							
Income	(139,700)	(139,700)	0	0	(139,700)	0							
<b>Business Rates</b>	<b>(139,700)</b>	<b>(139,700)</b>	<b>0</b>	<b>0</b>	<b>(139,700)</b>	<b>0</b>							
Employees	701,400	701,400	344,050	346,774	731,400	30,000	Salary costs are expected to be higher to run the service more efficiently and to provide cover for the shared post off set by additional reimbursement for shared post of Recovery manager						
Other Expenditure	99,500	99,500	39,950	34,897	129,500	30,000	Expected to be higher mainly due to Corporate debt work (call credit Project) with no budget						
Income	(144,300)	(130,300)	0	(11,378)	(164,200)	(33,900)	Additional reimbursement of salary costs from Elmbridge Borough Council for shared post of Recovery Manager						
<b>CServ Management &amp; Support</b>	<b>656,600</b>	<b>670,600</b>	<b>384,000</b>	<b>370,293</b>	<b>696,700</b>	<b>26,100</b>							
Employees	0	0	0	0	0	0							
Other Expenditure	222,700	222,700	3,700	0	222,700	0							
Income	0	0	0	(897)	(900)	(900)							
<b>Insurance</b>	<b>222,700</b>	<b>222,700</b>	<b>3,700</b>	<b>(897)</b>	<b>221,800</b>	<b>(900)</b>							
Employees	328,500	328,500	162,900	164,045	328,500	0							
Other Expenditure	849,700	849,700	702,089	730,792	859,700	10,000	Equipment maintenance overspend £10k						
Income	(2,014,800)	(2,017,000)	(966,830)	(955,996)	(2,059,000)	(42,000)	Over recovery of PCN and pay and display income, partially offset by losses at Laleham (re removal of barbeques), Tothill multi storey decreases and Season tickets shortfall due to Centricia not renewing their annual permits.						
<b>Car Parks</b>	<b>(836,600)</b>	<b>(838,800)</b>	<b>(101,841)</b>	<b>(61,158)</b>	<b>(870,800)</b>	<b>(32,000)</b>							
<b>Total Employees</b>	<b>2,567,100</b>	<b>2,567,100</b>	<b>1,278,500</b>	<b>1,128,785</b>	<b>2,606,100</b>	<b>39,000</b>							
<b>Total Other Expenditure</b>	<b>1,448,600</b>	<b>1,451,700</b>	<b>869,203</b>	<b>886,691</b>	<b>1,512,500</b>	<b>60,800</b>							
<b>Total Income</b>	<b>(2,405,500)</b>	<b>(2,391,000)</b>	<b>(1,003,430)</b>	<b>(1,005,145)</b>	<b>(2,465,825)</b>	<b>(74,825)</b>							
	<b>1,610,200</b>	<b>1,627,800</b>	<b>1,144,273</b>	<b>1,010,332</b>	<b>1,652,775</b>	<b>24,975</b>							



**Cabinet****26 November 2013**

<b>Title</b>	Outline Budget 2014-15 to 2017-18 and Issues to be addressed as part of first draft of Detailed Revenue Budget 2014-15		
<b>Purpose</b>	Resolution required		
<b>Report of</b>	Chief Finance Officer	<b>Confidential</b>	No
<b>Cabinet Member</b>	Councillor Tim Evans	<b>Key Decision</b>	No
<b>Report Author</b>	Terry Collier		
<b>Summary and Key Issues</b>	<ul style="list-style-type: none"> <li>• Significantly reducing external funding</li> <li>• Pensions pressures</li> <li>• Report to set out outline budget projections</li> <li>• To seek approval of financial parameters</li> <li>• Strategy to close gap particularly to focus on generating sustainable income streams</li> </ul>		
<b>Financial Implications</b>	<p>A budget gap of £160k to be closed for 2014-15.</p> <p>Indicative funding gaps for outline period as follows:</p> <p>2014-15 £160k (cumulative £160k)</p> <p>2015-16 £1,040k (cumulative £1,200k)</p> <p>2016-17 £400k (cumulative £1,600k)</p> <p>2017-18 £700k (cumulative £2,300k)</p>		
<b>Corporate Priority</b>	<i>All</i>		
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. The net budgeted expenditure (before investment and use of reserves) for 2014-15 be set at a maximum level of £12.45m</li> <li>2. That, in order to reach this level, the Management Team, the Leader and Cabinet, identify a package of options by which the budget can be balanced both in 2014-15 and 2015-16 and over the following three years of the outline period.</li> <li>3. That an agreed total reserves target minimum level (as measured on 31 March each year) be set at a level of £11.5m for 31/3/15.</li> </ol> <p>That the financial health indicators set out in paragraph be agreed</p>		

## 1. Background

- 1.1 The outline budget report is normally produced in the autumn. Each year the Council produces a five-year rolling revenue budget projection based upon the Council's approved financial strategy.
- 1.2 Once approved, the first year forms the basis for preparation of the detailed revenue budget and the remaining three show the financial effects of approved policies over that period. Taken with the previous decision on the amount of reserves to be used, assumptions on Government grants and other financial information enable the Council to make a balanced judgement on the levels of Council Tax to be levied. The Government reduced its general grant support to the Council by 16% for 2011-12, 10% for 2012-13; 10% for 2013-14 (£402k) with a further £600k (24%) reduction in Revenue Support Grant for 2014-15.

## 2. Key issues

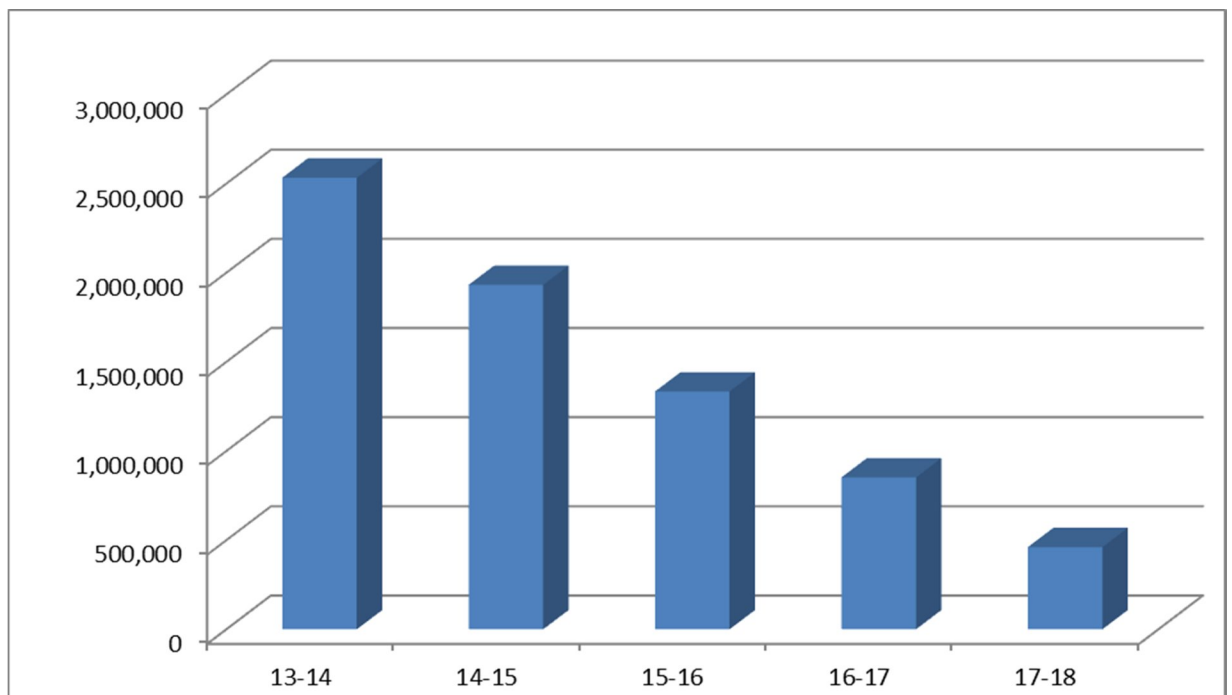
- 2.1 The Outline Budget needs to cover the following areas:
- a) Anticipated declining levels of revenue grant support
  - b) Anticipated external pressures such as statutory changes impacting over the outline budget period
  - c) How we fund our corporate priorities by generating increased income streams
  - d) The level of Council Tax, which the Council wishes to levy
  - e) Future assumptions on interest rates and investment types.
  - f) The level of services that the Council wishes to provide and the level of revenue expenditure the Council wishes to incur in the provision of those services. This is particularly important in light of the significantly reduced grant the Council will now receive.
  - g) The level and range of charges the Council should make for its services.
  - h) The use of revenue reserves (if any) the Council wishes to use to support that level of service.
  - i) The level of reserves the Council wishes to retain to provide investment income and ensure stability for the future.
  - j) The alternative use of reserves to generate future savings.
  - k) The level of capital expenditure which the Council wishes to support and how it will seek to borrow, including being prepared to borrow where there are robust business cases in support.
  - l) To review the Council's portfolio of assets to ensure that it is maximising value obtained from use of assets (both in terms of cost of maintaining those assets and income generated from them) and to review opportunities to rationalise the portfolio.

## Reducing Grant Support

### Revenue Support Grant

- 2.2 Revenue Support Grant (RSG) is currently £2.5m for 2013-14, we have been advised of the provisional figures for both 2014-15 and 2015-16 with further reductions of £600k in both of those years. Current projections indicate that it is possible by 2017-18 our Revenue Support Grant will have reduced to less than £0.5m i.e. a reduction of 80% over 5 years. This clearly is a very large reduction and is one of the key drivers of our potential rising budget gaps over the medium outline budget period.

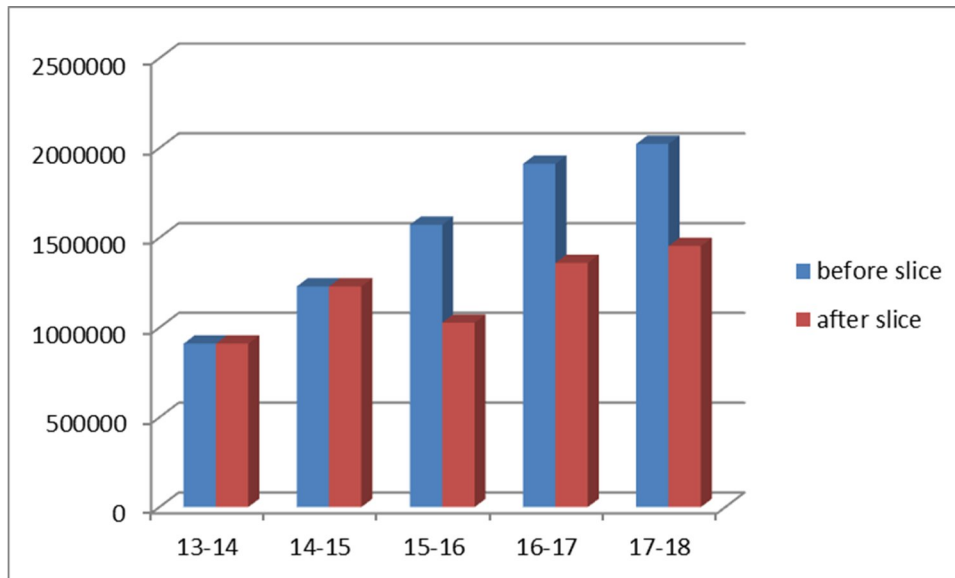
### Projected reduction in Revenue Support Grant (£000s) for Spelthorne over Outline Budget period.



### New Homes Bonus Grant

- 2.3 New Homes Bonus (NHB) grant is paid by the Government to encourage greater numbers of dwellings in areas. The grant is match funds the additional council tax income from additional dwellings (either new or long term empty brought back into use) with an 80:20 split between districts and counties, and is paid for six years. With the grant accumulating over a six year period the amounts of grant have begun to become significant in 2013-14 we are receiving £910k NHB grant.
- 2.4 In July the Chancellor in response to Lord Heseltine's report "No Stone Unturned" on stimulating economic growth announced that £2bn per annum would be provided as a Local Growth Fund to the local enterprise partnerships (LEPs) from 2015-16 onwards. However, a large chunk of this funding was not new but re-allocated from local government. This included £400 m or roughly 35% of the New Homes Bonus grant with the proposals that a proportion of councils grant would be re-allocated to their local LEP.

The exact impact on us is not known as the Government is currently consulting on two options for this a) re-allocating all the counties allocations first and then use a smaller proportion (approx. 18%) of districts allocations or b) re-allocate a similar proportion (i.e. 35%) from all councils. For our current budget projections we have assumed the worst option for us b) which means instead of our NHB grant rising £344k it falls £202k i.e. our funding would be £546k worse off than previously anticipated. The graph bellows shows the potential impact on our NHB of the funding top-slice



- 2.5 Clearly the combination of the £600k reduction in RSG in 2015-16 with the potential underlying cut of £546k in NHB in 2015-16 means that in terms of funding 2015-16 is a particularly challenging financial year. We therefore need to be focused as much on closing the budget gap for 2015-16 as for the more immediate and smaller gap for 2014-15.

### Retained Business Rates

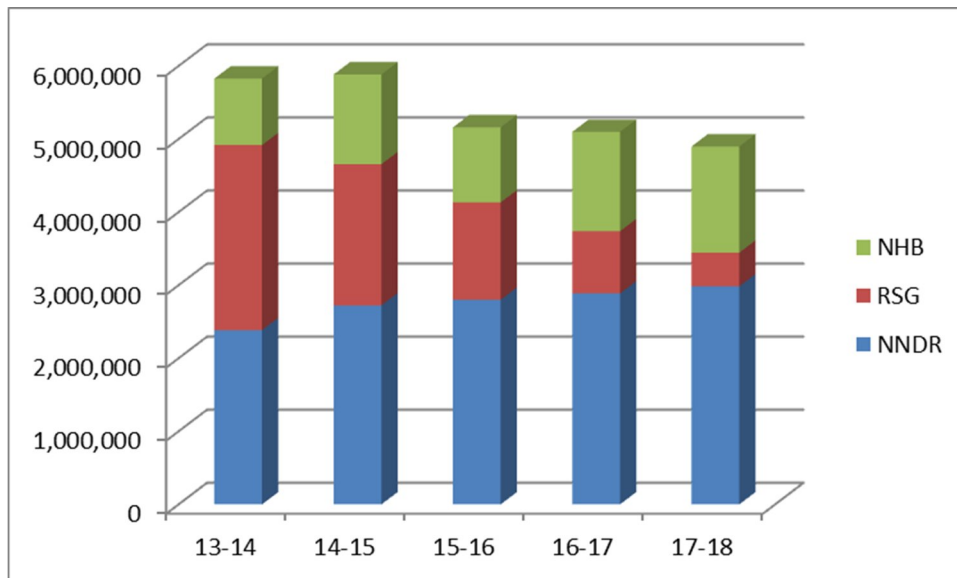
- 2.6 April 2013 saw the commencement of the new retention of business rates regime under which we retain a small proportion of business rates after paying 50% over to the Treasury, 10% over to Surrey County Council, a £13.6m tariff and then a 50% levy on additional growth. After adjustments our net share of any underlying growth in business rates is 20%. However, we also bear 40% of the risk of any businesses being unable to pay their business rates. The other risk we are exposed to relates to businesses successfully appealing to Valuation Tribunals to have their valuations set by the Valuation Office Agency reduced.
- 2.7 Whilst our rateable value has fluctuated, for example it was reduced at the start of the year when Ashby House in Staines was taken off the list whilst it is development (once completed in 2014-15 should come back on the list) we expect that we will retain £400k more business rates than the Government anticipated as our start up funding. We will set this aside into a business rates equalisation reserve to provide a cushion for future years. We expect growth in our taxbase in 2014-15 with Ashby House as mentioned above and the *dnata* development on edge of Heathrow coming on-stream in February 2014. We believe we can prudently assume a £700k increase in our retained

business rates income for 2014-15 compared to the figure we provided for in 2013-14.

**Aggregate impact of RSG, NHB and retained Business Rates**

2.8 The ability to build in a higher provision for retained business rates for 2014-15, combined with a projected rise in New Homes Bonus Grant means the combined level remains broadly the same between 2013-14 and 2014-15. However the combination of top slicing of NHB in 2015-16 and a further 30% or £600k reduction in RSG in 2015-16 means the combined funding level drops £724k in 2015-16. This makes 2015-16 particularly challenging. The table and graph below summarise the position.

	13-14	14-15	15-16	16-17	17-18
NNDR	2,385,030	2,723,000	2,799,000	2,886,000	2,984,000
RSG	2,532,841	1,932,000	1,334,000	852,000	461,000
NHB	910,300	1,229,000	1,027,000	1,360,000	1,454,000
Total Funding	5,828,171	5,884,000	5,160,000	5,098,000	4,899,000



**Pensions**

2.9 There are two pensions issues both impacting in 2014-15.

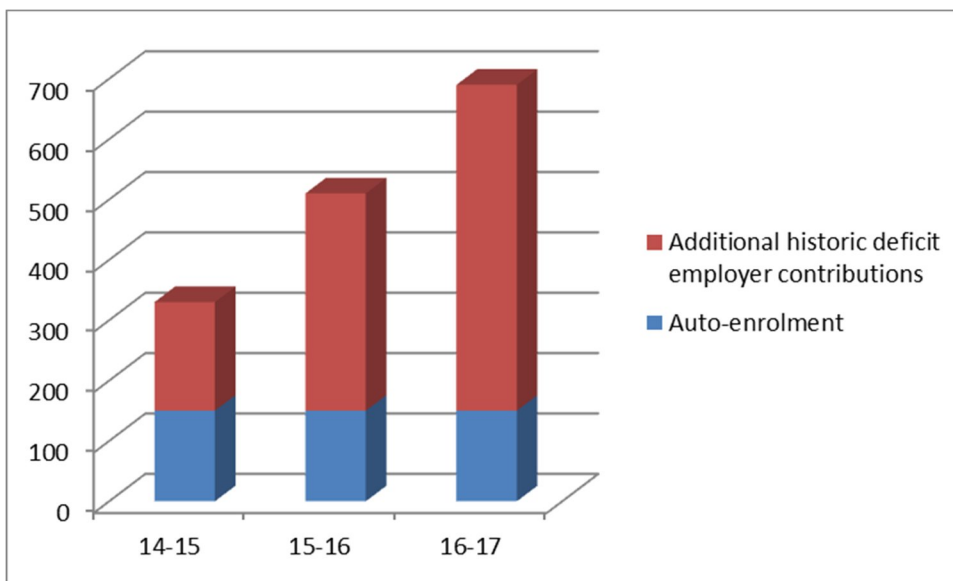
*Auto-enrolment*

2.10 The Government in order to try to ensure a higher proportion of the population put in place pension arrangements for their retirement is rolling out auto-enrolment across all sectors. For Spelthorne it takes effect 1<sup>st</sup> November and staff have been advised. Auto-enrolment involves in our case enrolling staff (who are over 22 and under retirement age, with a contract of more than 3 months) into the Local Government Pension scheme, and which in turn means we start paying employer contributions for them. Whilst a proportion of the newly enrolled members may immediately opt out again due to the financial pressures on their monthly budgets, it is likely to result in an ongoing increase in our employer superannuation contributions. Initially we are

estimating this may be approx. £150k per annum but we will have a firmer view by February when we set the budget as we will have a clearer picture as to what proportion of those opted in immediately opt out again.

#### *Triennial Revaluation of Pension Fund*

- 2.11 All the Local Government Pension Scheme funds are required to be revalued every 3 years. The most recent revaluation was at 31<sup>st</sup> March 2013 and this will determine the level of employer contributions for the three year period from 1 April 2014.
- 2.12 The actuaries for the Surrey Local Government pension fund in early October provided the member councils with provisional results. These results will be firmed up and there will be discussions between councils and actuaries to finalise actual increases in contribution rates. The portfolio holder will be involved in these discussions.
- 2.13 There are two elements to the Council's contributions towards the Fund a) ongoing current service accrual rate – towards the additional pension liabilities being accrued as staff serve a further year. This is currently 15.8% of pensionable pay. The actuaries initial advice is that will remain at 15.8%. B) a historic deficit contribution toward the deficit relating to the funding of pension liabilities arising from past service of current staff, pensioners and individuals who have deferred pensions. The contributions are calculated with the aim of repaying the deficit over a 20 year period. The actuaries initial advice is to suggest that our contribution will need to rise as follows:
- Currently £478,000
  - £657,000 in 2014/15
  - £837,000 in 2015/16
  - £1,016,000 in 2016/17
- 2.14 It can be seen from above that over the next three years our historic deficit repayments will more than double.
- 2.15 The combined effect of auto-enrolments and increased employer contributions will add approximately £700k to our annual expenditure by 2016-17.





## 2.16 **Pay Increase**

- 2.17 The projections have assumed an annual increase of 1% for staff and councillors 2013-14 then 1.5% per annum thereafter. This is on the basis that the Council is reverting to the national pay award agreement process for English Councils and our expectation is that nationally councils will not be able to afford to offer more than 1%. If there were an increase we would need to match any national settlement for example a 1% increase roughly equates to £100k which would need to be found from additional savings.
- 2.18 The additional cost of increments for those staff not at the top of their pay grades is £45k (equivalent to nearly 0.5% of employees' budget). Combining the pay award and increments equates to roughly 1.5% which the Council will be seeking to accommodate within the current overall salaries budget through offsetting savings.

## 2.19 **Universal Credit / Housing Benefit/Welfare reform**

- 2.20 The Government is currently aiming to phase in universal credit over a four year period, originally from October 2013 although this has now slipped. Currently for financial planning purposes we are assuming this will be phased in over 2014-15 to 2017-18. This is a challenging timescale given the reliance which will be placed on central government IT systems to deliver the new credit (intention for 80% of the interactions with claimants to be done via the internet). The Universal Credit will replace six different benefits including housing benefit currently administered by local authorities. The loss of housing benefit will have a net adverse financial impact on the Council as currently we are very efficient at recovering overpayments for which under the current system we are able to retain 40% which contributes £500k income per annum to the Council's budget. Our outline budget projections currently assume that Universal credit will commence on schedule and that over a four year period we will lose gradually the £500k per annum overpayment income. Therefore by 2017-18 Spelthorne will be £500k per annum worse off.
- 2.21 Whilst we are waiting for clarification as to what residual role local authorities will retain for assisting with those claimants unable to interact over the internet, clearly the majority of the staff currently involved with housing benefit administration will by 2017-18 no longer be required. We are awaiting clarification, to confirm that the Government will cover any redundancy costs incurred. The outline projections therefore do not assume any net redundancy costs. In the interim period this situation potentially will create staff retention problems.
- 2.22 The broader national welfare reform is creating knock-on pressures, for example with respect to the impact of removal of the spare bedroom subsidy which in some cases is resulting in additional people becoming homeless which we then need to house putting pressures on our discretionary housing payments and bed and breakfast budgets.

### **Council Tax Support**

- 2.23 From 1st April 2013 the Treasury reduced funding of council tax benefits by 10% (although pensioners are protected so the impact falls disproportionately on working age claimants). At the same time councils have been asked to

design their local schemes. To ease the first year of transition the Government offered grant totalling £100m to councils if they ensure that benefit claimants who were previously receiving 100% benefit are asked to pay no more than 8.5% of their council bills.

- 2.24 The Council set a localised council tax support scheme for the first year of the new regime. In response to the funding reduction working age claimants who were not disabled were asked to contribute up to 8.5% of their bills. The Council accepted the transitional grant on offer to help close the funding gap. The Council used the additional flexibilities the Government made available with respect to second home and empty homes council tax to reduce discounts and introduce a 50% long term empty property premium. This enabled the Council to close the council tax support funding gap for 2013-14.
- 2.25 For 2014-15 the Council will cease to receive the transitional grant. The Council has also decided that the additional council tax income from the second and empty homes changes should not be used to fund the council tax support funding gap. Therefore the Council is currently consulting on options for 2014-15 revised council tax support scheme. The options are:
- a) 30% contribution towards council tax bills from working age claimants but 100% protection for disabled
  - b) 25% contribution towards council tax bills from working age claimants and 90% protection for disabled
- 2.26 The Council will confirm the revised scheme for 2014-15 at its December Council meeting.
- 2.27 The introduction of the council tax scheme has resulted in higher levels of recovery action required, and the Council is closely monitoring the impact on collection levels.
- 2.28 **OUTLINE BUDGET 2013/2014 – 2017/2018**
- 2.29 Attached as [Appendix A](#) is a summary of projected expenditure and possible financing to 31 March 2018. It will be seen that the amount needed to be funded from Council Tax, if offsetting savings were not put in place, is some £0.2m in 2014/15 rising to £2.3 m over the Outline period.
- 2.30 It can be seen that the budget gap, if no mitigating action were taken, rises considerably in 2015-16 to £1.2m. This is driven largely by the grant funding changes set out in the report above combined with the pension pressures.
- 2.31 Council Tax rate increases for 2014-15 and future years are assumed to be 1.94% per annum.
- 2.32 In response to the reducing funding levels Cabinet with MAT and Heads of Service are reviewing services budgets both to focus on income generation opportunities and to deliver efficiencies. As it is unlikely that we will be able to generate sufficient additional income in order to fully address the projected deficits the Council and its Members may have to accept that it will have to cease undertaking certain activities and services or perform them at lower levels. In reviewing service expenditure and income, Service Heads have been requested to focus on long term ongoing rather than one-off solutions as this will substantially mitigate the need to revisit the same funding gap year after year, particularly with the much more significant funding gap in 2015-16

- 2.33 Once any growth bids have been confirmed all Service areas (including MAT) will be asked to identify target additional income/savings.
- 2.34 Organisational structures will continue to be reviewed as part of any changes in the organisation created by staff leaving and future restructure opportunities
- 2.35 We will be looking to savings from increased partnership working and shared service working.
- 2.36 As stated later in the report we are seeking to both identify opportunities to dispose of surplus assets and generate new revenue income streams on our assets for example catering concessions in our parks, income from moorings

## **Financial Strategy**

### **Maximising Income streams 1) Protecting council tax base**

- 2.37 Clearly with steadily reducing RSG the Council needs to look to become largely self sustaining through protecting existing income streams and generating new income stream.
- 2.38 Council tax is a key income stream with the £6.4m Spelthorne Borough Council retaining in 2013-14 (approx. 11% of the total we collect, with rest going to Surrey County Council and Surrey Police) funding 56% of the net budget of £11.8m. A one percent increase in this taxbase would therefore generate £64k additional income per annum.
- 2.39 Since 2011-12 the coalition government has had a strategy of offering council tax freeze grant each year where in return for freezing council tax councils will receive some extra grant. In the first year, 2011-12 the offer was more generous with the funding to offset the increase in taxbase forgone being made available for four years and equivalent to 2.5% council tax income. This Council along with every other council accepted the council tax freeze grant for 2011-12. This does however mean the 2.5% or roughly £170k will drop out of our taxbase in 2015-16, further adding to the challenge of balancing 2015-16. However, in subsequent years the tax freeze grant has been less generous with funding only on offer for 1 or 2 years which means the income quickly drops out of the taxbase and does not facilitating a sustainable income level, and the amount of grant on offer has been reduced to 1%. Therefore in 2012-13 and 2013-14 in order to protect the taxbase and its future ability to fund services the Council did not accept the freeze grant but put the council tax up moderately (1.94% in 2013-14).
- 2.40 In parallel to introducing the freeze grant regime the Government introduced a percentage limit above which any increase in council tax needs to be put to local residents in a referendum for approval. Initially the limit was 3.5% but in 2013-14 this was reduced to 2%. The Council's 1.94% increase was below this level.
- 2.41 The Government has indicated that it is offering freeze grant equivalent to 1% council tax income in both 2014-15 and 2015-16 and that the 2014-15 grant will be funded for 2 year and the 2015-16 for one year so the funding for both would drop out in 2015-16. The medium term financial planning has been done on the basis that the Council will again will to protect its medium term tax base and set moderate increases of 1.94% in both 2014-15 and 2015-16.

## 2) Maximising existing fees and charges

- 2.42 Rents and other income are contributing around £8m to the Council's budget for 2013-14. Some of this is not under the Council's direct control, for example the share of Staines Town Centre rents and statutorily set fees, but our policy is that each year all other fees and charges are reviewed to establish the scope for increases. This involves managers comparing prices with market rates, public and private, which may result in increases above or below the rate of inflation. The attached Outline Budget assumes that charges fully reflect the true cost of providing the service but each service area's charging policy will be carefully reviewed as part of the detailed budget work. We also need to be looking for any opportunities to charge where previously we have not, for example certain pre-application advice fees for planning and generating additional income streams in our parks.
- 2.43 The outturn income for 2012-13 was slightly better than budget and again in 2013-14 to date income is up against budget.
- 2.44 There will a separate fees and charges report going to Cabinet in January 2014.

## 3) Generating income from the Council's asset base

- 2.45 One of the Cabinet's priorities is to both support Economic Development through facilitating opportunities through assets in the Council's ownership and to generate income from surplus/under-utilised assets preferably in the form of ongoing revenue streams.
- 2.46 A number of flagship projects are focused on generating such additional income and include projects under the Staines-upon-Thames development programme; Ashford car park site, and other sites.
- 2.47 It is important to realise that projects to deliver additional income from assets will take time to come to fruition. However it is projected that over the four year period additional income from assets could contribute over £1m towards the cumulative funding gap.
- 2.48 In order to ensure that asset projects which potentially will deliver income/savings are delivered as quickly as possible MAT have re-prioritised resources within the staffing structure to enable additional staffing resource for a two year period be allocated to support these projects.

## 4) Maintaining/increasing investment returns from Treasury Management Activity

- 2.49 In January 2013 the last of the Council's European Investment Bank bonds matured. At one time we had £6m of these bonds earning an average of over four percent. In the current economic climate, with historically low interest rates it has not been possible to earn similar rates through investing in banks or similar bonds. Therefore working with the portfolio holder we diversified the investment strategy to enable investment in a broader range of instruments including pooled funds backed by corporate bonds, equities and property. As the separate Treasury Management report on this agenda sets out this strategy has broadly mitigated the impact of the maturing of the previous bonds with annual investment returns of nearly 4% being achieved on our pooled funds and with the bonus of an initial to date capital gain on these

funds of £638k as at end of September. This strategy has enabled us to maintain for the Outline Budget period anticipated investment income to help support the revenue budget. See the table below.

	Original Budget £	Revised Budget £	Increase £
2013/14 estimate	345,000	345,375	375
2014/15 estimate	330,000	335,300	5,300
2015/16 estimate	325,000	331,300	6,300
2016/17 estimate	320,000	327,300	7,300
2017/18 estimate	320,000	327,300	7,300

- 2.50 Increasing income streams is unlikely to produce another to fully close the projected gaps over the outline budget period so we need to continue with a range of strategies to achieve efficiencies and to reduce the Council's expenditure base.

#### **The Level of Revenue Reserves to use in Support of the Council Tax**

- 2.51 Reserves are financial balances set aside within the Council's balance sheet to enable future financing of revenue or capital expenditure. These can be held for three main purposes:
- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves
  - A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves. The key general reserve is the General Fund.
  - Funds to meet known or predicted liabilities and future spending are often referred to as earmarked or specific reserves.

The cash balances held in our reserves are invested to earn interest income which helps support the overall revenue budget and the provision of services.

- 2.52 The Council currently uses specific revenue reserves to finance expenditure in two main ways:
- a) Interest equalisation – is built up in years when investment returns are better than expected and used to support investment income in years when returns are lower. (E.g. £70k budgeted for use in 2013-14, but aiming to avoid using in 2014-15)
  - b) New Schemes Fund – the fund is now exhausted and It is not proposed to continue to provide a stream of funding toward specific revenue costs but instead we intend to put monies back into the fund to offset future years expenditure from those areas.

- c) The key focus is generating additional revenue income streams. It is recognised that whilst the projects to deliver a number of such streams are well under way they will take time to reach the point of delivering income. There is therefore the case that on the basis there is a clear strategy and plan for delivering income streams that in the interim, in order to avoid making short term cuts which ultimately in the longer term may not have been necessary that some use of reserves to help close the revenue gap would be sensible.

2.53 At 1 April 2013 Revenue Reserves were £12m, as follows:

	2013 £'000
General Fund Revenue Account*	807
Capital Fund*	443
Carry Forward Reserve	239
Housing Initiatives Fund	7,611
Bronzefield Maintenance Fund	287
New Schemes Fund (NSF)	1,605
Lotteries Fund	2
Interest Equalisation	493
Insurance Reserve	50
Planning Delivery Reserve	50
Bridge Street Car Park Reserve	79
Business Improvement Reserve	286
	11,952

Revenue / Projected Reserves – 1 April

\* indicates an uncommitted reserve available to support Council Tax.

The capital element of the NSF is now exhausted but there is still the revenue element of £1.6m in the table above.

- 2.54 Assuming the use of reserves is maintained in accordance with the agreed approach, the level of **uncommitted** reserves retained at the end of the Outline Budget period should be approximately £980k (ie General Fund Revenue Account and Capital Fund – compared to a figure of £1.2m as at 1/4/13).

### **The Level of Capital Expenditure to be supported**

- 2.55 Each year the Council approves a four-year capital programme, which is split between Housing and “Other Services.”

The ‘other services’ programme consists mainly of capital expenditure on Leisure, assets, replacement vehicles and information technology.

The 'other services' capital programme is financed from our capital receipts, i.e. money received in past years from the sale of assets such as the sale of the housing stock under the Local Stock Voluntary Transfer (LSVT) reserved right to buy receipts (RTB) and other 'one off' sales.

Reserved right to buy receipts from A2Dominion have fallen significantly from £600k in 2005-06 to approximately £150k in 2013/14. Taking account of the impact of Stanwell Newstart and the general housing market, it is assumed that the ongoing level of RTB receipts will be £150k per annum.

In addition to our "mainstream" capital programmes we also set aside in 1996 part of the proceeds from the sale of our housing stock to spend on worthwhile projects within the Borough, (the New Schemes Fund (NSF)). Approximately £15m was set aside initially and this has been supplemented by interest earnings on the balance of the fund since 1996. This fund is now fully exhausted.

### **Level of Capital Reserves**

2.56 Projected capital reserves at 1 April 2013 were as follows:

	2013
Usable Capital Receipts	£1.669m

The capital programme will continue to be financed in the short term by the RTB receipts, the capital reserves and the Social Housing Fund. By the end of 2016-17, there are anticipated to be nil capital reserves remaining and other sources of income will be required to finance future capital expenditure.

The Prudential Code, which came into effect on 1st April 2004, gave us the scope to borrow to fund capital investment. The Council has so far taken the view to date that it will use capital receipts to finance the capital programme, although there may be examples where we might borrow. Prudential borrowing may be appropriate where the capital investment will generate additional income which more than offsets the interest payments incurred, for example some authorities have undertaken prudential borrowing to fund expanded car parking facilities which will generate additional income which would more than offset borrowing costs. If the Council were to look at re-configuring its office accommodation or leisure centre it may need to borrow to facilitate such schemes.

### **Financial Health Indicators**

2.57 The Use of Resources regime was discontinued by the Coalition Government but there are still local Spelthorne agreed indicators that need to be monitored. Indicators should cover revenue, capital expenditure and also aspects of the balance sheet. It is therefore recommended that targets be set for capital and revenue outturn, and for debtors and creditors. Linked with the

issue of maintaining sufficient reserves to generate a reasonable interest income it is suggested that a target minimum level of reserves is set. The current set of indicators is set out below:

- a) Revenue outturn against original budget target: +/- 1.5%.
- b) Capital outturn against original budget target: +/- 15%.
- c) Council Tax collection target: 98.4%.
- d) Business rates collection target: 98.0%.
- e) Sundry debts aged more than 90 days overdue no more than 10% of total debts.
- f) Payment of creditors within 30 days target: 96.5%
- g) Year total aggregate value of reserves – in the changed circumstances the Council faces we can realistically at best aim to complete 2013-14 with cash balances of £11.5m. This does mean that we will not be able to earn as much investment income as previously anticipated.

- 2.58 Clearly we need to take account of the challenging economic climate on the achievability of the above indicators particularly the collection rate (which through business rates and council tax support will feed through directly into the Council's financial position and debt indicators and we will keep these indicators under regular review. Maximising collection of business rates will be particularly important under the new regime where we bear 50% of the risk of bad debt write offs on business rates.

In addition to the above there are the existing Prudential and Treasury Management indicators.

### **OUTLINE BUDGET 2014/2015 – 2017/2018**

- 2.59 Attached as Appendix A is a summary of projected expenditure and possible financing to 31 March 2018. It will be seen that the amount needed to be funded from Council Tax, if offsetting savings were not put in place, is some £0.2m in 2014/15 rising to £2.3 m over the Outline period.
- 2.60 There is grant available from Central Government to fund a freeze in council tax bills but this is only equivalent to 1% and is only funded for two years so will impact on the ongoing level of council tax bills as monies not increased in 2013/14 will be lost and will require a rise a higher rise or savings in 2015-16 to counteract this. It is assumed that the Council will increase Council tax by 1.94%.
- 2.61 In response to the very challenging fund cuts and other pressures such as the pensions' impacts, MAT and Heads of Service are reviewing services budgets. In order to address the projected deficits the Council and its Members will have to accept that it will have to cease undertaking certain activities and services or perform them at lower levels. In reviewing service expenditure and income, Service Heads have been requested to focus on long term ongoing rather than one-off solutions as this will substantially mitigate the need to revisit the same funding gap year after year.



- 2.62 We are projecting total vacancy, partnership and restructuring savings of £200k being achieved in current year against original target of £160k.
- 2.63 Organisational structures will continue to be reviewed as part of any changes in the organisation created by staff leaving and future restructure opportunities
- 2.64 Targets for ongoing savings to be delivered for business transformation across the organisation will be reviewed. There is a continuing need for greater efficiency processes across the organisation.
- 2.65 We will be looking to savings from increased partnership working and shared service working. The challenge is to find willing partners who are prepared to engage in partnerships at a level which will generate significant revenue benefits.
- 2.66 As stated above we are seeking to both identify opportunities to dispose of surplus assets and generate new revenue income streams on our assets for example catering concessions in our parks.

### 3. Options analysis and proposal

- 3.1 A large number of savings/ income initiatives have been achieved with savings of £6m delivered in the last five years. However, the reality is that expenditure is increasing and outstripping increases in funding. Significant deficits still exist over the outline budget period.

#### PROPOSALS

- 3.2 The way forward could be a combination of the following:

**(a) Maximise income generation including:**

- Pursue opportunities to sell or look for more efficient use of assets and generation of revenue streams from those assets.
  - It is recognised that some of these initiatives will take time to deliver and that in the interim in order to enable them to happen there may be a case to use some reserves towards the revenue gap
- Review charging policies seeking to recover costs for a greater range of activities.
  - Pursue investment opportunities- building upon the recent changes to strategy.

- (b) **Achieve a movement of resources from lower priority to higher priority service areas with the reduction in low priority areas being greater than the transfer to high priority areas.** Ensure financial resources support corporate priority areas first.
- (c) Maximise vacancy savings and rigorously seek out savings and encourage further reductions in hours and voluntary redundancies.
- (d) Determinedly pursue procurement; shared services; and partnership working opportunities.
- (e) To ensure we critically evaluate opportunities as major contracts come up for renewal.

- (f) Rationalise organisational structures.
  - (g) Targeted use of zero based budgeting / increased scrutiny of detailed budget lines and outturn variances.
  - (h) Identify further efficiency savings.
- 3.3 MAT continue to pursue a number of strategies including shared services, restructuring, income generation, business i reviews and procurement savings to ensure the budget gap is addressed.
- 3.4 It is proposed that all the options proposed in 3.2a) are pursued
- 4. Financial implications**
- 4.1 As in the body of the report.
- 5. Other considerations**
- 5.1 The Council is legally required to set a balanced budget
- 6. Risks and how they will be mitigated**
- 6.1 Clearly there are a number of external factors which can impact on the assumptions used to make the outline budget projections. The projections are kept under continuous review.
- 7. Timetable for implementation**
- 7.1 4 or 5<sup>th</sup> December Autumn Statement announced, shortly afterwards details of local authority grant funding for 14-15 confirmed.
- 7.2 19 December – Local council tax support scheme and council tax base approved by Council
- 7.3 Late January/early February Government confirms funding settlement including clarify SBC's empty homes allocation for new homes bonus and amount of business rates income we will be allowed to retain
- 7.4 25 February – Detailed budget considered by Cabinet for recommendation to Council
- 27 February Council approves Budget and sets council tax

**Background papers:**

**Appendices:**

<b>APPENDIX A: Updated outline budget projection based on original 13-14 budget:</b>						
<b>SUMMARY: 1.94% increase per annum in council tax from 2013-14</b>						
<b>Single salaries assumption (covering increments, auto opt in, vacancies, efficiencies)</b>						
Portfolios reshaped to reflect latest remits						
	13/14	13/14	14/15	15/16	16/17	17/18
	original	Projected				
	£	£	£	£	£	£
Communications , ICT, Procurement	1,288,700	1,288,700	1,288,700	1,288,700	1,288,700	1,288,700
Community Safety, Young People, Leisure & Culture	176,700	176,700	176,700	176,700	176,700	176,700
Finance	1,308,900	1,308,900	1,336,900	1,336,900	1,336,900	1,336,900
Environment	2,489,400	2,489,400	2,432,900	2,432,900	2,432,900	2,432,900
Health Well Being and Independent Living	1,381,400	1,381,400	1,381,400	1,381,400	1,381,400	1,381,400
Planning and Housing	1,227,500	1,277,500	1,466,500	1,461,500	1,591,500	1,571,500
Economic Development and Fixed Assets	2,659,600	2,659,600	2,699,600	2,780,600	2,745,600	2,695,600
Corporate Development	1,776,000	1,776,000	1,776,000	1,871,000	1,776,000	1,776,000
	<b>12,308,200</b>	<b>12,358,200</b>	<b>12,558,700</b>	<b>12,729,700</b>	<b>12,729,700</b>	<b>12,659,700</b>
Salary expenditure - net change (incorporating increments, opt in, pay award, efficiencies, partnership savings)	(160,000)	(160,000)	30,000	(70,000)	5,000	175,000
Increments						
Automatic Opt in						
Pay award						
Pensions- employer contributions			180,000	360,000	540,000	850,000
Service re-invention	(40,000)	(40,000)				
Additional statutory pressures/ <b>undeclared</b> growth			250,000	500,000	750,000	1,000,000
Fees and charges		0	(75,000)	(150,000)	(200,000)	(250,000)
Partnership Savings	(40,000)	(40,000)				
<b>Service Expenditure</b>	<b>12,068,200</b>	<b>12,118,200</b>	<b>12,943,700</b>	<b>13,369,700</b>	<b>13,824,700</b>	<b>14,434,700</b>
Less Support not charged to revenue	0	0	0	0	0	0
<b>Revised Service Expenditure</b>	<b>12,068,200</b>	<b>12,118,200</b>	<b>12,943,700</b>	<b>13,369,700</b>	<b>13,824,700</b>	<b>14,434,700</b>
<b>NET EXPENDITURE</b>	<b>12,068,200</b>	<b>12,118,200</b>	<b>12,943,700</b>	<b>13,369,700</b>	<b>13,824,700</b>	<b>14,434,700</b>
Interest earnings	345,000	345,400	335,300	331,300	327,300	327,300
<b>NET EXPENDITURE AFTER INTEREST EARNINGS</b>	<b>11,723,200</b>	<b>11,772,800</b>	<b>12,608,400</b>	<b>13,038,400</b>	<b>13,497,400</b>	<b>14,107,400</b>
<b>Appropriation from Reserves:</b>						
Reserves - General						
Reserves - New Schemes Fund / HIF	0	0	0	(50,000)	(100,000)	(150,000)
APCs	56,500	56,500				
Interest Equalisation reserve	70,048	70,887				
Feasibility study Knowle green	70,000	70,000				
<b>BUDGET REQUIREMENT</b>	<b>11,526,652</b>	<b>11,575,413</b>	<b>12,608,400</b>	<b>13,088,400</b>	<b>13,597,400</b>	<b>14,257,400</b>
Retained Business rates	1,685,030	2,385,030	2,723,000	2,799,000	2,886,000	2,984,000
Revenue Support Grant	2,532,841	2,532,841	1,932,000	1,334,000	852,000	461,000
New Homes Bonus	910,300	910,300	1,229,000	1,027,000	1,360,000	1,454,000
LCTSS transition grant	16,000	16,000				
<b>NET BUDGET REQUIREMENT</b>	<b>6,382,481</b>	<b>5,731,242</b>	<b>6,724,400</b>	<b>7,928,400</b>	<b>8,499,400</b>	<b>9,358,400</b>
Collection Fund (Surplus)/Deficit	28,800	28,800	0	0	0	0
<b>CHARGE TO COLLECTION FUND</b>	<b>6,411,281</b>	<b>5,760,042</b>	<b>6,724,400</b>	<b>7,928,400</b>	<b>8,499,400</b>	<b>9,358,400</b>
Tax base	36,514	36,514	36,697	36,880	37,065	37,250
Council Tax rate	176	175.56	178.97	182.44	185.98	189.59
Council Tax yield	<b>6,410,442</b>	<b>6,410,442</b>	<b>6,567,478</b>	<b>6,728,443</b>	<b>6,893,294</b>	<b>7,062,233</b>
		(650,400)	807,321	1,043,035	406,149	690,061
	56%	(650,400)	156,922	1,199,957	1,606,106	2,296,167
		-5.6%	1%	10%	14%	20%



**Cabinet****26 November 2013**

<b>Title</b>	Welfare Reform		
<b>Purpose</b>	For Information		
<b>Report of</b>	Assistant Chief Executive	<b>Confidential</b>	No
<b>Cabinet Member</b>	Councillor Mrs Jean Pinkerton OBE	<b>Key Decision</b>	No
<b>Report Author</b>	Deborah Ashman/ Karen Sinclair		
<b>Summary and Key Issues</b>	This report is to summarise the impact of Welfare Reform on Spelthorne's Community to date and obtain political guidance on the administration of the Discretionary Housing Payments.		
<b>Financial Implications</b>	The report impacts on two main budgets, the £202,000 Discretionary Housing Payment budget and the Council's bed and breakfast budget, currently £70,000.		
<b>Corporate Priority</b>	*Service delivery *Supporting independent living		
<b>Recommendations</b>	Cabinet is asked to: <ul style="list-style-type: none"> <li>• note developments in the Welfare Reform agenda .</li> <li>• steer Officers in an attempt to achieve a workable balance between <u>incentivisation</u> and assisting claimants with the use of Discretionary Housing Payments in limited circumstances as described in Option 3.3 from 01/01/2014</li> </ul>		

## 1. Background

- 1.1 The Coalition Government's on-going welfare reforms are widely acknowledged as the most fundamental change to the welfare system since the Second World War. The Government's aims are to incentivise work, simplify the current system of benefits and promote personal responsibility among claimants. A briefing note was presented to overview and scrutiny committee on the 09.07.13 providing information on the critical issues in relation to housing and housing benefit administration in Spelthorne. The note discussed any action being taken or proposed to mitigate the effects. Many of these issues have been highlighted in the Council's Corporate Risk Register.
- 1.2 This report seeks to expand on the elements directly related to Welfare Reform and identify the effects on claimants and the Council to date.
- 1.3 **Under occupation**
- 1.4 This rule was introduced in April 2013, whereby anyone in social housing deemed to be under occupying their property receives a reduction in housing benefit . If a person is under occupying by one bedroom they receive a 14% reduction, by two or more bedrooms a 25% reduction.
- 1.5 **Benefit Cap**
- 1.6 This came into effect in Spelthorne in July 2013. The Regulations state that a person can only receive a combined limit of central government benefits per week irrespective of the area of the country they live in. The limits are £350 per week for a single person and £500 for a couple with or without children and lone parents . Under the system, classified benefits such as job seeker's allowance, income support, child tax credit, housing benefit are added together and then capped at the limit. The actual benefit restriction however is made from the household's housing benefit claim, which means the burden of administration falls on the Council. Households cannot appeal against the cap set but can appeal against the level of housing benefit awarded.
- 1.7 **Universal Credit**
- 1.8 Universal Credit was due to be phased in to replace a number of existing benefits including housing benefit from October 2013. This means that the housing benefit function will gradually be removed from local authority control. All housing benefit claims are scheduled to be transferred to Universal Credit by October 2017. This timetable has now slipped and we are unaware of the new timetable. However Officers are continuing to monitor developments in the pilot schemes and identify any good practice in conjunction with the DWP project team for Surrey.
- 1.9 **Discretionary Housing Payment (DHP)**
- 1.10 Central Government has always provided a budget within the housing benefit subsidy payments to use at the local authority's discretion for individual cases of rental shortfall or hardship .This budget has been increased to £202,000 to reflect the expected increase in applications due to the above changes. A flexible DHP policy has been agreed by members.

## 2. Key issues

### 2.1 Under Occupation

2.2 Spelthorne has 316 claims at present affected by this, approximately 267 of which are A2D tenants. Of the 316, 250 are deemed to be in the one bedroom under occupation category and the average benefit loss is £17.36 per week. The remaining 66 are deemed to be under occupying by 2 bedrooms or more with an average benefit loss of £32.29 per week.

2.3 There is already evidence that these changes are increasing tenant arrears and so increasing the risk of homelessness. The problem is exacerbated by the fact that there is not a supply of alternative social rented accommodation of appropriate size for tenants to downsize to, even if they are prepared to consider this option.

2.4 A2D officers have been working effectively with tenants by assisting with budget management, downsizing properties e.g. mutual exchanges where possible and applying to Spelthorne Council for DHP.

2.5 A key issue is there is an expectation amongst Registered Social Landlords (e.g. A2D) that Spelthorne will be able to continue to fund the shortfall indefinitely. This will not be possible with the existing budget.

### 2.6 Benefit Cap

2.7 Spelthorne has 56 claims affected by the Benefit Cap with 42 of these households living in the private rented sector. Most have 3 children or more. This is the highest number of households in Surrey. Only 2 of these are known to the Supporting Families team.

Numbers affected	Amount Deducted weekly
12	£0-£30
28	£30-£100
16	£100-£355

2.8 Spelthorne Officers have worked with the DWP Job Centre Plus, local employers and individual families willing to engage, to try and enable these households to return to work which takes them out of the benefit rule and increases their income.

2.9 A key issue once again is the expectation of all the support services e.g. social services, GPs and private landlords that to keep households in their tenancies DHP will be granted indefinitely. This will not be possible within the existing budget.

## 3. Options analysis and proposal

3.1 Pay full DHP to all applicants who are affected by the benefit cap and under occupation changes. This approach goes against the ethos of incentivising people going back into work and/or downsizing. The potential cost of this option is in the region of £600,000 (against a DHP budget of £202,000).

3.2 Pay no DHP except in extreme medical or welfare circumstances as was the case in previous years. However the government has allocated extra DHP to Councils to ease the transition through the benefit changes. Without additional DHP awards there will be an increase in rental arrears and ultimately evictions. This will impact on homelessness, and other relevant

budgets and the legislative responsibilities on Spelthorne Council. The potential cost of this option is £90,000 per year. Underspend of this budget may mean the government reduces Spelthorne's allocation in future years

- 3.3 To attempt to achieve a workable balance between incentivisation and assisting claimants is as follows.( this is the Officers recommended option)
- In the case of under occupation, to pay full DHP for 3 months in all cases on condition claimants are actively seeking to downsize and consider all options including finding work. However after 3 months the award reduces to 50% of the shortfall with the claimant expected to make up the shortfall of the remaining 50%. However each case will still need to be assessed on its own merits and discretion used when needed.
  - For claimants applying for DHP due to under occupation in the case of exceptional medical or welfare need, full DHP should be granted and reviewed every 6 months depending on each circumstance.
  - In the case of benefit cap awards all cases to be considered on their own merits, DHP will be granted for up to 3 months initially and then reviewed monthly. However claimants will have to contribute an amount towards the shortfall and demonstrate that they are engaging with the Job Centre Plus and Options officers to try to obtain work and stay in their homes.

- 3.4 If the option described in 3.3 is adopted the cost is likely to be within the 202,000 budget although there are still risks that will have to be carefully monitored.

#### 4. Financial implications

- 4.1 Spelthorne was allocated £62,767 for DHP in year 2012/13. However the Council has been given the increased allocation of £202,000 for year 2013/14 due to the expectation of increased applications. The potential cost to the DHP budget is estimated in each of the options described in 3.1 to 3.4.
- 4.2 It is important to note that due to the demand the costs of bed and breakfast could increase. The Council has an annual budget of £70,000. There is already a projected overspend this year of £50,000. Where the Council makes political decisions not to pay everyone DHP, there is likely to be a resultant further increase on bed and breakfast expenditure due to increased homelessness.
- 4.3 If a household is evicted from private rented accommodation due to the ceasing of DHP, the costs for bed and breakfast are substantial. However the argument is not just financial and therefore political guidance is essential.

Family Size	Cost of full DHP per week to keep in current home	Cost of bed and breakfast per week
2adults 3 children	£95	£542.50
2 adults 6 children	£252	£542.50



## **5. Other considerations**

- 5.1 Experience to date has identified the need to look at individual circumstances. For example although some claimants are unwilling to engage with measures that will assist them in going back to work, others are very willing but find the cost/availability of child care prohibitive. The local job market is starting to improve however there is still a shortage of employment opportunities.
- 5.2 Resources within the Housing Benefit /Options Team to administer the proposals for DHP listed above maybe an issue in the future depending on demand.

## **6. Risks and how they will be mitigated**

- 6.1 The greatest risk to the Council is not being able to accurately predict and manage the budgets given that there are a number of uncertainties about demand, uptake and conflicting legislative responsibilities .The two main budgets affected are the DHP and the homelessness budget (particularly bed and breakfast). Significant underspend of DHP may lead to reduced future allocation and significant overspend on other budgets. The joint Heads of Housing and the Accountancy team will continue to monitor and give predictions as accurately as possible. It should be noted that as these welfare reform changes are so new and the impact so huge the repercussions nationally and locally cannot be fully quantified at this stage.
- 6.2 Implementing these proposals mean making some difficult moral political and financial decisions. For example through not paying DHP, which will result in the eviction of some households due to arrears, some families will be forced to move either to different areas of the county or to be placed in bed and breakfast. Publicity will have to be carefully managed.
- 6.3 If families do become homeless and are placed in bed and breakfast there is an increased responsibility and risk to the council in relation to child protection, adult abuse, cost and challenge about suitability /location of accommodation. Monitoring and procedural guidance to officers have been given however this will continue to be an area of significant risk.
- 6.4 As the Council has no housing stock of its own there is complete reliance on social landlords such as A2D and private sector landlords. Already there is reluctance by private landlords to work with the Council as the market is strong and they can charge higher rents than the Council is able to pay. It is likely to be perceived that it is due to the Councils lack of support to these households affected by the changes that they lose tenants and money. As a result they will understandably look elsewhere in future (including other Councils). There is already an acute shortage of affordable social and private rented properties. This is a risk very difficult to mitigate in light of the whole welfare reform changes.
- 6.5 Staff have already reported an increase in agitated and desperate behaviour from applicants. This can manifest in aggression, increased complaints and distress. Staff whilst having empathy and sympathy can become desensitised to the claimants. Staff training and support is being given as far as possible.
- 6.6 A programme of housing projects has been identified to try and alleviate both short term and long term pressures. The programme is under the remit of the strategic housing board.

**7. Timetable for implementation**

7.1 To implement the preferred option (3.3) from 01/01/2014.

**Background papers:**

**Cabinet****26 November 2013**

<b>Title</b>	Sustainable Funding for Surrey Waste Partnership		
<b>Purpose</b>	Recommendation required		
<b>Report of</b>	Assistant Chief Executive	<b>Confidential</b>	No
<b>Cabinet Member</b>	Councillor Tony Mitchell	<b>Key Decision</b>	No
<b>Report Author</b>	Sandy Muirhead		
<b>Summary and Key Issues</b>	<p>Spelthorne Borough council has been an active partner in the Surrey Waste Partnership and has benefited from that over the last 10 years. However, to ensure the long term success of the Partnership it needs funding. Therefore, the purpose of this report is to propose funding changes to ensure future support for the Surrey Waste Partnership which is continuing to develop closer working and efficiency savings on waste management as costs continue to increase in this field.</p>		
<b>Financial Implications</b>	<p>For Spelthorne BC the budget for recycling credits is currently £640,000 this would mean that the increase in recycling credit payments for the 2014/15 financial year would be £6,400 (1%) and that £12,800 (2%) would be pooled as Partnership funding.</p>		
<b>Corporate Priority</b>	<p>*Service delivery *Communication *Efficient use of assets</p>		
<b>Recommendations</b>	<p>It is therefore recommended that Cabinet:</p> <ol style="list-style-type: none"> <li>1. agree to pool 2% of the annual 3% rise in recycling credits in the financial year 2014/15</li> <li>2. note a new base level of recycling credit payments as a consequence of this reduction, thereby allowing a similar contribution to be made in subsequent years, subject always to annual approval by Spelthorne BC and</li> <li>3. Currently anticipate a 3% increase in this new base for recycling credits from April 2015, and in other subsequent years.</li> </ol>		

## 1. Background

- 1.1 Spelthorne Borough council has for a number of years actively participated in the Surrey Waste Partnership (SWP), which is increasingly seeking opportunities for efficiencies in the management of waste for economic, social and environmental reasons. Recent projects include a waste composition analysis to enable us to target more effectively messages on recycling and what goes in each bin. Also a waste data management project, currently being implemented, will enable us to obtain better real time data (rather than as now a 3 month time lag) and save considerable administrative time spent manually checking weighbridge information. We are involved collaboratively in a number of activities as outlined in Appendix 1. This also includes a current development of pooling co-mingled recyclables to get a better price for our recyclables including a possible income stream.
- 1.2 In terms of the history of joint working, in 2009 Spelthorne Borough Council agreed with others to pool half of their share of a reward from a Local Public Service Agreement with Government, which concerned work to increase the recycling of glass in Surrey. The stretch target for the Local Public Service Agreement was achieved, and a reward of some £2M in total was received. The individual contributors, including Spelthorne paid £82, 000 into a Partnership fund. This pooled funding has enabled the Partnership to carry out its work since that time without further calls for funds.
- 1.3 The unallocated balance on the Partnership account, after this 2009 input, is now only some £50,000. The Funding Board (comprised of District Borough and County Officers and members) for the Partnership has expressed the need for urgency in creating a more sustainable long term mechanism for funding Surrey Waste Partnership. This will emerge in detail through a wider review of the SWP proposed to be commissioned for January 2014 but this is unlikely to be implemented until 15/16 thus highlighting the need to ensure funds are available in 14/15 to continue the work of the Partnership.
- 1.4 In terms of the longer term future of funding other county wide partnerships in the UK have developed various mechanisms e.g. Oxfordshire and these will be looked at in the review. However, in the interim, it is felt appropriate to introduce a mechanism that at least supports the Partnership from April 2014.

## 2. Key issues

- 2.1 To put in place a mechanism to support the Partnership the potentially most equitable way to do this is to use some of the annual percentage increase in recycling credits. Currently, recycling credits are £53.88 per tonne for the 2013/14 financial year. These would ordinarily rise to £55.50 per tonne in the 2014/15 financial year because of the 3% annual increment. The Partnership's Funding Board proposal is that for 2014/15 financial year, the increase is 1% for each Surrey District and Borough, resulting in a payment of £54.42 per tonne.

- 2.2 Giving up 2% of this 3% annual rise in recycling credits in 2014/15 is estimated to yield £220,000 across Surrey, which, together with a contribution from Surrey CC (equivalent to the average district amount), would become £240,000 per annum for the Surrey wide partnership.
- 2.3 If built-in to our base budgets, this would represent a one-off reduction in the increase in payments to Spelthorne BC of about £12,000. However, thorough the work of the Partnership in assisting us in improving recycling rates we could more than recoup these monies in 14/15 if we proactively seek to increase recycling rates. A recent partnership project on the waste composition analysis of what's left in our residual bins will help us target particular materials still appearing in the rubbish bin which could be recycled. By increasing our recycling rate by about 220 tonnes we would cover the £12k and also reduce waste disposal costs by not sending material to landfill or incineration. Through Partnership working we believe the value of £12k to better our knowledge of waste and its components including collection will provide opportunities to save more through waste reduction and increases in recycling.
- 2.4 In subsequent years' recycling credit payments could still increase by 3%, but it would still allow for equivalent payments to be made in subsequent years. However, the Partnership considers that contributing authorities should formally consider and agree these pooled payments each year.
- 2.5 Such an annual amount would be sufficient to create a pooled budget, enabling the Partnership to continue to progress its work associated with waste prevention, increased capture of recyclable material, joint buying and selling, increased operational efficiencies, commercial waste capture and Surrey sorting and re-processing facilities
- 2.6 Approximately one-third of the pooled amount would be sufficient to cover costs associated with the Partnership Office, Partnership Manager, all the various Meetings of the Partnership, and all associated costs including travel. The remaining two-thirds of this pooled amount would be available to the Partnership to cover costs of projects and initiatives associated to the common benefit of Partnership authorities. Without such a pooled budget, joint projects such as Waste Data Management would have had to be covered by local contributions. If agreed, this proposal will allow similar costs to be contained centrally in the future.
- 2.7 It is acknowledged that this proposal will need individual approval from the constituent Partnership authorities including Spelthorne BC: a similar Report to this Spelthorne BC Report is being considered by other Surrey Waste Authorities, ensuring a parallel consideration and to date 9 out of 12 authorities have agreed it and a further one expects to agree shortly.

### **3. Options analysis and proposal**

- 3.1 To support the proposal to use 2% of the 3% annual recycling credit increase to support the work of the Surrey Waste Partnership for 14/15, with annual reviews.
- 3.2 Not to support.
- 3.3 It is proposed that Spelthorne supports the SWP Funding Board's agreement to recommend to SWP that the district Partners (including Spelthorne BC)

agree to pooling 2% of their 3% annual rise in recycling credits from April 2014, together with an amount from Surrey County Council equivalent to the average district contribution. The estimated pooled amount of £240,000 per annum would be used to engage the necessary capacities to continue to drive forward the work of the Partnership, including significant cost reductions and enhanced income streams, service improvements and management efficiencies.

- 3.4 For Spelthorne BC and its Council, its residents and its visitors, the Partnership has provided and continues to provide an effective advantage as highlighted above. A paper concerning the 'Benefits of Partnership Working' was commissioned and recently considered by the Partnership. These benefits are extensive and appended at Appendix 1 to this report.

#### **4. Financial implications**

- 4.1 For Spelthorne BC the budget for recycling credits is currently £640,000 this would mean that the increase in recycling credit payments for the 2014/15 financial year would be £6,400 (1%) and that £12,800 (2%) would be pooled as Partnership funding.
- 4.2 With a new base for recycling credit payments, this mechanism would enable Spelthorne BC to continue the annual contribution to the Partnership at this rate, while continuing to receive 3% increases on the new base into the future. As described above, this continuation of the annual contribution would be subject to an individual annual decision by the constituent authorities, rather than an open-ended commitment.
- 4.3 The Financial Review to be undertaken by the SWP may or may not wish to consider varying this recommendation from the Funding Board. But at least for now, and indeed probably into the future, this mechanism allows the productive work of the Waste Partnership to continue.

#### **5. Risks and how they will be mitigated**

The Partnership is currently working well and it is unlikely there would be a break down in its workings as there are opportunities through joint working to save future costs in the expensive area of waste management. Minimising costs is important to the future finances of all Councils.

#### **6. Timetable for implementation**

26 November 2013 Cabinet decision

Payment implemented from April 2014

#### **Background papers:**

There are none

#### **Appendices:**

Appendix 1



## A Revisited Appraisal of Partnership Benefits

Partnership Benefit	Evidence Base
Governance of Waste Management in Surrey	<ul style="list-style-type: none"> <li>• Officers:               <ul style="list-style-type: none"> <li>▪ Waste Officers' Group Meeting</li> <li>▪ Specialist Group Meetings                   <ul style="list-style-type: none"> <li>○ Joint Waste Contract Project Group</li> <li>○ DSO Project Group</li> <li>○ Buying &amp; Selling Project Group</li> <li>○ Commingled Recycling sales project group to jointly sell co-mingled material to gain better prices <b>£500,000</b></li> <li>○ Operations &amp; Recycling Group</li> </ul> </li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• Members:               <ul style="list-style-type: none"> <li>○ Strategic Members' Group</li> <li>○ Waste Members' Group</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• Wider context:               <ul style="list-style-type: none"> <li>○ Lead Chief Executive</li> <li>○ Surrey Chief Executives' Meeting</li> <li>○ Surrey Leaders' Group</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• Protocols:               <ul style="list-style-type: none"> <li>○ Memorandum of Understanding</li> <li>○ Annual Meeting</li> <li>○ Annual elections for post-holders</li> </ul> </li> </ul>
Strategic Direction for Waste Management	<ul style="list-style-type: none"> <li>• Jointly agreed waste strategy (JMWMS), -a Plan for Waste Management and individual Council waste action plans to maximise recycling and minimise waste production</li> <li>• Improving Joint Working Report from Ricardo-AEA sets-our strategic opportunities to 2020, including savings and avoided costs:               <ul style="list-style-type: none"> <li>○ <b>£2m</b> in first two years</li> <li>○ <b>£17m</b> in next five years</li> <li>○ <b>£41m</b> thereafter</li> </ul> </li> <li>• Joint agreement by all authorities to main direction and actions</li> </ul>
Awareness of Waste Management Developments	<ul style="list-style-type: none"> <li>• Briefing notes on legislative proposals and changes for each authority, e.g.               <ul style="list-style-type: none"> <li>○ EU waste Directive</li> <li>○ The future of UK waste policy</li> <li>○ Anaerobic Digestion Strategy</li> </ul> </li> <li>• Reports on new developments in waste management (e.g. leaves, glass)</li> <li>• Summaries of heavyweight documents</li> <li>• Agreed joint responses to consultations</li> </ul>

## APPENDIX 1

Training and Capacity Building	<ul style="list-style-type: none"> <li>• New Member briefing and Briefing notes</li> <li>• Seminars, Workshops, Tours</li> <li>• Partnership projects</li> <li>• Speakers and advisers</li> </ul>
Cash	<ul style="list-style-type: none"> <li>• Glass LPSA resulted in £2m performance reward, half of which was pooled</li> <li>• iESE grant Garden Waste Project £60,000</li> <li>• Savings from Improved Joint Working estimated at up to £17m by AEA in next 5 years</li> <li>• £2m cash increases from smarter paper sales</li> <li>• Redistributive funding mechanism funding new initiatives and rewarding performance</li> </ul>
Fraternity	<ul style="list-style-type: none"> <li>• Meeting regularly</li> <li>• Celebrating occasions and successes</li> <li>• Shared information, common problem solving</li> <li>• Professional friendships</li> </ul>
Representation	<ul style="list-style-type: none"> <li>• Responses to Government and other consultations</li> <li>• National Waste Forum</li> <li>• Waste Member Board</li> <li>• Contribution to Government briefings</li> </ul>
Sense of Purpose	<ul style="list-style-type: none"> <li>• Regular action orientated meetings</li> <li>• Action plans reviewed annually with targeted intervention</li> <li>• Specialist groups</li> </ul>
Range of Available Competencies	<ul style="list-style-type: none"> <li>• Considerable skill range of the Partnership</li> <li>• In-house skills avoid the need for regular external advice</li> <li>• Regular external attendees</li> </ul>
Branding and identification	<ul style="list-style-type: none"> <li>• Logo and strap line</li> <li>• Protocol, guidelines and terms of reference for communications</li> </ul>
Held to Account	<ul style="list-style-type: none"> <li>• Annual reviews of JMWMS, MoU and Action Plans with targeted intervention for areas of concern</li> <li>• Annual Forward Plan</li> </ul>
Economies of Scale	<ul style="list-style-type: none"> <li>• Joint Buying and Selling with significant savings, especially: <ul style="list-style-type: none"> <li>◦ Garden waste (£200,000 pa)</li> <li>◦ Paper (£2,000,000)</li> </ul> </li> <li>• Framework agreements access for fuels, rigid plastics, waste management, corporate waste services</li> </ul>
Trust and Confidence	<ul style="list-style-type: none"> <li>• Inter authority working groups</li> <li>• Joint projects delivered (c.£400,000) including waste composition analysis and more effective system for data management thus reducing administrative time. Identifying opportunities to reduce costs through joint services e.g clinical</li> </ul>



APPENDIX 1

	waste <ul style="list-style-type: none"><li>• Pooled funding (c.£1m)</li><li>• Joint appointments</li></ul>
--	---

This is an updated version of a Chart previously considered by the Waste Members' Group in 2011



**Cabinet****26 November 2013**

<b>Title</b>	Moorings		
<b>Purpose</b>	Recommendation required		
<b>Report of</b>	Assistant Chief Executive	<b>Confidential</b>	No
<b>Cabinet Member</b>	Councillors Vivienne Leighton and Tony Mitchell	<b>Key Decision</b>	No
<b>Report Author</b>	Sandy Muirhead		
<b>Summary and Key Issues</b>	<p>The purpose of this report is to review the situation on moorings in Spelthorne further to the briefing given in July 2013. Key issues are</p> <ul style="list-style-type: none"> <li>• Overstaying at certain mooring sites</li> <li>• Enforcement</li> <li>• Time and costs</li> <li>• Upgrading signage</li> </ul>		
<b>Financial Implications</b>	<p>Increased enforcement costs for two staff. Estimated with on-costs at £70k minimum plus transport costs. Any enforcement has legal implications and this resource is difficult to quantify as it depends on the response from the boat owner. Commercial moorings that are charged for are also subject to business rates even if unoccupied.</p>		
<b>Corporate Priority</b>			
<b>Recommendations</b>	<p>Cabinet is asked to:</p> <ol style="list-style-type: none"> <li>(1) Note the report and await the outcome of the Environment Agency trial to implement a Thames wide and consistent approach to enforcement and licensing of landing stages.</li> <li>(2) Take forward enforcement at Ryepeck Moorings in March 2014.</li> </ol>		

## 1. Background

- 1.1 The River Thames is obviously an important thoroughfare for boats and, therefore, there is a requirement for moorings. Though most boat owners behave responsibly and comply with licence and mooring requirements there are a number who do not and these cause issues in terms of length of stay and impact on other river users and staff looking to enforce against overstayers.
- 1.2 The issues of moorings have risen to the fore due to the increasing proactively approach of the River Thames Alliance and the Environment Agency's (EA) increased enforcement on their sites. The Environment Agency is currently piloting a scheme for six months whereby a charge is levied on moorings. Their desire is to undertake the pilot and feedback the results of the pilot to the River Thames Alliance in March 2014 with a view, if the trial is successful, rolling it out along the Thames to all landowners, including local authorities.
- 1.3 Depending on the site it may be that a mooring boat is allowed 24 hours for free, then if the site allows 3 days of mooring the second and third day may be charged at £5 or 10/day. To pay the charge boat owners phone a number and log payment. If a boat overstays its welcome onto a fourth day the charge per day rises to £100. At this point if payment is not forthcoming and the boat does not move, a company called District Enforcement Ltd take on the scheme and deal with the non-payment as they would contract parking and pursue any non-payers through the small claims court. In the pilot the scheme is very much a partnership between the EA and District Enforcement Ltd. A key point for the company involved is whether they will recover enough from overstayers to pay for their costs or whether a management fee, payable by the EA (or in future any landowner), will be required.
- 1.4 On sites in the Borough of Spelthorne where mooring is permitted under the byelaws they state "No person shall in any ground having a frontage to the River Thames moor any boat except where any part of the ground has by notice affixed in a conspicuous position been set aside by the Council as a place where mooring is permitted always that no boat pursuant to this byelaw shall remain moored in the ground for more than 24 hours in any period of 48 hours. This byelaw covers the following mooring sites in the Borough – Lammas, Kings Lawn and Lady Lindsay's lawn, Memorial Gardens (small part) (map attached).
- 1.5 Signage has been placed at key sites clarifying whether mooring is or is not allowed and the terms where it is allowed to ensure boat owners are aware of where they may be moored illegally. However in early October the signage at one site was deliberately removed by unknown individuals. Two sites shown on attached map receive comment and Ryepeck Meadow overstayers cause particular concern.

## 2. Key issues

- 2.1 The enforcement of sites in parks is covered by the byelaws. However, such enforcement is not built into the Streetscene structure and currently

undertaking enforcement can have an adverse effect on other services. The work is primarily undertaken by one person in the team but due to the aggressive nature of some boat owners there is often a need for a second person to also be present and there is no official out of hours service to cover weekends.

- 2.2 In terms of enforcement there are two aspects. One is enforcement of the mooring byelaw and the other in areas where byelaws do not apply. The council can take civil action as landowner to order a boat moored without consent to be removed.
- 2.3 As regards civil enforcement of sites that have no byelaws a letter can be sent to the owner giving notice that no mooring is permitted at that location and warning that if the boat is not removed within a specified time, legal proceedings will follow. Ideally, that will have the desired effect of moving the offender on. However, if the boat owner does not comply we can consider making applications to court. An initial letter costs little. An application to court will require some commitment of officer time and court fees. However, if the boat owner contests the proceedings there will be significant potential cost implications. The amount of costs is very much dependent on how complicated the proceedings become are and how long the matter takes to get to a hearing. If there is a contested hearing then costs will escalate. The Council's application should be successful. If a boat owner does oppose the Council's application to have him removed and there is a full hearing then costs may also increase considerably. However, normally the costs ordered to be paid will be the full amount. If that is not paid as ordered by the Court further debt recovery action would be necessary. This approach would apply to boats mooring at Ryepeck Meadows (and land upstream) and Towpath Green. However, to take this forward due to fluctuating river levels in the winter and, therefore, the risk of not being to move boats on due to the flow it would be less risky to undertake this work from March 2014.
- 2.4 Along the river there a number of landing stages used by householders, which are actually on Council land. A recent valuation of likely income from these stages was undertaken. Most of these landing stages are in the Shepperton area and the estimated income for charging is £33k. There is a note of caution to this in that many of the 34 stages identified appear to have been in existence many years and rights may have accrued after 20 years, although it would be up to the occupier to demonstrate that 20 year occupancy. There is also the possibility of complaints if homeowners suddenly face an extra charge after so many years "free". It is also possible some individuals may have had a licence in the past so it could prove very difficult to prove possessory claim and some licences may historically have been granted without a time limit.
- 2.5 If the EA pilot is successful then there is the potential to serve notice on the properties concerned with a view to licensing them. It can only be realistically concluded what the actual potential income is once the exercise of serving notice is completed and the number of licensable moorings identified. Commercial Moorings are liable for Business rates and are payable by the owner of the mooring as a Mooring is described as the 'right to moor'. Thus Business rates are payable irrespective of whether the mooring is in use or not. It is difficult to advise at this stage what the Business rates payable

would be as for current sites the information given by the Valuation office is confidential.

### **3. Options analysis and proposal**

3.1 There is increasing concern about illegally moored boats along the Thames. There is also the potential for the EA scheme, in due course, to move boat owners on into other areas leaving Spelthorne open to greater abuse of existing moorings.

3.2 Therefore the suggested proposals are:-

- To keep in close contact with the Environment Agency and with them evaluate the outcome of the pilot scheme. If successful join with other landowners to provide a consistent and supported scheme along the River Thames. To provide a report in April 2014 (or sooner if Environment Agency report earlier to River Thames Alliance) summarising action required and an assessment of costs depending on the success of the scheme.
- To evaluate opportunities for charging moorings in conjunction with implementation of a final version of the Environment Agency scheme as both the enforcement of moorings and serving notice on home owners will need a dedicated resource.
- To take forward action on illegal moorings at Ryepeck Meadows in the short term but to be aware of the costs in so doing.

### **4. Financial implications**

4.1 The income from moorings is likely to be limited (£33-40k) even if we commence charging at mooring sites as per the Environment Agency scheme and license householders landing stages on our land. Commercial moorings are also subject to business rates but it is difficult to evaluate this until the Valuation office undertake an assessment but to note that such sites are liable whether boats are moored or not on commercial moorings.

4.2 Enforcement costs would potentially need two staff and even if costs were shared this is still likely to be in the order of £70k per year plus other costs such as transport and signage.

4.3 As noted in para 2.3 we can take forward legal proceedings on the Ryepeck Meadow site but there are potentially significant time and costs that may be involved if boat owners do not move when they receive the initial warning letters. If the boat owners have to be pursued thorough the courts this could result in costs in the region of £20k.

### **5. Risks and how they will be mitigated**

5.1 The major risk is costs and potential escalation thereof if court cases have to be pursued over a long period due to non-payment of fines by illegal moorings.

5.2 The other risk is the Environment Agency trial may not work and for a third party to be involved may result in a management fee.

**6. Timetable for implementation**

26 November 2013 Cabinet decision

March 2014 move forward on trying to move on boat owners from Ryepeck Meadow – over winter due to fluctuations in river levels may be days when boats cannot move, making it difficult to move boats on.

March 2014 Environment Agency report on trial

April 2014 report to confirm methods of enforcement and licensing

**Background papers:**

There are none.

**Appendices:**

**Appendix 1 Map of key sites**



Moorings - Key Sites.

Scale 1:25,000



'Reproduced from the Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationery Office © Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings.' Licence Number: 100024284





**Cabinet****26 November 2013**

<b>Title</b>	Future arrangements for pay awards		
<b>Purpose</b>	Recommendation required		
<b>Report of</b>	Chief Executive	<b>Confidential</b>	No
<b>Cabinet Member</b>	Councillor Robert Watts	<b>Key Decision</b>	No
<b>Report Author</b>	Jan Hunt, Head of Human Resources		
<b>Summary and Key Issues</b>	<p>To consider arrangements for making pay awards in future years and make recommendations to Council.</p> <p>The key issues are:</p> <ul style="list-style-type: none"> <li>• Whether to move to local pay with no link to national pay awards</li> <li>• Whether to apply national pay awards</li> <li>• Timetable of actions</li> <li>• Arrangements for senior staff</li> <li>• Decision making process on pay awards</li> <li>• Pay awards can influence recruitment, retention and staff morale</li> <li>• Whether to set up an informal working party to consider other pay issues that might apply.</li> </ul>		
<b>Financial Implications</b>	Staff salaries must be set at a level to recruit and retain staff. Salaries are a significant item of expenditure.		
<b>Corporate Priority</b>	This issue arises from the Council's responsibility as an employer.		
<b>Recommendations</b>	<p>Resolved to recommend that Council:</p> <ol style="list-style-type: none"> <li>a) Confirms that Spelthorne will implement national pay awards for local government services.</li> <li>b) Confirms that pay awards for senior staff will be in line with the national pay awards for local government services.</li> <li>c) Agrees to the setting up of an Officer/Councillor/Staff informal advisory group to consider other pay issues as required.</li> </ol>		

## 1. Background

1.1 Pay award arrangements at Spelthorne were originally in accordance with the relevant national conditions of service, with national pay awards for :

- Officers (administrative, professional, technical and clerical staff)
- Manual workers
- Chief Officers
- Chief Executive.

National pay awards were implemented when they were agreed, rarely close to the effective dates, with backdating to the appropriate date, which added challenges to budget setting as the pay award and budget setting cycles did not coincide. Since 1997 the officer and manual workforce have been combined and are now covered by the national conditions for local government services (known as the Green Book).

1.2 Since 1989 Spelthorne has had some local arrangements in place to ensure that Spelthorne salaries remained competitive. On 6 February 2001 the Executive considered a report on a range of pay and employment issues and a local pay award pilot was agreed for a 3 year period, which was extended annually between 2004/5 and 2007/8, with pay awards in place for payment by 1 April and a catching-up award if the national pay awards were agreed at a higher level. Under the Spelthorne pay pilot the same percentage increase was applied to all staff groups.

1.3 On 16 January 2007 the Executive agreed that the Spelthorne pay award beyond 2007/8 would be to look for pay determination locally, but on the basis that any local pay award would never be below the national pay award increase. Officers consulted with UNISON on the introduction of a Pay and Grading Strategy which would cover a range of pay issues including arrangements for agreeing Spelthorne pay awards, but this was never concluded and was therefore not reported back to members for formal agreement. Despite this the scheme was used as the basis for the 2009/10 pay award as reported to the Executive on 17 February 2009. Following this there was a pay freeze and accordingly no further discussions on Spelthorne local pay awards took place until earlier this year.

1.4 Since 2012 councils have had to draw up a Pay Policy Statement to be agreed by full Council annually. This document covers a range of pay topics, including many that would have been included in a pay strategy document.

1.5 In 2013 a 1% national pay award applying to the majority of council staff (local authority services – Green Book) was confirmed in mid-July and paid in salaries in August 2013. Prior to the national agreement Cabinet agreed an interim pay award of 0.5% for those earning up to £28,000 pa, paid in salaries in June 2013. There has been no national pay award for chief officer and chief executive staff in 2013, and in August Cabinet agreed that a 1% pay award would apply to these staff also.

1.6 In April 2013 Cabinet asked Management Team to bring forward a report on future arrangements for pay awards at Spelthorne. Cabinet have indicated

that they do not favour the hybrid arrangement that has operated since 2001 with a Spelthorne pay award agreed in advance of the national pay award.

## **2. Local or National Pay**

- 2.1 Future pay awards for Spelthorne staff could be agreed by
- a) Applying the national pay awards when they are decided
  - b) Moving to local pay awards
  - c) Operating a hybrid arrangement whereby a local pay award is agreed in advance of a national pay award, with a catching up award paid if required. Cabinet do not favour this approach for the future, so this option is not considered further in this report.
- 2.2 Nationally the majority of councils continue to operate national pay and conditions, implementing national pay awards as they are agreed. National pay councils do not have to devote member or officer time to considering pay awards locally. However, they are not able to control the timetable for pay awards, take account of any local circumstances or any local budgetary constraints in the setting of pay awards.
- 2.3 A growing number of councils are deciding to move away from national pay awards, as they wish to have more control of their pay arrangements and have the ability to take account of relevant local circumstances. A recent Local Government Chronicle article identified some 45 local pay councils across the UK (about 10% of councils in the UK).
- 2.4 In the South East region some 25 councils (about a third of all councils in the region) operate local pay arrangements, including all other Surrey Councils. Some local pay councils retain a link to national pay by guaranteeing to make a pay award that at least mirrors any national agreement.
- 2.5 The local pay awards of neighbouring councils may be of more relevance to Spelthorne's competitiveness in the local recruitment market than national pay awards applied to national pay councils in other parts of the country.
- 2.6 The advantages and disadvantages of national pay awards and local pay awards are set out in **Appendix 1**.

## **3. Mechanism for agreeing local pay awards**

- 3.1 If Spelthorne moved permanently to Local Pay awards a mechanism and timetable would need to be in place to ensure the timely consideration of relevant issues so that the pay award could be agreed in parallel to the Council's budget, and to give the Trade Union side the opportunity to make submissions on behalf of their members for consideration.
- 3.2 There are 2 main options for deciding local pay
- Pay bargaining involving negotiation with the Staff Side whereby the Trade Unions make a pay claim, the Employers make a pay offer and negotiations continue until an agreement is reached. The Trades Unions consult with their membership about whether to accept a pay offer or not, with the possibility of industrial action if the two sides cannot agree. Pay negotiation using this model tends to be more time consuming and require more employer time to administer, and final agreement may not be reached until after the effective date of the pay award.

- Consult with the Staff Side and take into account a range of relevant local information before determining the pay award that can be made. Decisions can be made in the light of affordability and in line with the budget cycle to be able to make a pay award by the beginning of the financial year. This was the approach used during the Spelthorne Local pay pilot.
- 3.3 A possible annual timetable for considering relevant matters and for agreeing a local pay award is attached at **Appendix 2**. Officers would have detailed discussions with UNISON with issues arising reported to members at appropriate points. The previous year's national pay award and likely level of national pay award for the next financial year would be some of the relevant matters considered each year, alongside pay award levels at other local pay councils and other employers.
- 4. Council responsibility for pay and employment matters**
- 4.1 The Council's Constitution delegates the implementation of national pay awards and changes to national conditions of service to the appropriate Assistant Chief Executive (currently the Chief Finance Officer). Arrangements are made to implement pay awards in salaries as soon as possible after notification that the national pay award has been agreed, taking account of payroll deadlines.
- 4.2 Where matters are decided locally decisions on future arrangements for pay awards (and other staff matters) must take account of Regulations. The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 set out a description of what are executive and non-executive matters with matters affecting employees, including pay awards, not to be the responsibility of the Cabinet.
- 4.3 These matters can either be remitted to
- Council, on the recommendation of Cabinet, or
  - A committee reporting to Council, which would have to be set up, or
  - A committee with its own delegated remit, which could be the Staffing and Appeals Committee or a new Committee set up to agree pay awards and other remuneration issues.
- 4.2 The remit of the Staffing and Appeals Committee covers employment matters which are not delegated to the Head of Paid Service and which are non-executive matters under Regulations. The present Committee is a panel convened only as required to consider individual staff appeals and other matters covered by its terms of reference. The terms of reference of the Committee could be amended to have a defined membership in order to consider pay and employment issues such as pay awards. A separate panel of members from the Staffing and Appeals Committee, or other members, could be convened for appeal purposes.
- 5. Pay awards for senior staff**
- 5.1 The Joint National Committees for Chief Executives and for Chief Officers did not make a pay offer in 2013, leaving the matter of pay awards for local councils to decide in order that they could take relevant local circumstances into account. It is anticipated that this approach will continue in future years.

5.2 It is therefore appropriate for Spelthorne to consider what approach should be taken to deciding pay awards for jobs at head of service and Management Team level. This is relevant whether Spelthorne moves to local pay awards or applies national pay awards. There are 2 options:

- Deciding to apply the same percentage pay award to all staff groups, including senior staff
- Deciding what pay award to apply to senior staff on a year-to-year basis.

5.3 There is a small number of staff at this senior level (15 posts) so any pay award for this group will total a relatively small amount compared to the pay award for the rest of the workforce.

## 6. Working Group to consider pay issues

6.1 In moving forward it is proposed to set up a Working Group to consider other pay issues that may arise. The group could have representation from Officers, Members and Staff side. The Head of Corporate Governance advises that such a working group would be informal and advisory and could not have any decision making power vested in it.

6.2 It is anticipated that the first meeting of the group would be to set the terms of reference which could include

- To consider Spelthorne's current arrangements for pay and allowances
- To consider headings covered in the Annual Pay Policy Statement
- To identify any external factors that might influence pay arrangements
- To identify any pay issues for future consideration/review
- To recommend to Management Team and/or Cabinet (as appropriate) pay issues to be progressed.

6.3 The group would be an informal platform for discussion of pay issues and to share views. It would operate alongside the well-established regular consultation between the Head of Paid Service/Management Team/Head of HR and UNISON that covers pay issues from time to time. Progress is being made on arrangements for the first meeting of the group.

## 7. Consultation with staff / UNISON views

7.1 Spelthorne recognise UNISON and UNITE, with a local UNISON Branch that represents the whole workforce in any consultation and negotiation on pay and employment issues, including both union members and non-union members. This is the usual arrangement in local government, including at national level. These arrangements contribute to enabling Spelthorne, as manager/employer, to meet its statutory obligations for consultation and provision of information to staff and staff reps.

7.2 UNISON have recently canvassed all staff views on arrangements for pay awards and these views are set out in **Appendix 4**.

## 8. Options analysis and proposal

8.1 There are a number of decisions to be made:

- a) Whether to move to local Spelthorne pay awards or apply national pay awards.

- b) The arrangements for deciding pay awards for senior staff
- c) If Spelthorne moves to Local Pay Awards, the arrangements that will apply
- d) Whether to set up an informal working group.

The options are set out below and are shown in table form in **Appendix 3**.

- 8.2 Whether to move to local Spelthorne pay awards or apply national pay awards

**Option 1** Move to local pay awards. This option would enable Spelthorne to take account of local circumstances and budget, and to use an agreed timetable for agreeing local pay awards for implementation by 1 April, or

**Option 2** To revert to national pay awards, taking no local action in relation to a pay award in advance of the national pay award being agreed. **This is the preferred option for deciding future pay awards.**

- 8.3 The arrangements for deciding pay awards for senior staff, which must be decided whether Spelthorne moves to local pay awards or applies national pay awards for the majority of the workforce.

**Option 3** is for the percentage pay award agreed for the majority of the workforce to also apply to senior staff. This option means that all staff are treated the same in relation to both the percentage increase applying and the timescale for the pay award, or

**Option 4** is for the pay award for senior staff to be considered separately. This option may lead to a delay in pay awards being considered for senior staff which could affect senior staff morale. A different approach to pay awards could affect pay relativities between head of service staff and the staff that they manage. If this option is decided the Council must also decide what committee arrangements will apply (as options 7, 8 or 9 below).

**Option 3 is the preferred option for deciding senior staff pay awards.**

- 8.4 If Option 1 is agreed with a move to a Spelthorne Local Pay Award, the options below would need to be considered to decide the local arrangements to apply when deciding the pay award. Option 5 and 6 are alternatives: whether pay awards would be by pay negotiation or pay determination.

**Option 5** is for Spelthorne Local Pay Awards to be agreed following negotiation and pay bargaining (as set out in 3.2 a), or

**Option 6** is for Spelthorne Local Pay awards to be determined by Spelthorne after taking account of relevant local issues and submissions from UNISON (as set out in 3.2 b).

Options 5 and 6 do not apply if Option 2 is agreed to operate national pay awards.

- 8.5 If Option 1 is agreed with a move to Spelthorne Local Pay Award the council/committee arrangements to be used must be decided, as pay awards are not Cabinet matters. There are 3 options:

**Option 7** is for Spelthorne Local Pay Awards to be decided by Council following recommendation by Cabinet, or

**Option 8** is for Spelthorne Local Pay Awards to be decided by a committee set up to consider pay matters and to make recommendations to Council, or

**Option 9** is for the terms of reference of the Staffing and Appeals Committee to be changed and for the Committee to have delegated authority to agree Spelthorne Local Pay Awards.

Options 7 to 9 do not apply if Option 2 is agreed to operate national pay awards.

- 8.5 If it is decided that national pay awards will apply in future (option 2 at para 8.2 above) there are further options in respect of setting up a Working Party to consider other pay issues that might arise.

**Option 10** is to set up an informal Working Group to consider other pay issues that arise with membership from Head of Paid Service/Officers, members and staff side, or,

**Option 11** not to set up an informal working group.

## **9. Financial implications**

- 9.1 Pay awards are an important item of expenditure within the staffing budgets. Staff salaries are a significant item of expenditure.

## **10. Other considerations**

- 10.1 Staff salaries and pay awards can affect recruitment, retention and staff morale. If Spelthorne pay awards failed to keep pace with other employers Spelthorne could become less attractive in the recruitment market.
- 10.2 For Option 1 there would need to be further detailed discussion with the Head of Corporate Governance and with UNISON to determine whether changed arrangements can be implemented in agreement with UNISON (collective agreement), under Spelthorne's existing terms and conditions of employment, or whether staff contracts would need to be changed. In the latter event a period of consultation with staff would be required followed by notice of a change to contracts. The Spelthorne Local Pay Pilot operated under the current contractual terms.

## **11. Risks and how they will be mitigated**

- 11.1 Risks of local / national pay awards are included in the disadvantages set out in Appendix 1. Risks are minimised by taking account of staff side views and having a clear process and timescale for considering pay awards.

## **12. Timetable for implementation**

- 12.1 If Spelthorne continue to apply national pay awards (Option 2) then the timetable for agreeing and implementing pay awards will be in accordance with national pay timescales.
- 12.2 If Spelthorne decide to adopt Spelthorne Local Pay Awards (Option 1) then arrangements should seek to agree any pay award in advance of the effective date of 1 April, with arrangements for payment to be implemented by 1 April and in line with the budget approval. If Spelthorne decide to adopt Spelthorne Local Pay Awards officers will discuss arrangements with UNISON at the earliest opportunity and bring reports to the relevant Committee as soon as possible to commence the consideration of relevant issues for a Spelthorne Pay Award for 2014/15, including to agree the timetable (as proposed in Appendix 2).

**Background papers:**

There are none.

**Appendices:**

**Appendix 1 – Advantages and disadvantages of national/local pay awards**

**Appendix 2 – Proposed timetable for agreeing a local pay award**

**Appendix 3 – Table of options**

**Appendix 4 – UNISON and staff views.**



## Pay award arrangements

## Appendix 1

	<b>Advantages</b>	<b>Disadvantages</b>
National pay	<p>Pay award in line with national pay levels</p> <p>May be less officer/member time required locally than for local pay award (due to less consideration of local data/comparators)</p> <p>No change to staff contracts</p>	<p>No opportunity to take account of local circumstances</p> <p>No local control of pay budgets, risk of a national award that is higher than budgeted</p> <p>No local influence on the speed of negotiations and agreements</p> <p>No flexibility to vary pay awards away from national agreements</p> <p>Less ability to make payments in advance of agreement of the national awards</p> <p>Spelthorne staff included in national pay disputes</p> <p>Pay may not keep pace with local recruitment market / local pay councils in Surrey and SE</p> <p>No opportunity for Spelthorne to get credit for addressing local issues or for making a pay award 'ahead of the game'</p>
Local pay	<p>Able to take account of local circumstances and affordability</p> <p>Local control of pay budgets</p> <p>Local timetable for agreeing pay awards, which can be linked to budget cycle</p> <p>Relevant comparative pay information can be considered</p> <p>Staff not involved in national pay disputes</p> <p>All decisions are made by the local employer (and all credit)</p>	<p>Additional officer time to service the local arrangements / provide background information and more member time to consider pay awards</p> <p>May require change to staff terms and conditions</p> <p>Risk of local employee relations disruption / local disputes</p> <p>All decisions are made by the local employer (and all blame)</p>

**Timetable for discussion / agreement of pay award**

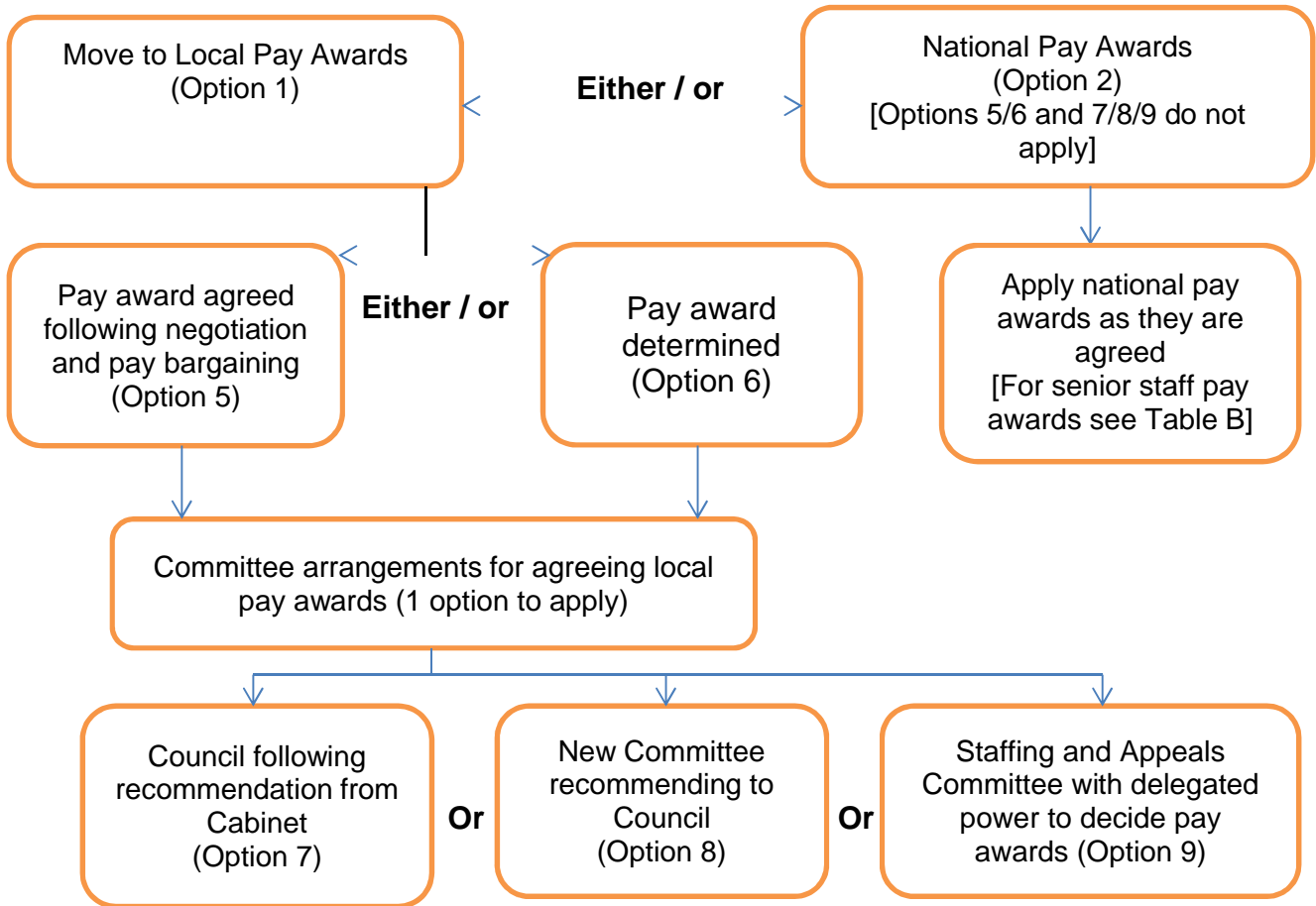
**Appendix 2**

<b>August – October</b>	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>1 April</b>
Initial discussion MAT & Cabinet on budget for next year & pay award					
Initial MAT briefing UNISON on budget for next year / pay award & any issues to address	Updating MAT/Cabinet on budget and pay – feed into budget/pay reports				
	MAT updating UNISON, discussing pay issues raised - feed into reports				
			UNISON views reported to MAT and included in reports on Pay Award		
			Cabinet briefing report on Pay award / pay issues		
	Collation of information	Updating of information		Updating of information / UNISON view	
				Cabinet/council report on budget	
				Cabinet report on Pay award	
				Pay Policy Statement agreed by Council	Pay award paid
<b>August – October</b>	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>1 April</b>

**Table of options**

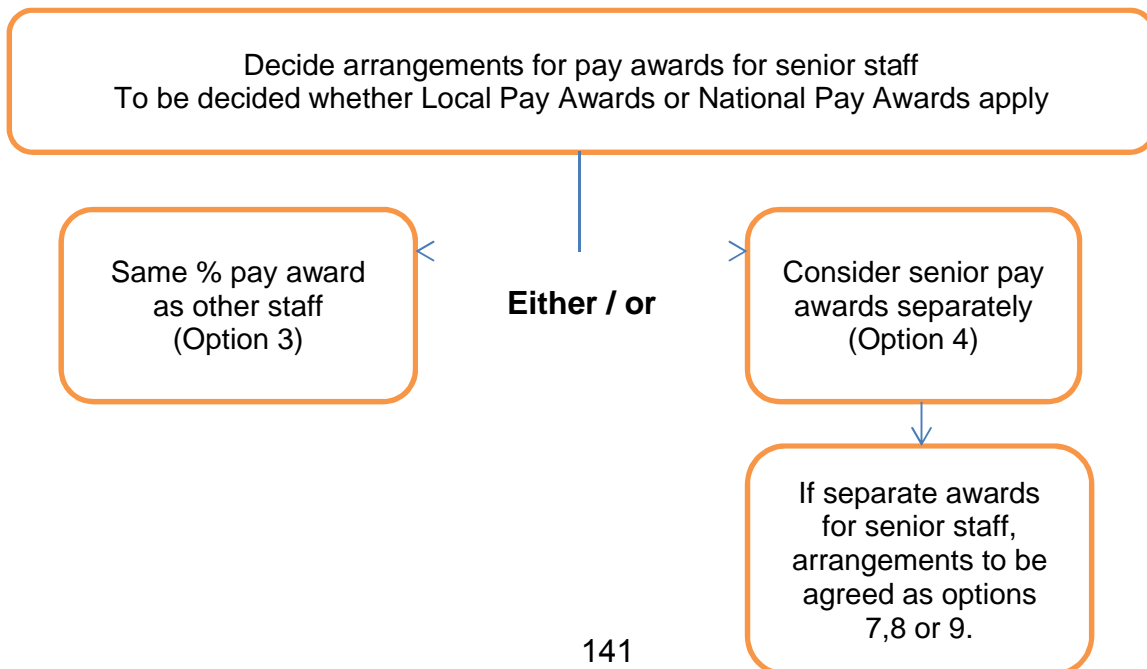
**Appendix 3**

**Table A: Whether to use local pay awards or national pay awards**



In all cases MAT reports, information and UNISON views would be submitted to Councillors to inform decision making.

**Table B: To decide whether the pay award for senior staff will be the same as other staff or be considered separately.**



**Council Offices  
Knowle Green  
Staines  
Middlesex  
TW18 1XB**



Mr R Tambini  
Chief Executive  
Spelthorne Borough Council  
Council Offices  
Knowle Green  
Staines upon Thames

5 November 2013

Dear Roberto

**Cabinet – 26 November 2013  
Future Arrangements for Pay Awards – Appendix 4**

This letter represents a **draft** response on behalf of the Branch. In general, the Branch welcomes the revised report which has been prepared for the next meeting of Cabinet and agrees that this response should be attached as an appendix to the report as suggested. The next formal meeting of the Branch Committee is on 13 November and any views expressed in this note would need to be formally agreed at that meeting.

We feel that the report sets out clearly the current position and the various options open to the Council. Nevertheless, the Branch considers that the report does not outline the benefits of the arrangements that have been custom and practice for nine years. Whilst councillors expressed their desire to move away from the previous arrangement and subsequently management team supported this desire, we would very much welcome a clear explanation of why this approach is felt to be no longer acceptable. We would also welcome a clear statement of the Council's long term intentions for pay within Spelthorne in terms of ensuring that it remains a competitive employer in the local market. This is perhaps something we could explore in more detail if and when a working group is set up as recommended.

The Branch confirms that, if it is resolved to set up a working group UNISON would be pleased to work with the Council to represent the interests of all staff. As referred to in paragraph 7.1 UNISON both nationally and locally is recognised as representing the interests of all staff in the processes of pay and service conditions matters. Recently UNISON has held meetings for all staff to attend and carried out a staff survey to ensure that everyone had an opportunity to feed in their thoughts and to raise any queries or concerns over pay. This survey has confirmed that there has been no dissent from any non-union members about UNISON's role in representing them in such matters. Details are provided below.

The staff survey received more responses than any other survey carried out at Spelthorne. Of those that responded, 100% of the non-union members stated they were either very satisfied or satisfied with UNISON negotiating on their behalf on pay, terms and conditions and pensions. We also gave staff the opportunity to comment on the current arrangement that is being proposed – pay awards relying on national negotiations with the establishment of a local board, to consider local issues. We also explained that the remit of the board was not yet known. Staff were asked how they felt about this proposal and 60% of respondents were either very dissatisfied or dissatisfied and 22% neutral. Many people – almost 40% of total respondents – raised questions regarding councillor motivations for involvement in pay and also raised concerns about the remit of the group.

UNISON Branch representatives would be happy to work with management and councillors to help resolve outstanding issues over pay and to ensure that staff views and opinions can be properly fed into future discussions. With this in mind we would be happy to attend Cabinet Briefing, to answer any questions or provide any further information, directly.

We look forward to hearing from you.

Kind regards

UNISON Spelthorne Branch



**Cabinet****26 November 2013**

<b>Title</b>	Staines-upon-Thames market		
<b>Purpose</b>	For Information		
<b>Report of</b>	Assistant Chief Executive	<b>Confidential</b>	No
<b>Cabinet Member</b>	Councillor Nick Gething	<b>Key Decision</b>	No
<b>Report Author</b>	Jackie Taylor Head of Streetscene		
<b>Summary and Key Issues</b>	<p>To update Cabinet on the appointment of the contractor for Staines upon Thames market.</p> <p>There are the four key issues highlighted in this report associated with the appointment of a new contractor to manage the day to day operations of Staines upon Thames market.</p> <ul style="list-style-type: none"> <li>• Results of tender exercise</li> <li>• Tender &amp; contracts evaluation</li> <li>• Preferred contractor</li> <li>• Market income</li> </ul>		
<b>Financial Implications</b>	<p>The award to the preferred contractor should result in stability of income generated from the letting of market stalls.</p> <p>The income generated assists the Council in continuing to provide front line services at an appropriate level.</p> <p>The contract has been advertised and evaluated in accordance with the provisions in the Public contracts regulations 2006.</p>		
<b>Corporate Priority</b>	Service delivery		
<b>Recommendations</b>	<p>Cabinet is asked to note the result of the tender exercise and appointment of the contractor Ritagate Ltd t/a Bray Associates</p> <ul style="list-style-type: none"> <li>• The contract to run the day to day operations of Staines upon Thames market commenced on 5 November 2013 for a period of 3 years with the option to extend for a further 2 years.</li> </ul>		

## 1. Background

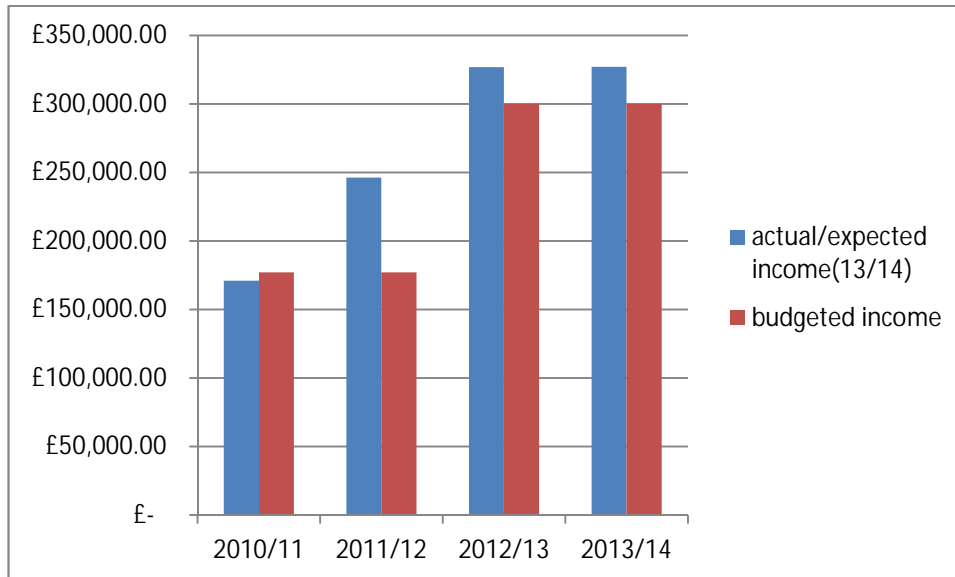
- 1.1 Staines market was originally established under the Staines town hall and market act 1872, and was originally located in Market square; it remained there until the Old town hall was marketed for sale. The Council had by this time completed the pedestrianisation of the High street and at that point it was moved to its present location.
- 1.2 The previous market contract with Irvine Trading Ltd was terminated in November 2011 due to a breach of the terms of contract. As an interim measure and for 4 months following the termination the day to day operation of the market was managed by the Head of Streetscene and the Neighbourhood manager along with other Streetscene officers. This was not sustainable in the longer term as officers were working very long hours and not making the best use of their working day.
- 1.3 In a report to MAT dated 10 January 2012 they agreed that a suitable contractor should be engaged to manage the day to day operations until a new tendered contract could be put into place.
- 1.4 This temporary arrangement has worked very successfully and income has steadily increased.
- 1.5 At the Cabinet on 20 November 2012 members agreed to:-
  - Authorise the Head of Streetscene to go out to tender for a market contract for a period of 3 + 2 years.
  - Authorise the Head of Streetscene and the Neighbourhood manager to negotiate & agree ad hoc arrangements and rates for use of space in the High street
  - Authorise the continued collection of cash rents by the successful market contractor
  - Authorise the Head of Streetscene to continue with the current arrangements until such time as the tender has been awarded and the new contract is in place.
  - Delegate the selection of the shortlist of the tenderers and the selection of the contractor to the Head of Streetscene in consultation with the portfolio holder.
- 1.6 A tender timetable was produced by legal with the initial invitation to tender (ITT) issued on 1 July 2013, in the first stage 9 suppliers registered an interest. The tender was advertised with a return date of 23 August, 3 of the 9 potential suppliers made a final submission.
- 1.7 During the first stage of the tender evaluation it was clear that tenderer A had not provided all of the information that the Council had asked for. As a result of this, only tenderer B & C were invited to a clarification meeting. Both tenderers were asked to do a presentation followed by a question & answer session to help the Council establish that each contractor had fully understood and evaluated what the Councils requirements were in terms of the contract.



- 1.8 The evaluation meetings took place at the White House Depot on Wednesday 18 September 2013; the meetings were hosted by Victoria Statham, principal solicitor & Jackie Taylor, Head of Streetscene.

## 2. Key issues

- 2.1 Maintaining the market income generates a substantial sum of money for the Council which contributes positively to the overall budget situation. Income is variable and is relevant to the way in which the market is managed. Over the last 3 financial years the actual income in comparison to the budgeted income from rents alone is as follows:-



- 2.2 Out of the 9 who registered an interest 3 tenders were received by the tender return date of 23 August 2013. These were from Wendy Fair markets (A), Ritagate Ltd t/a Bray Associates (B), Saunders markets Ltd.
- 2.3 At the first evaluation stage all 3 tenders were marked in accordance with the criteria and given the following scores:-

<b>Wendy fair (A)</b>	87 %
<b>Ritagate Ltd t/a Bray associates (B)</b>	91.93 %
<b>Saunders markets (C)</b>	83.32 %

- 2.4 Having read through all of the information we established that tenderer A had made no effort to submit a tender which reflects what was asked for in the specification. There were no method statements relative to Staines market only generic ones on how they run other markets. Tenderer A also appeared not to have taken account of putting up and taking down stalls which may have been reflected in the price they submitted. In view of this shortfall of information and lack of proper & correct documentation we agreed that Tenderer A should not go beyond step 1 and we therefore did not evaluate their submission any further. This was discussed and agreed with the portfolio holder Cllr Gething.
- 2.5 The next stage of the process was to invite the 2 remaining tenderers in for a clarification meeting as agreed in the tender timescale.

2.6 Following the clarification presentations both contractors were asked similar questions in relation to some of the key items in the tender documentation. These included:-

- **Cash handling**
- **Storage of market equipment**
- **Staffing levels**
- **Stability of current income levels**
- **Increased revenue ideas**
- **Waste & recycling proposals**
- **Stability of current & future traders**
- **Health & Safety & monitoring of traders**

2.7 **Tenderer B-current provider of the market management**

- provided new and improved ideas to reduce cash collection
- innovative ideas for current & future storage, setting up and taking down of market stalls & equipment
- clear details on staffing levels & needs
- assurances for stability of income
- ideas to improve & diversify the market
- much improved waste & recycling disposal ideas, ultimately recycling 90% of waste produced on the market
- Agreed that advertising is a must so that traders feel valued and footfall of shoppers is maintained
- clear on needs for insurances, health & safety & food certificates
- would provide insurance for casuals if they didn't have it first market visit but wanted to trade, thereby increasing traders on quieter trading days

2.8 **Tenderer C**

- Suggested that nothing other than cash collection was a viable option
- Suggested that our market stalls were not the best option and that storing stalls away from the town centre was not a viable option
- Were unclear about staffing levels despite being asked how they arrived at their tender figure
- Suggested that to get stability of income traders would need to be offered holiday weeks & discounts
- Had not done any background work on waste, suggested that up to 50% of waste might be recycled, also suggested that the cost of waste should be passed on to the trader

- Thought that the market was already diverse, wanted Spelthorne to do advertising but if paying themselves would use social media
- clear on needs for insurances, health & safety & food certificates
- would turn casuals away if they had no insurance

2.9 The final scores were as follows

Tenderer	A	B	C
<b>Base price</b>	£6507	£6920	£7648
<b>Method statement scores</b>	2	12	11
<b>Price scores</b>	85%	79.93%	72.32%
<b>Price &amp; quality score</b>	<b>87%</b>	<b>91.93%</b>	<b>83.32%</b>

### 3. Options analysis and proposal

- 3.1 The previous contract with Irvine Trading was let on a % income basis as it was believed at the time to be the best option to encourage the contractor to increase income. However since taking the overall management back in house and running the market on a service contract basis the income has increased and nearly doubled. This suggests that this type of management in the form of a service contract is more financially viable to the Council.
- 3.2 Based on the information provided in the key issues and options analysis above, the contract for the day to day management of Staines upon Thames market has been awarded to Ritagate Ltd t/a Bray Associates.

### 4. Financial implications

- 4.1 The Council terminated the previous market contract in November 2011 after a short period of the market being run and managed in house an interim service contract was put in place. The interim and now newly appointed current contractor Ritagate Ltd t/a Bray Associates along with the introduction of the extra market day on a Friday have helped to increase the income from £170,000 to in excess of £300,000 per year since 2012. However this increase does not reflect the current market management costs.
- 4.2 The table below reflects current and future income & expenditure levels. however it should be noted that market income is variable.

<b>Current situation</b>	
Current annual income	£300,000
Current annual management costs	£77,000
<b>Current Surplus</b>	<b>£223,000</b>
<b>Under new contract</b>	
Anticipated income under new contract	£300,000
Costs under new contract	£88,000
<b>Expected surplus under new contract</b>	<b>£212,000</b>

- 4.3 Based on the actual income received over the last 3 financial years it is clear to see the improvements in income levels.
- 4.4 The financial standing of all 3 potential contractors was checked by our finance department, the result raised no financial concerns.

4.5 In 2012 MAT agreed a new market supervisors post to allow greater flexibility for the Council when considering whether or not to outsource the market management or bring it back in house. The post number created for this purpose was 6209 at grade 5/6. As the decision has now been made and a new contractor has been selected this post can now be deleted creating a salary saving on the Streetscene structure of £29,975k (including on-costs) per year.

## **5. Other considerations**

5.1 Market income is variable and relationships with managers & traders needs to be monitored, this will be carried out during bi-monthly meetings with the Neighbourhood manager and the market contractor.

5.2 High street shop keepers were consulted and asked for their opinion before commencing the additional market day on Friday. Shop keepers were very clear in making the point that the market brings shoppers into Staines who subsequently use the shops who may have not ventured into the High street if the market was not on site.

5.3 Staines upon Thames market is recognised between traders as a “good market” to be trading on.

5.4 The relationship between some shop keepers and the market can sometimes cause issues which are addressed and dealt with quite promptly. It is suggested that 6 monthly meetings are held with the managers of the 2 shopping areas, Elmsleigh & Two Rivers to overcome any potential problems.

5.5 There are suggestions that the market has become too big. It should be recognised and noted that if the market reduces in size it will have a negative impact on income to the Council and the potential to reduce the number of visitors coming into Staines upon Thames, which will also affect car parking income.

5.6 The current contractor has confirmed that there are no TUPE implications in relation to the move from their current ad-hoc arrangement to their new contractual arrangement.

5.7 The Health & Safety officer has been provided with all documentation but raised no initial concerns.

5.8 Spelthorne’s Environmental Health department have been consulted to establish what they require to be put in place as part of their on-going monitoring of the market.

## **6. Risks and how they will be mitigated**

6.1 There are risks associated with any market operation but close monitoring of the stall holders by the market contractor and the contractor by the Neighbourhood manager should render these risks manageable.

6.2 Cabinet approved the continuation of cash collection as the only current option for collection of rent but the new contractor suggested that they investigate the option of paying by “PayPal” and report back to the Head of Streetscene with their findings. There has been an initial informal discussion with Audit about this and once further details are available any option will be discussed further with IT, Audit & Finance before proceeding any further.

6.3 Stallholders are required to comply with all relevant statutes, statutory instruments, orders, regulations, codes of practice, bylaws and directives. The

market operator will be required to check certificates and products regularly to ensure that everything is in order. In addition to this the stall holder is required to indemnify the Council and the market operator against all liabilities, damages, costs, losses, claims, demands & proceedings whatsoever arising whether directly or indirectly from breach of these regulations.

**7. Timetable for implementation**

- 7.1 The contract award decision was issued on 18 October 2013. The standstill period of 10 days was observed and the contract award was issued to Ritagate Ltd t/a Bray Associated on 28 October 2013 with a start date of 5 November 2013 for a 3 year period with an option to extend for a further 2 years as per the procurement timetable.

**Background papers:** previous reports

MAT-10 January 2012

Cabinet-20 November 2012

**Appendices:** There are none



**Cabinet****26 November 2013**

<b>Title</b>	Catering at Staines Community Centre		
<b>Purpose</b>	Resolution required		
<b>Report of</b>	Assistant Chief Executive	<b>Confidential</b>	No
<b>Cabinet Member</b>	Councillor Mrs Jean Pinkerton OBE	<b>Key Decision</b>	No
<b>Report Author</b>	Janice Lowin, Independent Living Manager		
<b>Summary and Key Issues</b>	<ul style="list-style-type: none"> <li>• Staines Community Centre catering contract with Myers Catering was extended from Dec 2012 to Dec 2013 due to uncertainty over Elmsleigh 4 plans</li> <li>• It was decided to go out to tender for a new contract to start 1 January 2014, however, there were some issues with the process which meant no one achieved the required score. This was reissued on Monday 21 October so the new contract will not start until 1 May 2014</li> <li>• The current contract will need to be extended until 30 April 2014</li> </ul>		
<b>Financial Implications</b>	There are no financial implications as the costs to the council will be covered by current existing budget		
<b>Corporate Priority</b>	*Service delivery *Efficient use of assets *Supporting independent living		
<b>Recommendations</b>	Cabinet is asked to agree to an extension of the catering contract at Staines Community Centre with Myers Catering by 4 months to 30 April 2014.		

## **1. Background**

- 1.1 The catering at Staines Community Centre has been provided by Myers Catering since January 2008. The original 5 year contract was extended by 1 year following agreement by MAT due to uncertainty regarding plans for Elmsleigh 4, until December 2013. The contract also includes the cleaning of the building.
- 1.2 Prior to the contract starting with Myers, Spelthorne Borough Council used to run the catering facility which cost Spelthorne Borough Council approximately £50k per year.
- 1.3 Staines Community Centre is a very popular centre which is open to anyone over 50 to join as a member to participate the various activities that are all well attended on the first floor. The café is open to anyone and is very well used, particularly during the lunch period

## **2. Key issues**

- 2.1 The PQQ was issued and evaluated but no one reached the required level so this has just been re-issued. Due to this, the new contract will not be ready to start until 1 May 2014 so a 4 month extension will be required.

## **3. Options analysis and proposal**

- 3.1 Extend the current contract for 4 months is the preferred option. The alternative would be to close the café for this period of time which would have a very negative impact on the centre.

## **4. Financial implications**

- 4.1 There is no additional costs to the council as all costs are covered within the current budget
- 4.2 Additional money for the cleaning of the building of £1,538 can be found within the current budget
- 4.3 Based on last year's actual utility costs, with Myers paying the current 50%, the cost of utilities to SBC would be £2,036. This is within the current budget.

## **5. Other considerations**

- 5.1 The past three years have been difficult trading times for many companies but Myers have continued to perform with consistently high standards.
- 5.2 Myers food is very popular and consistently achieves 5 stars in the hygiene ratings. They are popular with the customers and they have the same ethos regarding our clients as SBC

## **6. Risks and how they will be mitigated**

- 6.1 Risk of not extending the current contract could leave us without a catering facility at the Community Centre until the new contract begins.

## **7. Timetable for implementation**

- 7.1 Set out a timetable, if required, showing when the proposal in the report will be implemented.



**Cabinet****26 November 2013**

<b>Title</b>	The appointments process for the Independent Remuneration Panel (IRP) for the Members' Allowances Scheme 2014-15		
<b>Purpose</b>	Recommendation required		
<b>Report of</b>	Chief Executive	<b>Confidential</b>	No
<b>Cabinet Member</b>	Councillor Robert Watts	<b>Key Decision</b>	No
<b>Report Author</b>	Greg Halliwell, Principal Committee Manager		
<b>Summary and Key Issues</b>	The purpose of the report is to give details of the appointments process for the IRP.		
<b>Financial Implications</b>	The Local Authorities (Members' Allowances) (England) Regulations 2003 allows an authority to pay panel members such allowances or expenses as the authority may determine.		
<b>Corporate Priority</b>	This item is not in the list of Corporate Priorities.		
<b>Recommendations</b>	Cabinet is asked to recommend that Council approves the appointment of the three candidates to membership of the Independent Remuneration Panel.		

## **1. Background**

- 1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 state that:
  - (a). "An independent remuneration panel shall be established in respect of each authority."
  - (b). "An independent remuneration panel shall consist of at least three members."
- 1.2 The statutory guidance on members' allowances requires Councils to adopt an appointments process which best results in the IRP membership being truly independent and well-qualified to discharge its functions and be representative of the diversity of the communities in the local authority's area.
- 1.3 Local authorities may wish to advertise for candidates in local papers or ask particular stakeholders from the voluntary sector of the local business community if they wish to put forward candidates.

## **2. Key issues**

- 2.1 An advertisement, inviting applications to membership of the IRP, was placed in the Staines Advertiser on 19 September 2013 and the Council's electronic newsletter (e-news) on 27 September 2013, with a closing date of 4 October 2013.
- 2.2 Four potential candidates responded to the advertisement: Brian Smith, Douglas Robertson, David Wight and Sarah Bryan.
- 2.3 Sarah Bryan was disqualified due to her current employment with Surrey County Council (Section 80 Local Government Act 1972).
- 2.4 The other three candidates were interviewed by the Head of Corporate Governance and the Principal Committee Manager on 29 and 30 October 2013.
- 2.5 All three met the criteria in terms of:
  - Their independence from any connection with the Council.
  - Their knowledge of the way local government works, and
  - Their own personal and direct experience of the business community.

## **3. Options analysis and proposal**

- 3.1 Option 1 is not to appoint the proposed candidates to the IRP and to go out to advertisement again.
- 3.2 Option 2 is to recommend that Council approves the appointment of the three proposed candidates.

**4. Financial implications**

- 4.1 The local authority is able to pay basic expenses to panel members, though there is currently no specific budget provision as historically claims by panel members have been negligible.

**5. Other considerations**

- 5.1 The panel will meet at least once in January 2014 to consider the current scheme and to make any recommendations to Council about the members' allowances scheme for 2014-15.

**6. Risks and how they will be mitigated**

- 6.1 The risk in choosing Option 1 (above) is reputational damage to the Council because the correct recruitment process has been followed and the three candidates meet the criteria specified in the Guidance on Consolidated Regulations for Local Authority Allowances.

**7. Timetable for implementation**

- 7.1 Candidate interviews on 29 and 30 October 2013  
7.2 Cabinet on 26 November 2013  
7.3 Council on 19 December 2013  
7.4 IRP meetings in January 2014  
7.5 Cabinet on 25 February 2014  
7.6 Council on 27 February 2014

**Background papers:**

There are none.



**Cabinet****26 November 2013**

<b>Title</b>	Appointments to Outside Bodies 2013-2014.		
<b>Purpose</b>	Resolution required		
<b>Report of</b>	Chief Executive	<b>Confidential</b>	No
<b>Cabinet Member</b>	Councillor Robert Watts	<b>Key Decision</b>	No
<b>Report Author</b>	Greg Halliwell		
<b>Summary and Key Issues</b>	This report seeks approval to appoint representatives to: (a). The Local Authorities Aircraft Noise Council (LAANC), and (b). Voluntary Action in Spelthorne (VAIS).		
<b>Financial Implications</b>	There are none.		
<b>Corporate Priority</b>	Communications		
<b>Recommendations</b>	The Cabinet is asked to appoint representatives to (a). The Local Authorities Aircraft Noise Council (LAANC) and (b). Voluntary Action in Spelthorne (VAIS).		

## **APPOINTMENT OF REPRESENTATIVES TO OUTSIDE BODIES FOR 2013-2014**

### **1. LOCAL AUTHORITIES AIRCRAFT NOISE COUNCIL (LAANC)**

Representative: Councillor Rough

Deputy: Councillor Francis

### **2. VOLUNTARY ACTION IN SPELTHORNE (VAIS)**

Trustee: Councillor Sider