

**Roberto Tambini  
Chief Executive**

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Email Address: RP/Cabinet  
Our Ref:  
Date:- **26 November 2009**

**NOTICE OF MEETING:**

**CABINET**

**DATE: TUESDAY 8 DECEMBER 2009**

**TIME: 5.00 p.m.**

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

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

**TO: THE MEMBERS OF THE CABINET:-**

<b>Members of the Cabinet</b>	<b>Cabinet Member Areas of Responsibility</b>
J.D. Packman [Chairman]	Leader of the Council
R.A. Smith-Ainsley [Vice-Chairman]	Planning and Housing
F. Ayers	Community Safety
S. Bhadye	Independent Living
C.A. Davis	Economic Development
G.E. Forsbrey	Environment
Mrs. D.L. Grant	Young People and Culture
A.P. Hirst	Communications
Mrs. V.J. Leighton	Finance and Resources

**EMERGENCY PROCEDURE [THE LIFT MUST NOT BE USED]**

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

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

## IMPORTANT PUBLIC NOTICE

### MOBILE TECHNOLOGY – ACCEPTABLE USE

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

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

#### PLEASE:

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

***THANK YOU FOR YOUR CO-OPERATION IN THIS MATTER.***

**1 APOLOGIES FOR ABSENCE**

To receive any apologies for non-attendance.

**2 CABINET MINUTES – 27 OCTOBER 2009 (pages 1 to 8), 29 OCTOBER (pages 9 to 11) AND 30 NOVEMBER 2009 (To Follow)**

To confirm the Minutes of the Meetings of the Cabinet held on 27 October, 29 October and 30 November 2009.

**3 DISCLOSURES OF INTEREST**

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

**4 CLIMATE CHANGE MOTION**

To consider the following Climate Change Motion referred to the Cabinet by the Council at its meeting on 29 October 2009:

“This Council notes that:

1. Under the UK Climate Change Act 2008 the UK is due to cut its emissions by 34% by 2020 but according to climate change scientists, a cut of 10% in 2010 is in line with what is now needed to avert runaway climate change.
2. The United Nations Framework Convention on Climate Change meets in Copenhagen in December of this year. To ensure a breakthrough there government ministers need to know that their public support more dramatic cuts in emissions than have hitherto been proposed.
3. Twenty seven councils are among those who have already signed up to the "10:10 Campaign" which seeks to persuade individuals, businesses, organisations and the UK government to reduce their CO2 emissions by 10% in 2010.

This Council supports the aims and ambitions of this national 10:10 Campaign. This Council therefore resolves to sign Spelthorne Borough Council up for the 10:10 Campaign.”

Proposed by: Councillor Colin Strong and  
Seconded by: Councillor Lawrence Nichols.

**5 MINUTES OF THE SPELTHORNE YOUTH COUNCIL MEETING - 12 NOVEMBER 2009 [Pages 12 to 13] [Cabinet Member – Councillor Mrs. Grant]**

To receive the Minutes of the Spelthorne Youth Council meeting held on 12 November 2009.

**6 RECOMMENDATIONS FROM THE PERFORMANCE MANAGEMENT AND REVIEW COMMITTEE MEETING BEING HELD ON 1 DECEMBER 2009 (To Follow)**

***[Cabinet Members – Councillors Mrs. Grant and Mrs. Leighton]***

To consider the recommendations *[if any]* from the Performance Management and Review Committee meeting held on 1 December 2009.

**7 MANAGEMENT TEAM REPORTS**

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

- (a) Nominations for Two Surrey Local Government Association [SLGA] Appointments [DCX]  
**(pages 14 to 15) [Cabinet Member – Councillor Packman]**
- (b) Minor Variations Under the Licensing Act 2003 [DCX]  
**(pages 16 to 21) [Cabinet Member – Councillor Ayers]**
- (c) The Gambling Act 2005 – Adoption of Statement of Gambling Policy 2010-2013 – Key Decision [ACX]  
**(pages 22 to 24) [Cabinet Member – Councillor Ayers]**
- (d) Surrey Minerals Plan – Consultations - Key Decision [DCX]  
**(pages 25 to 39) [Cabinet Member – Councillor Smith-Ainsley]**
- (e) Lower Thames Flood Risk Management Strategy - Key Decision [DCX]  
**(pages 40 to 47) [Cabinet Member – Councillor Smith-Ainsley]**
- (f) Approval of Tender for Proposed Cycleway and Footpath at Hawke Park Sunbury [DCX]  
**(pages 48 to 51) [Cabinet Member – Councillor Ayers]**
- (g) Grounds Maintenance Contract Update and Review of Uncut Grass Areas – Key Decision [DCX]  
**(51a to 51j) [Cabinet Member – Councillor Mrs. Grant]**
- (h) Proposal for Spelthorne to join the Central Surrey Procurement Partnership [ACX]  
**(pages 52 to 100u) [Cabinet Member – Councillor Mrs. Leighton]**
- (i) Treasury Management Half Yearly Report 2009/2010 - Key Decision [CFO]  
**(pages 101 to 106) [Cabinet Member – Councillor Mrs. Leighton]**
- (j) Delivery of Savings built into 2009-2010 Revenue Budget – Key Decision [CFO] **(pages 107 to 111)**  
**[Cabinet Member – Councillor Mrs. Leighton]**
- (k) 2009-2010 Revenue Budget Monitoring Report – As at 30 September 2009 [CFO] **(pages 112 to 144)**  
**[Cabinet Member – Councillor Mrs. Leighton]**
- (l) 2009-2010 Capital Monitoring Report [CFO] **(pages 144a-e & 145 to 148)**  
**[Cabinet Member – Councillor Mrs. Leighton]**
- (m) Outline Budget 2010/2011 – 2014/2015 – Key Decision [CFO]  
**(pages 149 to 167) [Cabinet Member – Councillor Mrs. Leighton]**

**8 THE CABINET FORWARD PLAN (pages 168 to 174)**

To note the updated version of the Council's Cabinet Forward Plan for the period from 1st November 2009 to 31st October 2010.

## 9 ISSUES FOR FUTURE MEETINGS

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

## 10 URGENT ITEMS

To consider any items which the Chairman considers are urgent.

## 11 EXEMPT BUSINESS

To move the exclusion of the Press/Public for the following item(s), 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.

## 12 EXEMPT MANAGEMENT TEAM REPORTS [Gold Paper]

To consider the exempt reports of the Assistant Chief Executives [ACX] and the Chief Finance Officer [CFO] on the following items:

- (a) Food Waste Collection Service - Key Decision [ACX]  
***[Paragraph 3 – Information relating to the financial or business affairs of any particular person [including the authority holding that information.]]***  
***[Cabinet Member – Councillor Forsbrey]***
- (b) Materials Recovery Facility - Key Decision [ACX]  
***[Paragraph 3 – Information relating to the financial or business affairs of any particular person [including the authority holding that information.]]***  
***[Cabinet Member – Councillor Forsbrey]***
- (c) Human Resources and Payroll Software Procurement [ACX]  
***[Paragraph 3 – Information relating to the financial or business affairs of any particular person [including the authority holding that information.]]***  
***[Cabinet Member – Councillor Mrs. Leighton]***
- (d) Hardship Relief [CFO]  
***[Paragraphs 1 and 3 – Information relating to any individual and Information relating to the financial or business affairs of any particular person [including the authority holding that information.]]***  
***[Cabinet Member – Councillor Mrs. Leighton]***
- (e) Generating Income from Council Assets [ACX]  
***[Paragraph 3 – Information relating to the financial or business affairs of any particular person [including the authority holding that information.]]***  
***[Cabinet Member – Councillor Ayers]***



**MINUTES OF THE CABINET**

**27 OCTOBER 2009**

**PRESENT:**

Councillor J.D. Packman (Leader of the Council, Chairman of the Cabinet, and Cabinet Member - Leader of the Council);  
Councillor R.A. Smith-Ainsley (Deputy Leader of the Council, Vice-Chairman of the Cabinet, and Cabinet Member for Planning and Housing);  
Councillor F. Ayers (Cabinet Member for Community Safety);  
Councillor S. Bhadye (Cabinet Member for Health and Independent Living);  
Councillor C.A. Davis (Cabinet Member for Regeneration);  
Councillor G.E. Forsbrey (Cabinet Member for Environment);  
Councillor Mrs. D.L. Grant (Cabinet Member for Young People and Cultural Services);  
Councillor A.P. Hirst (Cabinet Member for Communications and Engagement); and  
Councillor Mrs. V.J. Leighton (Cabinet Member for Corporate Services).

**1510. MINUTES**

The Minutes of the Meeting held on 15 September 2009 and of the Special Meeting held on 17 September 2009 were confirmed as correct record.

**1511. RECOMMENDATIONS FROM THE PERFORMANCE MANAGEMENT AND REVIEW COMMITTEE HELD ON 8 SEPTEMBER 2009 – PARTNERSHIP GOVERNANCE POLICY**

The Cabinet considered a report on the recommendations from the Performance Management and Review Committee held on 8 September 2009 relating to the Partnership Governance Policy.

**RESOLVED:**

1. To endorse the recommendations from the Performance Management and Review Committee held on 8 September 2009.
2. To adopt the Partnership Governance Policy attached as an appendix to the recommendations from the Performance Management and Review Committee held on 8 September 2009.

**1512. \*MINUTES AND RECOMMENDATIONS OF THE MEMBERS' DEVELOPMENT STEERING GROUP HELD ON 14 SEPTEMBER 2009 – (1) CHARTER FOR ELECTED MEMBER DEVELOPMENT – RE-ACCREDITATION AND (2) MEMBERS' DEVELOPMENT BUDGET 2009/2010 AND 2010/2011**

The Cabinet considered a report on the Minutes and recommendations of the Members' Development Steering Group held on 14 September 2009.

Members discussed in particular the recommendations relating to (1) the Charter for Elected Member Development – Re-Accreditation and (2) the Members' Development Budget 2009/2010 and 2010/2011.

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### **(a) Members' Development Budget**

**RESOLVED** to endorse the recommendations from the Members' Development Steering Group held on 14 September 2009 and agree that the Members' Development Budget for both 2009/2010 and 2010/2011 be reduced to £5,000 for each year.

### **(b) Charter for Elected Member Development – Re-Accreditation**

**RESOLVED TO RECOMMEND** to the Council on 29 October 2009:

- (1) That the Council approve the undertaking by the Borough Council of the re accreditation process for the South East Employers Charter for Elected Member Development.
- (2) That the Leader of the Council and the Chief Executive be authorised to sign the South East Employers' Certificate to signify the Borough Council's commitment to the principles of the Elected Member Development Charter.

**RESOLVED** that a decision on whether or not to participate in the Charter Plus programme be made at a later date.

### **1513. MINUTES OF THE SPELTHORNE YOUTH COUNCIL MEETINGS HELD ON 17 SEPTEMBER 2009 AND 13 OCTOBER 2009**

The Cabinet discussed the Minutes of the Spelthorne Youth Council meetings held on 17 September 2009 and 13 October 2009.

**RESOLVED** to note the Minutes of the Spelthorne Youth Council meetings held on 17 September 2009 and 13 October 2009.

### **1514. INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) IMPLEMENTATION TIMETABLE**

The Cabinet considered a report informing Members of the detailed timetable for implementing International Financial Reporting Standards (IFRS) to local authority accounting. The report also set out the resources to be used when implementing the change.

The implementation of IFRS would enable the readers of the Statement of Accounts to have a clearer understanding of the Council's financial position and enable closer comparison with other financial institutions, including private sector companies.

The options considered were in the main body of the report.

**RESOLVED** to note:

1. The detailed implementation timetable.
2. The requirement for the Audit Committee and the Cabinet to be fully briefed and aware of the implications of implementing the change.



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### **1515. \*CORPORATE PLAN 2008–2011 AND CABINET RESPONSIBILITIES - KEY DECISION**

The Cabinet considered a report on the progress on the first year's achievements of the Corporate Plan 2008-2011 and the suggested amendments to the Plan.

The Cabinet also considered changes to the Cabinet Member responsibilities, in the light of the last years experience and proposals for suggested changes to those responsibilities.

One reason for considering changes to the Cabinet Member responsibilities was to balance out the workload amongst members of the Cabinet, in particular where the Corporate Services area of responsibility had a significantly greater workload than the other Cabinet responsibility areas.

The options considered were in the main body of the report.

**RESOLVED TO RECOMMEND** that the Council on 29 October 2009 approve:

1. Amendments to the Corporate Plan 2008-2011, as attached at Annex A to the report of the Assistant Chief Executive.
2. Amendments to the Council's Constitution to amend the Cabinet Member titles and responsibilities, as attached at Annex C to the report of the Assistant Chief Executive, and as further amended to change the title of Corporate Services to Finance and Resources.

### **1516. COMMUNITY ENGAGEMENT – KEY DECISION**

The Cabinet considered a report looking back at the most recent round of Have Your Say events and makings proposals for future community engagement events.

The holding of effective community engagement events helps in increasing the knowledge and satisfaction of residents with the services provided by the Council and its partners.

The options considered were in the main body of the report.

**RESOLVED** to hold future Have Your Say events as per Appendix B to the report of the Chief Executive, with the Ashford event reverting back to a 7.00pm start time.

### **1517. SPELTHORNE TOGETHER – KEY DECISION**

The Cabinet considered a report on progress on the Community Plan, 2005-2015, including the recent Spelthorne Together Assembly.

Spelthorne Together, including the Assembly event, helps bring together key bodies both statutory and non statutory to work together to help make Spelthorne a "safe, healthy, inclusive, prosperous and sustainable community".

The options considered were in the main body of the report.

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**RESOLVED** to note progress on the Community Plan 2005-2015.

### **1518. UPDATED CORPORATE CUSTOMER COMPLAINTS SYSTEM**

The Cabinet considered a report on the updated Corporate Complaints system for the Council. Members requested that a Flow Chart be produced on the various stages involved in how a customer complaint is dealt with by the Council.

The options considered were in the main body of the report.

**RESOLVED** to:

1. Agree the updated Corporate Customer Complaints System, for Spelthorne Borough Council as attached at Appendix 1 to the report of the Assistant Chief Executive.
2. Request the Assistant Chief Executive to produce a Flow Chart on how a customer complaint is dealt with by the Council.

### **1519. UPDATE ON SAFEGUARDING POLICY AND PROCEDURES (CHILDREN AND YOUNG PEOPLE AND VULNERABLE ADULTS)**

The Cabinet considered a report updating the Council's Safeguarding Policy and Procedures for Children and Young People and Vulnerable Adults and seeking further promotion of the importance of safeguarding the most vulnerable people within Spelthorne.

The report also highlighted future changes with the introduction of the Independent Safeguarding Authority (ISA).

Members raised the issue of Criminal Records Bureau [CRB] checks for Borough Councillors and requested that the current Regulations be looked at to see if the present multiple checking process could be more streamlined for Councillors in future.

The options considered were in the main body of the report.

**RESOLVED** to:

1. Agree the updated Council Safeguarding Policy and Procedures for Children and Young People and Vulnerable Adults, as set out at Appendices 1 and 2 of the report of the Assistant Chief Executive.
2. Request the Assistant Chief Executive to look at the current Regulations surrounding who should and should not be Criminal Records Bureau [CRB] checked, to see if the present multiple checking process could be more streamlined for Borough Councillors in future.

### **1520. SURREY CLIMATE CHANGE STRATEGY – KEY DECISION**

The Cabinet considered a report introducing a county-wide Climate Change Strategy which had been commissioned by the Surrey Climate Change Partnership (SCCP) as part of a climate change project funded by the Surrey Improvement Partnership (SIP).

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The Strategy has been designed to give strategic direction on climate change action and activity for local authorities within Surrey whilst recognising the different levels of existing activity and support for this climate change agenda.

The options considered were in the main body of the report.

**RESOLVED** to:

1. Approve the Surrey Climate Change Strategy available to Members in the Members' Room and on the Council's Website.
2. Support through the Surrey Climate Change Members' Group the development of the Climate Change Strategy work streams.

### **1521. \*REVIEW OF CONTRACT STANDING ORDERS**

The Cabinet considered a report seeking the necessary consent for the amendment of the Contract Standing Orders which form part of the Council's Constitution.

Members noted that the amendments to and restructuring of the Council's Contract Standing Orders were needed to ensure greater ease of use and to incorporate reform requests from various Council Services.

The options considered were in the main body of the report.

**RESOLVED TO RECOMMEND** that the Council on 29 October 2009 approve the revisions to the Contract Standing Orders, as detailed in Appendix 1 to the report of the Deputy Chief Executive, and authorise the Head of Corporate Governance to make the necessary amendments to the Council's Constitution.

### **1522. \*THE LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT 2007 – NEW POWERS FOR OVERVIEW AND SCRUTINY COMMITTEES**

The Cabinet considered a report giving an overview of recent changes in legislation under the Local Government and Public Involvement in Health Act 2007 that would provide new powers for local authority overview and scrutiny committees.

The new powers were aimed at empowering communities and enabling local people, through their councillors and the "Councillor Call for Action [CCfA]" initiative, to better participate in decisions that affected their day to day lives and well being.

The options considered were in the main body of the report.

**RESOLVED TO RECOMMEND** to the Council on 17 December 2009:

1. That all Members note the new scrutiny powers contained in the Local Government and Public Involvement in Health Act 2007, and in particular the Councillor Call for Action [CCfA].

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2. That the arrangements for operating the Councillor Call for Action (CCfA), as set out in the report of the Deputy Chief Executive at Appendix 2 (flowchart) and at Appendix 3 (Councillor CCfA form), be approved.
3. That the Head of Corporate Governance be authorised to amend the Council's Constitution to facilitate the arrangements for CCfA.
4. That a CCfA will initially be discussed by the Member [i.e. the Councillor putting forward the Call for Action] with the Chairman of the relevant Scrutiny Committee together with the appropriate Scrutiny Lead Officer, to agree how the CCfA should be processed.
5. That the Performance Management and Review Committee be asked to review the Councillor Calls for Action procedure after one year's operation.
6. That in the current economic climate the option to delegate powers to Councillors under section 236 of the Local Government and Public Involvement in Health Act 2007 be deferred and be reviewed in a year's time. During this time it was anticipated that relevant operational and financial data may be available from other local authorities which have implemented s236 of the Local Government and Public Involvement in Health Act 2007.

### **1523. \*POLICE AND JUSTICE ACT 2006 – IMPLICATIONS FOR OVERVIEW AND SCRUTINY**

The Cabinet considered a report outlining new scrutiny responsibilities for local authorities arising under the Police and Justice Act 2006, which had recently come into force.

Members noted that the provisions within the 2006 Act also allowed residents to make complaints to ward councillors in respect of crime and disorder matters, which would then need to be actioned by the ward councillor under the Community Call for Action (CCfA).

The options considered were in the main body of the report.

**RESOLVED TO RECOMMEND** the Council on 17 December 2009 to:

1. Note the new scrutiny powers for crime and disorder arising under the Police and Justice Act 2006.
2. Note the new Community Call for Action (CCfA) role for all councillors.
3. Approve the preferred option for dealing with the scrutiny of crime and disorder in Spelthorne by designating the Performance Management and Review Committee.
4. Authorise the Head of Corporate Governance to make the necessary amendments to the Constitution.
5. Request that the Performance Management and Review Committee develop its Crime and Disorder Scrutiny Rules of Procedure in association with the Crime and Disorder Reduction Partnership [CDRP].

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### 1524. THE CABINET FORWARD PLAN

**RESOLVED** to note the revised version of the Council's Cabinet Forward Plan for the period from 1st October 2009 to 30th September 2010, including new items on the Plan relating to (1) Food Waste Collection and (2) the Charlton Lane Site.

### 1525. EXCLUSION OF PRESS AND PUBLIC

**RESOLVED** that under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in the paragraph of Part 1 of Schedule 12A of the Act indicated below.

### 1526. WRITE-OFFS

***[Paragraphs 1 and 3 – Information relating to any individual and Information relating to the financial or business affairs of any particular person [including the authority holding that information.]***

The Cabinet considered an exempt report on Write-Offs seeking approval to write off debts over the delegated amount contained in the Council's Constitution.

The options considered were in the main body of the report.

**RESOLVED** to approve the write off of the debts in all the cases listed in Appendix 1 to the exempt report of the Chief Finance Officer, which were all over the delegated amount contained in the Council's Constitution.

### 1527. HOUSING BENEFIT WRITE-OFFS

***[Paragraphs 1 and 3 – Information relating to any individual and Information relating to the financial or business affairs of any particular person [including the authority holding that information.]***

The Cabinet considered a joint exempt report by the Chief Finance Officer and the Joint Heads of Housing Benefits and Housing Options on Housing Benefit Write-Offs.

The report covered an overview of the write off process for overpayments in Housing Benefits and summarised write offs made during 2008-2009. It was further seeking approval for an updated write off process summary for Housing Benefit Overpayments. It was also seeking approval to write off the debts relating to 4 Housing Benefit cases, each being over the delegated amount contained in the Council's Constitution.

The options considered were in the main body of the report.

**RESOLVED** to:

1. Note the overview of the write off process for overpayments in Housing Benefits and the summary of write offs made during 2008-2009.
2. Approve the updated write off process summary for Housing Benefit Overpayments at Appendix 1 to the joint exempt report.

## CABINET – 27 OCTOBER 2009

3. Approve the write off of the debts relating to 4 Housing Benefit cases, as detailed in the joint exempt report by the Chief Finance Officer and the Joint Heads of Housing Benefits and Housing Options, each being over the delegated amount contained in the Council's Constitution.

### NOTES:-

- (1) **Members of the Improvement and Development and Performance Management and Review Committees are reminded that under Overview and Scrutiny Procedure Rule 16.2 in the Council's Constitution, 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 Improvement and Development and Performance Management and Review Committees 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 either the Improvement and Development or the Performance Management and Review Committee are able to "call in" a decision which falls within the functions of their own particular Committee;**
- (4) **To avoid delay in considering an item "called in", an extraordinary meeting of the relevant 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 an 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 their 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 Improvement and Development and Performance Management and Review Committees in relation to the above decisions by the Cabinet is the close of business on THURSDAY – 5 NOVEMBER 2009.**

**MINUTES OF THE CABINET**

**29 OCTOBER 2009**

**PRESENT:**

Councillor J.D. Packman (Leader of the Council, Chairman of the Cabinet, and Cabinet Member - Leader of the Council);  
Councillor R.A. Smith-Ainsley (Deputy Leader of the Council, Vice-Chairman of the Cabinet, and Cabinet Member for Planning and Housing);  
Councillor F. Ayers (Cabinet Member for Community Safety);  
Councillor S. Bhadye (Cabinet Member for Health and Independent Living);  
Councillor G.E. Forsbrey (Cabinet Member for Environment);  
Councillor Mrs. D.L. Grant (Cabinet Member for Young People and Cultural Services);  
Councillor A.P. Hirst (Cabinet Member for Communications and Engagement); and  
Councillor Mrs. V.J. Leighton (Cabinet Member for Corporate Services).

**Apologies:** Councillor C.A. Davis.

**In Attendance:** Councillor K.E. Flurry.

**1528. STANWELL NEW START PROJECT AND OTHER LINKED SCHEMES – KEY DECISION**

The Cabinet considered a report outlining the proposals for the Stanwell New Start Project and Other Linked Schemes and seeking the necessary authorisations to progress the Project, including: (1) Sale of Open Space to A2D; (2) Sale of Park Road Car Park to A2D; and the allocation of the Housing Enabling Fund to A2D.

The Cabinet was advised that it was important to recognise that there was a linkage between the Stanwell New Start development itself and other schemes proposed by A2D which were referred to in the report as 'small sites'. Some of these 'small sites' were required by A2D in order for them to be able to decant properties for later phases of the work. Councillor Flurry addressed the Cabinet on this matter in his capacity as Ward Member.

The options considered were in the main body of the report.

**RESOLVED** to authorise:

- 1) The sale of the Council's land at Explorer Avenue in order to facilitate phases 2-4 of the Stanwell New Start Regeneration subject to A2D agreeing an overage to the value of £250,000 (or other agreed amount) and operating an open book accounting policy to allow the Council to receive this amount if a surplus on the development is achieved. The Cabinet authorises the Deputy Chief Executive in consultation with the Leader to negotiate and agree the terms of sale. Authority granted to the Head of Corporate Governance to seal all consequential agreements.
- 2) The sale of the Park Road car park land to A2D for £150,000 to enable A2D to develop the site for housing (family units) to assist with decanting for the Stanwell New Start project. The Cabinet authorises the Deputy Chief Executive in consultation with the

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Leader to negotiate and agree the terms of sale. Authority granted to the Head of Corporate Governance to seal all consequential agreements.

- 3) The Deputy Chief Executive to negotiate with A2D to assist and promote the development of various small sites in Stanwell for the purposes of housing or decanting. To authorise the Deputy Chief Executive to negotiate the terms of any consequential variations to the LSVT nominations agreement. Authority granted to the Head of Corporate Governance to seal all consequential agreements.
- 4) That the remaining £120,000 of Housing Enabling Fund for 2009/10 (and carry forward from 2008/09) is provided to A2D to assist with its funding shortfall from the Homes and Communities Agency and enable it to complete the development of other housing schemes detailed in this report. Authority granted to the Deputy Chief Executive to negotiate, in consultation with the Leader, any appropriate terms and conditions for the provision of the funds and to secure the provision of housing as described.

### **NOTES:-**

- (1) ***Members of the Improvement and Development and Performance Management and Review Committees are reminded that under Overview and Scrutiny Procedure Rule 16.2 in the Council's Constitution, 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 Improvement and Development and Performance Management and Review Committees 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 either the Improvement and Development or the Performance Management and Review Committee are able to "call in" a decision which falls within the functions of their own particular Committee;***
- (4) ***To avoid delay in considering an item "called in", an extraordinary meeting of the relevant 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 an 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 their 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***



## **SPECIAL CABINET – 29 OCTOBER 2009**

*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 Improvement and Development and Performance Management and Review Committees in relation to the above decisions by the Cabinet is the close of business on THURSDAY – 5 NOVEMBER 2009.**

**MINUTES OF THE CABINET**

**30 NOVEMBER 2009**

**PRESENT:**

Councillor J.D. Packman (Leader of the Council, Chairman of the Cabinet and Cabinet Member - Leader of the Council);  
Councillor R.A. Smith-Ainsley (Deputy Leader of the Council, Vice-Chairman of the Cabinet and Cabinet Member for Planning and Housing);  
Councillor F. Ayers (Cabinet Member for Community Safety);  
Councillor S. Bhadye (Cabinet Member for Independent Living);  
Councillor C.A. Davis (Cabinet Member for Economic Development);  
Councillor G.E. Forsbrey (Cabinet Member for Environment);  
Councillor Mrs. D.L. Grant (Cabinet Member for Young People and Culture);  
Councillor A.P. Hirst (Cabinet Member for Communications); and  
Councillor Mrs. V.J. Leighton (Cabinet Member for Finance and Resources).

**In Attendance:** Councillors I.J. Beardsmore, T.W. Crabb, C.V. Strong and H.A. Thomson.

**1529. \*MINUTES AND RECOMMENDATIONS OF THE LOCAL DEVELOPMENT FRAMEWORK [LDF] WORKING PARTY - 23 NOVEMBER 2009 – KEY DECISION**

The Cabinet considered a report on the minutes and recommendations of the Local Development Framework [LDF] Working Party held on 23 November 2009.

The main issues covered were the High Court Challenge to the Core Strategy and Policies DPD, the Allocations Development Plan Document (DPD), the Annual Monitoring Report [AMR], the Supplementary Planning Documents and the Planning Brief for Brooklands College (Ashford) and Ashford Multi-Storey Car Park.

The options considered were in the main body of the report.

**(1) THE HIGH COURT CHALLENGE TO THE CORE STRATEGY AND POLICIES DPD:**

**RESOLVED** to note that that Fairview New Homes had withdrawn their 'challenge' prior to the court hearing and that the Council will be claiming the costs of the work incurred.

**(2) THE ANNUAL MONITORING REPORT [AMR]:**

**RESOLVED** that the 2009 Annual Monitoring Report [AMR], which has a base date of 31 March 2009, is agreed and approved.

**(3) THE SUPPLEMENTARY PLANNING DOCUMENTS:**

**RESOLVED** to note that the Officers would be presenting a programme of Supplementary Planning Documents [SPD] work to a meeting of the LDF Working Party around late February 2010, with a suggested priority being given to guidance on Residential Development and Extensions.

## SPECIAL CABINET – 30 NOVEMBER 2009

### **(4) THE PLANNING BRIEF FOR BROOKLANDS COLLEGE (ASHFORD) AND ASHFORD MULTI-STOREY CAR PARK:**

**RESOLVED** that the Cabinet:

1. Confirms the Council's wish to see high quality education facilities for 16-19 year olds located within the Borough and if possible retained on the Brooklands College (Ashford) Campus and welcomes the latest news that Brooklands College has deferred consideration of the sale of the site and will be working on a recovery plan.
2. Notes the draft Planning Brief prepared by Officers, but defers any decision on it pending the outcome of the College's latest considerations. If in due course it becomes clear that sale of all or part of the site is likely to proceed, an appropriate Brief be presented for consideration and agreement for public consultation."

### **(5) THE ALLOCATIONS DEVELOPMENT PLAN DOCUMENT (DPD):**

**RESOLVED TO RECOMMEND** to the Council on 17 December 2009 that:

1. The Inspector's Report and recommended changes to the Allocations DPD are noted.
2. The Allocations DPD be recommended for adoption incorporating all the Inspector's recommendations.
3. 'Saved' Local Plan Proposals P7, P8, P11, P12 and P17 cease to have effect from the date of adoption of the Allocations DPD and be deleted from the Proposals Map DPD.
4. A revised Proposals Map DPD be prepared to incorporate all adopted 'allocations'

#### **NOTES:-**

- (1) ***Members of the Improvement and Development and Performance Management and Review Committees are reminded that under Overview and Scrutiny Procedure Rule 16.2 in the Council's Constitution, 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 Improvement and Development and Performance Management and Review Committees 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 either the Improvement and Development or the Performance Management and Review Committee are able to "call in" a decision which falls within the functions of their own particular Committee;***
- (4) ***To avoid delay in considering an item "called in", an extraordinary meeting of the relevant Committee will be convened within seven days of a "call in" being received if an ordinary meeting is not scheduled in that period;***

## SPECIAL CABINET – 30 NOVEMBER 2009

- (5) *When calling in an 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 their 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 Improvement and Development and Performance Management and Review Committees in relation to the above decisions by the Cabinet is the close of business on TUESDAY – 8 DECEMBER 2009.*

SPELTHORNE YOUTH COUNCIL  
MINUTES

12 November 2009

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

PRESENT:

Sophie Clark	Grace Millard	David Porter
Connie Cronin	Vivien Miller	Ryan Smith
George Daubney	Olivia Ortega	Arran Southern
Amir Miah		Matthew Sutch

Apologies: Dominic Hillman and Dan Hitch

In attendance:

Gail Lewis – SCC Youth Worker

Andy Holdaway – SBC Youth and Arts Manager

Gill Hobbs – Committee Manager

49/09 MINUTES

The Minutes of the meeting held on 13 October 2009 were approved as a correct record.

50/09 CABINET – 27 AND 29 OCTOBER 2009

The report of the Cabinet Member for Young People and Cultural Services on the work of Cabinet, which summarised the items of business discussed at the Cabinet meetings on 27 and 29 October 2009, was circulated with the agenda.

The Youth Council noted the report.

51/09 FEEDBACK FROM YOUTH COUNCILLORS

Only one of the schools represented had held a student council meeting since the start of term and this had addressed school issues.

52/09 PROJECT GROUPS

Spelthorne's Got Talent

Andy gave an update following further discussions with the Police about the organisation for the Spelthorne's Got Talent event. It was agreed that if the Youth Council were to make a success of the event, it required proper organisation and facilities, so it was decided to postpone the event until March 2010.

The Youth Council discussed ideas for the event focusing on how the event could get the message of "Responsible drinking" across to the young people and still get them interested in taking part.

The notes of the discussion are attached to these minutes as Appendix 1.

The Youth Council agreed that this project would need their full attention for the next few months and therefore agreed to postpone choosing a second project until after its completion in March 2010.

## RECOMMENDATIONS FROM THE PERFORMANCE MANAGEMENT AND REVIEW COMMITTEE – 1 DECEMBER 2009

### 1. ANNUAL REVIEW OF CORPORATE GOVERNANCE

1.1 The Committee discussed with the Monitoring Officer the report on the annual review of corporate governance which took into account those areas identified under the last review undertaken by the Corporate Governance Task Group.

1.2 The committee considered the appendix to the report which broke the code down into component parts with details of supporting policies, processes and accountable managers.

1.3 The six main principles of the code are:

**Principle 1** – Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.

**Principle 2** – Members and Officers working together to achieve a common purpose with clearly defined functions and roles.

**Principle 3** – Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

**Principle 4** – Risk Management and Internal Control.

**Principle 5** – Developing the capacity and capability of members and officers to be effective.

**Principle 6** – To engage with local people and other stakeholders to ensure robust public accountability.

1.4 The committee noted that since the last review three main issues had emerged:

1.5 The first was an omission that needed to be addressed and covered the production of an annual report on the activities of the scrutiny function. The committee were strongly of the opinion that the reports by the chairmen on the work of the scrutiny committees (submitted to council and where both scrutiny chairmen were available to respond to questions from councillors) covered this aspect adequately and an annual report would only duplicate the information.

1.6 The second area arose from the Local Government and Public Improvement in Health Act which had introduced an appeal mechanism for those members of staff who occupy or are appointed to politically restricted posts. The Committee noted that the Monitoring Officer together with the Head of Human Resources would be working with the Standards Committee to produce a mechanism to put an appeal process in place.

1.7 The third area covered communications and the need to ensure that staff and councillors are aware of the wide range of policies and procedures in place to deliver high standards of corporate governance. The Committee received an assurance from the Monitoring Officer that he would be liaising with the appropriate Assistant Chief Executive and senior officers to put in place a programme of reminders of these policies and procedures.

- 1.8 The committee is **recommending to the Cabinet to recommend to Council** that the Councils Code of Corporate Governance be amended to remove the words “produce an annual report on the activity of the scrutiny function” from the Local Code of Corporate Governance (principle 6, paragraph c)
- 2. GROUNDS MAINTENANCE CONTRACT UPDATE AND REVIEW OF UNCUT GRASS AREAS**
- 2.1 The Cabinet member responsible for young people and culture, Councillor Mrs D. Grant was in attendance at the meeting and took part in the discussion.
- 2.2 In support of the report on the review of the new grounds maintenance contract and uncut grass areas, I as chairman had asked for further information to be made available to all members of the committee. This information covered the full effects of the changes made to the frequency and amount of grass cutting that now takes place within the borough
- 2.3 This information was mainly in relation to Leacroft Green and Sykes Drive due to both of these areas generating a lot of correspondence between the officers and residents without a solution being found for Leacroft.
- 2.4 It was noted that there had been very little response from residents on the other 25 uncut sites and the streetscene officers had received compliments in respect of the improved maintenance and standards within the parks and open spaces.
- 2.5 The committee noted that a petition objecting to the council’s decision to stop grass cutting in Sykes Drive was presented to the council meeting earlier this year and a report considered by the cabinet at its meeting on 15 September 2009. More recently residents of Leacroft Green had submitted questions for consideration at the meeting of the performance management and review committee.
- 2.6 The Committee noted that in relation to Sykes Drive the officers had felt that a judgement error had occurred by not cutting any of the grass and had rectified the situation.
- 2.7 Therefore the scrutiny committee concentrated their discussion on the residents concerns in respect of the uncut area on Leacroft Green and the action they had taken. The main concerns of the residents were relating to litter, fly tipping and dog waste and the encroachment of the bramble hedge along the perimeter of the site. However the committee noted that the officers had arranged for a footpath to be introduced following a request from a Leacroft resident.
- 2.8 Discussion took place on the cost of undertaking an additional grass cut of the Leacroft Green area and whether this could be justified or sustained in the economic climate. It was reported that the cost to provide an additional cut of all of Leacroft would be £315.00 per year. It was reported that County Councillor Denise Saliagopoulos had been involved with the residents’ concerns and had offered to cover the cost of an additional cut next year. The Ward Borough Councillors Miss Bain and S. Budd had also offered to make a payment via their Neighbourhood grants (subject to the criteria of spending such grants being met and a further review being held). Although this was not



a long term solution, the committee supported this action as did the residents in attendance at the meeting.

- 2.9 In relation to the brambles and other dense growth around the perimeter of the site, which provides a boundary not only from the railtrack property but the cottage, it was requested that investigations be undertaken via Leacroft Residents Association to see whether the owners of the cottage and railtrack would wish the hedge to be removed from the boundary or not.
- 2.10 Members went on to discuss the number of complaints received over this matter which had highlighted the need for ward councillors to be kept informed of such matters. The Committee asked that in line with their previous views (when considering the new Corporate Complaints Procedures) ward members be kept informed of residents' concerns in particular if their concerns are against a policy introduced by the council
- 2.11 The committee is **recommending to the Cabinet:**
- (a) To note the report of the Assistant Chief Executive providing an up date on the performance of the new contract and no change to the regime.
  - (b) To note that an additional cut of Leacroft Green would be £315.00 per year and County Councillor Denise Saliagopoulos would cover the cost. The Ward Borough Councillors Miss M Bain and S Budd had also offered to make a payment via their Neighbourhood grants (subject to the criteria of spending such grants being met and a further review being held); and
  - (c) To note the request of the Performance Management and Review Committee for ward councillors to be kept informed of residents' complaints.

**Councillor Philippa Broom**

**Chairman of the Performance Management and Review Committee**

1.

**NOMINATIONS FOR TWO SURREY LOCAL GOVERNMENT  
ASSOCIATION [SLGA] OUTSIDE BODY APPOINTMENTS**

**Resolution Required**

**Report of the Deputy Chief Executive**

**REPORT SUMMARY**

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

Successful nomination of representatives to serve on SLGA Outside Bodies assists the Council in maintaining its wider engagement, liaison and consultation arrangements throughout the County of Surrey and on a broader regional and national basis.

**Purpose of Report**

This report seeks authority for the nomination of representatives to the following SLGA Outside Bodies: (1) Surrey Climate Change Partnership Members' Group [SCCPMG] and (2) Active Surrey Sports Partnership [ASSP].

**Key Issues**

Normally the Cabinet makes appointments to SLGA Outside Bodies once per year at its June meeting, but these appointments have arisen mid term and the SLGA is seeking nominations now.

**Financial Implications**

None.

**Corporate Priority** 2. Younger People, 3. Environment, 5. Independent Living, 7. Healthy Community.

**Officer Recommendations**

**The Cabinet is asked to endorse the nomination to the SLGA of Councillor Gerry Forsbrey to serve on the Surrey Climate Change Partnership Members' Group [SCCPMG] and the nomination to the SLGA of Councillor Mrs. Denise Grant to serve on the Active Surrey Sports Partnership [ASSP].**

**Contact: Deputy Chief Executive, Nigel Lynn – Tel: 01784 446300  
Cabinet member: Councillor John Packman**

## **MAIN REPORT**

### **(1) Surrey Climate Change Partnership Members' Group [SCCPMG]**

This group will provide political leadership for work already taking place under the Surrey Climate Change Partnership and will facilitate joint working on the agreed strategy.

It will also act as a political level advisory body for the SLGA and its member authorities on climate change.

The group will comprise 11 Surrey District Council Representatives [one from each Council] and 3 Surrey County Council Representatives.

The Cabinet is asked to submit the nomination of Councillor Gerry Forsbrey to serve on the SCCPMG.

The term of the appointment is not specified.

### **(2) Active Surrey Sports Partnership [ASSP]**

ASSP will be representing the various facets of sport and physical activity in Surrey and will include not only sports council representation, but also various voluntary organisations, governing bodies, sports officers, County and District / Borough Councillors, education, leisure providers, and the PCT.

It is thought that the Partnership will advocate sport and physical activity in Surrey and represent the county at regional and national level.

The ASSP will comprise about 20 persons.

The Cabinet is asked to submit the nomination of a Councillor Mrs. Denise Grant to serve on the ASSP.

The full term of the appointment is 3 years, but the first representatives to ASSP will be appointed until Summer 2012, to bring this into line with other SLGA outside body appointments.

#### **Report author:**

Richard Powell, Principal Committee Manager, Tel: 01784 446240.

#### **Background Papers:**

Two separate letters dated 9 November 2009 from the SLGA about the outside body appointments.

## **MINOR VARIATIONS UNDER THE LICENSING ACT 2003**

### **Recommendation Required**

### **Report of the Deputy Chief Executive**

### **REPORT SUMMARY**

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

Not applicable

#### **Purpose of Report**

To inform Members of new statutory provisions which have been inserted into the Licensing Act 2003 to allow a procedure for making minor variations to premises licences and club premises certificates and to seek authority to update and amend delegation to Officers.

#### **Key Issues**

- The Council is the Licensing Authority for the Borough
- Minor Variations Procedure
- Guidance issued by the Secretary of State
- Officer delegations

#### **Financial Implications**

Statutory application fee likely to cover costs based on information available at the time of writing.

#### **Recommendation**

**The Licensing Committee at its meeting on 18 November 2009 recommended that the Cabinet recommend to Council that the Head of Environmental Health and Building Control Services, in consultation with the Chairman of the Licensing Committee, be given the power to determine minor variation applications under sections 41A to 41C and 86A to 86C of the Licensing Act 2003, including the power to decide whether to consult with Responsible Authorities and that the Scheme of Delegations to Officers in the Council's Constitution be amended accordingly.**

**Contact: Michael Graham, Head of Corporate Governance 01784 446227  
Cabinet member: Councillor Frank Ayers**

## MAIN REPORT

### 1. BACKGROUND

- 1.1 On 29 July 2009 the Government brought into force regulations amending the Licensing Act 2003. These amendments will have implications for the Council in its position as Licensing Authority.
- 1.2 The Legislative Reform (Minor Variations to Premises Licences and Club Premises Certificates) Order 2009 (Statutory Instrument 1772 of 2009) brings in a new minor variations procedure, by introducing new sections, 41A to 41C and 86A to 86C, of the Licensing Act 2003.
- 1.3 The Minor Variations procedure has been introduced in order to allow operators to make small changes to their premises licences without incurring the financial cost of a full application. The full procedure was found to be disproportionate in view of the negligible impact such minor changes would have. The new legislation will result in financial savings for the trade and regulatory resources for the Council and Responsible Authorities by allowing variations through a simplified and less costly procedure.
- 1.4 Only changes that would not undermine the licensing objectives will be permitted under this procedure.

#### **Minor Variations Process**

##### **Applications**

- 1.5 The holder of a premises licence or club premises certificate may apply to their licensing authority for variation of the licence or certificate under the new provisions.
- 1.6 Applications are subject to regulations made by the Secretary of State to prescribe the form and manner of making applications, the information and documents that must accompany them, and the fee to be paid to the licensing authority.
- 1.7 Applications are made to the licensing authority on standard forms. The application must be advertised on a white notice at the premises. There is no requirement to advertise the application in a local newspaper and no requirement to notify the responsible authorities. Instead, responsible authorities are involved at the request of the licensing officer responsible for determining the application.
- 1.8 The licensing authority must process the application and determine it within 15 working days. The first 10 working days of the 15 working day period constitute a consultation period in which Interested Parties (such as local residents) may make representations to the licensing authority. Licensing Authorities may also wish to consider the application and consult the relevant Responsible Authorities in each case, during this time. A determination cannot be made during the 10 day consultation period.
- 1.9 The Guidance envisages 4 main types of minor variation application:
  - Minor changes to the structure or layout of a premises
  - Small adjustments to licensing hours
  - Conditions: removal of out of date irrelevant or unenforceable conditions or volunteering of conditions

- Licensable activities: adding certain licensable activities
- 1.10 However an application may not be made under the new provisions if the effect of the variations proposed in it would be:-
- to extend the total hours permitted under the Licence for licensable activities;
  - to vary substantially the premises to which a premises licence or club premises certificate relates;
  - to change the name of the Designated Premises Supervisor;
  - to extend the sale of alcohol between 11pm and 7am and/or increase the total licensing hours;
  - to remove certain mandatory conditions relating to the sale of alcohol.
- 1.11 Variations of the kind described in the preceding paragraph must still be made through the normal variations procedures set out in the 2003 Act.
- 1.12 The Minor Variation fee per application is £89. If the application is not dealt with within 15 working days, it is deemed rejected and the authority must return the fee. However, the Licensing Authority and the applicant may agree instead that the undetermined application should be treated as a new application and the fee originally submitted will be treated as a fee for the new application.
- 1.13 In Spelthorne, processes are already in place to ensure applications are dealt with within the statutory timescales.

### **Consultation**

- 1.14 The DCMS Guidance suggests that licensing officers “must consult relevant responsible authorities if there is any doubt about the impact of the variation on the licensing objectives and they need specialist advice, and take their views into account in reaching a decision.”
- 1.15 This is in contrast to the normal procedure for the variation of a premises licence or club premises certificate, under which the applicant must give notice of the application to each Responsible Authority, which authorities may then make representations requiring the application to be referred to a Licensing Sub-Committee hearing, and must also advertise the application as required by regulations made under the 2003 Act.

### **Representations**

- 1.16 Interested parties may still make representations based on the licensing objectives. However, representations do not trigger a hearing under the Minor Variations process, as there is no right to a hearing but the Guidance states that relevant representations must be taken into account in the decision-making process.

### **Determination**

- 1.17 An application under the new provisions must be granted only if it is considered that none of the variations proposed in the application could have an adverse effect on the promotion of any of the licensing objectives. In any other case the authority must reject the application.
- 1.18 If rejected the applicant may resubmit the variation application under the existing full variation procedures.

## **Guidance Issued by the Secretary of State**

- 1.19 The new provisions came into force on 29 July 2009, together with a number of other amendments to existing regulations covering application procedures. The Government has drawn up new National Guidance on minor variations a copy of which has been placed in the Members Room and which explains in greater detail the role that both the Council and Officers are expected to follow in implementing the new procedures.

## **2. KEY ISSUES**

- 2.1 The Licensing Committee's terms of reference currently state:

"All functions relating to any Licensing requirements for which the Council has been granted jurisdiction under any legislation"

Therefore, no changes are needed to the Constitution to ensure compliance with these new statutory regulations, and there is no need to seek formal authority from the Council in order to introduce the procedures proposed.

- 2.2 However, the new Minor Variations procedure differs from the existing Licensing Act procedures as the Government guidance envisages Officers dealing with these applications and decisions. However, the existing arrangements which are in place to notify ward councillors of all applications will continue in the case of Minor Variations applications.
- 2.3 Bearing in mind that there are to be no hearings under the minor variation process the Government guidance recommends that the Council delegates decision making to licensing officers. In practice this would be the only way to ensure that the Council can deal with minor variation applications within the 15-working day period.
- 2.4 Existing delegated authority already allows the officers to grant a minor variation application where there have been no representations and the proposed variation would not impact adversely on the licensing objectives.
- 2.5 There have been 3 applications submitted for Minor Variations to date and these have been dealt with under existing delegations.
- 2.6 However, there are two situations which are not covered by existing delegations and which need to be addressed:
- (a) To reject an application for a minor variation where no representation has been received but which would still impact adversely on the licensing objectives; and
  - (b) To grant or reject an application for a minor variation where representations are received.
- 2.7 In the case of (a) above, licensing authorities cannot impose their own conditions on the licence through the minor variations process. If the Council considers that the proposed variation would impact adversely on the licensing objectives unless conditions are imposed, the application should be rejected. In order to be able to reject such an application delegated authority would be needed.
- 2.8 In the case of (b) above, only Licensing Sub-Committees may currently grant or reject an application where representations are received. Officers do not have delegated authority to either grant or reject applications, where there are representations and this needs to be addressed if the new legislation is to be effectively operated in accordance with the new Guidance.

- 2.9 When considering relevant representations from interested parties the overall test is whether the proposed variation could impact adversely on any of the four licensing objectives and such representations must be taken into account in arriving at a decision.
- 2.10 As previously stated, if the Council considers that the proposed variation would impact adversely on the licensing objectives the application should be rejected.
- 2.11 Guidance states that the Council is expected to bring its own experience and knowledge of licensing to bear when considering applications and decisions.

### **3. OPTIONS ANALYSIS**

- 3.1 The new minor variations procedure is a statutory requirement, therefore the Council must ensure that it has procedures in place to enable the officers to carry out the duties imposed on it.

### **4. PROPOSALS**

- 4.1 It is proposed that the Council puts in place the necessary delegations to officers in order to comply with and operate the minor variations procedure.

### **5. FINANCIAL IMPLICATIONS**

- 5.1 Whilst the new minor variations application procedure will involve the Council receiving an unknown quantity of applications it is likely that the statutory fee of £89 will cover the actual cost of administering each application. However, the increase in the numbers of minor variation applications may well result in a correlated decrease in some full variation applications. It is unlikely that there will be any change in the number of Licensing Sub-Committee hearings.
- 5.2 An assessment of the costs involved in the three applications received so far suggests the fee will cover the officer costs. In the circumstances it seems likely that this work can be contained within existing budgets but the situation will have to be closely monitored.

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

- 6.1 The Council has a duty under the Licensing Act 2003 to put in place such measures that will facilitate the operation of the new minor variations procedure.
- 6.2 It should be noted that there is no statutory right of appeal against a decision in respect of a minor variation application.

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

- 7.1 The amendments outlined above are the most significant change to application procedures since the Licensing Act 2003 came fully into force in 2005. It is not known how many of the new applications the Council might receive, and therefore the Council must be ready to deal with applications efficiently and within statutory time limits.
- 7.2 The primary risk is that the Council Officers do not have the necessary delegated authority to deal with applications for minor variations procedures within the statutory time frame. The delegation of such authority will mitigate this risk.

### **8. TIMETABLE FOR IMPLEMENTATION**

- 8.1 It is proposed that the recommendations, if approved by the Cabinet and the Council take immediate effect after the Council meeting on 17 December 2009.



**Report Author: Trevor Baker, Senior Committee Manager 01784 446267**

**Background Papers:**

There are none

## **THE GAMBLING ACT 2005 – ADOPTION OF STATEMENT OF GAMBLING POLICY 2010 – 2013 – KEY DECISION**

### **Recommendation Required**

### **Report of the Assistant Chief Executive**

#### **REPORT SUMMARY**

**How does the content of this report improve the quality of life of Borough Residents?** The Statement of Gambling Policy provides a clear framework to promote the three gambling objectives within the Borough.

**Purpose of Report** The purpose of the report is to seek members' recommendation to adopt Spelthorne's Statement of Gambling Policy 2010 – 2013 (the Policy), as shown in Appendix A.

#### **Key Issues**

- Spelthorne must review its Statement of Policy at least every three years. A revised version must be published by 31 December 2009 to be brought into effect by 31 January 2010.
- The draft Policy was submitted for consultation for a three month period commencing on 22 July 2009. Only five responses to the draft Policy were received and are summarised in **Appendix B**. A small number of amendments have been made to the Policy and they are highlighted through tracked changes in **Appendix A**.
- Spelthorne's Scheme of Delegation to Officers will need one amendment to qualify the powers available to the Head of Environmental Health and Building Control Services to cancel licensed premises gaming machine permits

#### **Financial Implications**

The costs of delivering the Policy will be met within existing budgets.

**Corporate Priority** Community Safety, Younger People, Environment, Economic Development, Community Engagement, Effective Communications.

#### **Recommendations**

**The Licensing Committee at its meeting on 18 November 2009 recommended that the Cabinet recommend the Council to adopt the Gambling Policy, subject to the word "workplace" in the last line of the first paragraph on page 47 being replaced by the words "licenced premises".**

**Furthermore, that the Cabinet recommend the Council to agree that the Scheme of Delegations to Officers in the Council's Constitution be amended accordingly, as highlighted in Appendix C.**

**Note: Copies of Appendices A, B, and C mentioned in this report have been placed in the Members' Room and may be viewed on the Spelthorne Website under the Licensing Committee agenda for 18 November 2009.**

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

## MAIN REPORT

### 1. BACKGROUND

- 1.1 Section 349 of the Gambling Act 2005 requires all licensing authorities to prepare and publish a Statement of Policy that they propose to apply in exercising their functions under this legislation. The Statement of Policy will last a maximum of three years, after which time it must be reviewed.
- 1.2 The existing Statement of Gambling Policy has been kept under review since coming into force on 31 January 2007 and no revision has been deemed necessary until now. The policy requires revision in order for it to take effect from 31 January 2010.
- 1.3 In preparing the statement of principles, Spelthorne consulted the chief officer of police, the fire authority, representatives of those carrying on gambling businesses, and representatives of those likely to be effected by the exercise of the authority's functions, including residents' groups. A full list of consultees is shown on page 23 (Annex 2) in **Appendix A**.

### 2. KEY ISSUES

- 2.1 The approval of the Council's Statement of Gambling Policy for 2010 – 2013, and its official publication in January 2010 is a statutory requirement for Spelthorne.
- 2.2 The Statement (or any subsequent revision) must be published on Spelthorne's website and be made available for inspection by the public in the principal office of Spelthorne or a public library in the area covered by the Statement. The Policy or revision must be published at least one month before it takes effect. Therefore any Statement will be required to be ratified by Spelthorne no later than 31 December 2009. Section 154 of the Gambling Act 2005 provides that functions in relation to the three year policy statement cannot be delegated but the full council is the appropriate authority.
- 2.3 From the five responses to the consultation process (summarised in **Appendix B**) a small number of amendments have been made to the policy. These are highlighted as tracked changes in the Policy, shown in **Appendix A**. Most of them relate to clarifying certain issues, such as outlining the procedures for cancelling certain gaming permits.
- 2.4 Spelthorne's current Scheme of Delegation to Officers will need one amendment to qualify the powers available to the Head of Environmental Health and Building Control Services to cancel licensed premises gaming machine permits. This is the result of a comment received from Spelthorne's Corporate Governance Services who pointed out that if a holder of licensed premises gaming machine permit was to have their permit cancelled this person(s) could make representation to have their case heard and decided on by Spelthorne's Licensing Sub-committee. Therefore, a proposed amendment to the Scheme of Delegation to Officers, in **Appendix C**, is made.

### 3. OPTIONS ANALYSIS

- 3.1 The preferred option is for Members to recommend to Cabinet and Council the adoption of the Policy in **Appendix A** according to the timetable set out in paragraph 9.1. Furthermore, to recommend to Cabinet and Council the amendment to the Scheme of Delegations to Officers in **Appendix C**.

3.2 There is an option for Members to either amend the Policy, or reject it and propose their version of the Policy. However, if Members decided on the latter course of action this may cause a delay in the adoption of the Policy beyond the required time limit.

#### **4. PROPOSALS**

4.1 It is proposed that the Statement of Gambling policy shown in **Appendix A** is recommended for adoption to the Cabinet and Council. Furthermore, to recommend to the Cabinet and Council the amendment to the Scheme of Delegations to Officers in **Appendix C**.

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

5.1 An up to date Gambling Policy provides Spelthorne with an adequate framework to protect residents close to premises offering licensable activities and customers of those premises.

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

6.1 The costs of delivering the Policy will be met within existing budgets.

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

7.1 Failure to formally adopt a Statement of Policy within the timescales required by the Gambling Act 2005, Regulations and guidance would mean that Spelthorne would not be complying with its statutory duty and would leave it open to legal challenge.

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

8.1 By adopting the Policy Spelthorne will meet the requirements of the Gambling Act 2005.

#### **9. TIMETABLE FOR IMPLEMENTATION**

9.1 The proposed timetable is as follows:

- Cabinet recommend adoption of a final proposed policy - 8 December 2009.
- Full Council adopt final proposed policy - 17 December 2009
- Publish updated policy and add to Spelthorne's website by 31 December 2009 to take effect from 31 January 2010.

**Report Author: Jonathan Bramley, Environmental Health Manager 01784 446280**

**Background Papers:  
There are none.**

**SURREY MINERALS PLAN – CONSULTATIONS – KEY DECISION**

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

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

The report recommends a number of responses to Surrey County Council which are considered important to ensure that the policies set out in the various Surrey Minerals Plan documents will most effectively protect and enhance the environment of the Borough.

**Purpose of Report**

The report summarises the background to the various documents and identifies key issues on which it is considered necessary to respond to the County Council.

**Key Issues**

- Mitigating the effects of mineral working on the environment and residents
- Phasing of mineral working
- Identification of sites for aggregate recycling
- Co-location of recycling facilities on minerals sites
- Whether the Proposals Map complies with the Regulations
- Implications of Minerals Safeguarding areas

**Financial Implications**

None.

**Corporate Priority**

Environment

**Officer Recommendations**

**\*The Cabinet is asked to:**

- 1. Endorse the response to Surrey County Council on the Surrey Minerals Plan Development Plan Documents(DPDs) as outlined in the officer's report at Appendix A.**
- 2. Authorise officers to pursue further, as necessary, concerns over the legal status of the Minerals Proposals Map and to respond as necessary on the minor points of detail relating to the Minerals Site Restoration Supplementary Planning Document (SPD).**

**Contact: Nigel Lynn, Deputy Chief Executive, Telephone 01784 446300  
Cabinet Member: Councillor Richard Smith-Ainsley**

## **MAIN REPORT**

### **1. BACKGROUND**

1.1 See Appendix A.

### **2. KEY ISSUES**

2.1 See Appendix A Section 9.

### **3. OPTIONS ANALYSIS**

3.1 The options available are:

- (a) Not to respond to the consultation
- (b) To support the various documents without qualification
- (c) To support the various documents but to raise specific concerns and propose particular changes on the identified matters
- (d) To object to specific policies and proposals in the documents

3.2 Given that the Development Plan Documents (DPDs) will be examined for “soundness” and that Inspectors are not required to make plans “more sound” it is important to ensure that any response is directed to addressing specific shortcomings in the plans and it is considered that Option (c) represents the most positive approach.

### **4. PROPOSALS**

4.1 That Cabinet agree to respond to the County Council on the basis of matters identified in Appendix A.

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

5.1 The proposed DPDs and SPD represent an appropriate and sustainable policy framework for determining planning applications for mineral related development which subject to the concerns raised in this report should be supported.

### **6. FINANCIAL IMPLICATIONS**

6.1 None.

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

7.1 There are implications for the production of this Council’s Adopted Proposals Map and the determination of planning applications if the correct procedures are not followed by Surrey in the preparation of its DPDs.

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

8.1 The risks in not pursuing the Council’s concerns are that the documents will not be amended to take account of the Council’s concerns.

### **9. TIMETABLE FOR IMPLEMENTATION**

9.1 Responses are required to be sent to the County Council by 18 December 2009

**Report Author: Geoff Dawes Principal Planning Officer Telephone 01784 446397**

**Background Papers:  
See list attached at Appendix B**

## Surrey Minerals Plan Consultations

### 1. Introduction

1.1 On 6 November 2009 Surrey County Council commenced a six week consultation on a number of documents which, as part of the Surrey Minerals and Waste Development Framework, will provide the policy framework against which all future applications for mineral development in the county up to 2026 will be determined. The consultation runs until 18 December 2009 and representations as to the 'soundness' and legal compliance of the documents are invited on the following:

- i) Surrey Minerals Plan – Core Strategy Development Plan Document (DPD)
- ii) Surrey Minerals Plan – Primary Aggregates DPD
- iii) Aggregates Recycling Joint DPD for the Minerals and Waste Plans
- iv) Minerals Plan Proposals Map

In addition a draft SPD has been included for consultation and comment at the same time.

- v) Surrey Minerals Plan, Minerals Site Restoration Final Draft Supplementary Planning Document (SPD)

1.2 These main documents are accompanied by a further 15 supporting and background documents which provide much of the evidence base for the DPDs. A list of the documents is attached as Appendix B to this report for information. All the documents are available on the Surrey County Council website, at the Council Offices and County libraries. A set of the main documents has also been placed in the Members' Room.

1.3 The purpose of this report is to briefly explain the role of each of the five main documents and the timetable attached to each. It will then set out the general background and context for the preparation of the plans and will then address any specific issues in relation to each of the documents relevant to this Borough and make recommendations on any appropriate responses necessary.

### The documents

### 2. Surrey Minerals Plan Core Strategy DPD

2.1 This document sets out the vision, objectives and spatial strategy for mineral development to 2026. It incorporates strategic policies and site specific proposals addressing both aggregate (sands and gravels) and non-aggregate (all other types of minerals such as silica sand, clay, oil and gas). The document has been the subject of extensive consultation including stakeholder and community engagement since 2004 and has been proposed taking account of various changes in the Regulation and Government guidance on the preparation of Waste and Minerals Plans.

2.2 The current document is a pre-submission DPD prepared under Regulation 27 (2008 Regulations). The DPD will be formally submitted to the Secretary of State in February 2010 with only minor amendments being allowed from the current

document. Any representations made at this stage will be considered by the Inspector appointed to examine the document. It is anticipated that an Examination Hearing will take place in June 2010 with adoption timetabled for November next year.

- 2.3 The Core Strategy DPD will be supplemented by two further documents, a Primary Aggregates DPD and an Aggregates Recycling DPD.

### **3. Surrey Minerals Plan Primary Aggregates DPD**

- 3.1 This document addresses the need for and provision of sharp sand, gravel and soft sand. It identifies the preferred areas for future primary aggregate extraction for the period 2010-2026.

- 3.2 It has been the subject of stakeholder and community engagement since 2004 and consultation on the Preferred Options took place in April 2006. The current document is also a pre-submission draft proposed under Regulation 27 and is also due to be submitted to the Secretary of State in February next year. Formal examination of the document will follow that of the Core Strategy DPD commencing in September 2010, with adoption estimated to be January 2011.

### **4. Aggregate Recycling Joint DPD for the Minerals and Waste Plans**

- 4.1 This document addresses the need for and provision of new permanent and temporary sites for producing recycled and secondary aggregate and handling construction and demolition waste in Surrey. It identifies potential future sites and includes criteria-based policies to address ad-hoc development for which site specific provision has not been made.

- 4.2 Preparation of the document, including stakeholder and community engagement, commenced in October 2006. This current consultation is in effect a Preferred Options stage of the consultation which will lead on to a formal pre-submission consultation in November next year, with submission to the Secretary of State in February 2011 and anticipated adoption in October 2011.

### **5. Surrey Minerals Proposals Map**

- 5.1 The Proposals Map is designed to show the geographical context of the minerals plan policies and is prepared in accordance with Regulation 14. The Proposals Map is only amended each time a new DPD is adopted and any relevant notations and proposals then have to be incorporated in the Proposals Maps prepared by each District Planning Authority.

- 5.2 The Proposals Map, which forms part of the current consultation, shows amongst other matters Minerals Safeguarding Areas and Preferred Areas for Primary Aggregates as well as various statutory designations.

### **6. Surrey Minerals Plan – Minerals Site Restoration SPD**

- 6.1 This Supplementary Planning Document takes a comprehensive approach to the restoration of existing and proposed mineral workings. It will replace the County's 'Good Practice Guide for Mineral Site Restoration and Enhancement'. The purpose of the document is to set out how existing and proposed workings should



be restored, setting out best practice in restoration techniques and presenting indicative restoration schemes for all the preferred areas of working identified in the Surrey Minerals Plan.

- 6.2 As a Supplementary Planning Document it does not have to be submitted to the Secretary of State or be subject to examination. The timetable is therefore different from the first three documents described above. Following this current consultation and consideration of the representations made there will be further discussions with community, industry and other stakeholders before the final document is adopted in January 2011 (estimated).

## **Background**

### **7. Primary aggregates: Sub-regional requirement**

- 7.1 The contribution to be made by the South East Region and its constituent counties to the future supply of primary aggregates (sands and gravel for construction) is set by national and regional government. The Government identifies a target for future aggregate supply for each region which the regional planning body allocates, or apportions, to the counties. A review has been underway of the national and regional guidelines for the future supply of primary aggregates and of the methodology to establish the sub-regional apportionment. The latter is being undertaken as a *Partial Review* of the Regional Spatial Strategy (RSS) or South East Plan.
- 7.2 Table 1 shows the potential requirement for future supply in Surrey. The current apportionment of 2.62mtpa to 2016 is established in the adopted RSS. If this apportionment were rolled forward to 2026 to cover the period of the Plan, Surrey would need to make provision for an unattainable requirement of 44.5mt.
- 7.3 Table 1 also shows that the apportionment for Surrey set by the *Partial Review* is based on a lower regional target (9.01mtpa) than the Government's now published figure (12.18mtpa). In response to consultation on the review the County Council supported the application of the lower regional figure proposed by the former South East England Regional Assembly (SEERA). This figure reflects the fact that the South East has over many years consistently undershot the Government guideline figure for the Region. However, the County Council did not support the methodology used to apportion that figure to the counties as it is heavily weighted towards past production rates. As Surrey has previously been a major producer of mineral this would unduly influence the revised apportionment for the county in a way that is not forward looking and could not be sustained. An Examination in Public (EiP) into the *Partial Review* took place in October 2009. The County Council was the only Minerals Planning Authority (MPA) to object to the proposed revisions and accordingly appeared at the EiP to present that position.

**Table 1**

	Requirement for Surrey 2009-2026 [includes production for 2009 at current apportionment rate of 2.62mtpa] (mt)	Requirement for Surrey 2010-2026 (mt)	Annual requirement for Surrey 2010-2026 (mtpa)
Current apportionment (RSS, May 2009)	<b>44.5</b>	41.92	2.62
<i>Partial Review</i> based on Government's revised regional figure of 12.18 mtpa	<b>31.4</b>	28.80	1.80
<i>Partial Review</i> based on regional figure of 9.01mtpa proposed by SEEPB	<b>23.7</b>	21.12	1.32

## 8. Preferred areas for future mineral extraction

- 8.1 In 2006 18 preferred areas were proposed in the Primary Aggregates DPD that would meet an annual requirement of 2.62mtpa for the period to 2016. Following consultation on the DPD the preferred areas were considered again to establish whether any issues arising would deem them unsuitable for inclusion in the Plan. Potential mineral zones (PMZs) from which the preferred areas were selected were also re-considered in the event that additional preferred areas would need to be identified in order to meet any shortfall in Surrey's apportionment. Whilst the lower annual apportionments highlighted in Table1 above would represent a substantial reduction for Surrey compared with its current apportionment of 2.62mtpa, the extension of the plan period to 2026 meant that automatic removal of any of the preferred areas from the Plan on the basis of over-provision was unlikely to be justified. As a result of this work the Primary Aggregates DPD now proposes 13 preferred areas. Further comment on the specific sites in Spelthorne is made below under the heading of this particular DPD.
- 8.2 If ultimately the Government's recently published revised regional figure forms the basis for the sub-regional apportionment to the counties, Surrey's allocation could increase from 1.32mtpa to 1.8mtpa if the same methodology is applied. The DPD demonstrates through detailed assessment that it would not be possible for Surrey to meet the higher apportionment without unacceptable harm to communities and the environment.
- 8.3 It is anticipated that supply over the early part of the plan period will largely be satisfied from identified preferred areas for concreting aggregate that are likely to come forward during this time. However, from 2020 onwards the situation becomes more critical. The likely outcome is that identified potential resources for concreting aggregate will have been almost fully exploited even under the lower apportionment.

8.4 Nevertheless, the difficulty in identifying suitable areas for future mineral extraction simply reinforces the County Council's view that the environmental constraints in Surrey will inevitably severely limit the county's capacity to make future provision for minerals. It is against this background that the broad issues affecting Spelthorne have been identified.

## **9. Specific Issues**

9.1 All the documents deal with the whole of Surrey although it is primarily North West Surrey where the the reserves of concreting sands and gravel are concentrated. This report therefore deals only with those parts of the documents which have a direct bearing on this Borough. In general the content and coverage of the documents is to be welcomed and should help to ensure that there is a proper and consistent policy framework for the consideration of all minerals related applications in the period to 2026 given the depletion of reserves and the continued, albeit reduced need, for a steady supply of aggregate to meet Government and Regional requirements. However, there are a number of broad issues which arise from the matters dealt with in the documents and which give some cause for concern. These are summarised below and then discussed in more detail in relation to the specific documents.

9.2 The negative effects of mineral working have long been apparent in the Borough but at the same time mineral working has left a legacy of lakes and wetland areas which provide recreational amenities for residents and contribute to a rich biodiversity. It is important, therefore, to ensure that where mineral working takes place every opportunity is taken not only to mitigate its immediate impact but secure long term and lasting improvements for the benefit of residents and the environment.

9.3 A particular concern for residents is the cumulative impact of several sites all being worked at the same time within a limited geographical area. This issue assumes greater significance in relation to the additional need to find sites suitable for recycling aggregate products as well as the wider demands for sites providing facilities for waste disposal and general recycling.

9.4 The issue of new sites for aggregate recycling is one which has not been addressed in previous minerals plans although it is clear that the minerals industry is keen to provide facilities on former mineral extraction sites, thereby extending the impact of mineral working on a particular area.

9.5 When a site is worked for minerals there are distinct benefits to the co-location of aggregate recycling facilities both to assist with restoration and in the efficient movement of lorries with full loads both to and from sites. The principle of co-location, however, does have one significant disadvantage if the existence and demand for the recycling facility militates against the proper and timely restoration of a site. PPG2 confirms that mineral working need not be inappropriate in the Green Belt provided high environmental standards are maintained and that the site is well restored. The question of time limits therefore becomes crucial in relation to the point by which any particular site should be returned to its former use or fully restored to a new beneficial use.

- 9.6 The Local Development Framework (LDF) system of plan making introduced by the 2004 Act requires, in two tier authorities, the district planning authority to include on its adopted Proposals Map any designations and allocations set out in adopted DPDs prepared by the Minerals Planning Authority. The 2004 Regulations prescribe the process for this but there remain a number of practical difficulties which need to be addressed with the County Council. The Proposals Map also has to include details of Mineral Safeguarding Areas which are designed to ensure that potential sources of mineral bearing land are not sterilised and act as a trigger for formal consultation with the County Council.
- 9.7 The following sections deal with each of the consultation documents, in turn highlighting only those areas where it is considered appropriate to submit a representation to the County Council.

## **10. Surrey Minerals Plan – Core Strategy DPD**

- 10.1 At the outset the DPD sets out the vision and objectives for the minerals plan, the thrust of which is that:

*‘exploitation of mineral resources and other mineral development in Surrey should be efficient, environmentally responsible and adequate as far as possible to meet the needs of the economy and should not impose significant adverse impacts on the community’.*

The six main objectives carry forward this vision for different parts of the plan.

- 10.2 Policy MC3 deals with mineral development in the Green Belt and confirms that mineral extraction will only be permitted where the highest environmental standards of operation can be maintained and the land restored to beneficial after-uses consistent with Green Belt objectives. Whilst this approach is welcomed, it makes no reference to ensuring that a site is restored as soon as possible so that the negative environmental impacts of working are minimised. There are some of older sites in the Borough where the mineral reserve has almost been worked out but where full restoration is being delayed in favour of other mineral related activities on the site. Whilst there are a number of factors which may influence how quickly or slowly a site may be worked, it is considered that reference should be made to the imposition of time limits to ensure ‘timely’ restoration. Such an addition to the policy would link effectively with Policy MC17 on the restoration of mineral workings which states that restoration ‘should be completed at the earliest opportunity’.
- 10.3 Policy MC6 deals with safeguarding mineral resources and development and requires LPAs to consult the mineral planning authority on proposals that may sterilise mineral resources within mineral safeguarding areas ‘which will be shown on their proposals maps’. Under the 2004 Regulations Proposals Maps may only be amended to include designations or allocations in an adopted DPD. At present the safeguarding areas are shown on the Surrey Minerals Proposals Map but at a scale and without the clarity that would enable this Council to identify these areas on our own Proposals Map as required. The County Council needs, therefore, in its submission document to include clear unambiguous maps which will form part of the adopted DPD.

- 10.4 Policy MC14 deals with reducing the adverse impacts of mineral development and covers a wide range of environmental issues which will be addressed in determining planning applications. These include noise, dust, general disturbance from traffic and impacts on local roads, all of which are of great concern to surrounding communities. In particular Para 6.35 of the document addresses the issue of cumulative impacts, which is subsequently included in a list of issues set out in Policy MC14. This is an important part of the policy and it is clear that the County Council recognises the problems that may arise in areas, such as Spelthorne, which are already under significant development pressure or have concentrations of several existing and potential future mineral workings. However, in response to this issue the text only suggests that ‘measures **may** be applied to avoid or reduce cumulative impacts by controlling the number or timing of permissions .....’. Whilst this general approach is welcomed it is considered that the County Council should take a much firmer stance on this issue and provide, within the policy, clear guidance or criteria how it will avoid or reduce cumulative impacts.
- 10.5 The transport of minerals is addressed in Policy MC15 and although the lorry traffic generated by minerals development causes the most public concern, it is considered that the policy deals with the issue in the most appropriate way and includes the necessary caveats and safeguards.

## 11. Surrey Minerals Plan – Primary Aggregates DPD

- 11.1 This document complements the Core Strategy and sets out the specific preferred areas which will provide the future resource of primary aggregates to meet requirements. The document contains only 3 policies; one confirming the overall aggregate requirement for the plan period and the other two indicating the preferred areas for concreting aggregate and soft sand respectively.
- 11.2 Policy MA2 identifies 11 preferred areas, 6 of which are in Spelthorne:

Preferred Area	Name	Estimated resource available 2010-2026 (million tonnes)
F	Home Farm Quarry Extension, Shepperton	0.54
G	Homers Farm, Bedfont	0.76
H	King George VI Reservoir, Stanwell	3.24
J	Manor Farm, Laleham	1.30
K	Queen Mary Reservoir, Sunbury	1.25
L	Watersplash Farm, Shepperton	1.25
	<b>Total</b>	<b>8.34</b>

- 11.3 These sites would provide 8.34 million tonnes (net) of the total of 13.05 million tonnes from all 11 sites if they all come forward within the plan period. The plan suggests at para 6.11 that available resources for concreting aggregate are becoming increasingly difficult to identify and that the likely outcome is that the identified potential reserves of concreting aggregate will be almost fully exploited before 2026 even under the low scenario for regional apportionment. The preferred areas represent the extent of the resource that has been identified as

suitable to contribute to regional aggregate supply. At the same time the plan makes it clear that these preferred areas only provide locations where it is considered that mineral working is possible without imposing significant adverse impacts on the environment or local community.

- 11.4 At the start of the plan making process Surrey identified 106 potential mineral zones (PMZs) and many of these were subsequently included in the Preferred Options Minerals Plan consultation in April 2006. With the exception of the Home Farm Quarry extension all the sites have been included in previous minerals plans. All sites have been re-evaluated using an agreed sieving technique followed by various technical assessments including an Appropriate Assessment to consider impacts on the South West London Waterbodies Special Protection Area (SPA) for birds. Sites where there are clear reasons against working, such as Staines Moor, have not been included in the DPD as Preferred Areas. All potential sites are nevertheless retained within the Minerals Safeguarding Areas identified on the Proposals Map.
- 11.5 Each of the preferred areas is set out in Appendix 1 to the DPD with a site plan and a list of key development requirements. I now deal with each of these in turn:

**Preferred Area F: Home Farm Quarry extension, Laleham Road, Shepperton (7.86 ha)**

- 11.6 This site, located immediately to the north of the Littleton Lane roundabout and south of Shepperton studios, constitutes an extension to the east of the existing Home Farm Mineral site where progressive working and restoration has continued since the 1980s. It would involve working the Laleham Nursery site and the adjoining land which has planning permission for use as a back lot to Shepperton Studios. Raised minerals would be moved by conveyor to the existing processing plant at Littleton Lane. It is suggested that cumulative traffic impacts on the communities of Laleham and Shepperton Green could be minimised by not working the area at the same time as Preferred Area J: Manor Farm, Laleham. Provided the site is fully restored to its former uses and that effective mechanisms are put in place to avoid cumulative impacts I can see no objection in principle to the working of this site.
- 11.7 A planning application for the working of this site was submitted to the County Council at the beginning of October and is currently under consideration pending the submission of further details on specific issues. The proposals include provision for the temporary relocation of the Shepperton studios backlot on land adjoining the site. Once the further information has been received the application will be reported to the Planning Committee to agree this Council's formal response to the scheme. If permission were to be granted by Surrey it is assumed that this Preferred Area would be deleted from the DPD prior to adoption and the figures for permitted reserves adjusted accordingly.

**Preferred Area G: Homers Farm, London Road, Bedfont (11.0 ha)**

- 11.8 This site, on the north side of the A30 immediately west of Short Lane, was included in the Surrey Minerals Local Plan (SMLP) 1993 with a presumption in favour of working. I have no objection in principle to the continued inclusion of this site.

### **Preferred Area H: King George VI Reservoir, Stanwell (178.0 ha)**

- 11.9 This site, together with the adjoining Staines Reservoirs, was also included in SMLP 1993 with a presumption in favour of working. The Staines Reservoirs are no longer included within the Preferred Areas and the site on its own provides the largest potential resource of all the sites in Spelthorne with perhaps initially the least impact on local amenities. However, the boundary of the preferred area makes no allowance for a processing area. The key development requirements refer to conveying material from the reservoir to the processing plant at Hithermoor, but there is no indication of where this plant would be located. It is assumed that vehicle access would be from Leylands Lane. Planning permission has recently been granted for a recycling facility and small processing plant at Hithermoor on a site just to the east of the M25. This temporary permission was linked to a much enhanced restoration scheme for Hithermoor, together with a detailed Section 106 agreement providing for various environmental and community benefits. The current assessment appears to assume, therefore, that the processing plant is already available for working this site. There is no indication of how long it would take to process the material from the reservoir and there is a serious danger that working this site through Hithermoor would further delay and disrupt the final restoration of this important open area north of Staines Moor to the detriment of the local community. It is considered, therefore, that the plan should consider the issue of the location of the processing plant in more detail and provide better guidance under the key development requirements. Additionally, if there are other possible locations for a processing plant these need to be set out and assessed in terms of their environmental impact.
- 11.10 A further issue in relation to this site is its designation as part of the South West London Waterbodies SPA and Ramsar site. This international designation means that a local planning authority may not identify in a plan or grant planning permission for any proposal which would have an adverse impact on the integrity of the designated site or the interests for which it was so designated. Surrey has carried out a detailed Appropriate Assessment under the Habitat Regulations and has concluded that the reservoir can be worked in such a way as to avoid any adverse impact on the integrity of the site. Such an approach will need to be further examined at the detailed planning application stage before planning permission for this site could be granted.

### **Preferred Area J: Manor Farm, Ashford Road Laleham (30.0 ha)**

- 11.11 This site, which lies to the west of Ashford Road, east of Worple Road and north of the Thames Water aqueduct at Laleham, forms part of a larger area which was included in the SMLP 1993 with a strong presumption against working. The site has been re-evaluated and it is considered that the working of this smaller area with raised material being moved by conveyor to the Littleton Lane quarry for processing, so that there would be no lorry movements to and from the site and no processing on site, would overcome the previous objections to working this site.
- 11.12 Key development requirements confirm that the site should be phased and not occur simultaneously with any working at Preferred Area F, Home Farm Quarry Extension, Shepperton, which would be processed through the same plant. It is suggested that wetland restoration would be most appropriate for this site, which

would also minimise adverse impacts from filling and restoration operations. Subject to satisfactory safeguards for local residents I consider that there is no objection in principle to the working of this site in the manner proposed.

**Preferred Area K: Queen Mary Reservoir, Sunbury (284.0 ha)**

- 11.13 This site has been included in the plan despite the fact permission was granted in January 2009 for the extraction of the 1.25 million tonnes of aggregate identified in the document. It is considered that Surrey should delete the site from the DPD prior to submission and to adjust the figures for permitted reserves accordingly to properly reflect the status of this site. It is not clear whether Surrey intends to do this to ensure the DPD is properly up to date at the time of submission.

**Preferred Area L: Watersplash Farm, Fordbridge Road, Halliford (30.0ha)**

- 11.14 This site, which lies east of Shepperton and south of Halliford, has been included in successive minerals plans for over 30 years. It comprises high quality agricultural land used for market gardening. Modern techniques of restoration as illustrated at Laleham Farm, Laleham suggest that the site can be returned to good productive agricultural use. It is proposed that a new access to the site from the Gaston Bridge Road/Green Lane roundabout would be required to accommodate HGV traffic. Within the key development requirements no mention is made of phasing and it is considered important, as mentioned previously, to ensure that cumulative impacts of mineral working and other related activities, such as further development at the Charlton Lane waste recycling site, are avoided by careful phasing of developments over the duration of the plan period. Notwithstanding this point, I consider that subject to the normal safeguards and high quality restoration there are no objections in principle to the inclusion of this site. It should be noted that since the Preferred Options consultation in 2006 the adjoining Vicarage Farm and Orchard Farm sites have not been promoted as Preferred Areas but continue to be retained within the identified safeguarding areas.

**12. Aggregates Recycling DPD for the Minerals and Waste Plans**

- 12.1 This draft DPD seeks to deal with a subject that was raised by a number of parties as an issue in the examination of the Surrey Waste Plan in 2006. The County Council's aim is to achieve much higher rates of recycling through the development of new additional recycling capacity. Whilst there is general public support for increased recycling there is considerable difficulty in identifying suitable locations. Consultations have suggested that there is support for recycling at mineral workings provided local amenity is suitably protected. One of the main concerns which this Council has previously expressed is the danger that a temporary facility, once established on a mineral site, may be subject to repeated renewals, thus extending the activity on the site and delaying the final restoration of a site and its return to an acceptable Green Belt use.
- 12.2 The draft plan identifies 4 sites in Spelthorne which provide existing aggregate recycling facilities:
- i) Hithermoor Quarry – temporary for 11 years from commencement.
  - ii) Land west of Queen Mary Reservoir – temporary until 2033,



- iii) Oak Leaf Farm – permanent subject to completion of a Section 106 agreement,
- iv) Shepperton Quarry – temporary until May 2009.

- 12.3 Excluding Shepperton Quarry, which has now expired, the remaining sites could produce some 220,000 tonnes per annum of recycled material. Surrey considers, therefore, that 3 or possibly 4 new permanent aggregate recycling sites might be required to be developed by 2016 depending on the size of facility brought forward. Policy AR1 – Aggregate Recycling Facilities, proposes that Stanwell Quarry should be included as a site where planning permission will be granted for temporary facilities subject to compliance with Surrey Waste Plan (SWP) Policy CW6 – Development in the Green Belt, and the need to demonstrate ‘very special circumstances’.
- 12.4 Because Charlton Lane is identified in the Surrey Waste Plan as a preferred site for waste recycling, Surrey has taken the view that it is a site where an aggregates recycling facility could be established. Given that the site is also identified in the SWP, Policy WD5, as one of only 4 locations in Surrey for the thermal treatment of waste and that the Inspectors who examined that plan consider that there was only scope for a limited scale facility on the site, it would seem that Surrey is expecting the Charlton Lane site to deliver more facilities than is reasonable having regard to its size and location. This issue needs to be pursued further with Surrey.
- 12.5 Policy AR2 – Aggregates Recycling at Minerals Sites, addresses the benefits of co-location of recycling facilities at existing and proposed mineral sites. Two of the Preferred Areas for primary aggregates in Spelthorne are included in the policy - Preferred Area G, Homers Farm and Preferred Area L, Watersplash Farm. Given the benefits of co-location and subject to the necessary safeguards to ensure that the presence of temporary recycling facilities contributes to, rather than delays, final restoration and that the life of temporary facilities is not extended so that it becomes favoured as a suitable site for a permanent facility, I have no objection to the identification of these sites within the policy. An appropriate response to the draft plan regarding the Council’s concerns over safeguards needs to be made.

### **13. Surrey Minerals Proposals Map**

- 13.1 The form of presentation of the Proposals Map appears to be contrary to the provisions of the 2004 Regulations and may give rise to practical difficulties in representing the designations on our own adopted Proposals Map. This issue may need further discussions with the County Council to resolve and whilst it may be appropriate to submit an objection based on failure to meet legal requirements, it would also be helpful to authorise officers to try to resolve these issues through negotiation.

### **14. Surrey Minerals Plan – Minerals Site Restoration SPD**

- 14.1 This final document seeks to establish best practice for the restoration of all current and future minerals sites. It includes detailed descriptions and guidelines for each site and is generally welcomed as a positive approach to ensuring that all mineral development makes a positive contribution to the amenities of an area

by enhancing the landscape, biodiversity and recreational potential of sites. There are a few minor points of detail I would wish to take up with the County Council which would improve the plan and I consider it would be appropriate to authorise officers to deal with a detailed response on this matter.

## **15. Conclusions and Recommendations**

- 15.1 Any responses to Surrey need to have regard to the different types of documents and the stages of preparation they are at. The responses to the first two need to be set out formally as the representations will be reported to the Secretary of State and considered by the appointed Inspector. The third document – the Aggregates Recycling Joint DPD is still at the draft stage and a formal pre-submission consultation will take place next year. There is therefore more opportunity to clarify areas of concern.
- 15.2 As outlined above it is considered that the following should form the basis of this Council's response to Surrey:
- a) to seek reference to time limits in Policy MC3
  - b) to seek clarification of the application of Safeguarding Areas referred to in Policy MC6
  - c) in para 6.35 of the Core Strategy DPD to replace "may" with "will" and add appropriate wording to Policy MC14
  - d) to seek the identification of the location and assessment of the processing plant in the description of Preferred Area H King George VI Reservoir
  - e) to seek deletion of Preferred Area K Queen Mary reservoir
  - f) to seek reference to phasing in consideration of Preferred Area L Watersplash Farm
  - g) to object to the consideration of the Charlton lane site for aggregate recycling
  - h) to seek safeguards concerning the operation of temporary recycling facilities at mineral working sites

**Surrey Minerals Plan**

and document shared with the **Surrey Waste Plan**

**Documents for public consultation November 2009**

- ***Proposals map (large A0 size)***
- Core Strategy development plan document (DPD)  
Proposed document for submission to the Secretary of State
- Primary Aggregates development plan document (DPD)  
Proposed document for submission to the Secretary of State
- Aggregates recycling joint DPD for the minerals and waste plans (draft)
- Minerals site restoration SPD Part 1 (final draft)
- Minerals site restoration SPD Part 2 (final draft)
- Non technical summary  
strategic environmental assessment/sustainability appraisal
- Consultation statement
- Statement of representations procedure

***Supporting and background documents***

- Habitats Regulation Assessment (in plastic ring binder)
- Strategic Flood Risk Assessment (spiral bound)
- Assessment of potential yield for selected PMZs (GWP 2009)
- Primary aggregates land assessment (SCC 2006, updated 2009)
- Assessment of Pendell Farm preferred area for silica sand (GWP 2009)
- Aggregates recycling assessment of potential sites – long list (SCC 2009)
- Aggregates recycling assessment of potential sites – short list (SCC 2009)
- Rail aggregate depots (SCC 2008, updated 2009)
- Mineral safeguarding areas (SCC 2009)
- Transportation assessment (SCC 2006, updated 2009)
- Strategic transportation assessment (SCC 2009)
- Hydrological assessment (EA advice 2006, updated 2009)
- Geology of Surrey (SCC 2006, updated 2009)
- Silica sand (SCC 2008, updated 2009)
- Non-aggregate minerals (SCC 2008, updated 2009)

## **LOWER THAMES FLOOD RISK MANAGEMENT STRATEGY – KEY DECISION**

### **Resolution Required**

### **Report of the Deputy Chief Executive**

### **EXECUTIVE SUMMARY**

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

The draft Lower Thames Flood Risk Management Strategy, which has been produced by the Environment Agency (EA), includes measures which reduce flood risk in Spelthorne.

#### **Purpose of Report**

To explain what the Strategy proposes, issues it raises and recommend a response to the Environment Agency.

#### **Key Issues**

- Whether a strategy of three flood relief channels, other capacity work and a package of flood plain management measures are appropriate.
- If the 'package' of measures raises issues on which the Council should make a specific response.

#### **Financial Implications**

None

**Corporate Priority** 1. Community Safety, 4. Environment

#### **Officer Recommendations**

1. **The Cabinet is asked to support the Lower Thames Flood Risk Management Strategy set out in the EA's consultation documents subject to the detailed points set out at paragraph 4.6 of this report.**
2.
  - (a) **The Cabinet is asked to authorise the Deputy Head of Planning and Housing Strategy, in consultation with the Cabinet Member for Planning and Housing, to invite representatives of the Environment Agency [EA] to make a presentation on the Lower Thames Flood Risk Management Strategy to a special Seminar at Spelthorne Borough Council for all Members.**
  - (b) **In addition, the Cabinet is asked to authorise the Deputy Head of Planning and Housing Strategy to invite to the above Environment Agency special Members' Seminar one representative each from the Community Leader Groups included on the main Contacts List for the Community Support Group on Flooding.**

**Report Author: John Brooks, Deputy Head of Planning and Housing Strategy.**

**Contact: Nigel Lynn, Deputy Chief Executive, Telephone 01784-446300  
Cabinet Member: Councillor Richard Smith-Ainsley**

## MAIN REPORT

### 1. BACKGROUND

- 1.1 The Environment Agency (EA) has prepared a draft strategy to tackle flood risk in the Lower Thames (Datchet to Teddington). It is called the Lower Thames Flood Risk Management Strategy (LTFRMS). It has been published for public consultation with a closing date of 4 December 2009 – however Spelthorne has been allowed more time to enable Cabinet’s consideration of this report. The EA has held two public exhibitions in Spelthorne.
- 1.2 Its aim is to reduce the risk of flooding to more than 15,000 homes and businesses standing within the floodplain. Over 2,000 of these homes are in Spelthorne where significant areas of the Borough are at risk.
- 1.3 In 2000 and 2003, floods resulted in a number of homes in Spelthorne being flooded, particularly in the areas of Wheatsheaf Lane and Chertsey Bridge. These underline the scale of the damage and disruption that can be caused.
- 1.4 The EA has been considering possible alleviation measures for many years but this work has been progressed significantly since 2003.
- 1.5 For some while, the EA have made it clear that a comprehensive approach was needed involving a package of measures. A key element of this has been a concept of three separate flood relief channels. The possibility of such an approach is recorded within the text of the Council’s recently adopted Core Strategy and Policies Development Plan Document (CS PDPD). Policy LO1 – Flooding – gives specific support as follows:-  
*“supporting appropriate comprehensive flood risk management measures within or affecting the Borough which are agreed by the Environment Agency.”*
- 1.6 There are inevitably constraints to what can be achieved and the proposal being put forward cannot eliminate all flood risk. The major constraints are topography, extent of the built up area and other environmental issues. In financial terms any scheme has to achieve an appropriate level of benefit over cost.
- 1.7 The strategy involves:
- a) Construction of the flood relief channels in Reach 3 (Datchet to Walton Bridge) of 50 to 60 metres wide (see colour plans in [Appendix 1](#)):
    - i) Channel 1 - north of Staines from Datchet to South of Wraysbury (North bank of Thames). This will help relieve Datchet, Wraysbury and Egham.
    - ii) Channel 2 - South of Staines on the Runnymede side from a point opposite Wheatsheaf Lane to Chertsey Lock. This will help relieve South Staines and Chertsey.
    - iii) Channel 3 - Chertsey Lock to Shepperton on the Spelthorne side of the river.  
This ‘channel’ will benefit Chertsey and Shepperton and will have two elements:
      - main channel from north of the M3 bridge via Littleton Lake then running parallel to Sheep Walk via Ferris Lake and south of Shepperton Square
      - minor channel from south of M3 bridge and passing under Chertsey Bridge Road east of Dumsey Meadow.
  - b) Capacity improvements in Reach 4 (Shepperton to Teddington) will help relieve Shepperton, Sunbury and other settlements and urban areas outside

the Borough by:

- i) widening the Desborough Channel on its south side by 3-4 metres (not in Spelthorne).
  - ii) increasing the capacity of Sunbury, Molesey and Teddington Weirs.
- c) Flood plain management will provide general benefits through out the strategy area including:
- i) increasing the public awareness of flooding.
  - ii) working through the planning process to restrict development in flood risk areas.
  - iii) safeguarding flood flow routes – these generally coincide with diversion channels.
  - iv) very localised community based flood prevention measures where appropriate.
  - v) effective community evacuation plans.
  - vi) use of Thames Barrier when possible to retain capacity in the tidal Thames for as much flood flow as is possible.

1.8 The intention is that the new flood channels would be designed in such a way to fit into the character of the landscape, protect/enhance biodiversity and secure improvements where possible. They would provide the opportunity to create new footpath/cycle routes alongside with links into the existing routes. New water areas could be used for fishing, wildlife and small boats but use for general navigation would require additional locks, and though identified in the consultation material is not a specific proposal.

1.9 The new channels would cost in the order of £200m and the package as a whole is estimated at £300m. The EA hope that, subject to adoption of the Strategy, the flood plain management elements (not involving major construction) could be implemented from 2011. The flood channels would not only need to secure funding but require detailed designs and planning approval. They would not be started until 2017. No completion date is offered at this stage. The scheme funding depends on Defra and the Treasury.

1.10 No detailed design work has been undertaken only general routes for channels have been shown. These have, nevertheless, been subject to a Strategic Environmental Assessment with a 250 page report. In due course a detailed scheme would need an Environmental Impact Assessment. Comments at this stage need to focus on the key issues.

1.11 The EA's assessment is that in Reach 3 from Datchet to Walton Bridge, where the majority of properties in the flood plain are, flood risk could be reduced significantly by the proposals:

	<u>Do nothing</u>	<u>Post Strategy</u>
Very significant risk (up to 1 in 20 year)	5,174	558
Significant risk (1 in 20 to 1 in 75 year)	5,205	2,096
Moderate risk (1 in 75 to 1 in 200 year)	4,919	5,009
Low risk (above 1 in 200 year)	-	7,635

- 1.12 In Reach 4, 540 households would be lifted from the 'Very Significant' and 'Significant Risk' category into the 'Moderate' category.

## **2. KEY ISSUES**

- 2.1 The Council is already committed to an appropriate comprehensive approach to flood risk management. The issues for the Council to consider are:
- a) Whether the measures proposed are appropriate to deal with flood risk in Spelthorne.
  - b) If there are further/alternative measures.
  - c) Any detailed comments on the draft strategy as proposed.

## **3. OPTIONS ANALYSIS**

- 3.1 The EA have considered options to their proposals or possible additions to them. The options and reasons for their rejection are:
- a) Do minimum by just maintaining things as they are – rejected because it would leave thousands of people at flood risk.
  - b) Deepening the river – rejected because of environmental damage and long term cost of maintaining the new profile and disposal of material. On its own the resultant increase in channel capacity is small.
  - c) Raising banks and defences – will be used on a limited basis but if used generally would increase flood risk by not allowing the flood plain behind such structures to drain naturally.
  - d) Flood storage – rejected because this would require an area upstream to be equivalent to the size of half of Oxfordshire.
  - e) Alternative channel routes – various options were considered but rejected on the grounds of environmental impact or efficiency relative to benefits. Due to the existing extent of urban development no acceptable channel system below Walton Bridge could be selected and neither could a channel to by-pass Staines town centre be identified.

## **4. PROPOSALS**

- 4.1 To put the scale of the flood risk and additional water capacity into context, the Thames at 'bank-full' has a capacity of 250 cubic metres of water per second (cumecs). In a 1 in 100 year flood event, this would be around 600 cumecs. An 'appropriate' strategy therefore needs to deliver significant additional capacity throughout the river length at risk.
- 4.2 The EAs proposals have been subject to extensive study and consultation in their formulation and provide an appropriate comprehensive approach which can deliver a significant reduction in risk.
- 4.3 The diversion channels are inevitably significant in scale but offer scope for enhancement of some of the areas through which they pass where past mineral workings have been poorly restored. There is scope for benefits in associated improved public rights of way and associated recreational benefits.
- 4.4 Success of the scheme in terms of environmental impact will, however, be dependent on getting precise alignments and the detailed design right. A

detailed scheme would require planning permission and be subject to further prior consultation.

- 4.5 Only one of the diversion channels (Channel 3) is in Spelthorne as well as only one of the locks (Sunbury) proposed for improvement. The supporting documents explain that Channel 3 would have to be completed before proceeding to No. 2 and then No. 1. The sequence is necessary to otherwise avoid temporarily increasing flood risk downstream of improvement works.
- 4.6 The scheme as a whole does raise some issues which will need careful resolution at the detailed design stage. These are not recommended as matters of objection to the principle components of the strategy but matters which it is suggested the EA are asked to give particular attention to.
1. Channel 2 may pass close/through the edge of the Thorpe Hay Meadow SSSI in Runnymede. As a matter of principle the loss of any part of an SSSI should be avoided.
  2. Channel 3 passes through a plot of land adjacent to the Dumsey Meadow SSSI which was purchased by the Chertsey and Shepperton Regatta for car parking during the annual regatta. It is unclear whether a channel could be constructed through this site without also requiring part of Dumsey Meadow for construction related work and also where alternative parking would be provided. Parking on Dumsey Meadow would further damage the SSSI which is already subject to a management plan to bring it up to the standard it should be in.
  3. The new channels will require roads to be raised over them with resulting relatively long structures. These need to be carefully designed to avoid adverse impact on access to property as well as adverse visual impact.
  4. There is some lack of clarity over the implication for the section of river through Staines which will have no by-pass channel and whether any benefits will be secured. The Council will want assurances that the scheme will also include flood relief benefits to the gap between the proposed Channels 1 and 2.
  5. The channels pass through areas designated as part of the South West London Water Bodies Special Protection Area (SPA) as well as non-designated areas nevertheless having a significant role as feeding areas, eg, Shepperton Ranges. The detailed scheme will need to not only minimise such impact but ensure adequate compensation areas are provided.
  6. The Strategic Environmental Assessment has not identified the cumulative adverse impacts on SSSIs when taken with the Airtrack proposals – this is a requirement of the SEA process.
  7. Suggested opportunity to use Ferris Lake (Ferry Lane, Shepperton) to create a marina conflicts with its use in supporting the SPA. There would also be adverse impact on the openness of this site which is in the Green Belt. The Council would not support a marina.
  8. Possible use of channels for navigation by larger craft would conflict with potential wildlife benefits.
  9. Reference on page vii of the Summary of the SEA to reducing development next to the river through planning policy - this needs clarifying as it is not



included as part of the Strategy and in any case was assessed in the Council's Strategic Flood Risk Assessment as prohibitively expensive.

## **5. BENEFITS AND SUSTAINABILITY**

- 5.1 The intention of the scheme is to deliver significant flood relief benefits in a sustainable manner. Subject to the points raised in para 4.6 above, the strategy has the scope to achieve this.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 There are no financial implications for this Authority that are so far identified. It will not be responsible for the scheme's implementation or funding and no Council land is directly affected. It is unclear how it might affect the costs of the Council's emergency planning function in the longer term.

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

- 7.1 There are none at this stage.

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

- 8.1 The greatest risk to residents and businesses is through not addressing the existing extent of flood risk. The Strategy proposes an appropriate and comprehensive approach to dealing with this.

## **9. TIMETABLE FOR IMPLEMENTATION**

- 9.1 This is covered in paragraph 1.9 above.

**Report Author: John Brooks, Deputy Head of Planning and Housing Strategy.**

**Background Papers: (Copies of the papers referred to in this report are available in the Members' Room)**

**APPROVAL OF TENDER FOR PROPOSED CYCLEWAY AND FOOTPATH  
AT HAWKE PARK, SUNBURY**

**Resolution Required**

**Report of the Deputy Chief Executive**

**EXECUTIVE SUMMARY**

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

The cycleway and footpath scheme would provide an improved recreational facility to encourage people to take more exercise, which meets the healthy community corporate priority. It could also encourage more residents to use the land more regularly, including for a safe cycling route to schools.

**Purpose of Report**

To record the appointment of a contractor to undertake the work and to provide an outline of the programme of activities.

**Key Issues**

- Purchase of land
- Appointment of the contractor
- Obtaining planning permission
- Programme of works

**Financial Implications**

The proposed purchase of this land from Surrey County Council for a nominal price was reported to Executive on 20 January 2009. The purchase was for a nominal price and commuted sum for grass maintenance has been agreed for 15 years, resulting in a future cost when this expires. The County Council has also proposed to fund the construction of the cycleway and footpath works (to the sum of £150k).

Spelthorne itself, will become responsible for maintenance of trees, shrubs etc and the cycle path for which there is no commuted sum. Construction materials for the cycleway and footpath have taken this into account and will require minimal maintenance for a number of years.

**Corporate Priority**

Making Spelthorne Safer/Engaging Younger People/Making Spelthorne a Better Place

**Recommendation**

**The Cabinet is asked to agree the appointment of Poulson Plant Hire for the construction of a cycleway and footpath at Hawke Park, Sunbury (finished with Fibredec).**

**Report Author: Ken Saunders, Building and Contract Management Surveyor, Tel: 01784 446317**

**Contact: Nigel Lynn, Deputy Chief Executive, Tel: (01784) 446300 and Terry Collier, Assistant Chief Executive, Tel: (01784) 446296**

**Cabinet Member: Councillor Frank Ayers**

## MAIN REPORT

### 1. BACKGROUND

- 1.1 Public consultation on the construction of the proposed cycleway and footpath was undertaken in early 2009. At that time the choice of materials was tarmac or a Breedon Gravel finish. As local residents wished to see a naturalistic effect they preferred the latter. Subsequently, at the request of Surrey County Council Officers, an alternative specialist applied surface was investigated, which is used elsewhere in the County for cycle paths and yet has a natural looking finish. This material, Fibredec, was selected as one of two materials in the tender process for construction of the cycle path because of durability.
- 1.2 Tender documents were prepared for the two alternative specifications and invitations to tender sent to three companies recommended by Surrey County Council and another seven appearing on Constructionline and having previously worked on behalf of the Council.
- 1.3 Nine valid tenders were received, each quoting for both Breedon Gravel and Fibredec finishes. A detailed analysis indicated that the cost of the Fibredec specialist finish was slightly higher, on-going maintenance would be significantly reduced. Both surfaces could be installed within the funding allocated by Surrey County Council.
- 1.4 The line of the cycleway and footpaths is intended to minimise the impact on (and from) trees. A detailed tree survey has been undertaken which recorded variety, girth and condition of all trees along the route and made recommendations on actions required. It has been suggested that a number of trees may need to be removed, although the option of varying the route will reduce this. Those trees to be removed are generally in poor condition or are little more than saplings. However, in tandem with development of the plans a landscape architect has been consulted to ensure the line of the path is appropriate and to suggest possibilities for the surrounding landscaping. However, the latter would be funded separately possibly through money from Surrey and work undertaken by voluntary groups such as Civic Pride and local resident associations.
- 1.5 A planning application has been submitted to ensure thorough consultation on the proposals is undertaken. This will compliment the earlier public consultation. The planning application is likely to be considered in December (9).
- 1.6 Liaison with the Surrey County Council Highways Officer has established that traffic calming measures are to be investigated where the route crosses The Avenue. This matter is not covered by this report as it will be a County issue.

### 2. KEY ISSUES

#### 2.1 Purchase of land

Negotiations have been on-going for many years and the Council is now close to finalising the purchase of the area of land formerly known as TP26, now called Hawke Park, Sunbury following a consultation exercise. The purchase will be on the same basis as agreed at Executive (20 January 2009). The Council is currently awaiting the return of the completed documents from Surrey County Council.

## **2.2 Appointment of contractor**

It has been established that the use of Fibredec is financially viable. The application of Fibredec necessitates the use of a nominated sub-contractor, Colas. However, by virtue of the need to apply this product to the prepared sub-base when good weather conditions can be guaranteed, Colas cannot apply this surfacing between November and February (and sometimes later).

However, it is proposed to appoint Poulson Plant Hire as they provided the cheapest quotation for both options and have provided satisfactory references. This company is one of three recommended by Surrey County Council from their Countryside Services Contract list and have been the subject of a proper validation procedures through their procurements process.

## **2.3 Planning application**

The planning application has only recently been validated due to the need to obtain a detailed tree survey as part of the application. This has now been completed and the planning application has now been publicised.

## **2.3 Proposed programme of works**

In view of the current status of the planning application, the need to complete the purchase of the land and the technical requirements for the application of Fibredec, it will not be now possible to complete the footpath before the end of the calendar year, as initially anticipated. It is therefore proposed to appoint Poulson Plant Hire with a view to them beginning constructing the sub-base in early February 2010, subject to weather.

They have advised that it will take three weeks to construct the sub-base , assuming the weather and access is favourable. To achieve this the intention is to work along the route from one end with 100 m of sub-base being constructed each day. Ramps, drop kerb, posts and signs etc. will be installed as works proceeds. Assuming Colas is able to commence the application of Fibredec in March 2010, it is reasonable to assume the works can be completed before the end of March, with their work taking less than a week.

## **3 OPTION ANALYSIS**

- 3.1 The options are for constructing the cycleway/footpath with a Breedon Gravel surface (as originally intended) or the Fibredec as suggested by Surrey County Council.
- 3.2 If using the Breedon Gravel work on the sub-base can commence as soon as the title transfer has been completed and planning permission granted. On- going maintenance of this surface will be higher than Fibredec but is difficult to quantify.
- 3.3 If using Fibredec the programming the works will delay the works until February.
- 3.4 In view of the planning situation, there seems little advantage in starting works before February. In any event, with the proposal to use Fibredec it is not desirable to leave the sub-base exposed for a prolonged period.

## **4 PROPOSALS**

- 4.1 The proposal is to appoint Poulson Plant Hire as the main contractor to undertake the construction of the cycleway and footpath (in conjunction with the nominated sub-contractor for the Fibredec surfacing) for works to start upon completion of the purchase of the land and obtaining planning permission.

## **5 BENEFITS AND SUSTAINABILITY**

- 5.1 The formation of a formal cycleway and footpath along this area in place of the existing earth track provides the opportunity to significantly improve access to the area. The option of Fibredec provides a durable surface which requires very little maintenance. The spoil from the excavated sub-base area will be graded and, where suitable, spread either side of the path and seeded. The final landscaping of the area is to be consulted on with local residents, with a view to work being undertaken by Environment Services and will enable sustainable areas to be created.

## **6 FINANCIAL IMPLICATIONS**

- 6.1 Funding for the path itself is being provided by Surrey County Council. The tender price is well within the established budget. The delay in starting work will result in the tender price being increased in accordance with RPI.

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

- 7.1 The planning and land purchase implications are as outlined above.
- 7.2 Due to the fact that the proposed surface is different from the initial consultation it is proposed to let Sunbury residents know of the proposal to install Fibredec through meetings with LOSRA and Friends of Sunbury Park. Photographs can be provided and also examples provided of where the material has been used.

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

- 8.1 Further contact has been made with LOSRA with a view to seeking their comments.

**Report Author: Ken Saunders, Building and Contract Management Surveyor,  
tel: 01784 446317**

**Background Papers:  
Executive Report 20 January 2009.**

## **GROUNDS MAINTENANCE CONTRACT UPDATE AND REVIEW OF UNCUT GRASS AREAS – KEY DECISION**

### **Resolution Required**

### **Report of the Deputy Chief Executive**

### **REPORT SUMMARY**

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

The letting of the Grounds Maintenance contract continues to improve the overall quality and cost effectiveness of the grounds maintenance service to the public. Reducing the quantity of grass cutting has made the contract more financially viable, but has raised concerns in two areas of the Borough in particular.

#### **Purpose of Report**

To update members on the progress of the new grounds maintenance contract and to inform members of the current situation and issues in respect of the uncut grass areas

#### **Key Issues**

- Review of changes to contract specification
- Update of current performance and standards being achieved
- Review of un-cut grass areas
- Agree future maintenance of uncut grass areas

#### **Financial Implications**

There will be no financial implications if we continue with Options 3.1 and 3.2, however should members decide to revert back to cutting the uncut areas this would place a burden on the Councils already difficult financial situation of between £40,000 and £50,000 per year for the remaining nine years of the contract.

#### **Corporate Priority**

3. Environment, 7. Healthy Community, 9. Sustainable Financial Future, 10. Value for Money

#### **Officer Recommendations**

**The Cabinet is asked to note the update on the performance of the new contract and to consider the recommendations of the Performance Management and Review Committee on the future for the cutting regime.**

**Report Author: Jackie Taylor, Head of Street Scene, Tel: (01784) 446418**

**Contact: Nigel Lynn, Deputy Chief Executive, Tel: (01784) 446300.**

**Cabinet Member: Councillor Mrs. Denise Grant**

## MAIN REPORT

### 1. BACKGROUND

- 1.1 In December 2006 qualitative research was carried out by “Conquest Qualitative” on behalf of Spelthorne Borough Council relating to “Prioritising Spend in 2007”. This research was carried out with selected groups of residents from all areas of the Borough representing varying age groups. The consultation covered many topics including the cost of the grounds maintenance service, and ways in which these costs could be reduced.
- 1.2 The results of the consultation were evaluated and indicated that emotionally residents appreciate parks & open spaces. However, they rationalised that other services are more essential and there was a preparedness to accept a reduction in certain standards of maintenance. Amongst the suggestions were:-
  - (a) Grass in parks cut less often
  - (b) Some open spaces left to grow wild
  - (c) Even fewer flowers
  - (d) Sell a smaller park or open space for development
- 1.3 These proposals (above) were proposed because the residents consulted understood that:-
  - (a) Discretionary spend on the service is seen as surprisingly high (residents struggle to see why this is the case)
  - (b) Other discretionary services are considered more essential
- 1.4 Excluded from any suggested cuts was the provision and maintenance of equipment in children’s playgrounds which were seen as a high priority by the residents consulted.
- 1.5 The re-letting of the tender enabled us to address issues raised by the Business Improvement programme in terms of cost effectiveness. We were also able to build into the new specification control measures to ensure that standards and frequencies are achieved along with operational efficiencies.
- 1.6 A new grounds maintenance specification was drawn up, the most relative changes were:-
  - (a) Removal of static park attendants from all parks & open spaces (excluding Walled Garden & Lammas spray ground)
  - (b) Increased frequencies for litter & dog bin emptying (including control measures to ensure specification standards are met)
  - (c) Non closure of all pedestrian gates
  - (d) Grass cutting frequency changed to output specification
  - (e) Bowling greens moved to self management
  - (f) Increased management of children’s play facilities
  - (g) Standardisation of open/close times
- 1.7 The Councils financial situation requires it to look at all areas for potential savings. The focus groups clearly indicated that residents were of the opinion that public satisfaction levels could be improved and costs could be reduced in a

number of ways including reduced grass cutting, wild open spaces, reduction of formal planting and sale of land for housing

- 1.8 Throughout both 2007 and 2008 growing seasons a number of areas remained uncut to monitor customer reaction. There have been very few comments received from the public on these trial areas over the two year period.
- 1.9 Changes were agreed by officers and members and the tender was put out as an “open tender” in a number of “lots” to ensure that we gave as many tenderers as possible the opportunity to submit their prices for a period of 5 plus 5 years for individual, or all, of the lots. In September 2008 the prices were evaluated and it was very clear that the specification would not realise the efficiency savings that we needed to make to assist the Council with its budget issues. The tender was sent out again requesting prices for additional periods of 10 and 15 years (plus five) and also a cost if “all lots” were awarded to the same contractor. The costs came back in again but the prices had not reduced by any more than a few hundred pounds. It was clear that there were four front runners who were interviewed by officers to ensure that they all fully understood the contract terms and also identify where they felt that additional savings could be made. Of the four contractors Lotus Landscapes Ltd offered the most to the Council in terms of contract savings. They also confirmed that if we were to reduce grass cutting they could absorb a 15% reduction without making the contract non-viable. Officers were then tasked with identifying areas that may be suitable for reduced grass cutting.
- 1.10 At the Cabinet meeting on 9 December 2008 members agreed to award the new Grounds Maintenance Contract to Lotus Landscapes Ltd with effect from 1 April 2009 for a period of 5 years with an option to extend for a further 5 years. The new tender achieved revenue savings of £185,000 per year.
- 1.11 In recognition of the research and the Councils on-going financial issues Officers were tasked with identifying areas within parks and open spaces that, if left uncut would have less impact on the majority of the community as they were not highly used, recognising that there would be a visual and practical impact for some residents. It was also agreed that an equitable approach should be taken across the borough to avoid any suggestion that particular areas had been targeted. In excess of 70 sites were originally identified and following several meetings and discussions with task group members this was reduced to 27 sites attached as **(Appendix 1)**. As the report will later discuss two particular sites, it should be noted that the original list included the non cutting of any of the area of both Leacroft & Sykes. Members were taken on a tour of a sample of the proposed and current uncut grass areas such as Sunbury Park, Splash Meadow and Long Lane Recreation Ground. In addition to a number of changes that members proposed, a criterion was drawn up allowing for the following:-
  - (a) Relatively underused in comparison to other parks & open spaces
  - (b) Would have less impact on the wider community
  - (c) Less visual impact for the majority of residents
- 1.12 Officers consulted with members again and the final list of 27 sites was drawn up on the agreement that:-
  - (a) Members would closely monitor the uncut areas
  - (b) Officers would inspect these areas regularly



- (c) Changes may be made in relation to the suitability of the areas cut in that the areas may need to be increased/reduced. However, it was accepted that it was unlikely that this could be evaluated until a full season had passed
- (d) A detailed record would be kept of all complaints relative to the uncut areas
- (e) A maximum of £50,000 savings would be achieved
- (f) Not directly overlooked by residents

1.13 Following further Member consultation a final list was put before the Performance Management & Review committee in January 2009 along with recommendation of contract award. This was then subsequently agreed by members of the Cabinet.

## 2. KEY ISSUES

2.1 The contract has now been in place for seven months and feedback from the majority of the public and members is favourable. Lotus staff are on site daily before 12pm to empty dog & litter bins and also remove loose litter. Lotus have informed us that there has been no increase in litter between 2008 to 2009 as a result of the change of contract. There has been approximately 24 grass cuts to date on parks and open spaces.

2.2 To date we have recorded the following issues in respect of the overall contract awarded to Lotus.

Issue	Number of complaints
Grass cutting in parks & open spaces	2
Litter bin emptying	3
Closure of vehicle gates	10
Uncut grass areas	54
Cemetery maintenance	0
Playground maintenance	0
Dog bin emptying	0
Sports grounds	2
Janitorial provision	1

2.3 This table, along with regular inspections of all areas by Members and Officers, provides clear evidence that Lotus are performing according to contract specification and are very proactive in their efforts to ensure that they perform well in all areas of the contract. In addition to this they respond very quickly to issues that are identified and put in place procedures to eliminate further problems from occurring.

2.4 Monitoring of the contract is undertaken mainly by officers within the Streetscene department. Meetings are held and reports are received weekly on issues such as litter bin emptying, playground inspections, grass cutting and bed maintenance.

2.5 Streetscene have also received compliments in respect of the improved maintenance and standards within the parks and open spaces, the majority of which are usually by word of mouth rather than written communication an example of which is: *“Congratulations on the maintenance much improved you must be pleased “*

### Pedestrian Park Gates

- 2.6 There were initial concerns that the non closure of pedestrian gates and the removal of park attendants would have a negative effect on the park, however this has proved not to be the case. Therefore, no problems to date.

### Bin Emptying and inspections

- 2.7 At the outset of the contract Lotus offered and put in place an innovative solution to secure the timely completion of tasks required i.e. bin emptying, gate opening, and equipment inspection. The solution in the form of bar code readers and scanners provide us with valuable data that can be easily monitored by the depot and may in the future provide further efficiencies such as the reduction in numbers of litter bins that are underused.
- 2.8 There has been a noticeable reduction in the number of contacts with residents complaining about issues such as the length of the grass or un-emptied litter and/or dog bins. Therefore, no problems to date.

### Uncut areas

- 2.9 Information notices were placed in relevant areas to advise residents of the proposals for the uncut areas. This provoked an initial period of letter writing and contact from some areas, but the reaction was more favourable than had at first been expected. An up to date communication list has been attached as **(Appendix 1)**. This may be due to many reasons including the fact that Lotus have been very pro-active in ensuring that litter or fly tipping within these areas is kept to a minimum and removed as soon as possible. *However, it became clear that complaints were being channelled through of residents groups who remained unhappy despite best efforts to state the Council's position. The main areas of customer concern were:-*
- (a) Non collection of dog waste by owners
  - (b) Fly tipping
  - (c) Scruffy appearance
  - (d) Anti social behaviour
  - (e) Lack of space for youth activities
  - (f) Drug related litter
  - (g) Rats & vermin incl. faeces from foxes
  - (h) Weeds
  - (i) Litter bin emptying
  - (j) Litter removal
- 2.10 The Cabinet Member for the Environment agreed that all areas would be monitored by Members and Officers to ensure that other maintenance regimes are upheld. In addition to this, it was agreed that should the Cabinet Member feel that action needed to be taken in respect of returning areas to cut rather than uncut areas this would be carried out. No areas have been identified that, in the Cabinet Member's opinion should revert back to a regular cutting regime.
- 2.11 One of the main concerns in the majority of the communications received on the subject of un-cut grass related to uncollected dog waste. This has been

monitored by both Lotus and Streetscene supervisors and there is no evidence of a significant increase in the levels of dog waste left on the ground, uncollected by irresponsible dog owners.

Sykes Drive [\(See additional information\)](#)

- 2.12 There were objections from a housing area in Sykes Drive, Staines, resulting in an article in the press and a petition being presented to Council (July 09).

Leacroft Green [\(See additional information\)](#)

- 2.13 Additionally, there are a group of residents in Leacroft, Staines, who are communicating frequently with officers and members in respect of the uncut area on Leacroft Green. Their main concerns are aimed at litter, fly tipping and dog waste and Officers and Members have met with representatives to try to allay their fears that, in their opinion, this area will turn into a dumping ground.
- 2.14 The Leacroft residents have also requested that the Council remove all floral displays from outside the front of the Council offices and restore the verge as an un-cut grass area. This request has been refuted by officers on the basis that it is a public building visited and seen by a very large number of people who would not find it acceptable to see grass verge in front of a civic council offices public building. All the correspondence emails are available in the Members Room for perusal. The remaining 25 uncut areas have created little or any response from the public.
- 2.15 [There is also a small “roundabout” parcel of land outside the Red Lion Public House which has been cut as a highway verge.](#)

### 3. OPTIONS ANALYSIS

Option One:

- 3.1 Streetscene officers continue to monitor the grounds maintenance contract in the same way and report on any particular issues that may arise during the contract term should it be required. Therefore, the Council will retain the areas of uncut grass and continue with Member and Officer inspections and continue to realise savings of at least £40,000 per annum on the original contract figure for the life of the contract (£400,000 minimum).
- 3.2 Alternatively, revert to the original cutting regime (either in part or whole) which will reduce customer complaints, but will require extra revenue funding per annum to be set aside to cover the costs. Additionally, this may encourage other areas to complain that their areas should also be cut. Any funding secured would need to be on a sustainable basis for the future.

### 4. PROPOSALS

- 4.1 Members are asked to approve the current monitoring proposals for the grounds maintenance contract and also agree that the areas identified in **(Appendix 1)** remain as uncut areas of grass. **(Option 1)**

### 5. BENEFITS AND SUSTAINABILITY

- 5.1 The main benefits are budget savings and the improved efficiency and flexibility of the contract reflecting the boroughs financial concerns and its corporate priorities. There have also been some positive public comments with regard the

new regime. The condition of the 27 sites has been photographed regularly and examples are shown in **(Appendix 2)**.

- 5.2 All areas will be under regular review and within the budget there is a small degree of flexibility for the future, but if one area of the contract is increased another area will need to be decreased.

## 6. FINANCIAL IMPLICATIONS

- 6.1 If members agree with the current non cutting regimes as proposed, then there are no financial implications.
- 6.2 If members decide that any or all of the uncut areas should revert to specification cutting regimes, then the financial implications could be up to of £40,000 per year, multiplied by the length of the contract (up to nine years).

### 6.3 Sykes Drive

Initial one off cut & collection (based on current condition of long grass)	£2386 (estimate)
Ongoing additional cost to cut the uncut 50% of Sykes Meadow @ 24 cuts	£814 per year
Total cost 2010/11 (initial cost and ongoing)	£3,200
Additional costs for 10 year contract term	£11,526

### 6.4 Leacroft Green

Initial one off cut & collection of bramble & dense growth (based on its current condition having been cut already)	£500.00 (estimate)
Ongoing total cost 2010/11	£815 per year 24 cuts
Additional cost to cut all of Leacroft	£315.00 per year
Additional costs for 10 year contract term	£3450.00

- 6.5 The contract had a 12K contingency included for emergency works. To date, £5,973 has been spent.

## 7. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS

- 7.1 There are none, as grass cutting is not a statutory requirement.

## 8. RISKS AND HOW THEY WILL BE MITIGATED

- 8.1 Initial risks were related to the contract specification changes, i.e. removal of park attendants and non closure of pedestrian gates. Although these concerns were raised by residents at the outset of the contract enquiries soon diminished and there have been very few (if any) effects within the parks and open spaces as a result of these service changes. This can be contributed to the self monitoring imposed by Lotus and also regular monitoring by Members and officers.
- 8.2 Residents reaction to uncut grass areas has related to mainly to 2 or 3 specific areas as detailed in **(Appendix 1)**. The main area of contact with residents has been in Sykes Drive and Leacroft. This communication is on-going and, should Members agree the recommendation, officers will continue to emphasise the council's financial position and the reasons why these areas are to remain uncut. We will also re-emphasise the regular inspections that will be undertaken by both

Members and officers to address their concerns in respect of fly tipping, litter and dog waste.

**Report Author: Jackie Taylor, Head of Street Scene, Tel: (01784) 446418**

**Background Papers:**

**Grounds maintenance contract re-tender 15.01.08**

**Grounds maintenance tender 09.12.09**

**Grounds maintenance contract 20.01.09**

**Emails/Letters with Leacroft Residents Association (in the Members Room)**

**Petition from Sykes Drive residents presented to Council 23.07.09**

## PROPOSAL FOR SPELTHORNE TO JOIN CENTRAL SURREY PROCUREMENT PARTNERSHIP

### Resolution Required

### Report Assistant Chief Executive

### REPORT SUMMARY

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

Joining the Central Surrey Procurement Partnership would help the Council purchase more efficiently and economically goods and services on behalf of residents.

#### **Purpose of Report**

This report seeks the Cabinet's agreement to joining the existing Central Surrey Procurement Partnership (Elmbridge and Epsom and Ewell) in order to improve the efficiency of our procurement processes and to secure cost reductions in the Council's purchasing and service contracts. By reducing procurement spend the Council will be able to make revenue savings to help the Council balance the budget whilst maintaining services for the residents.

#### **Key Issues**

- Financial pressures facing the Council, need to be looking to smarter procurement to help deliver cash savings to improve overall budget position
- To join the Central Surrey Procurement Partnership and have access to 1 day a week of the Partnership's Procurement Head
- To appoint a procurement officer based at Spelthorne or allocate some dedicated internal resource in order to realise cashable savings

#### **Financial Implications**

Smarter procurement should be focused on delivering cashable savings. Current (2006-07 data to shortly be updated with 2008-09 data) indicates that the combined procurement spend of the three authorities is approximately £40million per annum.

There would be a revenue cost of the £6k contribution towards cost of the Partnership's Head of Procurement. This will be more than offset by deleting the current vacant Procurement Officer post (£35k budget) and redirecting some of the Business Improvement time to provide procurement analysis and focus on cashable savings. We would seek to retain £15k as a contingency for purchase of specialist procurement expertise. Net direct saving £14k

The Improvement and Efficiency South East (IESE) agency has produced a [draft report](#) suggesting that Spelthorne through smarter procurement ought to achieve cash savings of at least £200k over the next two financial years.

Corporate Priority: **All**

#### **Officer Recommendations**

**The Cabinet is asked to agree:**

1. That the Council joins the Central Surrey Procurement Partnership of Elmbridge and Epsom and Ewell and that Spelthorne has access to one day a week of the Head of Procurement of the partnership.
2. The reprioritisation of the Business Improvement Team's tasks to enable them to provide resource to help the organisation realise procurement savings.

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

**Cabinet Member: Councillor Vivienne Leighton**

## MAIN REPORT

### 1. BACKGROUND

- 1.1 In its widest sense procurement covers “purchasing” such as office supplies and equipment, but also includes, for example, agency staff, building maintenance and materials recovery facilities contracts. As a general rule, the larger the potential spend available the greater power you have in the market. Also, the greater your knowledge of the market and of the procurement activities of others then the better the deals available to the Council.
- 1.2 The Council currently has budget provision for £35k for a procurement officer which would be sufficient for a relatively junior officer (for comparison Elmbridge have recently advertised for their vacant procurement officer on a scale of £26k to £32k). The Council to date has not sought to fill that position as it has been waiting to see the outcome of procurement partnership discussions.
- 1.3 In 2007-08 the Surrey Procurement Networking building on procurement spend analysis of all eleven districts in Surrey, commissioned a procurement resource analysis for the Surrey districts. This was undertaken by Helm Consultancy and was funded by GOSE and South East Centre of Excellence. The resulting report (**see [Appendix 1](#)**) identified a severe lack of procurement professionals across the 11 districts. The Helm report suggested that one way of addressing this would be to form two procurement hubs in Surrey, Helm suggested that Epsom & Ewell and Elmbridge had already proved this model can work with the sharing of the former Head of Procurement & Projects in Epsom & Ewell. This has been taken forward by the Improvement and Efficiency South East recognising Epsom and Ewell and Elmbridge as a worthwhile hub they wished to support and help develop and to expand to include a third member authority. Currently IESE provide £36k funding per annum to the partnership and are represented on the Partnership Board providing an additional drive to seek out cashable efficiencies. Originally the third member authority was going to be Mole Valley but that did not happen. Spelthorne now has the opportunity to become the third member of the partnership.
- 1.4 (**Appendix [2a](#) and [2b](#)**) summarises from the 2006-07 Spikes Cavell procurement data (which is currently being updated with 2008-09 data) including the spend by category and spend by supplier across the three partner authorities. A key drive for the expanded partnership will be to look at common areas of spend and common suppliers to look for opportunities to join up contracts to deliver greater savings.

### 2. KEY ISSUES

- 2.1 The basis of the proposal is that:
  - (a) Without expert dedicated staffing resources the procurement agenda is unlikely to progress swiftly enough to meet both Council and Treasury expectations of the savings that should be realised by a more effective approach to procurement.
  - (b) In the context of the government’s efficiency programme, a joint, multi-district, approach to procurement provides increased opportunities to realise larger savings and explore more innovative areas of shared services and regional purchasing arrangements.

- (c) The Procurement Board, in consultation with the **Cabinet Member for Finance and Resources**, has identified a need for increased capacity and expertise in procurement in Spelthorne. This has been evidenced from recent procurements such as Choice Based Letting. This would provide cost savings both in terms of processing and purchasing. It is also evident from recent experiences that procurement expertise to guide and support managers will build confidence and improve access to wider procurement markets, enabling us to access the best deals for the Council.
- (d) With public borrowing continuing to soar, it is clear that the Council faces increasing financial pressures. Part of the Council's strategy for closing future budget gaps should be to procure goods and services more effectively and to achieve cashable savings.
- (e) The Central Surrey Procurement Partnership (CSPP) is a procurement hub. This type of arrangement allows councils to share scarce expert procurement resources and join up procurement spend to achieve cashable and non-cashable savings.
- (f) In addition to generating cashable savings as part of procurement, we need to be looking at embedding sustainable procurement and looking at how our approach to procurement impacts on local small and medium size enterprises. As the report on the Procurement Strategy to Improvement and Development Committee in January 2009 indicated, Spelthorne by joining the partnership will help give us additional resource to direct towards pursuing these issues.

### **3. OPTIONS**

#### **3.1 Do nothing**

- (a) The Council could continue to keep its procurement officer post vacant, avoiding revenue expenditure. However, this would mean there would be no corporate resource to assist services in undertaking procurement exercises, seeking our best deals, helping to ensure the contract register is kept updated and used effectively and to work both with the Partnership member authorities and other Surrey authorities on aligning contracts and leveraging out better terms from suppliers.
- (b) It should be recognised that Runneymede's Procurement Officer is a member of the Spelthorne Procurement Board which meets on a monthly basis and that he does provide guidance and advice to Spelthorne but that he is constrained in the time he has available to advise Spelthorne and does not represent an on-site presence.

#### **3.2 Do not join partnership but appoint a local procurement officer**

- (a) We could appoint from the existing budget a relatively junior procurement officer who could help provide support to services and devote more time than the CFO is able to do to engaging with Surrey Procurement Network projects. However, such an officer really would benefit from a head of profession able to provide appropriate direction and coaching.

#### **3.3 Join the Central Surrey Procurement Partnership**

- (a) Join the Central Surrey Procurement Partnership as its third authority and appoint a local procurement officer. This would provide the Council with



access to the expertise and experience of the Partnership's Head of Procurement to share their methodologies, to focus on aligning contract opportunities with the other two authorities and to have the opportunity to engage with IESE representatives on the Partnership Board.

- (b) An alternative may be to consider a possible job share with Elmbridge if Elmbridge decide they need to reduce their costs. This would of course reduce the amount of time the individual would be available to support Spelthorne but might enable the existing budget to cover both the procurement officer and Spelthorne's contribution toward the Partnership's Head of Procurement.
- (c) ([Appendix 3](#)) includes draft proposals presented by the Partnership Head of Procurement. **Note the figures on slide 8 have been modified** as the other partnership members have agreed that the £36k contribution from IESE should be shared equally across the partnership which would reduce the net Spelthorne cost to £41k.

### **Join the Central Surrey Procurement Partnership and Business Improvement Team to provide local procurement support**

- (d) Whilst the Business Improvement Team already has a heavy workload it may be possible to re-prioritise their workload to enable them to help the Council to deliver the level of cash savings IESE is indicating is possible. The Business Procurement team would focus on identifying and ensuring the achievement of cashable savings such as those set out in appendix 5. This would mean that the broader aspects of the Procurement Officer job description such as supporting managers with individual procurements would not be delivered. If this option were implemented, some of the current budget provision for a procurement officer could be released (some budget to be retained for specialist procurement advice) generating a cash saving of say £15k.
- (e) The Board of the Procurement Partnership would need to be persuaded that such an approach would enable Spelthorne to play a full role in the Partnership.

### **Management Arrangements**

- (f) The CSPP would need to be managed by a separate officer Board made up of representatives of each of the 3 Councils. The board would approve the annual work plan and targets and monitor progress.

### **Responsibilities of the CSPP**

- (g) Provide a central dedicated procurement resource within each of the 3 Councils.
- (h) Local Responsibilities
  - Local strategic direction
  - Ownership of procurement strategy
  - Procurement advice
  - Let Corporate contracts
  - Provide procurement training

- Project Management
- Champion/implement e-procurement

Also to take advantage and drive joint procurement opportunities across the 3 Councils where appropriate.

Joint Procurement Responsibilities:

- Undertake spend analysis - identify joint opportunities
- Lead joint procurement projects
- Harmonise processes/systems/documents
- Develop common contract procedure rules
- Develop/implement common e-procurement trading platform
- Lead procurement debate across Surrey

The Partnership will use the 2008-09 procurement spend analysis for the three authorities to focus on areas offering the greatest potential for cashable and non-cashable savings.

IESE has done an initial report for Spelthorne (appendix 4) which suggests that through smarter procurement Spelthorne could achieve a least £200k per annum cash savings.

The pay back to cover the investment in this new team would be from cashable savings. These would be derived as follows:

- Leveraging purchasing power of 3 Councils to drive down costs of goods and services in commodity areas.
- Bundling of contracts across Councils - single management arrangements

A specific set of cashable and non-cashable targets will be developed to provide payback on the investment.

#### **4. PROPOSALS**

- 4.1 That the Council joins the Central Surrey Procurement Partnership and
- 4.2 Re-prioritise the Business Improvement Team to provide some dedicated procurement support. The work of the Business Improvement Team will be focused on delivering cashable procurement savings, commencing with those suggested in the IESE report.

## **5. BENEFITS AND SUSTAINABILITY**

- 5.1 By putting in place procurement resource and expertise the Council

## **6. FINANCIAL IMPLICATIONS**

- 6.1 There is currently budget provision for £35k for a procurement officer.
- 6.2 if the Business Improvement Team were to take on some of the role of providing procurement analysis whilst we might wish to retain £15k budget for specialist procurement advice we could release the balance of the existing budget provision for a procurement officer to generate a small cashable saving (approx £14k) even after joining the Procurement Partnership.
- 6.3 If Spelthorne join the Partnership then the Partnership Board would be bidding for a greater financial contribution from IESE for 2010-11 in recognition of the expanded number of authorities making up the partnership.

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

- 7.1 We will ensure that we sign a clear partnership agreement making clear the terms of the partnership membership

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

- 8.1 There is a risk that the partnership would not generate sufficient additional revenue cashable savings to offset the net revenue cost of Partnership membership. This can be mitigated by looking at the new procurement spend data from Spikes Cavell when it comes out in October 2009 to identify the areas of most potential for cashable savings across the partnership and put in place an agreed action plan. IESE as stakeholders will also be very determined to ensure that the expanded partnership generates cashable savings. Spelthorne officers are already in discussion with IESE with regard to areas of focus for generating cash savings from procurement.
- 8.2 If the Council were instead of appointing a Procurement Officer were to direct Business Improvement to focus on procurement analysis but not provide the broader procurement support for managers there is a risk that the Board of the Procurement Partnership might decide that Spelthorne could not make a full contribution to the Partnership and would decline our application to join. However, IESE seem keen to work with Spelthorne so perhaps they could be persuaded to be seen to help us deliver procurement cash savings by a different route.

## **9. TIMETABLE FOR IMPLEMENTATION**

- 9.1 8 December 2009 - Cabinet approves Spelthorne membership.  
Mid December 2009 Spelthorne BC formally joins the CSPP.

**Report Author: Terry Collier, Assistant Chief Executive, Tel: (01784) 446296**

### **Background Papers:**

There are none

**TREASURY MANAGEMENT HALF YEARLY REPORT 2009/2010 -  
KEY DECISION**

**Resolution Required**

**Report of the Chief Finance Officer**

**REPORT SUMMARY**

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

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

**Purpose of Report**

This report is to update members on treasury management activities for the first half year to 30<sup>th</sup> September 2009.

**Key Issues**

- To note the borrowing and investment strategies followed during the first half of 2009/10 and the policy for managing the Council's investments.
- To note the treasury position achieved against the prevailing interest rate and economic backgrounds operating during the first six months of 2009/10.
- To note the economic background and ongoing recovery in global banking systems and markets.

**Financial Implications**

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

**Corporate Priority**

All corporate priorities are supported.

**Officer Recommendations**

**The Cabinet is asked to note the report.**

**Contact: Terry Collier, Assistant Chief Executive and Chief Finance Officer  
Tel: 01784 446219**

**Cabinet Member: Councillor Mrs. Vivienne Leighton**

## MAIN REPORT

### 1. BACKGROUND

- 1.1 Treasury Management is “the management of the Council’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
- 1.2 The criteria governing the Treasury Management function are set out in the Treasury Management Policy Statement approved by this Committee in October 2003, and worked to consistently since then. This report is an interim statement of those activities for the first six months of the financial year, to the end of September 2009.
- 1.3 The Council has appointed Sector Treasury Services as professional advisors on all treasury management matters. Regular quarterly meetings are held with them to discuss the Council’s treasury options and all investment and borrowing decisions are made on their advice. Their current contract runs until 31<sup>st</sup> October 2010.

### 2. KEY ISSUES

#### 2.1 Strategy for the year

- 2.2 Members approved the Annual Investment Strategy in January 2009 and the overall 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.
- 2.3 The Council seeks professional advice from Sector when considering treasury management investment decisions. Suitable investments for the prudent management of treasury balances are classified as specified and non specified investments and are set out in the DCLG guidance, which the Council adheres to.
- 2.4 The credit quality of counter-parties (issuers and issues) and investment instruments is assessed by reference to Fitch Ratings, or the equivalent Moody’s or Standard and Poor’s ratings. The Council’s counter-party credit policy is based on Sector’s suggested criteria and this is frequently reviewed to ensure that risk to the Council of counter-party defaults remains low. Counterparty ratings are usually reviewed on a weekly basis.
- 2.5 The Council’s investment strategy is kept under constant review, in consultation with Sector. Given Spelthorne’s dependency on investment returns to balance the budget it was considered appropriate to consolidate returns by moving a significant proportion into longer term fixed investments in the form of cash deposits, CDs and Euro-Sterling Bonds.
- 2.6 The Council has taken the decision that it will not use prudential borrowing to fund capital investment, but will use the available capital receipts. Borrowing activity is thus limited to managing our daily cash flow needs and our strategy is therefore simply to borrow at the lowest available rates for the minimum period required. However, borrowing under the Prudential Regime may be an option for the future and would be considered on a case by case basis.

## 2.7 **Economic Background**

2.8 After a turbulent year for global financial markets and aggressive rate cuts by the Bank of England since October 2008, bank rate started the year at 0.50%. It has remained at this level and is not expected to rise again until September 2010.

2.9 Global growth has been adversely affected by the instability of the banking sector and the credit crunch that resulted from banks reigning in lending. Governments around the world have pumped billions into their economies to support their banking sectors and stave off recession and in the UK the Bank of England embarked on a £175 billion programme of quantitative easing designed to free up credit markets and boost the money supply.

2.10 The effect of these measures will take time to filter through the system but it is hoped that they will avert any further turmoil in the banking sector and prevent a deep recession in the UK. There have been early signs of recovery with some sectors showing growth but concerns remain about the fragile state of any recovery and the impact of unemployment.

2.11 Conditions in financial markets are improving and equity prices have rallied strongly over the last few months. Net lending to businesses is increasing and other major economies, including the US, are starting to exit the recession.

## 2.12 **Compliance with Treasury Limits**

2.13 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 annual Treasury Strategy Statement.

## 3. **OPTIONS ANALYSIS**

### 3.1 **Borrowing Activity to 30<sup>th</sup> September 2009**

3.2 At 30<sup>th</sup> September 2009, the Council had £2.034m outstanding short term borrowings. Borrowing has been restricted to meeting daily cash flow requirements and activity here is limited. Short term borrowing rates have now decreased to around 0.32% following the aggressive reductions in bank rate since October 2008.

3.3 Borrowing averaged £342k during the first half of the year and the average interest rate was 0.35%. During February and March the Council's income is significantly reduced because no instalment monies are received for Council Tax and Business Rates and it is during this period that short term borrowing increases to fund cash flow shortfalls.

### 3.4 **Investment Performance to 30<sup>th</sup> September 2009**

3.5 The average rate of return for the first six months is 4.98%, which is 4.02% above the benchmark 3 month LIBID rate of 0.96% at 30<sup>th</sup> September. This significant outperformance is largely due to the Council's current fixed rate investments as shown in the table below. As these investments mature new investments will be made at significantly lower rates.

3.6 The table below illustrates the difference between interest rates at 30<sup>th</sup> September 2009 compared to those one year earlier:

<b>Investment Rates</b>	<b>30/9/09*</b>	<b>30/9/08</b>	<b>Difference</b>
3 months	0.35%	6.10%	(5.75%)
6 months	0.50%	6.20%	(5.70%)
1 year	0.85%	6.30%	(5.45%)
2 years	1.92%	5.29%	(3.37%)

3.7 At the 30<sup>th</sup> September 2009, the Council's investment portfolio was £21m comprising of the following investments:

<b><i>Euro Sterling Bonds (bonds can be bought and sold in active market)</i></b>	<b>Amount</b>	<b>Yield to Redemption</b>	<b>Maturity date</b>
European Investment Bank 5.50% 7/12/11	3,000,000	3.69%	07-Dec-11
European Investment Bank 4.75% 6/6/12	1,000,000	4.20%	06-Jun-12
European Investment Bank 4.50% 14/1/13	2,000,000	4.88%	14-Jan-13
	<b>6,000,000</b>		
<b><i>Fixed Rate Investments</i></b>			
Allied Irish Bank	1,500,000	5.98%	15-Oct-09
Clydesdale Bank	1,000,000	5.98%	15-Oct-09
Northern Rock	1,000,000	6.25%	16-Oct-09
Ulster Bank	5,000,000	5.30%	11-Dec-09
Nationwide Building Society	2,000,000	1.00%	18-Feb-10
Bank of Scotland	1,000,000	1.25%	01-Mar-10
Barclay Bank	2,000,000	6.43%	01-Jul-10
	<b>13,500,000</b>		
<b><i>Cash Flow Investments</i></b>			
Alliance & Leicester Call Account	1,500,000	0.80%	Instant access
<b>Total – Internally Managed Funds</b>	<b>21,000,000</b>		

3.8 The original estimate for net investment income to be credited to the General Fund in 2009/10 was £1,020,000 based on an interest rate of 2.25%. As at 30<sup>th</sup> September 2009 the net interest earned to date was £546k. However, the outturn for the full year 2009/10 is expected to be in the region of £920k, a shortfall of approximately £100k and this is due to the lower rates available. The shortfall will be made up from the Interest Equalisation Reserve which was set up to manage the volatility in investment returns due to the effect of market interest rates from one year to the next.

### 3.9 **Investment Performance Monitoring**

3.10 Regular meetings are held with Sector, our treasury management advisors and in-house performance is carefully monitored every month. The Council is heavily dependent on investment returns to support the General Fund and the stability of those returns is an important part of our ongoing financial objectives.

3.11 Sector believes that interest rates will remain at 0.50% until September 2010 before steadily rising to the level of 4.5% by September 2012. Accordingly,

fixed term deposits have been made to lock into higher rates where possible and to achieve an element of stability of returns.

- 3.12 Credit ratings are monitored on a weekly basis and the Council maintains a policy of high quality counter-party criteria, based on Fitch Ratings and as suggested by Sector. However, over the past 18 months, many highly rated institutions have had their credit rating significantly downgraded. This has resulted in fewer available investment counterparties for the Council to choose from.

### **3.13 Conclusions for 2009/10**

- 3.14 Returns on short term and cash flow investments have benefited from the effect of the credit crunch although the credit risk associated with our counterparties has also increased. The volatility of returns has been more effectively managed by the current investment strategy which has had a positive impact on our overall returns and should continue to create greater stability in the level of returns in the future.

- 3.15 There should be minimal risk of default with the Council's investments. The investments with UK institutions which are backed by the UK government guarantee. There are also investments with Irish banks which are covered by the guarantee provided by the Irish government.

## **4. PROPOSALS**

- 4.1 Treasury management activity and interest earned on investments will continue to be closely monitored each month to ensure that the maximum overall return is achieved for the Council, subject to minimising risk.
- 4.2 Since 1<sup>st</sup> April 2009 Sector have provided a weekly update of the credit ratings of major institutions. This update also uses credit default swaps data to assess the creditworthiness of counterparties to supplement and improve decision making for maturing investments. This information is currently used for reference and decision making purposes.
- 4.3 A full review of counterparty credit policy will be carried out and updated in the Annual Investment Strategy to be presented to Cabinet in January/February 2010.

## **5. BENEFITS AND SUSTAINABILITY**

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

## **6. FINANCIAL IMPLICATIONS**

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

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

- 7.1 The Council fully complies with best practice as set out in the CIPFA Prudential Code for Capital Finance in Local Authorities, the DCLG Guidance on Investments issued in March 2004 and the CIPFA Code of Practice on



Treasury Management in the Public Sector and Cross Sectional Guidance  
Notes.

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

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

**9. TIMETABLE FOR IMPLEMENTATION**

9.1 Treasury management is an ongoing activity and there is no specific timetable for implementation and this report reflects past performance.

**Report Author:** Jo Hanger

**Background papers:** There are none

**DELIVERY OF SAVINGS BUILT INTO 2009-2010 REVENUE  
BUDGET - KEY DECISION**

**Resolution Required  
Report of the Chief Finance Officer  
EXECUTIVE SUMMARY**

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

Achieving the effective delivery of the budget savings helps deliver the medium term financial strategy of ensuring the council financial position is sustainable to enable the ongoing delivery of services to the residents of the Borough.

**Purpose of Report**

To summarise the extent to which the delivery of the savings totalling £1.3m built into the original 2009-10 currently appear, at this stage of the financial year, to be on track.

**Key Issues**

Key issues include.

- Original savings built into original budget on track to be delivered
- 98.6% of original savings on track
- However, a need to deliver further additional savings

**Financial Implications**

- As above

**Corporate Priority**

Sustainable financial future

**Officer Recommendations**

**The Cabinet is asked to note the report.**

**Contact: Terry Collier, Chief Finance Office on Tel: 01784 446296  
Cabinet Member: Councillor Mrs. Vivienne Leighton**

## MAIN REPORT

### 1. BACKGROUND

- 1.1 In balancing the 2009-10 budget a list of budget savings were identified and built into the budget totalling £1.3m. These items are set out in [Appendix 1](#)
- 1.2 This report does not cover the additional 3% savings totalling approximately £450k which were identified during September to help reduce the anticipated overall revenue budget overspend for 2009-10, see separate revenue monitoring report

### 2. KEY ISSUES

- 2.1 **Appendix 1** summarises feedback from the relevant budget managers as to the extent to which the savings are expected to be achieved.
- 2.2 The majority of service specific savings are on track to be delivered- £1,048k against the target of £1,089k. The following paragraphs highlight a few of the areas where the target will not be fully achieved this year,
- 2.3 The Street Scene restructure in year saving for 2009-10 will be less than the target of £70k and there is likely to be a part year saving of approximately £10k depending on when implemented and will deliver a full year ongoing saving which should in excess of the £70k target. MAT have agreed restructuring proposals
- 2.4 A few of the day centre related savings items will not be achieved.
- 2.5 Savings from joining the Central Surrey Procurement Partnership (Epsom and Ewell and Elmbridge) have not yet materialized as Spelthorne has not yet joined the partnership, please see the separate report to be included on the agenda of the 8<sup>th</sup> October 2009 Cabinet meeting. A plan for delivering cashable procurement savings for Spelthorne is being developed with the Improvement and Efficiency South East.
- 2.6 The salary monitoring projections are indicating that we may exceed the salary vacancies target of £300k by £200k. This offsets the current shortfall against the redundancy/reduced hours/retirement target of £150k. At present the only identified cashable savings from reduced hours/redundancy etc are £4k part year savings (full year saving £17k) relating to a reduction in hours on three part time posts in Finance. However, Heads of Service with the Business Improvement Team are revisiting expressions of interest in the scheme to see if more savings can be generated.
- 2.7 The £50k saving relating to additional to existing Business Improvement savings was built into the budget. So far £19k of cashable saving have been generated and a further £35k of non-cashable efficiencies.

- 2.8 After taking account of vacancy savings, reduced hours/redundancy and additional business improvement savings against a total target of £1.289 million we are on target to deliver £1.271 million or 98.6% of the target

### **3. OPTIONS ANALYSIS**

- 3.1 The filling of vacancies is now being even more tightly controlled by MAT and therefore the £200k projected overachievement on the vacancies target may increase. However, this may be offset by the current lower level of staff turnover.
- 3.2 As the revenue monitoring report indicates we are still, even after making additional savings, currently projecting a net overspend for current year, so officers will continue to look for savings deliverable in current year and as part of the detail budget process for 2010-11.

### **4. PROPOSALS**

- 4.1 That MAT continue to monitor carefully the savings and progress the further review with Heads of Service regarding the ability of services to accommodate requests for voluntary redundancy/early retirement/reduced hours.

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

- 5.1 Not applicable.

### **6. FINANCIAL IMPLICATIONS**

- 6.1 In the main body of the report.

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

- 7.1 None

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

- 8.1 There is a risk that the savings identified initially will not be sufficient in which case further work would be required to bring the budget back into balance.

### **9. TIMETABLE FOR IMPLEMENTATION**

- 9.1 Additional savings to be agreed by MAT and Heads of Service by end of September.

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

**Background Papers: There are none**

**2009-2010 REVENUE BUDGET MONITORING REPORT  
AS AT 30 SEPTEMBER 2009**

**Resolution Required  
Report of the Chief Finance Officer  
EXECUTIVE SUMMARY**

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

This report shows the Authority's revenue expenditure and income spend as at the end of September 2009 and how the budget that was agreed relates to actual expenditure incurred in the financial year.

**Purpose of Report**

To provide Members with the expenditure and income figures against budget, as at 30 September 2009.

To show the forecasted year end position identifying possible areas of concern.

**Key Issues**

- Actual net expenditure was £7.3m against the year to date budget of £7.7m.
- 
- Currently year end forecasts show a potential overspend of £339k over budget
- Investment income at 30 September 2009 was £512k against budget of £1.0m
- Currently the year end forecast is £917k a shortfall of £103k
- The total forecasted variance of net expenditure and investment income is currently estimated to be £442k

**Financial Implications**

As set out within the report and appendices

**Corporate Priority**

All 12 Priorities.

**Officer Recommendations**

**The Cabinet are asked to note the report.**

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

**Cabinet Member: Councillor Mrs. Vivienne Leighton**

## MAIN REPORT

### 1. BACKGROUND

- 1.1 The purpose of this report is to update Members on the spend to date position for the 6 months to September 2009.
- 1.2 To highlight to Members of areas of concern where possible variances are currently being identified against the budget agreed in February 2009.
- 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. Heads of Service are required to try and offset an increased spend in areas by either managing their expenditure in other areas or obtaining additional income.

### 2. KEY ISSUES

#### 2.1 Net Expenditure

- 2.2 Month 6 actual net expenditure was is £7.3m against the profiled budget of £7.7m and is shown as follows:

- [Appendix A](#) by Cabinet portfolio
- [Appendix B](#) by Service Area.
- [Appendix C](#) by cost centre grouping and provides additional comments on other variances identified.
- [Appendix D](#) gives a detailed breakdown of the salary spend by Service Area incorporated in net expenditure.

#### 2.3 Salary expenditure

- 2.4 Month 6 shows an under spend to date of £219k giving a potential saving at year end of £438k.
- 2.5 Due to the increased workload being experienced, additional Government funding (£32k) has been received to assist in financing the increased cost of staffing the Housing Benefits service.
- 2.6 Also as part of the Customer Services Business Improvement Programme (BIP) it was agreed that one post could be part funded (£10k) from the Business Improvement Reserve.
- 2.7 Including the additional funding for the posts, the current year end projected under spend is £480k which is £20k below the salary savings target.
- 2.8 In addition there are a number of positions which have become vacant since September. This will increase the levels of savings achieved in the current year.
- 2.9 As part of the total salary savings £200k was budgeted for reduced hours, voluntary redundancy requests and business process efficiencies. To date these have not been achieved and Management Team are looking at ways to achieve them in order to achieve additional annual on going budget savings.

### Identified expenditure variances

2.10 Identified in the tables below, by Cabinet portfolio, are potential *major* projected outturn variances for 2009/10.

#### Economic Development

	<b>Favourable Variance</b>	<b>Adverse Variance</b>	<b>Comments</b>
Car Parks	£183,400		Reduced spend on temporary staff
Car Parks	£45,000		Savings agreed on consultants fees, computer software and other non essential operational budgets
Car Parks		£328,700	Reduced level of PCN income and car park fees. Includes additional day ticket sales budgeted in parks strategy as not able to identify separately from machines number of whole day tickets issued
Staines Town Centre Management	£40,000		Increased level of service charge income received for the Elmsleigh centre
Staines Market	£18,000		Reduced spend on Staines Partnership and hard surfaces maintenance
Staines Market	£23,000		Increased income from new market contract arrangements
<b>Total</b>	<b>£309,400</b>	<b>£328,700</b>	

## Planning and Housing

	<b>Favourable Variance</b>	<b>Adverse Variance</b>	<b>Comments</b>
Building Control	£36,000		Additional income from increased number of applications
Homelessness		£56,700	Increased cost of void properties due to lack of suitable tenants to put in them
Housing Benefits Admin	£43,300		Employee savings
Housing Benefits Admin	£32,500		Additional Government grant due to increased numbers of claimants
Housing Benefit Payments	£135,000		Additional income received from recovery of overpayments
PSL	£99,000		Savings on management fees and scheme float top ups due to lower numbers of occupants
PSL		£32,000	Reduced housing benefit reimbursement of rental income due to lower numbers of claimants being in leased properties
Land Charges	£40,000		Increased number of land charges requests
Development Control	£38,800		Vacant post savings
Development Control		£60,000	Reduced number of large applications and general decline in market
Planning Policy		£29,000	Increased employee expenditure
E Government	£37,400		Savings identified on members IT support - £14k, GIS licence- £9k, Networking - £5.5k, Applications CAPS- £5.7K, Server maintenance - £5k and remainder anticipated on Steria contract.
<b>Total</b>	<b>£462,000</b>	<b>£177,700</b>	



## Independent Living

	<b>Favourable Variance</b>	<b>Adverse Variance</b>	<b>Comments</b>
Community Care Admin	£50,800		Vacant post savings
Community Care Admin	£16,900		Increased income
Day Centres		£41,400	Shortfall in income against tutors costs. Action is being taken to mitigate shortfall.
SPAN		£25,200	Employee costs incorrectly budgeted
SPAN	£35,000		Increased income for providing A2 Dominion properties with a helpline call service and Telerate grant
Environmental Health Admin	£29,900		Vacant post savings
Environmental Protection Act	£20,500		One off DEFRA grant received
<b>Total</b>	<b>£153,100</b>	<b>£66,600</b>	

## Environment

	<b>Favourable Variance</b>	<b>Adverse Variance</b>	<b>Comments</b>
DS Management and Support	£30,900		Vacant post savings
Refuse Collection		£138,900	Extra Fuel costs + Green waste disposal costs offset by Hired transport savings
Refuse Collection	£61,100		Savings on overtime and better use of resources of temporary staff budget
Refuse Collection	£89,800		Additional recycling credits and garden waste bin income received here but budgeted in waste recycling.
Waste Recycling		£60,200	Garden waste bin income budgeted here but received in refuse collection.
Energy Initiatives		£23,200	Climate change invoice charged to 09/10 but income received in 2008/09
Env Services admin	£41,700		Vacant post savings
Env Services admin	£17,000		Additional RSG income from Government in respect of Biodiversity works
Street Cleaning	£99,200		Highways verges staff included within budget in error, overtime paid in excess of budget (40k)
Street Cleaning		£19,700	Income budget too high in relation to resources available to do works
Waste Recycling		£60,200	Additional garden waste bin income incorporated into refuse collection increased income projection
<b>Total</b>	<b>£339,700</b>	<b>£242,000</b>	

## Young People and Culture

	<b>Favourable Variance</b>	<b>Adverse Variance</b>	<b>Comments</b>
Grounds Maintenance	£38,000		Vacant post savings
Grounds Maintenance	£19,400		Reduced contractor costs
Spelthorne Leisure Centre		£44,400	Additional energy costs incurred within the leisure centre contract .Leisure Services will try to manage this down by reducing spend in non priority areas
Parks Strategy		£64,500	Reduced income projected from bowls, lettings football clubs etc. Day car park ticket income budgeted here but received in car parks.
<b>Total</b>	<b>£57,400</b>	<b>£108,900</b>	

## Community Safety

	<b>Favourable Variance</b>	<b>Adverse Variance</b>	<b>Comments</b>
Community Safety	£34,000		CDRP income to offset higher salary costs and joint commissioning work stream
Memorial Gardens	£50,000		Works put on hold pending decision on how to refurbish the lighting in the water feature – possible carry forward to 2010/11
Knowle Green		£22,200	Electricity-£16k increase
		£35,000	Additional office moves - £35k to enable to rent out Knowle Green
Knowle Green	£25,300		Increased income to date for renting out part of Civic Offices
<b>Total</b>	<b>£109,300</b>	<b>£57,200</b>	

## Finance and Resources

	<b>Favourable Variance</b>	<b>Adverse Variance</b>	<b>Comments</b>
Chief Executive	£34,100		Savings on training and staffing costs
Legal		£18,200	Increased external legal costs
Legal	£27,200		Legal costs reimbursed
Unapportionable Central Overheads		£204,900	Compensatory added years pension payments not budgeted
Accountancy	£43,200		Vacant posts
<b>Total</b>	<b>£104,500</b>	<b>£223,100</b>	

2.11 Management Team in September, in conjunction with Heads of Service and Budget Mangers, completed a review of all the budgets and agreed where they could be deferred or deleted or additional income achieved. This achieved potential savings of approximately £481k.

2.12 However some of these savings will not be achievable. Additional pressures have been identified, through the 6 month monitoring process, which has led to the deficit of £339k being projected.

2.13 Management Team have requested that all projected outturns be reviewed by Heads of Service, in order to try and identify how the gap can be closed, and a further look at how to manage posts that become vacant in order to achieve further savings.

### 2.14 Other variances

<b>Budget</b>	<b>Adverse Variance</b>	<b>Comments</b>
Capitalised Salaries	£85,000	Reduced capital programme spend on areas which relate internal staffing costs
Investment income	£103,000	Reduced interest received on balances
<b>Total</b>	<b>£188,000</b>	

## 2.15 **Income**

2.16 Major income areas are monitored on a monthly basis at Management Team ([Appendix E](#)).

2.17 The position at 6 months against profiled budget shows:

(a) Development Control planning fees – currently 24% down (£50k)

(b) Car parking –

i) Season Tickets – up 4% (£8k) (Kingston Rd)

ii) Fees and Charges – down 4% (£66k)

iii) Penalty Charge Notices – down 24% (£18k)

(c) Building Control Fees – up 22% (£28k)

(d) Land Charges – up 38% (£21k)

## 2.18 **Investment Income**

2.19 The shortfall on investment income (£103k) is due to the current low level of interest rates being received and a reduced number of financial institutions where deposits can be placed to meet the level of risk identified in the Treasury Management strategy.

2.20 It is anticipated that this shortfall will be taken from the Interest Equalisation Reserve.

## 2.21 **Other Factors**

2.22 Additional monies identified below, not yet received, will be built in future projections once the values are confirmed.

2.23 The Council has received confirmation from HM Revenue and Customs in respect of the two claims submitted for refunds of VAT relating to leisure centre and trade / bulky waste collection that they are now being assessed. The claims are up to £1m but with statutory interest could be worth approaching £2m.

2.24 The Council has also received confirmation that there will be a one off receipt of £112k in repayment of a compulsory purchase order deposit made to the Courts in 1987 against any possible claims by absent or untraced owners of CPO land at Elizabeth Avenue. The Chancery Division have agreed the funds can be returned to Spelthorne as no claims were submitted. We have been advised that the money will be returned by the end of November 2009.

2.25 Any one off additional monies received can assist in reducing the projected increased transfer from the reserves.

## 3. **OPTIONS ANALYSIS**

3.1 All variances highlighting changes in income or expenditure levels will be analysed to see if they are a one off occurrence. Any that can be seen to be longer term will be incorporated into the outline budget for 2010/11.

#### **4. PROPOSALS**

- 4.1 The Cabinet are asked to note the current spend position against updated budget. Whilst the other factors referred to in paragraphs 2.23 to 2.24 may help bring the current year budget back into balance, officers are continuing to seek to identify additional savings in order to put the budget onto a sustainable basis.

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

- 5.1 Careful monitoring of the budgets enables greater transparency of problems and action to be taken promptly.
- 5.2 A systematic approach to budget monitoring should avoid problems of major discrepancies only being highlighted at year end.
- 5.3 Constant monitoring of the budgets enables Heads of Service to be held more accountable for their budgetary spend and any major unidentified variations.

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

- 6.1 As set out within the report and appendices.

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

- 7.1 There are none

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

- 8.1 A projected balanced outturn depends on Cabinet Members, Management Team, Heads of Service and all budget managers managing their budgets within the parameters that were originally agreed and achieving where necessary corresponding growth and savings within those budgets. Careful monitoring of the budgets on a monthly basis ensures that any problems or anomalies are identified and investigated at an early stage.
- 8.2 Any major budget variations, which cannot be remedied within the Service, are reported to MAT immediately in order to ensure that the maximum time and opportunity is had to rectify the position.

#### **9. TIMETABLE FOR IMPLEMENTATION**

- 9.1 Detailed bi - monthly monitoring reports are produced for Management Team.
- 9.2 Monitoring reports of major expenditure areas and income levels are produced for MAT on a monthly basis.

Report Author: David Lawrence Chief Accountant 01784 446471

#### **Background Papers:**

There are none

**2009/2010 CAPITAL MONITORING REPORT**

**Resolution Required**

**Report of the Chief Finance Officer**

**EXECUTIVE SUMMARY**

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

Money spent on capital schemes helps the Authority to maintain and improve facilities and services provided to residents.

**Purpose of Report**

To provide the Cabinet with the current spend to date and projected outturn on the Capital Programme.

**Key Issues**

- The current spend to date shows that we have spent approximately £778k (38%) to date against an original budget of £2,024,500
- The end of year requested carry forward from the 2008/09 capital programme was agreed at £352,800. Additional capital schemes of £110k have been agreed giving a revised capital programme budget of £2,487,300 for 2009/10
- Actual spend to date against the revised budget is 31%
- The projected outturn shows that we are anticipating to spend £2,025,450 which represents 81% of the revised budget

**Financial Implications**

As set out within the report and appendices.

**Corporate Priority**

All 12 Priorities.

**Officer Recommendations**

The Cabinet are asked to note the report.

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

**Cabinet Member: Councillor Mrs. Vivienne Leighton**

## MAIN REPORT

### 1. BACKGROUND

- 1.1 The purpose of this report is to update the Cabinet on the current spend at month 6 and to show the projected level of expenditure anticipated to be spent at year end.

### 2. KEY ISSUES

- 2.1 Attached, as [Appendix A](#), is the current spend to date on the capital programme as at the end of September 2009 (month 6), including schemes which were incomplete as at 31 March 2009.
- 2.2 As at month 6 actual capital expenditure for works completed amounted to approximately £778k. The specific details for each scheme are detailed in Appendix A.
- 2.3 For the year ending 30 September 2008 capital expenditure was £354k, which represented 10% of the revised budget.
- 2.4 Areas which have been identified where there is likely to be a major variance between the budget and projected outturn are:-
- a) Disabled Facilities Grant discretionary £29,600 – it is anticipated that the spend will be contained within the mandatory element of the capital programme budget
  - b) Housing Enabling Fund £40,000 – Only 1 scheme (Stanwell new start project) identified to date requires funding
  - c) Home Repair Assistance Grants £115,000 – increased number of applications received from last year but budget still higher than payments anticipated.
  - d) Lammas Sea Cadets relocation £33,000 – additional works identified than were originally budgeted
  - e) Contaminated Land Investigation £26,500 – in addition to DEFRA grant budget carried forward from 2008/09 an application has been made to DEFRA to fund the new works. If not agreed by DEFRA it will need to be funded using the original budget provision of £120,000, agreed by Executive in March 2007, which hasn't been used to date.
  - f) Lammas Park - £65,400 scheme delayed to at least 2010/11 due to non sale of Bridge Street
  - g) BIFFA award match funding £25,000 – scheme delayed from 2008/09 so additional carry forward monies not required to be spent in this financial year
  - h) Compost Bins – £35,000 reduced spend due to staff shortages and work on garden waste taking priority.
  - i) Car park improvements £23,000 – works delayed due to departure of car parks manager
  - j) Capitalised Salaries £85,000 – reduced expenditure due to less planned maintenance and other schemes which could use salaried staff being undertaken in 2009/10



- k) Area Regeneration schemes - match funding from SCC has been obtained in 2009/10 which has required greater consultation on areas of spend. It is anticipated that the projects will now commence in 2010/11
- l) 1a / 1b Staines Rd West – this property has now been handed back to the Landlords so the budget is no longer required

## **2.5 Capital Reserves**

- 2.6 As at the 31 March 2009 the Council had approximately £2.4m of usable capital receipts. As the majority of the projected spend for 2009/10 will need to be financed from this source there are concerns for future programmes.
- 2.7 The Council is currently anticipating in year receipts of approximately £1.2m which will top up the monies available. Once utilised it will be necessary to fund any future spend from other receipts or revenue reserves
- 2.8 As part of the preparation for the 2010/11 – 2013/14 Capital Programme officers are being requested to resubmit all bids included in the current programme. This will enable a reassessment of future year expenditure and decisions to be made about future funding of the programme.
- 2.9 All bids will be scrutinised by Management Team. It is anticipated that only those schemes which show a financial payback period in reduced ongoing revenue costs or be of significant benefit to the residents will be on the programme.

## **3. PROPOSALS**

- 3.1 The Cabinet are asked to note the current position.

## **4. BENEFITS AND SUSTAINABILITY**

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

## **5. FINANCIAL IMPLICATIONS**

- 5.1 Any under spend on the approved capital programme enables the authority to invest the monies to gain additional investment income or can be used to fund additional schemes identified.

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

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

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

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

## **8. TIMETABLE FOR IMPLEMENTATION**

- 8.1 Bi monthly monitoring reports are prepared for Management Team and incorporate revised actual and projected outturn figures from month 6 onwards.

**Report Author: David Lawrence Chief Accountant, Tel: 01784 446471**

**Background Papers:**

There are none.

## **OUTLINE BUDGET 2010/2011 – 2014/2015 – KEY DECISION**

### **Recommendation Required**

### **Report of the Chief Finance Officer**

### **Executive Summary**

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

By having an effective budget planning process the Council ensures that it has a sustainable financial basis to allow it to maximise the delivery of services to borough residents whilst staying within the Government's capping constraints.

#### **Purpose of the Report**

To approve an Outline Budget covering the next four years, the first year forms the framework for the detailed Budget for the next financial year. Specifically, approval of the Outline Budget will set a maximum expenditure level for 2010-11 and also recommend a guideline Council Tax increase. The Council is required by law to set a balanced budget

#### **Key Issues**

- The Outline Budget shows deficits over the Outline Budget period
  - (a) A significant deficit to be addressed in 2010-11
  - (b) A further significant increase in 2011-12
- There is increasing pressure to spend; expenditure is growing at a greater rate than the funding streams.
- The downturn in the broader economic environment, particularly in the property industry has had adverse impacts on the Council's financial position and its ability to maximise the value of capital receipts
- Ensuring the sustainability of building maintenance expenditure
- £140k reduction in concessionary fares grant for 2010-11

A number of risks have been identified, the following are considered to be significant:

- (1) Impact of slowdown in economy and property sector
- (2) Uncertainties as to future interest rate movements
- (3) Impact of next Comprehensive Spending review in 2011-12 and need for the public sector to make significant savings
- (4) Impact of next triennial pensions revaluation in 2011-12

#### **Financial Implications**

The outline budget projections indicate potential budget deficits (before taking account of possible savings) of:

- 2010-11 £1,300k
- 2011-12 further additional deficit of £600k
- 2012-13 further additional deficit of £900k
- 2013-14 further £700k deficit
- 2014-15 further additional £250k

## **CORPORATE PRIORITY**

Sustainable financial future and underpins all priorities

### **Officer Recommendations**

**The Cabinet is asked to recommend that the Council approve the following:**

- 1. That the net budgeted expenditure (before investment income and use of reserves) for 2009/2010 be set at a maximum level of £14.45m.**
- 2. That, in order to reach this level, the Management Team, taking into account of the forthcoming recommendations of the Budget Task Group, identifies a package of options by which the budget can be balanced both in 2010-11 and 2011-12 and over the next 3 years of the outline period.**
- 3. For the purposes of the Outline Budget an annual increase of 0% has been assumed for pay and council tax increases for 2010-11 and 2011-12**
- 4. That the Council's use of reserves policy be reviewed with the aim of the council seeking to maximise the level of its reserves whilst taking account of the impact of the economic downturn and the reduced potential for capital receipts and the need to maintain a capital programme**
- 5. That an agreed total reserves target minimum level (as measured on 31<sup>st</sup> March each year) be set at a level of £12m for 31/3/11**

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

**Portfolio Holder: Councillor Vivienne Leighton**

# REPORT

## 1. BACKGROUND

- 1.1 Each year the Council produces a five-year rolling revenue budget projection based upon the Council's approved financial strategy. It is timely to review the Medium Term Financial Strategy (MTFS) and there will be a separate paper on the agenda setting out the framework of a suggested updated MTFS.
- 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. We know that the Government has indicated that under the last year of current Spending Review period it will increase its general grant support to the Council by a mere 0.5% (£26k). The outline budget exercise in recent years has projected increasing deficits over the outline budget period.
- 1.3 When the current medium term financial strategy was put in place a key issue was the Council's growing dependence on revenue reserves, which were used to reduce the call on the Council Tax. The level of revenue reserves remaining was such that this policy could not be sustained over the medium/long term.
- 1.4 Equally the level of capital reserves is diminishing and we need replenish those reserves over the medium term.

### **Comprehensive Spending Review 2007**

- 1.5 The current Government Comprehensive Spending Review period covers 2008-9 to 2010-11. During this period we have received a 1% increase in general government support for 2008-09 and a mere 0.5% for each of 2009-10 and 2010-11. The Government confirmed on 26<sup>th</sup> November 2009 the 0.5% increase for 2010-11/ We know whichever party is in power after June 2010 that over the next few years the Public Sector will have to make significant cash savings.

### **Level of Grant Support**

- 1.6 Spelthorne will receive £63.87 per head of population general government grant (Revenue Support Grant and redistributed business rates) for 2010-10. This is 19% below the national average of £78.40 per head for English Shire Districts. Spelthorne's figure is less than half the highest funded district of Burnley in Lancashire which receives the highest grant £137.32 per head of population. [Appendix B](#) summarises grant per head for Surrey authorities, and identifies all the districts receiving more than £100 per head of population. It can be seen that it tends to be northern districts in Cumbria, Durham, Lincolnshire, Northumberland which are the ones receiving the highest grant funding, although there are some southern districts such as Eastbourne, Hastings, Crawley receiving more than £100.
- 1.7 The table below summarises a few of the key figures

	<b>2010-11</b>
	<b>Grant per head of population £</b>
Spelthorne	63.87
English Districts	78.40
Highest funded (Burnley)	137.22

1.8 Not only was Spelthorne's current funding per head of population below the average for English Districts, but our funding fell further behind in 2009-10. Spelthorne's funding increased by only 1.0% for 2009-10 whereas the English average increased by 1.7%.

## **2. REVIEW OF OUTTURN 2008/09**

2.1 Part of the outline budget process includes a review of the previous year's outturn to see if savings can be identified. The final outturn for 2008/09 showed a total overspend of £761k of which £488k related to the interest effect of not generating a Bridge Street receipt.

2.2 Salaries outturn for 2008-09 including on costs was £334k which was better than the £300k target. These were the cumulative effect of staff turnover and vacancies together with savings against recruitment and retention initiatives.

2.3 £150k was carried forward to fund revenue expenditure in 2009/10.

## **3. FINANCIAL STRATEGY**

3.1 Officers have reviewed the current medium term financial strategy. In light of the capping criteria announced for 2009-10 it is assumed that the effective capping limit for budgets will be 5%. However, it is possible that the Government may set tighter capping.

3.2 The Council recognises the financial pressures its residents are under and therefore it is seeking to set a zero increase in council tax. Each 1% of council tax increase forgone by the Council equates to £67k which has to be met from offsetting savings.

3.3 When the medium term financial strategy was reviewed last year it was agreed that in recognition of the external financial pressures impacting on the Council that the objective of eliminating use of general reserves to support the general budget would be modified and instead of aiming to eliminate use in 2009-10 a phased reduction over four years would be planned. However it is now intended that as part of the discipline of putting the Council's finances on a sustainable basis we will not use any general reserves to support the general revenue budget from 2010-11 onwards. The sum of these impacts total £419k.

	<b>Impact on Deficit</b>
Setting zero council tax increase rather than 4%	+£269k
Non-continuation of general reserves to support budgets	+£150k
<b>Sum of above impact on 2009-10 deficit position</b>	<b>+£419k</b>

3.4 Work is now underway to identify and evaluate options for our ICT arrangements when the current extended Steria contract comes to an end in December 2012. We are in discussions with other Surrey authorities to establish if there is interest from other districts in joining us in an enlarged contract which would bring additional savings to Spelthorne Borough Council.

#### **4 REVIEW OF OUTLINE BUDGET**

4.1 A review of the Outline Budget needs to cover the following areas:

- (a) 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
- (b) The level and range of charges the Council should make for its services
- (c) Assumptions on the level of Government grant
- (d) The use of revenue reserves the Council wishes to use to support that level of service
- (e) The level of Council Tax, which the Council wishes to levy, and the risk of capping.
- (f) Future assumptions on interest
- (g) The level of capital expenditure which the Council wishes to support
- (h) The level of reserves the Council wishes to retain to provide investment income and ensure stability for the future
- (i) The alternative use of reserves to generate future savings
- (j) 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.

#### **Service and Expenditure Levels**

4.2 The policy for a number of years has been that both expenditure and service levels should be held constant except for changes approved by Members and legal or contractual obligations, plus an inflation allowance. This combination produced an expenditure level of £14.4m for the current year, and has been projected, with known changes, for the budget period to March 2011. The projected figure for 2010-11 is £14.7m which needs to be reduced by £1.2m to £13.5m in order to eliminate the projected deficit.

## **The Level of Charges to be made for Services**

- 4.3 Rents and other income are contributing around £6.5m to the Council's budget for 2009-10. Some of this is not under the Council's direct control, for example 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 inflationary increases, but each service area's charging policy will be carefully reviewed for the detailed budget.
- 4.4 The key areas of concern re fee income relate to car parking fees currently projected to be down £50k for current year and planning development control currently projected to be down £60k. In contrast land charges income is projected to be £25k up on budget for 2009-10 and similarly building control income is projected to be up £30k. If these figures were projected forward it would suggest before fee increases we may be approximately £50k down across these fee areas in 2010-11.
- 4.5 Whilst off-street pay and display income at end of October is within £8k of the same level as October 2008, the 2009-10 budget was increased to reflect increased tariffs, so the underlying position suggests a small shortfall on parking income. Off street penalty charge notice income is significantly down against budget assumptions which had been increased for 2009-10.

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

- 4.6 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) a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves.
  - (b) 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.
  - (c) a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities and to fund future spending.
- 4.7 The cash balances held in our reserves are available to be invested to earn interest income which helps support the overall revenue budget and the provision of services.
- 4.8 The Council currently uses revenue reserves to finance expenditure in three ways:
- (a) General support. This was set at £175k for 2009/10.
  - (b) New Schemes Fund – It is proposed to continue to provide the stream of funding toward specific revenue costs. This heading covers revenue expenditure of £273,800 for 2009-10 relating to items which have been supported by the fund over the last few years. Details provided in [Appendix C](#). The outline projection assumes this level of use of reserve will be reviewed as part of the 2010-11 budget process and an indicative lower figure of £250k has been assumed for 2010-11 onwards.
- 4.9 The projected level of revenue reserves at 1 April 2010 is £12.7m made up of the following:



	<u>2009</u>	<u>2010</u>
	<u>£'000</u>	<u>£'000</u>
General Fund Revenue Account	1,356	1,180
Capital Fund*	1,086	393
Housing Initiatives Fund	7,626	7,626
New Schemes Fund	2,170	1,919
Risk Management Fund	10	10
Good Causes Fund	3	3
Lotteries Fund	18	8
Interest Equalisation	595	393
Insurance Reserve	132	132
Business improvement reserve	537	450
Planning Delivery Reserve	150	150
Bridge Street Car Park Reserve	111	111
Carry forward	150	150
	<u>13,449</u>	<u>12,701</u>
<b>Projected Revenue Reserves – 1 April</b>	<b><u>13,449</u></b>	<b><u>12,701</u></b>

\* indicates an uncommitted reserve.

- 4.10 All interest is credited to the General Fund.
- 4.11 Only the revenues reserves marked with an asterisk are uncommitted and are available to support the Council Tax.
- 4.12 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 about nil.

### **Interest**

- 4.13 Interest earnings have traditionally been a major source of funding support – a sum of £1.88m was incorporated in the original budget for 2008/9. However, this was before the impact of the global economic downturn pushing base rates down to a historically unprecedented 0.5% and the collapse in the property market bringing to a halt the Bridge Street receipt. As a result the Council had to revise down its investment income estimate for 2009-10 to £1m which we now predict will be underachieved by approximately £100k due to delays in anticipated receipts relating to day centres, and short term interest rates being even lower than anticipated. The potential volatility in the investment markets means that there is always a risk with this element of our budget.
- 4.14 The Council's treasury management advisers are now projecting that base rates stay at 0.5% at least until last quarter of 2010 before rising during 2010. This combined with the necessary use of some reserves to support our capital programme and revenue budget results in a significant reduction in projected investment income for 2010-11 and 2011-12 We now expect to generate the following investment income:
- (a) 2009-10 estimate £1.02m
  - (b) 2009-10 revised estimated £0.9m.
  - (c) 2010-11 estimate £0.4m.

(d) 2011-12 estimate £0.4m.

(e) 2012-13 estimate £0.3m

### **The Level of Council Tax the Council is Prepared to Levy**

- 4.15 In the current year Council Tax was increased by 4.69%. This was set at a level felt sufficiently low to avoid capping whilst trying to maximise the taxbase. It is assumed that the DCLG will continue to impose a similar level of capping.
- 4.16 For comparative purposes the respective average Council Taxes for Surrey districts are set out below:

	<b>District council tax</b>	<b>Parish Council tax</b>	<b>Combined District &amp; Parish Council tax</b>
<b>District Council</b>	<b>£</b>	<b>£</b>	<b>£</b>
Runnymede	132.93	0	132.93
Mole Valley	151.65	3.37	155.02
Epsom & Ewell	159.07	-	159.07
Guildford	141.57	21.89	163.46
<b>Spelthorne</b>	<b>167.3</b>	<b>0</b>	<b>167.30</b>
Surrey Heath	180.3	17.6	197.90
Waverley	158.13	41.05	199.18
Reigate & Banstead	193.83	5.33	199.16
Woking	199.8	0	199.80
Tandridge	188.93	11.91	200.84
Elmbridge	199.19	14.18	213.37

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

- 4.17 Each year the Council approves a four-year capital programme, which is broadly split between Housing and "Other Services."
- 4.18 The 'other services' programme consists mainly of capital expenditure on Leisure, community care, replacement vehicles and information technology.
- 4.19 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 LSVT reserved right to buy receipts (RTB) and other 'one off' sales.
- 4.20 The amount we receive from A2 in respect of the reserved right to buy receipts has significantly reduced falling from £600k in 2005-06 to a mere £72k in 2008-09. There has been an improvement in the current year with the RTB receipts for first six months at £76k exceeding the total for last year. Taking account of the impact of Stanwell Newstart and the general housing market, it is proposed that the assumption about the ongoing level of RTB receipts is £150k per annum.
- 4.21 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. Essentially this fund is now

earmarked for spend to save initiatives, although the claim by Mowlems also remains outstanding.

### **Level of Capital Reserves**

- 4.22 The projected capital reserves at 1 April 2010 are £1.1m (made up of the following:

	<u>2009</u>	<u>2010</u>
	£m	£m
New Schemes Fund	0.1	0.0
General Fund	<u>2.3</u>	<u>1.1</u>
	<u>2.4</u>	<u>1.1</u>

- 4.23 The capital programme will continue to be financed by the RTB receipts, the capital reserves and the Social Housing Fund. By the end of the outline budget period, there are anticipated to be nil capital reserves remaining.
- 4.24 The Prudential Code, which came into effect on 1<sup>st</sup> April 2004, gives us the scope to borrow to fund capital investment. The Council has taken the view that it will use capital receipts to finance the capital programme, although there may be examples where we might borrow. Members will recall that as part of the option appraisal for the leisure centre works we considered borrowing. 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.

### **4.25 Financial Health Indicators**

- 4.26 If we want to at least maintain our Use of Resources (Audit Commission's assessment of authorities' management of their resources) score it is important that we set an appropriate basket of performance indicators. Such a basket of indicators should cover revenue, capital expenditure and also aspects of the balance sheet – balance sheet management is now being heavily emphasised by the Audit Commission. 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. A suggested set of challenging 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: 98.7%
- (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: 97.5%
- (g) Year total aggregate value of reserves – in the changed circumstances the Council faces we can realistically at best aim to complete 2011-12 with cash balances of £12m. This does mean that we will not be able to earn as much investment income as previously anticipated.

Clearly we need to take account of the worsening economic climate on the achievability of the above indicators particularly the collection rate and debt indicators and we will keep these indicators under regular review.

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

## **5. ISSUES IN RESPECT OF THE OUTLINE BUDGET 2010/1 – 2014/2015**

### **5.1 Business Improvement Programme**

- 5.2 The original three year programme is largely complete, with the exception of Environmental Health, Revenues, Housing Options and Housing Benefits and Asset Management in the process of being completed. The original programme delivered £738k ongoing cash savings against a target of £500k. The outstanding areas will be completed and these will generate additional savings. The Business Improvement Board is now focusing on broader cross cutting efficiencies such as customer service strategy and the opportunities to pass functions more cost effectively to Customer Services, rationalising our use of software systems to save software license costs and to facilitate more efficient processes.

- 5.3 The Business Improvement team will re-prioritise its workload to enable it to assist the Council deliver an additional £200k cash procurement savings over 2010-11 and 2011-12

### **5.4 Pay Increase**

- 5.5 The projections have assumed an annual increase of 0% for 2010-11 and 2011-12 and 1.5% for the year after and 2% for the final two years. The additional cost of increments for those staff not at the top of their pay grades adds £137k to the salary budget (equivalent to nearly 1.5% of employees budget). The Council is linked to the national local government pay award and therefore if there is a national pay award in 2010-11 we would need to honour that award and we would need to find additional offsetting savings.

### **5.6 Pensions**

- 5.7 The next triennial revaluation assesses the value of the Fund as at 31 March 2010 and any resulting increase in employer contributions would impact in 2011-12. We commissioned in March 2009 an interim assessment of the Council's potential liabilities. This suggested that on the basis of the Surrey Pension Fund's asset values at that time Spelthorne could be looking at a potential increase in employer contributions of £1.5m from April 2011. If this sort of increase were required the expectation is that we would seek to phase it in over 3 years. For indicative purposes the projections are assuming an incremental £500k per annum rise from 2011-12. Since the interim evaluation share prices have risen significantly and if this is sustained through to March 2010 it will mean the increase in employers' contributions will not be as great as indicated above. The Chief Finance Officer will have attended the Surrey Pension AGM on 27<sup>th</sup> November and so will provide a more up-to-date picture at the Cabinet briefing.

### **5.8 Recycling**

- 5.9 The outline budget currently does not include provision for the introduction a kitchen waste scheme. Spelthorne Borough Council is now one of a handful of Surrey authorities not to have such a scheme. There is a separate report on this issue on the agenda. Implementing such a scheme would result in

significant additional revenue costs relating to additional staff, fuel etc. There is on offer some additional funding (£117k per annum) from Surrey County Council but only for 3 years. The new Materials Recovery Facility combined contract with Elmbridge may deliver savings of £136k which the Cabinet may decide to re-invest to support the implementation of a kitchen waste scheme. The outline projections as stated above currently do not assume that there will be a kitchen waste scheme. If the decision is made then the projections would need to be modified and in particular after the initial 3 year funding support from the County there would be a rise in revenue costs from 2013-14 onwards.

#### **5.10 Energy**

5.11 Our current electricity and gas contracts came up for renewal in October 2008 when we moved onto a flexible pricing contract. This has benefited us in current year and early part of 2010-11 as we were able to fix our supply in October for the following 12 months at a lower price. However the underlying trend over the outline budget period is likely to be upwards.

5.12 Additionally towards the end of 2008-09 SLM submitted claims permitted under the current contract for reimbursement of additional energy costs over the base inflationary increases. It is anticipated that this will add a further £45k to the Council costs in 2009-10 and that this will rise in future years.

#### **5.13 Concessionary Fares**

5.14 We have recently received notification from the Government that in order for it to provide additional specific grant to those authorities most adversely affected by the change to the current concessionary fares scheme they are looking to reduce the previously notified grant allocations of other authorities who have received more in grant than the actual costs incurred. For Spelthorne this means a potential £140k reduction in specific concessionary fares grant for 2010-11

5.15 During the outline period, currently anticipated to be in 2011-12, it is possible that the government will transfer the responsibility for administering concessionary fares from districts to counties. If this happens it would then be a case of how much grant they transfer away from us compared to the costs we were incurring at that time. There is therefore a risk that this could adversely affect us.

#### **5.16 Shared Services**

5.17 In the medium term shared services may offer considerable scope for savings particularly in transaction centred services and certain support services. The government expects as part of its t-government agenda local authorities to implement shared services on a wide scale. Spelthorne has made a small scale start by implementing its internal audit partnership with Surrey Heath which from September 2008 was expanded to include Elmbridge. The Council is seeking to enter into a shared asset management partnership with Runnymede and Elmbridge.

5.18 Officers are exploring with Runnymede other opportunities for shared working particularly relating to depot services.

5.19 All authorities recognise the much more challenging financial future they are facing and there is a greater collective recognition that we need to put into place shared service arrangements. Discussions have recently been initiated across the Surrey districts and Surrey County Council along possibly with Surrey Police to look at joining up "back office" functions. If this can be

achieved this could over the medium term deliver significant savings. However, as the scope of this project has not yet been agreed, target savings have not yet been built into the outline budget projections. Spelthorne continues its own programme of partnership working.

#### 5.20 **Steria Contract**

5.21 The current Steria contract has been extended to December 2012 at which point there will be an opportunity for the Council to review its options for IT Support. This could also link into consideration of shared services options. Discussions have been initiated with other Surrey districts to establish their interest in joining an enlarged ICT contract with Spelthorne, which would bring additional financial savings to Spelthorne.

#### 5.22 **Rationalisation of Asset Portfolio**

5.23 Maximising the value of receipts we obtain from the disposal of assets no longer required, for example the assets associated with the older people's service reconfiguration, will have an important impact on the revenue budget during the outline budget period through the additional interest which can be generated on capital receipts realised. There is a separate report on the agenda seeking a steer from the Cabinet as to which asset disposal/income generation opportunities they wish us to explore. Equally utilising existing assets more effectively will be important for example freeing up office space in Knowle Green to rent out. Soundings have been made by both Surrey Police and A2D as to their renting out space in Knowle Green.

5.24 It is anticipated that the Council will earn upto £40k in 2010-11 from letting out rooms in Knowle Green to enable the Airtrack Enquiry to take place.

5.25 Over the outline budget period all public sector bodies will be under increasing pressure to look at how they can share assets with other public sector bodies to make savings. Surrey County Council is starting a project to look at this and Spelthorne has put forward a member of Asset Management to support this project as a programme manager.

### 6. **OUTLINE BUDGET 2010/2011 – 2013/2014**

6.1 Attached as [Appendix A](#) is a summary of projected expenditure and possible financing for the Outline Budget period to 31 March 2015. It will be seen that the amount needed to be funded from Council Tax is some £6.736m in 2010/11 an increase of 0.25% reflecting an assumed nil increase in the rate set and an assumed 0.25% increase in tax base, rising to £6.8m over the Outline period.

6.2 Council tax rate increases in future years are assumed to be nil for the period. The Council Tax levels and resulting funding deficits for this scenario are detailed at **Appendix A**. The resulting deficit in 2009/10 is £1.2m.

6.3 In order to manage the gap work is in hand with all Service Heads to identify savings on service expenditure to make up the deficit. The main areas of focus for this work are described in the following paragraphs.

6.4 A Member Scrutiny Task Group is reviewing of all services budgets and will be making recommendations as to budget savings for Cabinet to consider and officers to then implement the agreed proposals. In order to address the projected deficits the Council will have to accept that it will have to cease undertaking certain activities and services or perform them at lower levels.

6.5 We are projecting vacancy savings of £500k being achieved in current year against original target of £300k and we will be looking to maintain a higher level

of saving in 2010-11 onwards including looking at vacant posts filled by temporary staff. We will be looking to see what opportunity there is to make a proportion of the vacant posts permanent by deleting such posts.

- 6.6 In addition to that which has already been assumed, the target ongoing savings to be delivered from business improvement reviews will be reviewed and increased. There is a need for the efficiency process to be an ongoing process across the organisation.
- 6.7 Organisational structures will be reviewed. Savings will be delivered in 2010 as a result of the departure of one of the Assistant Chief Executives; MAT is currently considering options re the future management structure
- 6.8 A targeted zero based budgeting exercise will be undertaken across a number of service areas identified as having the best potential for yielding net budget savings.
- 6.9 We will be looking to savings from increased partnership working and shared service working. Nigel Lynn, Deputy Chief Executive, will be leading on outward facing services and Brian Harris, Assistant Chief Executive, will be leading on support services
- 6.10 In reviewing service expenditure and income, Service Heads will be requested to focus on long term ongoing rather than one-off solutions. The intention is that any saving achieved in 2009/10 and 2010-11 should also contribute towards the deficit in future years, substantially mitigating the need to revisit the same funding gap year after year.
- 6.11 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.

## **7. OPTIONS ANALYSIS**

- 7.1 A large number of savings/increasing income initiatives have been delivered, £5million of savings having been delivered in the last four years. However, the reality is that expenditure is increasing and outstripping increases in funding, notably grant which is a significant source of funding. Significant deficits exist over the outline budget period.
- 7.2 The way forward could be a combination of the following:
  - (a) 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
  - (b) Review of charging policies, and seeking to recover costs for a greater range of activities
  - (c) Pursuing investment opportunities.
  - (d) Rigorously seeking out savings and encouraging further reductions in hours and voluntary redundancies.
  - (e) Determinedly pursuing procurement; shared services; and partnership working opportunities
  - (f) To critically evaluate opportunities as major contracts come up for renewal
  - (g) Rationalising organisational structures
  - (h) Maximising vacancy savings

- (i) Continuing the business improvement reviews to deliver service improvements and savings.
  - (j) Targeted use of zero based budgeting
  - (k) Identifying further efficiency savings.
  - (l) Pursuing opportunities to sell or look for more efficient use of assets and generation of revenue streams from those assets
- 7.3 The above will be expanded following the recommendations from the Budget Task Group.
- 7.4 Management team believe there are opportunities to reduce expenditure over the next few years – rationalising ways of working as envisaged in the business improvement reviews, procurement savings. Officers will in December commence working up the detailed budget.

## **8. PROPOSALS**

- 8.1 It is proposed that all the options proposed under 7.2 are pursued.

## **9. BENEFITS AND SUSTAINABILITY**

- 9.1 The objective of the outline budget planning process is to identify options for ensuring that the council maintains a sustainable financial basis.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 As in the body of the report

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

- 11.1 The Council is legally required to set a balanced budget

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

- 12.1 At this stage of the budget process there are a number of unknowns which could impact on the budget process particularly how the current economic slowdown will unfold and impact on the Council.

## **13. TIMETABLE FOR IMPLEMENTATION**

- 13.1 An indicative budget timetable is as follows:
- (a) Early December 2009 - detailed budget completed.
  - (b) 17 December 2009 - first draft detailed budget and capital programme to MAT.
  - (c) 14 January 2010 – Improvement and Development Committee to comment.
  - (d) 26 January 2010 - Cabinet Away Day.
  - (e) Feb 2010 Cabinet – Final Draft Budget.
  - (f) 25 February 2010 – Council Approve Budget

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### **Background Papers:**

There are none