

## Agenda Item: 2

### MINUTES OF THE COUNCIL MEETING HELD ON 26 FEBRUARY 2009

#### BOROUGH OF SPELTHORNE

#### AT THE MEETING OF THE SPELTHORNE BOROUGH COUNCIL HELD IN THE COUNCIL CHAMBER, COUNCIL OFFICES, KNOWLE GREEN, STAINES ON THURSDAY 26 FEBRUARY 2009

Ayers F.	Dunn Mrs S.A.	O'Hara E.
Bain Miss M.M.	Flurry K.E.	Packman J.D. (Leader)
Beardsmore I.J.	Forsbrey G.E.	Pinkerton Mrs J.M.
Bell Mrs E.	Grant Mrs D.L.	Pinkerton Jack .D.
Bhadye S. (Mayor)	Hirst A.P.	Rough Mrs M.W.
Bouquet M.L.	Hyams Ms N.A.	Rough S.J.
Budd S.E.W.	Jaffer H.R.	Royer M.T.
Chouhan K.	Kuun C.D.G.	Smith-Ainsley R.A. (Deputy Leader)
Colison-Crawford R.B.	McShane D.L.	Spencer Mrs C.L. (Deputy Mayor)
Crabb T.W.	Napper Mrs I.	Thomson H.A.
Davis C.A.	Nichols Mrs C.E.	Trussler G.F.
	Nichols L.E.	

Councillor S. Bhadye, The Mayor, in the Chair

#### **28/09 DEATH OF FORMER COUNCILLOR FRED GORE**

Members, officers and public present, joined the Mayor to stand in silence as a mark of respect for the late former Councillor Fred Gore.

#### **29/09 APOLOGIES**

Apologies for absence were received from Councillors Ms P.A. Broom, M.J. Collis, Mrs V.J. Leighton, R.W. Sider and C.V. Strong and Independent Member, Miss Sue Faulkner.

#### **30/09 MINUTES**

The minutes of the meeting held on 18 December 2008 were approved as a correct record.

#### **31/09 DISCLOSURES OF INTEREST**

Councillor J.D. Packman disclosed, on behalf of all members present, their personal interest in Agenda Item 10 (2) Members' Allowances, under Section 4 of the Members' Code of Conduct.

The Mayor, Councillor S. Bhadye disclosed a personal interest in Agenda Item 17, General Question from Councillor L.E. Nichols, because the Sea Cadets was one of his charities.

Councillors Mrs D.L. Grant and the deputy Mayor, Mrs C.L. Spencer disclosed personal interests in Agenda Item 17, General Question from Councillor L.E.

Nichols, because of their position as Chairman and Secretary/Treasurer respectively, for the Sea Cadets Management Committee.

### **32/09 ANNOUNCEMENTS FROM THE MAYOR**

#### **Ladies St. George's Day Lunch**

The Mayor announced that tickets were available for the Ladies St. George's Day Lunch which was being held on Thursday 23 April at the Thames Lodge Hotel, Staines.

### **33/09 DETAILED BUDGET 2009/2010**

The Council considered the recommendation of the Executive on the detailed Budget for 2009/2010 and a formal proposal on a Council Tax for 2009/2010.

The Mayor referred Members to the Budget Book [green cover] reflecting the decisions and recommendations made by the Executive on 17 February 2009 and the precepts being levied by Surrey County Council and the Surrey Police which had been circulated to all Members.

At the invitation of the Mayor, the Council gave consent under Standing Order 18.4 for the budget speech of each of the Group Leaders to exceed 10 minutes.

The Leader of the Council, Councillor J.D. Packman made a statement on the Budget and Council Tax and moved the recommendations set out in the Budget Book (green cover). This was seconded by Councillor R.A. Smith-Ainsley. The Deputy Leader of the Opposition Group, Councillor I.J. Beardsmore, also made a statement on behalf of the Leader of the Opposition Group, Councillor C.V. Strong.

A copy of the Leader's and the Opposition Deputy Leader's statements were made available for other Members, the press and public at the meeting and are **attached at Appendices A and B to these Minutes, respectively.**

The Leader of the Council, Councillor J.D. Packman moved and Councillor R.A. Smith-Ainsley seconded the recommendations set out in the Budget Book (green cover).

### **RESOLVED**

1. To consider and approve the growth items as set out in the report.
2. To approve in support of an increase of 14p per week (4.69%) in the Spelthorne element of the council tax for 2009/10 the following proposals:
  - a) The Revenue Estimates as set out be approved
  - b) An amount not exceeding £175,000 as set out in this report be appropriated from General Reserves in aid of Spelthorne's local Council Tax for 2009/10.

COUNCIL, 26 February 2009 - Continued

- c) To agree that the council tax base for the year 2009/10 is 40,164.1 calculated in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as amended, made under Section 35(5) of the Local Government Finance Act 1992.

3. That the following sums be now calculated by the Council for the year 2009/10 in accordance with Sections 32 and 33 of the Local Government Act 1992.

(a)	£47,660,600	Being the aggregate of the amount which the council estimates for the items set out in Section 32 (2)(a) to (e) of the Act
(b)	£33,242,200	Being the aggregate for the amounts which the Council estimates for the items set out in Section 32 (3)(a) to (c) of the Act.
(c)	£12,349,747	Being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
(d)	£5,630,308	Being the aggregate sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates, revenue support grant or additional grant, increased by the sum which the Council estimates will be transferred in the year from its Collection Fund to its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax surplus) and increased by the sum which the council estimates will be transferred from its collection Fund to its General Fund pursuant to the collection Fund (Community Charges) Directions under Section 98(4) of the Local Government Finance Act 1988 made on 7 <sup>th</sup> February 1994 (Community Charge surplus).
(e)	£167.30	Being the sum (c) above less the amount at (d) above, all divided by the amount at (c) above, calculated by the Council in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year.

4. That the following amounts be now calculated by the Council for the year 2009/10 in accordance with section 36 of the Local Government Finance Act 1992.  
Valuation Bands

COUNCIL, 26 February 2009 - Continued

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
111.53	130.12	148.71	167.30	204.48	241.66	278.83	334.60

Being the amounts given by multiplying the amount at (e) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the sum which in that proportion is applicable to dwellings listed in valuation band 'D', calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different band.

5. That it be noted that for the year 2009/2010 that the Surrey County Council and Surrey Police Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40, as amended, of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below.

Valuation Band	A £	B £	C £	D £	E £	F £	G £	H £
Precepting Authority Surrey CC	726.12	847.14	968.16	1089.18	1331.22	1573.26	1815.30	2178.36
Surrey Police	131.40	153.30	175.20	197.10	240.90	284.70	328.50	394.20

6. That, having calculated the aggregate in each case of the amounts at 4. and 5. above the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets out the following amounts as the amounts of Council Tax for the year 2009/2010 for each of the categories of dwellings shown below.

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
<b>969.05</b>	<b>1130.56</b>	<b>1292.07</b>	<b>1453.58</b>	<b>1776.60</b>	<b>2099.62</b>	<b>2422.63</b>	<b>2907.16</b>

The Leader, Councillor J.D. Packman requested an explanation from Councillor L.E. Nichols in respect of a quote attributed to him in a local newspaper, regarding the budget. Councillor L.E. Nichols confirmed that the difference of £2million in the budget alluded to in the newspaper quote was shown at Appendix 1 to the Budget Book (green cover) page 11, where Net Expenditure for 2009/2010 was shown as £14,418,400 and Budget Requirement for 2009/2010 as £12,349,747.

### **34/09 MEMBERS' ALLOWANCES**

The Council considered the recommendation of the Executive to support the recommendations of the Independent Remuneration Panel appointed to consider Members' Allowances. The report from the Independent Panel had been circulated to all Members of the Council.

#### **RESOLVED**

- (a) That a new special responsibility allowance be approved for the Independent Standards Committee Chairman of £1,000 per annum from 1 January 2009.
- (b) That a new special responsibility allowance be approved for the Independent Standards Committee Vice-Chairman of £500 per annum from 1 January 2009.
- (c) That a new special responsibility allowance be approved for the Audit Committee Chairman of £3,012 per annum from 1 April 2009.
- (d) That, in light of the economic downturn, no increase in Members' existing basic and special responsibility allowances be made in 2009/2010.

### **35/09 ENVIRONMENTAL/STREET SCENE ENFORCEMENT**

The Council considered the recommendation of the Executive on proposals to introduce a formal Fixed Penalty Notice (FPN) scheme, in relation to the enforcement of the provisions of the Clean Neighbourhood and Environment Act 2005 in respect of various environmental and street scene issues.

**RESOLVED** to amend the Scheme of Delegations to Officers, as set out in Part 3 (Responsibility for Functions) of the Council's Constitution, to authorise Street Scene Officers and the Stanwell Community Warden [or such other Officers who may be appointed at any future time to discharge similar functions] to exercise the Council's functions in respect of investigations and enforcement under the Clean Neighbourhoods and Environment Act 2005 (CNEA 2005).

### **36/09 THE SPELTHORNE LOCAL DEVELOPMENT PLAN CORE STRATEGY AND POLICIES DEVELOPMENT PLAN DOCUMENT [DPD]**

The Council considered the recommendation of the Executive on the recommendations of the Local Development Framework Working Party from its meeting held on 29 January 2009.

**RESOLVED** to adopt the Spelthorne Local Development Plan Core Strategy and Policies Development Plan Document [DPD], incorporating all the Inspector's recommendations.

### **37/09 REPORT FROM THE LEADER OF THE COUNCIL**

The Leader of the Council, Councillor J.D. Packman, presented his report, which outlined the various matters the Executive had dealt with since the last Council meeting.

### **38/09 IMPROVEMENT AND DEVELOPMENT COMMITTEE**

In the absence of the Chairman of the Improvement and Development Committee, Councillor Miss M.M. Bain, presented his report, which outlined the matters the Committee had dealt with since the last Council meeting.

### **39/09 LICENSING COMMITTEE**

The Vice-Chairman of the Licensing Committee, Councillor Ms N.A. Hyams, presented the report of the Chairman in his absence, which outlined the matters the Committee had dealt with since the last Council meeting.

### **40/09 PLANNING COMMITTEE**

The Chairman of the Planning Committee, Councillor E. O'Hara, presented his report, which outlined the matters the Committee had dealt with since the last Council meeting.

### **41/09 MOTIONS**

Under Standing Order 16.3, a Notice of Motion had been received concerning the transfer of Post Office facilities in Staines Town.

**Councillor Miss M.M. Bain proposed and Councillor S.E.W. Budd seconded the following motion:**

"This Council notes the transfer of post offices facilities in Staines Town to the local branch of W.H. Smith and requests that Post Office Counters Ltd. consider raising the number of staff there to provide a service which avoids the very long queues currently experienced."

**The Leader of the Council, Councillor J.D. Packman responded along the following lines:**

That he was grateful to the Councillor for raising this issue which was an indication of how seriously the Council took its role as a Community Leader.

### **RESOLVED**

1. To ask the Deputy Chief Executive to write to the Post Office to express the concerns of the Council about the quality of service provided at its branch in WH Smith, Staines and
2. To ask Councillor C.A. Davis, as the Portfolio Holder for Regeneration, to discuss the matter with the manager at WH Smith, Staines and ask for the Council's concern to be raised with the Head Office.

### **42/09 QUESTIONS ON WARD ISSUES**

**Under Standing Order 14, Councillor T.W. Crabb asked the following question:**

"The wide response to the Council's consultation on the future of the TP26 has demonstrated the intense interest by residents of Lower Sunbury. What steps has the Council in mind for making public the views submitted so that the residents can be reassured they are fully taken into consideration, and what is the timetable for the work?"

**The Portfolio Holder for Young People and Cultural Services, Councillor Mrs D.L. Grant responded as follows:**

"As the Councillor is I am sure already aware the Council is currently analysing the 188 responses received via feedback forms available at the exhibition, along with letters, e-mails and telephone calls. A summary of the responses will be made available in March 2009 via the website, local Residents Associations and Friends of Sunbury Park. Some of the issues raised require a response from Surrey County Council, in terms of their highway requirements for links into local streets and the width of the path. It is hoped that these will be received by the end of March. It is expected that the path would be laid and available for use by the summer.

I would also like to record our thanks to LOSRA, Lower Sunbury Residents Association for their valued support in promoting the exhibition on their Web Site and they also accepted my challenge to run a competition to name the new project. I await with keen interest the proposals when they come forward. The Bottle of Champagne to the winner is in safe keeping."

**Under Standing Order 14, Councillor Mrs S.A. Dunn asked the following question:**

"Following the recent death of a pedestrian, on the A244 in Halliford, would the Council please endorse the local resident's campaign for a crossing on this road by writing to Surrey County Council to urge that the proposal is progressed as quickly as possible?"

**The Portfolio Holder for Communications and Engagement, Councillor A.P. Hirst responded as follows:**

"I certainly agree that, in view of the tragic circumstances, we should urge Surrey County Council to install a pedestrian crossing. I have already e-mailed Annette Williamson the local Transport Officer for Surrey County Council and I would suggest that you liaise with her to progress the matter further."

**Under Standing Order 14, Councillor Mrs C. E. Nichols asked the following question:**

"In October 2008 the Portfolio Holder advised that Nottingham Housing Trust was expected to be on the Benwell site in December 2008 with an estimated completion in early 2010.

At present the project appears to be delayed with no activity on site. What are the latest forecasts for demolition of the former day centre, commencement of building, completion and commissioning of the new development?"

**The Leader, Councillor J.D. Packman responded as follows:**

"Further to the comments made by the Portfolio Holder in October, I have already referred to Benwell in my Budget Speech.

Members will also be aware that, like many other building projects, Benwell has not been immune to potential fall in the value of the flats. The Council has worked with Nottingham Housing Trust to ensure that the scheme is viable and funding was agreed by the Home and Community Agency and the

updated S106 Agreement has now finally been agreed. Nottingham have confirmed that they will be on site in the next two weeks, with completion by mid summer.

As said before, Churchill is still operating and will do so until Benwell is ready.”

**Under Standing Order 14, Councillor R.B. Colison-Crawford asked the following question:**

“It is now over two years since the Benwell Centre was closed and the day centre at Churchill Hall has become very successful attracting a whole new clientele. Would the Portfolio Holder be prepared to consider retaining this facility permanently?”

**The Deputy Leader, Councillor R.A. Smith-Ainsley responded as follows:**

“The Councillor has previously asked this question of the portfolio holder and to reiterate for the benefit of all Councillors, thanks to the Manager, volunteers and users, Churchill has indeed attracted new clients, but, as Councillors will be aware, a decision was taken three years ago to dispose of the site due to its previous lack of use. The Council agreed that Kelli Dixon dance school would purchase the site for the benefit of the children, young people and the community.

The plan has always been that Churchill users would relocate to Benwell, which will have improved facilities, a separate dining room, therapy room, computer room and activity room, which will be operated by the Council and Nottingham Housing Trust.

There would be no further funding for Churchill, but the hall itself will be available to hire in the future from Kelli Dixon if a group choose to.”

#### **43/09 GENERAL QUESTIONS**

**Under Standing Order 14, Councillor L.E. Nichols asked the following question:**

"Now that the negotiations to sell the Bridge Street Car Park site have fallen through could the Portfolio Holder please detail the full financial cost to the Council of the relocation of the Sea Cadets and the anticipated annual charges? The Council report on the subject stated that Taylor Wimpey would contribute “£50k upfront and £12k per annum” – will any of this money now be forthcoming? If there is a contribution shortfall, which Council budget will fund these additional costs?"

**The Portfolio Holder for Regeneration, Councillor C.A. Davis responded as follows:**

“The total capital cost of relocating the Sea Cadets from Bridge Street to Lammas has totalled £161k. This is more than the original estimate of £114k. The majority of the additional cost relates to:

- a) additional palisade fencing costs (£8k) required by the Cadets to meet their security needs
- b) fireproofing of scaffolding (an additional £21k) and
- c) additional work incurred as a result of encountering high voltage cables (£4k).



As a result of undertaking this project the Council has avoided the need to carry out essential health and safety repairs to the Cadets' previous accommodation which would have cost approximately £50k.

The additional ongoing revenue costs for hire of the cabins, scaffolding and storage of items is estimated at £20k per annum which is at the lower end of the £20k to £29k estimate provided to Executive in September 2008. The ongoing revenue cost will be met from the set aside revenue income which the Council received in 2007-08 from the operation of Bridge Street Car Park which had not been anticipated in the budget for 2007-08.

The contributions to which you refer, from Taylor Wimpey, will obviously not be forthcoming. If the Councillor requires further details of the financial costs then I would suggest that he contact the Financial Officer Mr Collier."

**Under Standing Order 14, Councillor Mrs E. M. Bell asked the following question:**

"In Executive decision 1402 in respect of Area Forums it was decided that Ward Members must

- (a) inform the Assistant Chief Executive if they are to attend and
- (b) sit at the front facing the audience.

Can the Portfolio Holder please say what authority the Council has to assert these rules?

What sanction does the Council intend to impose in the event of non-compliance by any Members?

Given that Ward Members are not consulted about Area Forums, why does the Executive believe that local Councillors should be obliged to support the process?"

**The Deputy Leader, Councillor R.A. Smith-Ainsley responded as follows:**

"I must start by saying that I am very disappointed with the sentiment of Cllr Bell's question.

As far as the majority party is concerned, and we have said, on many occasions, Area Forums are non political meetings at which the Council, in its widest sense, is being scrutinised by the Spelthorne community. The opportunity is given for residents to question Councillors and a range of partners on issues within the Ward and the Borough as a whole. It is an event that I would have thought all Councillors, irrespective of party politics, would wish to attend and show the best face of the Council. A common courtesy for those residents is to be able to see the Councillors who represent them, not their backs, as has been the case at the Sunbury forums, except for a couple of notable exceptions. Clearly the Council has no authority to assert the rules referred to however they enable us to manage the meetings in a much more professional way.

For instance, if the Assistant Chief Executive knows which Councillors are to attend, the seating and name plates can be prepared in advance and it is a common courtesy to give apologies if you are unable to attend. Equally, as I have already said, it seems to us on this side of the Chamber that it is a

common courtesy for Councillors to face the audience. It also enables the Chairman of the meeting to better manage answers to questions.

I am equally surprised at the final question about supporting the process. This is one of the Council's key community engagement initiatives. I find it remarkable that the Liberal Democrats do not wish to listen to the views of the community on a wide range of issues.

We are always seeking better ways to engage with the community and are looking at working with Residents Associations and also possibly splitting the Sunbury Forum into Lower Sunbury and Sunbury Common.

In summary, therefore, I would ask that Councillors do support these guidelines for the better administration of the meetings and to ensure that local residents are able to identify their elected representatives.

However, I would question in return, why would a Councillor not want to inform officers they were attending, and why would they not want to sit where the public can see them?"

**Under Standing Order 14, Councillor Mrs C.E. Nichols asked the following question:**

"This question seeks an update from the Portfolio holder on the staffing vacancies and output performance of the Environmental Health and Building Control departments.

At the last Council meeting the Portfolio holder said that some staff vacancies were being left open until the Business Improvement Programme was completed in early 2009. It was also said that a high volume of service requests and other work had caused 'some difficulties' for the service this year.

Is the review of these functions complete and can the Portfolio holder now quantify the effect that the shortfall in staff has had on the service this financial year? Have the two functions caught up with a backlog of work? How much work has simply remained not done?

Can the Portfolio holder give a reassurance that, notwithstanding requirements for budget cuts in 2009/10, the Environmental Health and Building Control functions will be able to maintain output at service levels which were budgeted in 2008/09?"

**The Portfolio Holder for the Environment, Councillor G.E. Forsbrey responded as follows:**

"I can confirm that the Head of Environmental Health and Building Control Services has completed the review of the two vacant part-time Environmental Health Officer posts and a report will be going to the Council's Management Team shortly with a recommendation that these vacant posts be used to fund the appointment of one full-time officer to provide additional resources for the environmental health team.

In recent months the Building Control Service has seen a significant reduction in the number of Building Regulation Applications and Notices received, primarily due to the economic downturn.

The future of the vacant administration post in the building control team has, therefore, not been concluded whilst further work is undertaken to assess the effects of the downturn on the workload of the administration team. In the meantime some temporary cover is still being provided.

The main effects of the shortfall in staff have been a reduction in response times and a backlog of some lower priority work. The employment of a new Environmental Health Manager and the use of temporary staff have enabled the environmental health team to improve their response times. However, the team continues to deal with a high volume of work and some of the service's building control staff are, therefore, being redeployed to assist their environmental health colleagues.

I can confirm our priority areas, such as food safety inspections, health and safety inspections and pollution control inspections, are on track for this year.

At this time there are no significant budget cuts proposed for the Environmental Health or Building Control functions for 2009/10 and it is, therefore, anticipated that we will be able to maintain output at agreed service levels."

**Under Standing Order 14.2, Councillor Mrs C.E. Nichols asked the following supplementary question:**

"I note the response from the Portfolio Holder for the Environment but would appreciate more detail about the volumes of activity in the priority areas."

Councillor Mrs C.E. Nichols was advised by officers present that the information she requested would be supplied to her in writing.

**Under Standing Order 14, Councillor I.J. Beardsmore on behalf of Councillor C.V. Strong, asked the following question:**

"Please would the Portfolio holder give an update on the timetable for the new Stanwell health centre. When is the former Stanwell day centre scheduled for demolition and what are the estimated completion and commissioning dates for the Health Centre?"

**The Leader, Councillor J.D. Packman responded as follows:**

"I have already maintained in my Budget Speech that this has been a very complex project with delays caused by PCT and concerns by the doctors over the impact and effect of the new GP-led Health Centre.

I am pleased to say that the PCT has now finally agreed up front capital costs for fitting at the new Health Centre at its Board Meeting in January and the targets for the doctors and the PCT has now been agreed ready to conclude in the next couple of weeks.

Ashley House, the developers, have been preparing for demolition, and this is planned for March, with the build commencing in April, with conclusion in February 2010. With the excellent team of Doctors and Medical Staff already to transfer to the new site the residents of Stanwell will benefit from this brand new facility way in to the future."

**Under Standing Order 14, Councillor I.J. Beardsmore asked the following question:**

"The Council has previously stated that the Supplementary Planning Guidance would be reviewed once the Local Development Framework has been completed. Would the portfolio holder please outline the proposed timetable for this review?"

**The Chairman of the Planning Committee, Councillor E. O'Hara responded as follows:**

"In April 2007 the Council approved the Local Development Scheme which sets out a programme for preparing documents that will form part of its Local Development Framework. This includes commitment to prepare a number of Supplementary Planning Documents once the Core Strategy and Policies Development Plan Document and Allocations Development Plan Document are adopted.

These Supplementary Planning Documents will amplify what is in our two key Development Plan Documents. In preparing them, existing Supplementary Planning Guidance will be replaced.

The Core Strategy and Policies DPD have been considered tonight for adoption and the examination hearing of the Allocations DPD commences on 12 May 2009. When this is completed and the Inspector's report on the Allocations DPD is received, we will then be able to scope precisely what the Supplementary Documents will need to cover and prepare a detailed programme. This will update the programme set out in the current Local Development Scheme.

It is anticipated that an updated programme of SPD work can be prepared later this year when work on the two DPDs is largely completed."

## **Agenda Item: 2**

**COUNCIL MEETING – 26 FEBRUARY 2009  
LEADER OF THE COUNCIL - COUNCIL TAX SPEECH  
2009**

Mr Mayor

Who would have thought that 12 months ago I would be standing here with the country in crisis and virtually BANKRUPT?

Estimated £2 trillion in debt – go on write it down – that is 2 followed by more than 10 zeros.

British banks – bankrupt or nationalised by a Labour Government.

3 million of the country's workers unemployed by the end of the year.

Housing repossessions – forecast – 75,000 to year end.

Throughout the length and breadth of the country people are struggling to pay their mortgages, their gas and electricity bills, and yes .... their Council Tax.

In the meantime this Government lurch from one crisis to another with the economy running out of control whilst their only concern is clinging to power. The sooner we have a Conservative Government to take control the better. Mind you, there will be a terrible mess to clear up.

So how will this impact on local authorities in general and Spelthorne in particular?

Without doubt the recession and general economic downturn will mean more people suffering hardship, as I have just outlined. This will result in a higher demand for Council services, including: homelessness; benefits; social care, etc, and also a higher risk of fraud as people become desperate.

Mr Mayor - it is against this background that I present the Budget Report for the Municipal Year 2009/10.

## APPENDIX A

However, before dealing with the budget proposal I would like to summarise some of the issues that we have dealt with in finally arriving at a balanced budget, and look into the future at the issues that lie ahead.

First and foremost, it is essential that we continue to have a solid and firm financial base, which must underpin everything the Council does. Put simply, if we don't balance the books we cannot continue to provide the full range of services to our residents both now, and in the future, which is always uppermost in our minds. We are constantly reviewing everything we do, how we do it, and whether anything can be done better in partnership with others.

It is fair to say that the setting the 2009/10 budget has been the most difficult budget process the Council has ever had to face, certainly since I became a Councillor. This Council like businesses and households has been adversely affected by the credit crunch and the global economic downturn. The Council's various income streams such as planning fees, building control, car parking, land charges have fallen as a result of the recession. At the same time there is increased demand for a number of the services the Council provides including housing options, housing and council tax benefits and other services such as council tax and business rates collection and these are finding their role harder to perform. Despite these pressures the Government, even in these dark days, has rigidly stuck to its previously announced general grant increase for the Council of a mere additional £28,000 which represents a measly increase of just 0.5% or is equivalent to the Council receiving an additional 31 pence per resident to fund services.

On top of this, the Chancellor has indicated that financial settlements for local government are going to get even tougher from 2010/2011 onwards, with even more changes and more demands for efficiency targets to be imposed.

How much more can we take before services start creaking under the pressure with the risk of them breaking down?

## APPENDIX A

Over the past four years we have already achieved savings of some £5m and in the past six to nine months another £1.3 million savings which we have identified as part of the 2009-10 budget process.

By way of grant funding, we will receive just £63.48 per head of population for 2009/10; this is 18% below the national average of £77.81. This means we are losing £1,300,000 against the average district council. Districts – particularly here in the South East - continue to do particularly badly in the settlement with 40% limited to a 0.5% grant increase. I have, of course, protested against our harsh treatment and the lack of recognition of the financial pressures we are now facing. Needless to say I have not had a satisfactory response!

The credit crunch has seen interest rates fall lower than they have ever been before in the 315 year history of the Bank of England. The UK Base rate fell this month to just one percent.

This has hit the Council's ability to continue to deliver the high levels of investment income it has achieved up to now, which has in previous years helped fund the provision of general services for the public. Currently our portfolio is achieving an average rate of interest of 5.4% i.e. more than 5 times the base rate, and we are beating our benchmark target. However, and this is the daunting task we face, as some of our investments will mature in the coming year and our ability to generate new capital receipts is currently constrained, our budgeted investment income is budgeted to **drop** by £900,000 for 2009-10.

This is why it is justifiable for the Council in the forthcoming year during a period of low interest rates to use a small amount of its interest equalisation reserve, which was built up over recent years from above target investment performance, to support the revenue budget.

May I, at this stage, reassure fellow councillors that this Council did not have any investments in any Icelandic financial institutions. Some may query why councils appear to have relatively large reserves? Councils such as ourselves need reserves to enable us to fund an ongoing capital programme.



## APPENDIX A

I have already referred to efficiency savings, but like businesses and households the Council, under the impact of the recession, has had to tighten its belt and seek out even more savings than the savings it has already delivered over the last few years. From early autumn members of the Executive have been working closely with the Council's Management Team and heads of service/departments to scrutinise all services budgets and to identify savings and additional sources of income. No stone has been left unturned. The budget being presented to the Council is underpinned by additional savings approaching £1.3m. There will be regular quarterly monitoring throughout the coming year to ensure that we successfully deliver these savings.

The Council is building upon its Business Improvement Programme, which, by the end of the current financial year, will have reviewed every service area and has exceeded its target of delivering ongoing annual savings of £500,000 per annum – the current figure is £642,000 savings per year from now on.

The Council has now developed its own dedicated business improvement team which will help the Council improve further the efficiency of its services and which will in turn help deliver further savings. This will in itself reduce further our need to seek external consultant advice.

I appreciate the great deal of work which has been undertaken by those Councillors who served on the Grounds Maintenance Contract Task Group and the officers in evaluating a new specification for the grounds maintenance contract and for evaluating the bids. The end result is we have an innovative contract in place which will save the Council more than £200,000 per annum.

As part of our belt tightening, this Administration is recommending that we as Councillors lead by example and forgo an annual increase in our member allowances.

As result of the financial pressures we are facing, and also in recognition of the lower inflationary climate we are now experiencing, we are recommending a lower than originally anticipated annual pay award for staff of 1.75%.

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I do wish to stress this does not in anyway reflect on the value we place on the dedication and commitment of our staff in delivering services to our residents. They have my sincere thanks for their contribution to serving our good residents of Spelthorne.

Given the financial pressures the Council is under it has been necessary to modify our approach to our use of general reserves in support of the revenue budget and we are now using £175,000 of general reserves to support the budget. However this represents a reduction on the £237,000 built into the 2008-09 budget. Based on the scenario of low investment income, we are still working to eliminate use of general reserves within four years.

Here I feel the need to say something in regard to our RESERVES, as it appears that some people have great difficulty in understanding their true purpose. Like any efficient, well run business, local authorities steadily build up their reserves when times are good so that when they ARE needed they are available, such as the downturn in the present economic climate.

Our residents would recognise that as Good House Keeping, which has been consistently recognised and approved by the Audit Commission in their Annual Reports, and I would challenge anyone to argue against that policy. That is what good, efficient CONSERVATISM is all about and there is nothing better on offer.

Whilst we have achieved a balanced budget for 2009-10 we know the immediate future thereafter is also looking extremely challenging. We also know the Government only intends to increase our general grant support by only a further 0.5% in 2010-11 and is looking for even greater efficiencies from local government.

The Government is running up such high levels of borrowing as its answer to the economic situation that whatever party is in power after the next general election there will be very little left in the cupboard for future funding increases for us in the local authorities. We have already undertaken work in relation to identified future financial pressures particularly in 2010-11 when we are likely to face increased employer pension contributions and at the same time the Council will

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have to pay higher National Insurance contributions as announced by the Chancellor in his November pre-budget report.

I must also stress that the Council is part of a **national** pension local government scheme and we are required to comply with the national regulations determining employer contributions.

We are putting in place several strategies to ensure that the Council is able to respond to these future financial challenges. The Business Improvement Programme, to which I have referred to earlier in my budget speech, is being refreshed and now we have an in-house improvement team we are looking for additional future Business Improvement benefits. We will be taking a rolling programme of zero based budgeting reviews across all departments.

We will be joining a procurement partnership in the summer with Elmbridge and Epsom and Ewell councils which we hope will help us achieve greater procurement savings. We will actively look for other opportunities to work in partnership with other councils to deliver both improved services and efficiencies. We will review our assets to look at those which might be under-used or surplus, and which might have an alternative use. This will include looking at ways of using our assets to generate ongoing income streams.

In determining our spending priorities, we have taken into account the views of local people alongside our legal obligations, in order to provide a clearer focus on delivering what our residents require we undertook a major revamp of the Council's corporate priorities replacing the previous four corporate priorities with the twelve new priority themes.

- Community Safety
- Younger People
- Environment
- Housing
- Independent Living
- Economic Development
- Healthy Community
- Community Engagement

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- ◆ In order to achieve these we need to ensure success at:
  - Sustainable Financial Future
  - Value for Money
  - Effective Communications
  - Developing Staff and Councillors

At the same time we increased the Executive to nine in order to ensure that the portfolio holders now have more tightly focused portfolios to enable them to be as effective as possible in delivering the agreed priorities for the benefit of residents.

Mr Mayor, I would now like to briefly touch on the progress we have made on delivering some of our key projects.

After much delay, principally caused by the PCT, we are now back on track on building the new, high quality, state of the art Health and Community Centre in Stanwell, which will replace the old Day Centre by February 2010. This will bring with it many benefits for the community of Stanwell and I must pay tribute to and thank the Stanwell residents for their patience.

Again, the good news with the old Benwell site where work should commence in the next two weeks with a new Day Centre and extra care housing for those elderly people who wish to live as independently as possible.

On that front, I must ask residents to understand that with an increasingly ageing population we are moving from the old institutionalised kind of care to a more personal arrangement, which many people prefer.

One casualty of the economic downturn was, of course, the construction industry.

This, as Members will be aware, has affected the Bridge Street development where, after many months of discussions and negotiations with Taylor Wimpey, we could not reach agreement on a contract and the legal document entered into at the commencement, we have given notice of our intention to terminate the agreement.

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We have spent some money on moving the Sea Cadets, but we will now wait for the upturn in the economy and then decide on our options for this valuable site, which will greatly outweigh these costs.

Started in 2004, we were delighted to hear late last year that the LDF – the Local Development Framework – had been found sound by the Government's Inspector.

This was particularly satisfying when I recall that half way through the work, when £1million of Council Tax Payer's money had been spent, we resisted the Voice of Doom to scrap it and start again. I pause and wonder what the reaction of our residents would have been if they had been made aware of this at that time?

The Inspector fully endorsed the Council's strategy of placing all new development in the urban area, thus maintaining our Green Belt. A truly satisfying result.

The Council is introducing more choice for tenants. It has successfully led a partnership of three Councils and two housing associations on the implementation of Choice Based Lettings which will offer a choice of properties across Borough boundaries for which tenants will be able to 'bid'. There will be a new allocations system to replace the current points system.

2008-09 saw the successful bedding-in of alternate weekly collection, which dramatically increased our recycling rate, and which we are optimistic will give us a rate of well over 30% by the end of the year. 2009 will see the implementation of an improved garden waste collection with the introduction of brown wheelie bins. We anticipate this initiative will increase our recycling and composting percentage by a further 2 to 3%.

Over the next three years period we are investing £300,000 in our area regeneration programme for Ashford, Shepperton and Sunbury. Residents will be given the opportunity to shape those proposals and consultations will commence shortly.

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In 2009-10 in partnership with SLM we will be introducing free swimming for the under 16s and over 60s using the Government funding for the two year period, which hopefully will encourage our residents to take up this healthy activity.

We, along with all other local authorities, are in a position where our financial position is suffering as a result of the recession, but where it is important to recognise that we do have a role to play in helping the local area to cope with the recession and hopefully encourage recovery.

Via the Local Strategic Partnership and Spelthorne Together and the voluntary organisations and our business colleagues, we look to promote economic, social and environmental well-being.

Examples of this are initiatives to improve benefit and tax credit take-up, pay small businesses quickly, be sympathetic and understanding to residents with Council Tax arrears, etc.

With a strong desire to promote the twelve priorities across the borough, we invited key stakeholders drawn from resident associations, schools, chambers of commerce, the voluntary organisations and the business community to a special presentation evening at Shepperton Studios in November 2008 where the Executive members presented their portfolios. This was very well received and we will be considering following this up with something similar in the future.

A further example to assist the community cope with the economic downturn, for 2008-09 we doubled the value of the VAT we retained as a result of the Chancellor's decision to reduce the standard rate of VAT to 15%.

We gave £22k to voluntary bodies focused on helping people with issues such as debt. We are also taking steps to improve the speed with which we pay our suppliers.

I am pleased to announce that we will also shortly have the facility to record Council Meetings and supply copies of these meetings on

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request. I believe it is proper for us to try this out to see what level of interest there may be in such recordings.

Therefore I am proposing that we start the recording of meetings of full council in the new Municipal Year and continue this for one year, at which time we will assess the need to extend the scheme.

Mr Mayor - I would like now to return to the detail of our budget and Council Tax proposals for 2009/10.

Our net expenditure next year is projected to be £14.418 million. Grants of approximately £0.7m and Business rates of approx. £5.0m produces around £5.7 million and we plan to use £2.036 million from interest earnings and reserves.

This leaves £6.699 million to be met from the Council Tax, which, after taking account of £20,380 from this year's collection and a tax base of 40,164 properties at Band D, this will require a Band D Council Tax of £167.30 to be levied.

This is an increase of 4.69% which equates to 14p per week at Band D. It is perhaps interesting to note that if we still kept all of the business rate we collected in the borough, we could levy a nil Council Tax and still have lots of money left over!

To our own part of the Band D Council Tax will be added *the* precept from Surrey County Council and the Surrey Police, which are £1,089.18 and £197.10 respectively, which gives a total Band D Council tax of £1453.58 – an overall increase of 3.4 %, which equates to an increase of £47.82 p.a. This Council's increase accounts for a 0.5% increase on the total bill.

It is recommended that by increasing Spelthorne's element of Council Tax by 4.69%, it will help us to achieve a balance between ensuring we are not capped, and achieving a reasonable increase in tax base.

In conclusion, I would like to place on record my sincere thanks to Cllr Bouquet, Portfolio Holder for Corporate Services, Terry Collier, the Chief Finance Officer, and all other Executive Members as well as the Chief Executive, Roberto Tambini and his Management Team and all

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the staff for their support and assistance in preparing this budget. It has not been an easy task.

Mr Mayor - I now formally move the adoption of Minute No. 1435 of the Executive of 17 February 2009 as amended by the Budget Book and the separate paper previously detailing the precepts by the County Council and Surrey Police and the Band D Council Tax levy for the year, as circulated to all Members.



**LIBERAL DEMOCRATS - LEADER'S BUDGET SPEECH**  
**COUNCIL MEETING – 26 FEBRUARY 2009**

It is unfortunate that Councillor Strong is unable to be here tonight as I know that he wanted personally to set out his view of where the Council finds itself.

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This year's budget debate finds the Council facing a very serious financial situation – by far the most serious that I think any of us can recall. Many other things have happened during the year, such as the Local Development Framework, but the current issues demand that all of us focus on the Council's finances. The ability of the Council to deliver the services that residents expect is totally dependent on the proper management of money. We should never forget that the Council has no money, it comes from the residents and we are elected to oversee the way it is spent providing local services.

It only takes a cursory glance at the financial reports to see that a gulf has opened up between our income and our expenditure for the coming financial year. This funding gap is going to require a radical response which will be both unpopular and uncomfortable.

The fundamental problem is a shortfall in income, but it would be a mistake to believe that this is the full story. An unsatisfactory approach to expenditure over many years is now making the problem worse.

The consequence of this fall in income will inevitably mean that “cuts” will have to be made – and cuts mean a reduction in services. There is no point in pretending that this is not the case.

Spelthorne is not alone in having to face up to these problems. Many other Councils have similar financial challenges – some of them are much worse off as a result of investing in what has turned out to be inappropriate financial instruments.

The Council's income comes from three principle sources – central government grant, the council tax precept and other sources including interest. The level of government grant has been known for some time and has not been affected by recent financial events.

The revenue generated by Council Tax may be impacted to a small degree by the financial circumstances of individuals, but in general it will not be significantly altered.

This being the case it is a change in the “other” revenue that must be responsible for the crisis in which we find ourselves.

In the draft detailed budget report we are told that there is an “underlying deficit” of £1.7m. We have been provided with several pages of explanation for this.

Primary responsibility is ascribed to the credit crunch. Both nationally and internationally we face a recession of unprecedented proportions. Even I would not blame Spelthorne's Conservatives for this. I do however suspect that we all agree that the UK

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would be in a much better position if Vince Cable was managing the economy.

One of the consequences of the credit crunch is that interest rates have been slashed. We are going to see a huge drop in interest income over the coming months and years.

We are witnessing a rapid drop in property values which has already hit the programme of asset sales and we are also seeing a drop in housing development applications.

Central government has not helped Spelthorne's parlous financial situation. We all agree that we do not receive adequate government grant – this is unfair and to some degree represents a bias against the South-East by New Labour. However if anyone really believes that the balance of funding is likely to change much in our favour if the Conservatives come to power at the next election, they are being unrealistically optimistic. The level of funding we currently receive is not likely to change much in the next few years.

The government's attitude to Council Tax capping prevents making a one-off adjustment to the Spelthorne precept. The proposed increase in tax is in practice an acceptance that this is what is really required.

The government's response to the credit crunch has not helped local authorities deal with the situation. The only thing that it has enhanced is New Labour's reputation for financial incompetence.

But what of Spelthorne? According to Spelthorne Conservatives they are the unwitting victims of the credit crunch and central government incompetence. If this were the case the situation that we now face would be nowhere near as serious. Decisions made by the Conservative administration over many years are now being exposed by the crisis.

In December 2007 this Council agreed to a revised reserves policy which contained two important decisions. Firstly it was decided to credit all interest to revenue. This made the finances look sound. The Liberal Democrats opposed this at the time because it made the budget dependent on interest income and extended the Council policy of raiding reserves. We pointed out that this was unwise and you ignored us. We now have the incontestable right to say "we told you so".

The second aspect of the reserves decision was the intention to increase and then maintain reserves at above £31m. Since this decision was taken the reserves have never come close to £31m and there is no prospect that they will in the medium-term. The decision in practice assumed that the Council would manage to flog-off Bridge Street car park to the highest bidder. Again the Liberal Democrats opposed basing future budgets on the sale of Council assets. Again we have the right to say "we told you so".

We have heard on numerous occasions how the Council has made savings totalling over £5m. If this were true the Council could quite reasonably take credit for prudent management. It could claim to be living within the income available to it. But in fact it is very hard to find these savings in the budgets that have been presented to this Council.

If you look at the budgets from the last few years there has been a consistent growth in the cost base roughly in line with general inflation. Where are the cost savings? It is

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impossible to trace the claimed savings back into real budget reductions. The lack of transparency around the Business Improvement Programme should worry all of us as Councillors. This initiative needs to be subject to a greater level of Member scrutiny before we can have any confidence that it is being effective in making a real impact on the cost base.

I have already mentioned the issue of basing a budget on the assumption of asset sales. This is a dangerous policy for any organisation at any time, but this Council has a truly frightening record in terms of capital management.

In the last 10 years the value of reserves has fallen from £57.8m to the current end of year estimate of £18.3m. Nearly £40m gone – not counting the interest on the cash. The reserves are now £5m below the level they were at prior to the sale of the Council's housing stock.

This fact, unlike the spurious level of savings, has never been repeatedly and proudly announced in this chamber or to the public. Instead we see carefully worded paragraphs on "prudential borrowing". In case anyone does not understand this, it means that we have spent all the capital and if we want to do anything we will have to borrow the money. No wonder the Executive has been so keen to sell Bridge Street car park.

If more assets are sold there is no guarantee whatsoever that the money will be used any more wisely than it has been in the past.

In summary the current financial plight is not just the result of the credit crunch and inept central government – this Council has made decisions over a number of years that have made a significant contribution. These decisions have been made by the Executive and endorsed by Conservative Councillors not by Officers.

The Liberal Democrat group warned you about the risks of crediting all interest to revenue and of relying on asset sales and were roundly ignored. This is par for the course for this Council, which has a record of either not consulting or of not listening to the response when they do. The arrogant insistence that you know best is not helpful when you are dealing with an unprecedented situation, like we have now.

To conclude I would have to say that I do not envy the Executive and the Conservative Group with the serious challenges that you face. You have to accept that this situation is at least in part of your own making. It is too late to do much about the 2009/10 financial year but tough decisions must be taken soon so that a properly balanced budget can be achieved thereafter. This will require radical not incremental solutions. If the Business Improvement Programme is to be the vehicle for cost saving delivery it needs to be radically refocused.

This budget does not recognise or address the challenge facing the Council and we shall be voting against it.