

**ROBERTO TAMBINI
CHIEF EXECUTIVE**

Please reply to:

Contact: Liz Phillis
Service: Corporate Governance
Direct line: 01784 446276
Fax: 01784 446333
E-mail: l.phillis@spelthorne.gov.uk
Our ref: LP/OSCTTEE
Date: 6 June 2011

NOTICE OF MEETING

OVERVIEW AND SCRUTINY COMMITTEE

DATE: TUESDAY 14 JUNE 2011

TIME: 7.30PM

PLACE: COUNCIL CHAMBER, COUNCIL OFFICES, KNOWLE GREEN, STAINES

TO: ALL MEMBERS OF THE OVERVIEW AND SCRUTINY COMMITTEE

Ms P.A. Broom (Chairman)
Mrs M.W. Rough (Vice-Chairman)
A. Ayub
Mrs C.A. Bannister
I.J. Beardsmore

Ms M. Bushnell
R.D. Dunn
M.P.C. Francis
D. Gohil
Mrs I. Napper

Mrs C.E. Nichols
Miss D. Patel
A.C. Patterson
Ms J.R. Sexton
Ms S. Webb

EMERGENCY PROCEDURE

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.

THE LIFT MUST NOT BE USED

If you would like a copy of this agenda or the attached reports in a larger print please contact Liz Phillis (01784) 446276 or Email l.phillis@spelthorne.gov.uk

IMPORTANT PUBLIC NOTICE

MOBILE TECHNOLOGY – ACCEPTABLE USE

Use of mobile technology (e.g. mobile telephones, Blackberries, XDA's etc.) at this Committee can:

- Interfere with the Public Address [PA] 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, Blackberry, XDA 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

A G E N D A

Timing		Agenda item	Lead
7.30pm	1.	APOLOGIES To receive any apologies for non attendance	Chairman
	2.	DISCLOSURES OF INTERESTS To receive any disclosure of interests from members in accordance with the Overview and Scrutiny Procedure Rules.	Chairman
7.35pm	3.	INTRODUCTIONS – ROLE OF THE OVERVIEW AND SCRUTINY COMMITTEE Page Nos. 5 - 15 A general discussion to take place on the role of overview and scrutiny The terms of reference of the Committee together with the Procedure Rules for overview and scrutiny is attached	Chairman, Vice Chairman and Brian Harris Assistant Chief Executive
	4.	MINUTES Page Nos. 16 To confirm the minutes of the meeting held on 26 May 2011 (copy attached)	Chairman
7.45pm	5.	MEETING ARRANGEMENTS In accordance with the Overview and Scrutiny Procedure Rule 4.1, to agree the start time and meeting venues for the committee meetings for this Municipal Year. Currently the meetings start at 7.30pm and are held in the Council Chamber. The Committee is scheduled to meet on 15 September, 17 November 2011 and 9 February 2012 but it is requested that these dates are amended and for the committee meetings to take place on 13 September and 15 November 2011 and 7 February 2012	Chairman
7.50pm	6.	CALL IN OF CABINET DECISIONS No decisions have been called in for review.	Chairman
7.55pm	7.	FOOD WASTE COLLECTION SERVICE Page Nos. 17 - 31 To receive a presentation from the Head of Sustainability and Leisure on the progress being made with the introduction of the food waste scheme. For background information the report that was considered by the Cabinet at its meeting on 30 March 2011 is attached	Dr Sandy Muirhead Head of Sustainability and Leisure
8.15pm	8.	WASTE POLICIES Page Nos. 32 - 39 To consider the attached report of the Head of Sustainability and Leisure	Dr Sandy Muirhead Head of Sustainability and Leisure

8.25pm	9.	PARKS AND OPEN SPACES To receive a presentation from the Open Spaces and Sustainability Manager on parks and open spaces including, disabled facilities in parks and other associated information.	Cathy Munro Open Spaces and Sustainability Manager
8.50pm	10.	ELECTION ISSUES To discuss a briefing paper on election issues. (Briefing Paper to follow)	Michael Graham Head of Corporate Governance
9.10pm	11.	REVIEW OF THE CODE OF CORPORATE GOVERNANCE Page Nos. 40 - 49 To consider the attached report of the Monitoring Officer	Michael Graham, Monitoring Officer
9.20pm	12.	2010 – 11 REVENUE BUDGET OUTTURN POSITION Page Nos. 50 - 76 To consider the attached report of the Chief Finance Officer -	Adrian Flynn, Senior Accountant
9.40pm	13.	2010 – 11 CAPITAL BUDGET OUTTURN POSITION Page Nos. 77 - 87 To consider the attached report of the Chief Finance Officer	Adrian Flynn Senior Accountant
10.00pm.	14.	TREASURY MANAGEMENT ANNUAL REPORT 2010/11 Page Nos. 88 - 94 To consider the attached report of the Chief Finance Officer	Terry Collier Chief Finance Officer
10.10pm	15.	CABINET FORWARD PLAN Page Nos. 95 - 96 A Copy of the latest Forward Plan is attached for consideration If any members of the committee have any issues contained in the Cabinet Forward Plan they wish to look at please inform Brian Harris, the Assistant Chief Executive 24 hours in advance of the meeting with reasons for the request.	Brian Harris Assistant Chief Executive
10.15pm	16.	WORK PROGRAMME 2011/ 2012 Page No. 97 To consider a work programme for the Municipal Year	Chairman
10.25pm	17.	ANY OTHER BUSINESS If any member wishes to raise an issue at the meeting could you please notify Brian Harris, Assistant Chief Executive on 01784 446249 or email b.harris@spelthorne.gov.uk 24 hours prior to the meeting otherwise the request may not be accepted	Brian Harris Assistant Chief Executive

Article 8 – Overview and Scrutiny Committees

8.1 Terms of reference

The Council will appoint an overview and scrutiny committee to discharge the functions conferred by section 21 of the Local Government Act 2000 regulations under section 32 of the Local Government Act 2000, Local Government and Public Involvement in Health Act 2007, the Police and Justice Act 2006 and any other subsequent legislation in relation to the following matters:

- To act as the Council's Overview and Scrutiny Committee under the Local Government Act 2000; and
- To take on the responsibilities for Crime and Disorder scrutiny under the Police and Justice Act 2006.

8.2 General role

- a) To be member led and discharge the function of overview and scrutiny as a critical friend in relation to the development of policies and strategies to meet local needs and in relation to service delivery and performance management;
- b) Review and / or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions;
- c) Make reports and / or recommendations to the Council and / or the Cabinet in connection with the discharge of any of the functions;
- d) Question members of the Cabinet and / or committees and the Chief Executive, Deputy Chief Executive, Assistant Chief Executives or Heads of Service about their views on issues and proposals affecting Spelthorne and on their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects;
- e) Consider any matter affecting Spelthorne or its inhabitants; and
- f) Exercise the right to call in for reconsideration, decisions made but not yet implemented by the Leader /individual member of the Cabinet / the Cabinet.

8.3 Policy review and development

- a) To assist the Council and the Cabinet on policy issues generally including the initiation and development of new policies and strategies (this includes not just the Council's policies and strategies but those of other bodies which affect the well being of the Spelthorne Community);
- b) To consider and advise the Cabinet and Council on the content of the Corporate Plan;

- c) To review, consider and recommend improvements and developments in advance of the decisions of the Cabinet in relation to policy matters;
- d) Conduct research, and consultation in the analysis of policy issues and possible options;
- e) Consider and implement mechanisms to encourage and enhance community participation in the development of policy options; and
- f) Liaise with other external organisations operating in Spelthorne, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working.

8.4 Scrutiny and review

- a) To review and monitor the Council's performance management arrangements and draw attention to local residents concerns;
- b) To review and monitor the implementation of the Corporate Plan;
- c) To review and monitor performance in meeting the Council's annual targets, national and local performance indicators, and quality of life indicators;
- d) To review and monitor how and to what effect policies and strategies are being implemented and to make reports and recommendations, including proposals for changes to policies and practices to the Council and the Cabinet (this includes not just the delivery of Council policies and strategies but those of other bodies which affect the well being of the Spelthorne community);
- e) To review and monitor performance acting as a critical friend to the Cabinet regarding the Council's budget and policy framework;
- f) To review and monitor any areas that the Committee believes is not performing setting up task groups as required;
- g) To review and scrutinise as a critical friend the performance and decisions of the Cabinet in relation to service provision and performance management and to exercise the right of 'call in' of decision in accordance with the provisions of the Constitution;
- h) To review and scrutinise the performance of other public bodies in Spelthorne, in particular they will exercise the Council's newly acquired scrutiny responsibilities arising under the Police and Justice Act 2006 and the 'Councillor Call for Action' provisions under the Local Government and Public Involvement in Health Act 2007 and invite reports from appropriate public bodies by requesting them to address the committee and local people about their activities and performance; and

- i) Question and gather evidence from any person (with their consent) to fulfil its purpose.

8.5 Finance

Overview and scrutiny committees may exercise overall responsibility for the finances made available to them.

8.6 Reports

The Chairmen of overview and scrutiny committee will report to Council on the workings of the committee.

8.7 Work Programme

The Overview and scrutiny committee will decide its own work programme and working arrangements subject to any directions by the Council.

8.8 Proceedings of overview and scrutiny committees

The Overview and scrutiny committee will conduct their proceedings in accordance with the Overview and Scrutiny Procedure Rules set out in Part 4 of this Constitution.

OVERVIEW AND SCRUTINY PROCEDURE RULES

1. NUMBER AND SIZE OF COMMITTEES

- 1.1 The Council will have an Overview and Scrutiny Committee as set out in Article 8 and will appoint members to it. The Committee may appoint such sub-committees and working groups, as it considers appropriate.

2. WHO MAY SIT ON OVERVIEW AND SCRUTINY COMMITTEES

- 2.1 All Members except members of the Cabinet and the Mayor may be members of the Overview and Scrutiny Committee. However, no member may be involved in scrutinising a decision which he or she has been directly involved with.

3. CO-OPTEEES

- 3.1 The Overview and Scrutiny Committee shall be entitled to recommend to Council the appointment of a number of people as non-voting co-optees such as representatives from other organisations, local residents, outside experts etc.

4. MEETINGS

- 4.1 There shall be at least 4 ordinary meetings of the Overview and Scrutiny Committee in every year in accordance with the calendar of meetings agreed by the Council. These shall be at times and venues to be decided by the Committee.
- 4.2 In addition, extraordinary meetings may be called from time to time as and when appropriate. An extraordinary Overview and Scrutiny Committee meeting may be called by:
- (a) the Chairman of the Overview and Scrutiny Committee,
 - (b) any 3 members of the Committee; or
 - (c) The lead officer to the Committee if he or she considers it necessary or appropriate after consultation with the Chairman.
- 4.3 When calling an extraordinary meeting the justification for doing so shall be given.
- 4.4 Any Member may attend meetings of the Overview and Scrutiny Committee of which he or she is not a member but shall sit separately from the members of the Committee so that it is clear to members of the public, who are the members of the Committee. A Member shall not be entitled to attend meetings of working groups or sub-committees unless appointed as a member or invited to attend by the working group or sub-committee.
- 4.5 A Member in attendance at meetings may, when invited to do so by the Chairman, speak at the meeting in relation to an issue being discussed, provided he or she has notified the Chairman before the start of the meeting of his or her wish to speak on the item.
- 4.6 A Member appointed as the Council's representative on an outside body may attend meetings and speak in relation to an issue being discussed which affects that body, provided that he or she has notified the Chairman before the start of the meeting of his or her wish to speak on the item.

5. APPOINTMENT OF CHAIRMAN

- 5.1 At the first meeting in the municipal year the Committee will elect the Chairman for the year from amongst the Members sitting on the Committee. In the event of an equality of votes, the appointment shall automatically be deferred to the next meeting and the Committee shall elect a Chairman for the meeting to enable the business on the agenda to be transacted. The Chairman will then conduct the appointment of a Vice-Chairman.
- 5.2 The Chairman shall preside at every meeting of the Committee at which he or she is present but may invite the Vice-Chairman of the Committee to preside over all, or any part of the meeting.
- 5.3 In the absence of the Chairman, the Vice-Chairman shall preside and, in the absence of the Chairman and the Vice-Chairman, the Committee shall elect a person from among their number to preside at the meeting, which will be conducted by the lead officer.

6. QUORUM

- 6.1 The quorum for the Overview and Scrutiny Committee (or any sub-committee) shall be one quarter of the members of the Committee.

7. WORK PROGRAMME

- 7.1 The Overview and Scrutiny Committee shall be responsible for setting its own work programme and in doing so shall take into account the wishes of members on that Committee who are not members of the largest political group on the Council. Any work programme agreed may be amended from time to time.

8. AGENDA ITEMS

- 8.1 Any member of the Overview and Scrutiny Committee shall be entitled to notify the Chairman that they wish a relevant item to be included on the agenda for the next available meeting of the committee; such notice to include the reason for wanting the matter to receive Committee consideration. The Chairman shall consider such a request and if he or she agrees that it is an appropriate matter for the Committee to discuss, the lead officer to the Committee will ensure that it is included on the next available agenda. If the Chairman does not consider it appropriate for the Committee to consider the item requested, then he or she shall give his or her reasons to the member making the request. (Note: this relates to any matter relevant to the functions of the Committee other than a 'call-in of a key decision, which is dealt with separately in paragraph 16 below)

9. ORDER OF BUSINESS

- 9.1 The normal order of business at overview and scrutiny committees shall be:
- (a) Apologies for absence;
 - (b) Minutes of the last meeting;
 - (c) Matters arising from the minutes
 - (d) Declarations of interests;
 - (e) Call in of a Leader, Cabinet or Cabinet Member decision;

- (f) Any matter referred under the “Councillor call for action” procedures
- (g) Outcomes of any reports or recommendations to the Leader, Cabinet or Cabinet Member
- (h) Matters set out in the work programme for the meeting
- (i) Cabinet Forward Plan
- (j) Members of the Committee to suggest items for future Committee consideration
- (k) Work Programme; and
- (l) Any business identified by the Lead Officer to the Scrutiny Committee and agreed by the Chairman
- (m) Any Other Business

9.2 Duration of meetings (Please see Standing Orders for Council contained in part 4 section (a) of the Council’s Constitution for the rules on the length of time allowed for a single meeting).

10. **POLICY REVIEW AND DEVELOPMENT**

10.1 The role of the Overview and Scrutiny Committee in relation to the development of the Council’s budget and policy framework is set out in detail in the Budget and Policy Framework Procedure Rules.

10.2 In relation to the development of the Council’s approach to other matters not forming part of its policy and budget framework, the Overview and Scrutiny Committee may make proposals to the Leader, Cabinet or Cabinet Member (as the case may be) for developments in so far as they relate to matters within their terms of reference.

10.3 The Overview and Scrutiny Committee may hold enquiries and investigate the available options for future direction in policy development and may appoint advisers and assessors to assist them in this process. They may go on site visits, conduct public surveys, hold public meetings, commission research and do all other things that they reasonably consider necessary to inform their deliberations. They may ask witnesses to attend to address them on any matter under consideration and may pay to any advisers, assessors and witnesses a reasonable fee and expenses for doing so.

11. **CONDUCT OF REVIEWS**

11.1 Before starting any review or enquiry, the Overview and Scrutiny Committee will:

- (a) Define the issue it wishes to look at and the Committee’s purpose in undertaking the review;
- (b) Indicate the type of background information and any performance or other data the Committee requires;
- (c) Indicate the individuals the Committee would like to interview as part of their review (eg Members of the Cabinet, officers, representatives from other organisations, local residents and outside experts. etc);

- (d) Set a realistic timescale including meeting dates if there are to be additional meetings to those in the calendar; and
 - (e) Decide whether the review is to be undertaken by the Committee itself or by a working group of members of the Committee reporting to the main Committee.
- 11.2 The terms of reference for any review to be undertaken by the Overview and Scrutiny Committee will be agreed by the Chairman of the Committee with the assistance of the lead officer and sent to all members of the Committee. The Chairman of the Committee will then manage the review with the lead officer.
- 11.3 Where the Overview and Scrutiny Committee conducts reviews or investigations and asks people to attend to give evidence, it will proceed in accordance with the following principles:
- (a) that the review or investigation will be conducted fairly and all members of the Committee will be given the opportunity to ask questions, to contribute and speak;
 - (b) that those assisting the Committee by attending be treated with respect and courtesy; and
 - (c) that the review or investigation be conducted so as to maximise the efficiency of the investigation or analysis.

12. REPORTS FROM THE OVERVIEW AND SCRUTINY COMMITTEE

- 12.1 Once it has formed recommendations on proposals for development, the Overview and Scrutiny Committee will prepare a formal report or recommendation and submit it to the lead officer for consideration by the Leader or Cabinet (if the proposals are consistent with the existing budgetary and policy framework), or to the Council (if the recommendation would require a departure from or a change to the agreed budget and policy framework) as appropriate.
- 12.2 If the Overview and Scrutiny Committee cannot agree on one single final report or recommendation to the Council, Leader or Cabinet as appropriate, then up to one minority report or recommendation may be prepared and submitted for consideration by the Council, Leader or Cabinet with the majority report or recommendation.
- 12.3 The Council, Leader or Cabinet shall consider the report or recommendation of the Overview and Scrutiny Committee within eight weeks of it being submitted to the lead officer.
- 12.4 The agenda for Cabinet meetings shall include an item entitled 'Issues arising from Overview and Scrutiny'. The reports and recommendations of the Overview and Scrutiny Committee referred to the Leader, Cabinet or Cabinet Member shall be included at this point in the agenda (unless they have already been considered in the context of the Cabinet's deliberations on a substantive item on the agenda) within eight weeks of the Overview and Scrutiny Committee completing its report or recommendations.
- 12.5 All references and recommendations from the Overview and Scrutiny Committee will be considered by the Cabinet notwithstanding that the original decision may have been taken by an individual member of the Cabinet.

- 12.6 When the Council does meet to consider any referral from the Overview and Scrutiny Committee on a matter which would impact on the budget and policy framework, it shall also consider the response of the Leader or Cabinet to the Overview and Scrutiny proposals.
- 12.7 Where the Overview and Scrutiny Committee prepares a report or recommendation for consideration by the Cabinet in relation to a matter where the Leader has delegated decision making power to an individual member of the Cabinet, then the Overview and Scrutiny Committee will submit a copy of their report or recommendation to that individual for consideration and all members of the committee, for information. At the time of doing so, the Overview and Scrutiny Committee shall also serve a copy on the lead officer and the Leader. If the member with delegated decision making power does not accept the recommendations of the Overview and Scrutiny Committee, then they must then refer the matter to the next available meeting of the Cabinet for debate before exercising their decision making power and responding to the report in writing to the Overview and Scrutiny Committee. The Cabinet Member to whom the decision making power has been delegated will respond to the Overview and Scrutiny Committee within eight weeks of receiving its report. A copy of their written response to it shall be sent to the lead officer and the member will attend a future meeting to respond.
- 12.8 The Overview and Scrutiny Committee will in any event have access to the Cabinet's forward plan and timetable for decisions and intentions for consultation. Even where an item is not the subject of detailed proposals from the Overview and Scrutiny Committee following its consideration of possible policy/service developments, the Committee will at least be able to make its views known to the Cabinet in relation to any key decision.

13. RIGHTS OF COMMITTEE MEMBERS TO DOCUMENTS

- 13.1 In addition to their rights as Members, members of the Overview and Scrutiny Committee have the additional right to documents, and to notice of meetings as set out in the Access to Information Procedure Rules in Part 4 of this Constitution.
- 13.2 The above provision does not prevent detailed discussion between the Cabinet and the Overview and Scrutiny Committee taking place on the particular matter under consideration.

14. MEMBERS AND OFFICERS GIVING ACCOUNT

- 14.1 The Overview and Scrutiny Committee or sub-committee may scrutinise and review decisions made or actions taken in connection with the discharge of any Council functions. As well as reviewing documentation, in fulfilling the scrutiny role, it may require any member of the Cabinet, the Chief Executive, Deputy Chief Executive, Assistant Chief Executives or Heads of Service to attend before it to explain in relation to matters within their remit:
- (a) any particular decision or series of decisions;
 - (b) the extent to which the actions taken implement Council policy; and/or
 - (c) their performance.

And it is the duty of those persons to attend if so required.

14.2 Where any member or officer is required to attend the Overview and Scrutiny Committee under this provision, the Chairman of that committee will inform the lead officer. The lead officer shall inform the member(s) or officers in writing giving at least 5 working days notice of the meeting at which they are required to attend. The notice will state the nature of the item on which they are required to attend to give account and whether any papers are required to be produced for the committee. Where the account to be given to the Committee will require the production of a report, then the member or officer concerned will be given sufficient notice to allow for the preparation of that documentation.

14.3 Where in exceptional circumstances, the member or officer is unable to attend on the required date, then the Overview and Scrutiny Committee shall in consultation with the member or officer arrange an alternative date for attendance.

15. **ATTENDANCE BY OTHERS**

15.1 The Overview and Scrutiny Committee may invite people other than those people referred to in 14 above to address the meeting, discuss issues of local concern and/or answer questions. It may for example wish to hear from residents, stakeholders and members and officers in other parts of the public sector and shall invite whosoever it considers appropriate to attend.

16. **CALL IN PROCEDURE**

16.1 The Overview and Scrutiny Committee shall be entitled to call in for consideration any decisions taken by the Leader, Cabinet or a Cabinet Member in accordance with the following procedure:

16.2 The "call in" procedure shall not apply to recommendations the Cabinet makes to the Council.

16.3 The call in procedure does not apply to urgent decisions (i.e. a decision which has been taken without the normal period of notice being given after consultation with and the agreement of the chairman of the Overview and Scrutiny Committee that the decision was urgent).

16.4 Within three working days of the date on which a decision of the Leader, Cabinet or a Cabinet Member is published, not less than three members [one of whom must be the Chairman] of the Overview and Scrutiny Committee, may give notice in writing to the lead officer of their wish that the decision should be considered by the Overview and Scrutiny Committee before it is implemented.

16.5 On receipt of such a notice the lead officer will advise the Chairman of the Committee of the call in and liaise with the Chairman to arrange for the committee to meet to consider the matter as soon as reasonably practicable.

16.6 To avoid delay in considering an item "called in", an extraordinary meeting of the Committee shall be convened within seven working days of a "call in" being received if an ordinary meeting is not scheduled in that period.

16.7 When calling in a Leader, Cabinet or Cabinet Member decision for review, the members doing so shall in their notice of "call in"

- outline their reasons for requiring a review;

- Indicate any further information they consider the Committee needs to have before it in order to conduct a review in addition to the written report made by officers ;
 - 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 to the Cabinet Member taking the decision or his/her representative should attend the meeting.
- 16.8 When a decision is called in for review, the Chairman of the Overview and Scrutiny Committee may arrange for any additional information they consider necessary to be made available to the Committee when it meets.
- 16.9 Where requested to do so, officers will arrange for the additional information to be supplied to the meeting and the officer making the report to the Leader or Cabinet etc will attend.
- 16.10 When requested to do so, the Leader or his nominee, where the Cabinet has made the decision, or the Cabinet Member who has made the decision will attend the meeting.
- 16.11 Having reviewed the decision, the Overview and Scrutiny Committee may either:
- (a) Request the Leader, Cabinet or Cabinet Member to reconsider the matter for reasons to be put forward by the Committee in their request to reconsider; or
 - (b) decide that no further action be taken, in which case the decision of the Leader or Cabinet etc may be actioned without further consideration or delay.
- 16.12 Where a decision is taken by the Leader, Cabinet or a Cabinet Member following consideration of a recommendation on the matter from the Overview and Scrutiny Committee and the decision is called in under the above procedure (ie. a second call in on the same matter), the Overview and Scrutiny Committee must either:
- (a) refer the matter to the Council for decision with a recommendation from the Committee as to what it considers appropriate; or
 - (b) decide that no further action be taken, in which case the decision of the Cabinet or Cabinet Member may be actioned without further consideration or delay.

17. THE PARTY WHIP

- 17.1 The party political groups represented on the Council have recognised and agreed in principle that political group whipping as described in the Secretary of States' Guidance to New Council Constitutions is not appropriate and will not be applied in relation to the function of overview and scrutiny.

- 17.2 When considering any matter in respect of which a member of the Overview and Scrutiny Committee is subject to a party whip, the Member must declare the existence of the whip and the nature of it before commencement of the Committee's deliberations on the matter. This shall then be recorded in the minutes of the meeting.

MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE

26 MAY 2011

Present:

Councillors:

A. Ayub

R.D. Dunn

D. Patel

C.A. Bannister

M.P.C. Francis

A.C. Patterson

I.J. Beardsmore

D. Gohil

Mrs M.W. Rough

Ms P.A. Broom

Mrs I. Napper

J.R. Sexton

M. Bushnell

Mrs C.E. Nichols

S. Webb

144/11 APPOINTMENT OF CHAIRMAN

RESOLVED that Councillor Ms P.A. Broom be appointed Chairman of the Overview and Scrutiny Committee for the Municipal Year 2011/2012.

145/11 MINUTES

The minutes of the meeting held on 5 April 2011 were approved as a correct record.

146/11 APPOINTMENT OF VICE-CHAIRMAN

RESOLVED that Councillor Mrs M.W. Rough be appointed Vice-Chairman of the Overview and Scrutiny Committee for the Municipal Year 2011/2012.

FOOD WASTE COLLECTION SERVICE - KEY DECISION

Special Cabinet: 30 March 2011

Resolution Required

Report of the Assistant Chief Executive

REPORT SUMMARY

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

Since the successful introduction of the alternate weekly refuse/recycling scheme in 2007 some residents have asked about food waste collections and the Council did state that we would implement such a scheme as soon as we were in a position to do so. The scheme proposed provides a weekly collection of food waste, which is the element of residual waste we have had most comments about, particularly in the summer months.

Purpose of Report

To seek approval for implementing a food waste collection scheme to increase our recycling rate.

Key Issues

Implementation process

Risks to the Council

Financial aspects

Financial Implications

With support from Surrey CC for three years the scheme will balance in year one but show deficits in years 2 and 3 of £29k, and will rise to £56k in year four and beyond.

Corporate Priority Environment, Sustainable Financial Future.

Officer Recommendations

Cabinet is asked to:

- 1. Authorise the Head of Sustainability and Leisure to implement a food waste collection service with effect from October 2011.**
- 2. Note the arrangements which the Head of Streetscene will make to appoint eight new staff (loaders) for collecting food waste.**
- 3. Authorise the Head of Streetscene to procure the kitchen caddies, food waste bins and liners.**
- 4. Recommend that Council agrees a supplementary capital estimate of £265,000 for the procurement of kitchen caddies, food waste bins and liners.**
- 5. Progress the planning and implementation of the food waste scheme through a Leader's Task Group in the new Council.**

Report Author: Dr Sandy Muirhead Head of Sustainability and Leisure

Area of Responsibility: Liz Borthwick Assistant Chief Executive

Cabinet member: Councillor Gerry Forsbrey.

MAIN REPORT

1. BACKGROUND

1.1 Since the introduction of the alternate weekly scheme in autumn 2007 we have seen our overall recycling rate move from 18% in 2007 to 37 % in the last quarter of 2010. However, over the last eighteen months we have seen most other Surrey authorities, as shown below, introduce food waste collections which have boosted their recycling rates to over 50%.

	Recycling July to September 2010	Commenced
Epsom and Ewell	46.61%	Spring 2009 ✓
Guildford	52.18%	Autumn 2009 ✓
Elmbridge	50.18%	Autumn 2009 ✓
Woking	52.68%	Spring 2010 ✓
Mole Valley	53.63%	Summer 2010 ✓
Runnymede	25.87%	January 2011 ✓
Surrey Heath	64.23%	Autumn 2009 ✓
Waverley	36.25%	Following the launch of the 'bolt-on' pilot (to 6,000 homes) in June 2010, extended in Nov 2010 to take in a further 2,500 homes. With new contract in 2012 intend to rollout food waste to all of Borough ✓
Reigate and Banstead	30%	Under consideration but understand they intend to rollout food waste in 2012/13 if they secure capital funding ?
Tandridge	35%	No current plans X
Surrey CC	50.79%	Community recycling Sites

- 1.2 The proposed target for recycling for Surrey County Council is 70% by 2013. It is expected this target to be achieved jointly by the waste collection authorities and County's community recycling centres. This has also been incorporated as an aspirational target in the Surrey wide Plan for Waste Management. This Plan has been endorsed by all of Surrey's local authorities.
- 1.3 This wish to improve recycling rates has opened up further dialogue between County and the Districts and there is now an offer from Surrey CC towards the capital and revenue cost of implementing a food waste collection scheme. The vision for the county is one in which resources are used and managed efficiently so that:-
- The amount of waste produced will continue to be reduced or reused
 - Materials reused, recycled or composted will exceed 70%
 - The environment will be protected and enhanced for future generations
- 1.4 To achieve food waste collections Surrey CC initially entered into three year arrangements with three Waste Collection Authorities (WCAs) over the course of a few months, in Guildford, Epsom and Surrey Heath. All subsequent arrangements, for both capital and revenue contributions, were made on the basis of so much per household, based on the average of what had been paid to the first three. This meant that those first three authorities were paid slightly above average in one category, and below in the other. Surrey CC also found that evidence from the Partnership visits they made to all WCAs indicated that the introduction of food waste, and all the related benefits from changes in collection methods, has achieved savings that offset much of the extra cost incurred with food waste. In authorities running food waste services there is general satisfaction that great improvements have been achieved in the service and in recycling performance at relatively low cost.
- 1.5 The Government charges a Landfill Tax on every tonne of domestic waste sent to landfill. By 2007/08 landfill tax stood at £24/tonne having risen at £3/tonne per year. However, a landfill tax escalator increased landfill tax by £8/tonne starting 2008/09. Landfill tax will continue to increase at this rate until it reaches £72/tonne in 2013/14. This is just the landfill tax and excludes the gate fee charged by a landfill operator or haulage costs which are greater the longer the distant travelled to the site.
- 1.6 The 2007/08 waste composition analysis indicated that Surrey districts sent approximately 82,700 tonnes of food waste to landfill incurring a c. £2M in Landfill Tax that year. Without action on food waste this burden would double by 2010/11, ultimately reaching approximately £6 million per year by 2013/14. By not land filling food waste a considerable portion of this cost would be avoided by Surrey CC.
- 1.7 The Landfill Directive (2003) specifically seeks to reduce the amount of biodegradable waste – primarily food and garden waste-being sent to landfill.

Year	Target (% reduction in biodegradable waste to landfill)
2010	75% of 1995 levels
2013	50% of 1995 levels
2020	35% of 1995 levels

- 1.8 To incentivise achievement of these targets the Landfill Directive threatens fines of up to £150/tonne through the Landfill Allowance Trading Scheme (LATS). In 2005/6 Surrey was one of the areas which came closest to exceeding its LATS allowance. Policy 5 of the Surrey Plan for Waste Management targets 0% landfill, which would remove all pressures on Surrey CC's LATS allowance.
- 1.9 The National Waste Strategy for England (2007) proposed to increase investment in infrastructure and encourage recycling and energy recovery using a mix of technologies. This included a pledge to encourage anaerobic digestion. This was reinforced by the coalition agreement in May 2010 which stated that "The parties agree to implement a full programme of measures to fulfil our joint ambitions for a low carbon and eco-friendly economy, including measures to promote a huge increase in energy from waste through anaerobic digestion."
- 1.10 As a result of these factors. Surrey CC, as the waste disposal authority, have now agreed that there will be support beyond the original 3 years, through a mechanism to be finalised with the Surrey Waste Partnership, to involve a base payment plus a performance related element. This new mechanism will partially be funded through saved disposal costs and will be available to all authorities. To ensure "best value" Surrey CC will need to be provided with and understand our base costings, and advised of future progress and spend.
- 1.11 Surrey CC will dispose of the food waste, and require assurance that such waste will be made available for treatment at the planned anaerobic digestion plant, or designated alternative. Surrey will bear the cost and risk of treatment of food waste, and therefore, no recycling credit payment will be due.

2 KEY ISSUES

- 2.1 The alternate weekly recycling and rubbish collection scheme (AWC) has worked well. In 2006/7, prior to the launch of AWC, there was discussion of the inclusion of a kitchen waste scheme, but at the time, lack of detail on robust collection systems and costs meant that Spelthorne did not progress with kitchen waste collections.
- 2.2 However, at the Performance Management and Review Committee of 1 August 2007, officers informed Members that they would continue "to explore the best means for delivering a kitchen waste service", particularly in relation to the long term sustainability and effectiveness. Also, at the Executive of 17 June 2008 Members agreed to the principle of food waste collections and authorised officers to investigate different options with a view to the introduction of this service.
- 2.3 The current vehicle leasing arrangement ended in Autumn 2010 and we are currently "spot hiring". Vehicles are available which are split bodied, with or without a food waste pods and refuse/recycling sections. A separate report was agreed by Cabinet in terms of vehicle provider for food waste/rubbish/recycling vehicles in February 2011.
- 2.4 Although it is proposed that vehicles will be leased, there are increased vehicle costs over standard refuse freighter costs due to the extra complexity of the vehicles with the additional pod for food waste. Currently there is limited operational experience of operating the pods at Spelthorne, but other authorities (using the proposed system) have fed back positively on ease of use. Training on the new vehicles will mitigate any potential issues.

- 2.5 From 16 November 2009 both our refuse and recycling has been going to Colnbrook. The contract for refuse runs out in 2012 whilst the proposed Eco Park (subject to Planning permission) is anticipated in 2013. To avoid having to visit Charlton Lane to dispose of food waste Surrey CC have strongly indicated that they would look to put in a food waste collecting point at Colnbrook. This arrangement would need to be in place until the expiration of the Material Recovery Facility (MRF) contract in 2017. Surrey CC have indicated that they will provide a food waste disposal area at the Colnbrook site. However, this site does not currently have a licence to hold food waste. Grundons have indicated that they will make an application, but there is a risk that this may be refused and even if given permission arrangements would not be in place before the proposed food waste collection scheme starts in October 2011. Therefore, tipping will have to take place at Charlton Lane or the Depot in the interim.
- 2.6 Food waste tipping facilities are already in existence at Charlton Lane to counteract issues that arise due to shutdowns for any reasons at Grundons. As Surrey CC and SITA are keen to ensure food waste collections can be carried out they are looking a number of options to help provide service resilience and ease of operation.
- 2.7 We will also be able to include other plastics (yoghurt pots, food trays – not plastic bags or films) in the recycling collection from May 2011. The campaign for this could be tailored in with the communications campaign on food waste collection, thus maximising effective use of limited communication resources.
- 2.8 Effective communication is a key aspect of the success of the introduction on a new service and, therefore, appropriate resources need to be provided, including possible assistance from Surrey CC. **Appendix 1** outlines operational, customer service and communication issues to address. Officers will use the experience gained from the successful marketing and communications plan for the AWC introduction to ensure a professional and consistent message to the public with regard to food waste.

3 OPTIONS ANALYSIS

Option 1 Not to introduce a separate food waste collection scheme.

Option 2 To collect food waste weekly from spring/summer 2012 using separate kitchen caddies on the same day as refuse or recycling.

Option 3 To revert to weekly refuse collections.

Option 4 To collect food waste weekly from October 2011 using separate kitchen “caddies” on the same day as refuse or recycling.

4 PROPOSALS

- 4.1 Not to collect food waste (**Option 1**) - If we do not collect food waste we will not significantly increase our recycling rates. Also, adding in food waste seems to assist in increasing the amount of dry recyclables collected, as it makes people think more about their waste.
- 4.2 To delay food waste (**Option 2**) - To delay until spring/summer 2012 may cause issues regarding procurement of the vehicles as the arrangement for the current fleet cannot be extended indefinitely.

- 4.3 To revert to weekly collections (**Option 3**) – Would cost substantially more than implementing food waste. Food waste collection does provide a weekly collection of the waste portion most people complained about not being collected, when moving from weekly to fortnightly collections. Also, weekly refuse collections without considerable marketing effort to educate the public, is likely to lead to a reduction in dry recycling tonnages.
- 4.4 To collect food waste (**Option 4**) - To undertake the scheme will increase our recycling rate. The new scheme will require eight new posts to be created within the Streetscene structure to provide one extra loader for each of the existing crews (driver and two loaders) plus one spare loader to provide some cover for sickness/holiday.
- 4.5 Therefore, it would seem appropriate to move forward with option 4 the collection of food waste from October 2011. To the majority of residents already on alternative weekly collections, this will require the purchase and delivery of approx 38,000 kitchen caddies and food waste bins and a supply of larger 240 litre bins to be provided for flatted developments or properties that do not have their own individual bins. An evaluation would need to be done as soon as possible to identify properties that would not be considered as appropriate areas for the collection of food waste. Members are asked to agree to this principle as it will address residents concerns voiced when AWC was rolled out about food waste in their bins for two weeks.
- 4.6 If members support the recommendation, more detailed communication and operational plans will be prepared. Across Surrey the new service launches of food waste have improved performance on waste and recycling from existing services. However, internally Spelthorne needs to note the resource that will be required to deliver a food waste service if it goes ahead. Also some external assistance may be necessary with the rollout. In this way, a smooth marketing and operational delivery of the scheme will be assured.

5 BENEFITS AND SUSTAINABILITY

- 5.1 Waste is a major environmental issue and recycling material is better than disposal.
- 5.2 Whilst undertaking communications we will also continue to encourage residents to minimise waste production and recycle mixed plastics (food trays, yoghurt pots, margarine tubs – not plastic bags or film) that can now be accepted.
- 5.3 To ensure effective implementation of the scheme we will need to update our policies on collections including issues such as side waste for rubbish closed bin lids and unwrapped food waste. This will form a separate report in due course.

6 FINANCIAL IMPLICATIONS

- 6.1 It should be noted that the County Council funding is available for three years with further funding beyond that time with base and performance related elements. Officers are confident that our performance will improve in order to have as little impact on our budget as possible
- 6.2 This report is directly linked to the report on vehicle procurement and the procurement of the food waste vehicles is part of a package involving one provider and this report with costs for vehicles has previously been agreed.

6.3 In year one the budget will balance. There is, based on the estimates of costs of adding in food waste collections, a potential shortfall of £29k over years two and three (**Appendix 2**). However, this reduced deficit is calculated on the basis (and Surrey CC have agreed to this) that some capital is changed into revenue and we utilise capital in the budget currently earmarked for compost bins and carried forward marketing monies to add to the pot for the rollout campaign. The financial calculations include the need for Streetscene to create eight new posts to provide the extra staff on each of the existing crews.

6.4 Members will be aware of the pressure on the Council's budget from recent detailed budget reports 2011-2012. In essence, we will have less government grant in the future, continued pressure on income (particularly interest rates for investment income), less capital money to spend and, therefore, more pressure on our ability to increase our reserves (£100k contribution to reserves in 2013/14). Therefore, ensuring the cost of a food waste scheme is reduced it is essential in terms of our medium term budget pressures, particularly as there is continued uncertainty about the future levels of government grant (RSG).

7 LEGAL IMPLICATIONS / OTHER CONSIDERATIONS

7.1 An Equality and Diversity assessment will be required to ensure that disadvantaged areas of the community can take part in the scheme.

8 RISKS AND HOW THEY WILL BE MITIGATED

8.1 Not addressing development of waste collections could make Spelthorne one of the lowest recyclers in Surrey, and increasingly in England, as other Councils implement further recycling collections for residents. Taking out the food waste element helps mitigate issues around weekly collections.

8.2 There is a risk that MRF recycling savings are not as high as anticipated, but these will be mitigated by further encouraging recycling amongst low recyclers, minimising contamination of loads and encouraging more to be recycled out of the residual waste.

8.3 There is the potential that participation rates may cause problems with vehicle loads and increase overall vehicle requirements and costs.

8.4 If Surrey CC do not make appropriate arrangements for food waste to be tipped at Colnbrook, and we were forced to tip at Charlton Lane, the extra tipping and vehicle down time may have a severe impact on collection rounds that may result in uncollected food waste and or rubbish and recycling. Most authorities have found the food waste scheme much simpler to operate than anticipated and tipping much more straightforward. All have seen a general increase in recycling rates.

8.5 To collect food waste effectively could require the use of a slave bin by the food collection waste operative. There is the potential that this exposes the collectors to rotting food. It is unclear at present whether or not this collection method will affect staff and increase sickness (not found in other authorities) but it will need to be closely monitored, as an increase in sickness and or provision of extra personal protective equipment will have financial implications. Other authorities have undertaken training and risk assessments on this and to date have not found it to be an issue, and are usually overcome by wearing appropriate PPE equipment.

8.6 Insufficient communications to residents. Surrey CC will assist with “in kind” marketing support in year one to mitigate any risk on communication. Costs would be mitigated by using rolled forward communications budgets within Sustainability and Leisure.

8.7 Most authorities have included one roll of biodegradable bags to residents to help introduce the system. Officers have included a one year capital contribution in the cost analysis. Experience from other authorities has shown that not providing future funding for bags does not have a significant impact on collection rates.

9 TIMETABLE FOR IMPLEMENTATION

9.1 The timetable for implementation is dependent on the procurement/build of the vehicles however, at this time it is anticipated that food waste will be implemented in October 2011. (**Appendix 3**).

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

Background Papers:

Joint Municipal waste Management Strategy - A Plan for Waste Management in Surrey
2010

Performance and Review Committee minutes 1 August 2007

Executive 17 June 2008

Cabinet minutes 15 February 2011

Communication and Operational Areas to be covered

1. Containers

- a) Residents demand that food waste bins must be durable, reliably lockable and well sealed. In Surrey the 23 litre food bin has proven robust and easy to handle – Note this should carry some labelling to instruct residents **not to use plastic bags** and to wrap their food prior to recycling it.
- b) Operators require them to be easy and safe to handle
- c) Kitchen caddies have proved to be popular with residents and effective in maximising participation.
- d) In other parts of Surrey bio liners if issued at the start have not been issued on a permanent basis:-
 - The Government's Waste Resources and Action Programme (WRAP) established that provision of bio liners did not have a significant impact on performance

2. Delivering containers

- a) The careful delivery of containers to households will generate confidence in the new service.
- b) If contractors used (often helpful) they should be accompanied by a dedicated council supervisor along with comprehensive route information. This will ensure quality and accurate deliveries (and avoid deliveries properties to which services are not being launched)
- c) Clear and appropriate information should always be given when delivering new containers. This is especially important with food waste where the containers are small and new to residents and where literature may have been placed inside to protect it from the rain. Suggestions are comprehensive leaflet stays in bin and a label on the bin handle alerts residents and points to information within the food bin.
- d) Launch information should include the following key aspects:-
 - When the service start, and an ongoing collection calendar
 - Any changes to collection days
 - How to use the new containers
 - What can/cannot be recycled
 - Clear guidance on wrapping food waste, including where to obtain bio-liners locally
 - A summary on what happens to recycled food.
- e) Ideally new containers should be delivered on the normal day of collection, one week prior to first collection. this helps avoid confusion over collection days

3. Publicity

The Waste Resources Action Programme trials showed considerable popularity of food waste recycling. However, food waste may not necessarily be recognised by all residents as a key recyclable before the event, and may be viewed with concern by some. It therefore remains important to pre-publicise services and engage with residents to answer questions and address concerns.

The Level of resource required to provide such engagement will vary depending on the type of activity chosen. A variety of activities have been used such as road shows, press releases, articles in council magazines, radio interviews pre-launch letters and vehicle advertising via Agripa boards.

In particular residents are keen to understand:-

- Why food waste is being targeted, how it can help the environment and what impact it will have on Council Tax
- When they will receive the new services
- What can/cannot be recycled
- What difference this will make to the Council's recycling performance
- How food waste is processed
- What the new container's will look like, how big they are (and whether residents believe they will have the space), how they work, whether they are secure from pests e.g. rats/foxes and how they can be kept clean and free from smells/flyes.
- What impact the new service has on the locality (additional vehicles and how food waste will be contained on vehicles) and current services
- How the service could work for flats
- Options for changing containers longer term e.g. downsizing refuse bins when replacements are needed/new developments occur

Reference to previous food waste experience, WRAP trials and other services in Surrey can be important in generating confidence.

WRAP also advises that follow up publicity is essential to maintain participation. Clear and consistent branding across all relevant media (e.g. leaflets, letters, calendars, labels) maximises recognisability and the chance that the information will be read.

All councils are encouraged to use the Surrey Waste Partnership logo and strap line.

4. Liaison with Customer Services

Liaison with all relevant customer facing staff is vital during planning, publicity and container delivery phases as well as during operations.

- Planning – need to ensure literature is easy to understand thus reducing the need for people to contact the Council
- Publicity - customer services need to know where and when events are taking place as well as understanding any issues
- Delivery - Customer Services should know the delivery process and schedule in advance in order to be able to anticipate and handle any questions arising. Once deliveries start, a clear, live process for advising Customer Services needs to be established again helping to anticipate and manage queries. There should be honest and speedy feedback of any delivery issues e.g. missed roads or properties.

5. Recycling Performance

Where food waste has been introduced it has contributed significantly to recycling performance.

When a new food waste service starts there is a general tendency for strong collections immediately after a launch followed by a waning. It is suggested two factors may contribute to this:-

- Residents, seeing in isolation the amount of food waste they are wasting, may reduce their food waste.
- Participation may fall away.

The only exception to this trend across Surrey is Surrey Heath which is increasing its kilogram's collected per household. Given this is one borough out of 7 currently operating the service it may be seen as a risk to us that this may happen but not necessarily.

The food tonnage in residual waste in 2010/11 in Spelthorne is 4,750 tonnes (32% of residual). Based on experience elsewhere and the fact that not all flats will be on the system it is estimated that Spelthorne will collect up to 3,500 tonnes per year. Based on collection/participation rates it is estimated that each household will generate around 1.97kg/week. If collection rounds involve 1000 properties per day, and assuming all participate this would mean 1.97 tonnes of food waste collected each day. If assume 65% participation then each day 1.28t of food waste would be collected.

This is important because if less than 2m³ per day is collected (which equates to around 2 tonnes) then the crews will only need to tip food waste once per day. This is critical for two reasons:-

- a) Gives a bit more flexibility on where tip food waste as could be at the depot for example, if Grundons could not accommodate a tipping point, as could tip at the end of the day. Although this will be subject to a planning application and Environment agency permit.
- b) Ensures that the compartment for recyclables and rubbish is not reduced by too much thus again avoiding tipping more than twice a day which is currently the norm on most days.

There may be occasions when food waste collections do require two tips these are:-

- a) At start when residents seem to hoard food waste!
- b) Halloween – pumpkins weigh a lot!
- c) Christmas.

To mitigate these effects it is important the crews are made aware of these issues especially in relation to the start of the service, when demand for a period may be high.

6. Other issues

Spillage: the system we are proposing can involve the use of use slave bins and spillage from experience in other areas has not necessarily been a problem. There is the odd occasion but this is true of all materials.

Operative discontent: this can be mitigated by fully explaining the new scheme and anticipating any crews that may complain and explain further to them. Though there has been mention of some authorities having issues for others including those with in house Depots it has not been an issue.

Wrapping Food waste It's true that some residents don't wrap their food waste. Operatives have occasionally in other services spoken about to push residents to wrap food waste but it doesn't seem to be a major issue that is generally raised by the crews.

Loading: that loading via a side pod, as opposed to the back end, has not been a problem elsewhere. For those using slave bins, the operative doing the food is generally working on his own and keeping clear of the guys working at the back end, which avoids congestion at the rear. Further, the food waste operative has relatively few bins (he has maybe 60% participation compared to maybe 75-80% for the operatives at the back end collecting recyclables/rubbish) and does not go to the vehicle with each container, so there is an overall balance in the speed of operation.

Vehicle width: to deal with urban areas some authorities use narrow-bodied Dennis Eagle vehicles which match the overall dimensions of previous RCVs and have therefore not had any adverse impact on operations. Note: rear-steer does make the vehicles more manoeuvrable but you do get high accident rates at first and have to train drivers. In the light of the availability of narrow-body pods it does not seem relevant to slowing collection rates.

Suitability of food bins: Other authorities have not always had problems with damaged bins, finding the Straights bins (used across the Surrey authorities) to be pretty robust. They can be a blown away on windy days but kerbside boxes do the same! Some authorities had an issue with caddies being left inside food bins after launch (and so landing up in the food waste vehicles and having to be replaced) but we can learn from that and ensure our publicity covers this issue.

Effects on other services

Across Surrey the new service launches have improved performance from existing services. However, internally Spelthorne needs to note the resource that will be required to deliver the service if it goes ahead. Particularly impacted are environment, streetscene,

communications and customer services. It needs to be acknowledged that other areas under the remit of these services may have to be put on a back burner.

Food waste recycling in Surrey is having direct and significant effects on Surrey Waste Partnerships (which Spelthorne has approved) key drivers by, for example,

- Reducing the amount of waste sent to landfill
- Reducing the biodegradable content of waste sent to landfill
- Stimulating existing recycling services

From the information collated to date across Surrey participation surveys are recommended to underpin the service. Resources and costs are being considered for future funding through the Surrey Waste Partnership. Post launch publicity actions are recommended by WRAP to maintain and stimulate participation. These can be partially considered under the auspices of the Partnership and their efficiency maximised by experience from all Surrey authorities. The Surrey Waste Partnership's work with Love Food Hate Waste is a good example of this work.

Across Surrey there remains little provision of food waste recycling in flats. Woking and Guildford are about to focus on this area and therefore there will be opportunities to learn from their experiences.

Appendix 2

							Initial 3 year introductory funding			Following 3 year phase			
							Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
							£000	£000	£000	£000	£000	£000	
Revenue Costs													
Net additional leasing cost of vehicles (for pod adapted vehicles)							60	60	60	60	60	60	
Increased cost under subsequent leasing contract													???
Extra loaders (7 plus 1 spare) (Note 1)							168	168	171	174	177	181	
Fuel (Note 2)							10	11	12	13	14	15	
Increased staffing costs in year 1							12						
Additional revenue costs							250	239	243	247	251	256	
MRF contract savings							-12	-12	-12	-12	-12	-12	
Increase in recyclables over years							-10	-12	-13	-14	-14	-14	
Additional Revenue Income including Surrey funding and contibution from capital to revenue							-250	-226	-227	-193	-193	-193	
Shortfall							0	13	16	54	58	63	
Notes:													

1) Pay freeze for years 1 and 2, 1.5% pay increase assumed for year 3, and 2% thereafter

2) Fuel assume 10% per annum

3) Marketing: Assistance in kind from SCC. In year 1 there will be approximately £30k marketing spend but this will be met from existing budgets.

4) £302 capital from Surrey CC towards scheme

WASTE POLICIES
Cabinet: 21 June 2011
Resolution required
Assistant Chief Executive
REPORT SUMMARY

Purpose of Report

The purpose of the report is to reinforce policies on waste management which will minimise rubbish collections and enhance recycling whilst improving the efficiency of the service and customer satisfaction.

Key Issues

- Excess side waste and contaminated recycling
- New food waste service
- Increasing public awareness of the value of recycling and minimising rubbish
- Enforcement of policies

Financial Implications

- Increased recycling credits
- Reduced risk of disposal costs
- Officer time in dealing with enforcement

Corporate Priority

A Cleaner and Greener Environment

Officer Recommendations

The Cabinet is asked to;

- a) Authorise the Officers to implement the policies proposed in Appendix 1

Report Author: Sandy Muirhead, Head of Sustainability and Leisure

Area of Responsibility: Liz Borthwick, 01784 446376

Cabinet member: Councillor Robert Watts

MAIN REPORT

1. BACKGROUND

- 1.1 AWC has significantly increased our recycling levels and roll-out of food waste should assist in pushing the levels up further. However the levels of dry recycling (29.15%) are less than should be reasonably expected from an AWC scheme. The overall recycling performance (NI192) ranks SBC amongst the lower half of performers in England and in Surrey one of the three lowest performers.
- 1.2 The move to food waste collections will be a positive step in tackling waste minimisation and should lead to Spelthorne achieving significantly higher recycling rates. Research suggests that just under a third of Spelthorne's residual waste comprises of food waste. Additionally on average 12.4% of waste in residual bins could have been placed into the recycling containers.
- 1.3 We continue to give residents information to raise awareness on waste and recycling issues, both through our own means such as the Bulletin and through the Surrey Waste Partnership initiatives such as "love food, hate waste" campaign.
- 1.4 Through the litter free schools scheme and visits to schools, we continue to educate and Officers are always willing to attend resident association meetings to discuss waste issues. However, to match this awareness and education approach, clear policies on issues such as side waste and contamination are required to maximise participation and minimise residual waste.
- 1.5 Most Council's have clear policies on waste collection and the purpose of this report is to add to and reinvigorate previous Council policies.
- 1.6 The (previous) Cabinet have been made aware and did support the principle of the proposed policies when AWC was introduced. It is now appropriate to enforce these policies.
- 1.7 At the Overview and Scrutiny Committee held on 14 June a Members Task Group was set up consisting of Councillor Watts (Portfolio Holder), Councillor Richard Dunn, Councillor Rough, Councillor Ayub, Councillor Webb and Councillor Bushnell. This group of Members will work with the Portfolio Holder and the Officers group to ensure the success of the food waste scheme.
- 1.8 Issues raised by Councillors at the Overview and Scrutiny Committee included;
 - i) The need to collect 'other' recyclables such as aluminium foil
 - ii) To create more recycling opportunities in Spelthorne
 - iii) To consider recycling bins at bus stops, and
 - iv) To educate adults as well as children on the benefits of recycling (and the food waste scheme).

These items will be considered at future Task Group meetings to be arranged in July and August 2011.

2. KEY ISSUES

- 2.1 To improve performance robust policies, awareness raising and education are required so that we remove excess waste, and contamination issues in our residual rubbish and recycling containers respectively. Both areas incur a cost to council taxpayers. The more rubbish we generate the higher the waste disposal costs, which although paid by Surrey County Council, are still paid by our residents. If there is severe contamination of recycling then a load can be rejected at the materials recovery facility. If a load is rejected we have to pay for it, which could cost us in the region of £100/tonne. A recycling load from a dustcart can be around 8/9 tonnes. However, if we recycle more high quality material then we receive recycling credits (approx £49/tonne) which contributes towards the cost of the service.
- 2.2 Therefore in **Appendix 1** a series of policies are proposed to maximise customer understanding and efficiency of the service.
- 2.3 Currently we provide 240l bins to households with fewer than 5 residents. With the introduction of food waste we anticipate that residual waste levels will fall such that a 240l bin contains relatively little material.
- 2.4 Surrey County Council as the Waste Disposal Authority has a considerable role to play in supporting Spelthorne to achieve further efficiencies and improvements both directly and through the Surrey Waste Partnership.
- 2.5 SBC should look to continue to engage closely with the Surrey Waste Partnership to fulfil the aims of the Surrey Waste Management Plan which aspires to achieve a recycling rate of 70% by 2014. It is expected that collection authorities could achieve a 64% rate of recycling, rates already being achieved by some Surrey Councils. The partnership is also focused on achieving efficiencies and sharing best practice on waste minimisation and recycling.

3. OPTIONS ANALYSIS

- 3.1 Option 1 – to implement the proposed policies in **Appendix 1**.
This is the preferred option.
- 3.2 Option 2 – Not to implement the policies.

4. PROPOSALS

- 4.1 Option 1 enables the Council to minimise residual waste whilst increasing recycling. This is the preferred option.
- 4.2 Option 2 (not to implement the policies) will not assist Spelthorne in enhancing its recycling rates and minimising residual rubbish.

5. BENEFITS AND SUSTAINABILITY

- 5.1 Increasing recycling and minimising waste is preferable to landfill with its associated, and increasing, costs (financial and environmental).
- 5.2 Implementation of the policies will also help residents to understand the reasons and benefits of minimising rubbish and increasing recycling.

6. FINANCIAL IMPLICATIONS

Increased dry recycling rates will increase income, whilst minimising the number of rejected loads will avoid disposal costs.

7. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS

- 7.1 The Council's duty to collect household waste is as a result of Section 45 of the Environmental Protection Act 1990 (EPA 1990). Section 46 of this act allows councils the right to select the container(s) and specify the material types to be placed in each container. The EPA 1990 Section 46 (3) provides that household waste shall be collected without charge except in cases prescribed by regulations made by the Secretary of State.
- 7.2 These regulations include the Controlled Waste Regulations 1992. Schedule 2 of the regulations lists types of household waste for which a charge for collection may be made, including educational establishments, charities, prisons, etc. and in paragraph 2a includes any article of waste which does not fit or cannot be fitted into a receptacle provided in accordance with S46 of the EPA 1990. The interpretation of this is yet to be tested in law, but is used as a basis for the collection scheme in many local authorities across the country, some of whom are the best performing.
- 7.3 Provided a container is supplied by the council under Section 46 and that container is of a size that might reasonably be expected to contain the waste from a household (S46(2)), then a charge can be made for anything that doesn't fit. This might apply to side waste or a second bin, but could not be applied to issuing a larger bin.

8. RISKS AND HOW THEY WILL BE MITIGATED

- 8.1 The public may object to some of these policies but it is anticipated that education as well as enforcement will assist residents in understanding the financial and environmental benefits through minimising waste and maximising recycling.
- 8.2 Streetscene Officers already enforce the policy of non collection of excess/side waste and regularly meet resistance to this policy. Currently based on visual inspections the bins with unclosed lids occurrence could be as high as 25% and higher in some areas. The publicity and education programme needs to be extensive.
- 8.3 Implementing these policies in respect of communal bin areas such as in blocks of flats is more problematic as not all residents are usually to blame. The policies are enforced at present and often result in large accumulations of rubbish which the residents or their agents are required to clear. The decision not to clear is a last resort and only made after efforts to resolve the problem have been explored. It is important that this discretion is allowed but the final decision not to clear is fully supported at all levels.

9. TIMETABLE FOR IMPLEMENTATION

- 9.1 July 2011.

Report Author: Sandy Muirhead Head of Sustainability and Leisure

**Background Papers:
There are none.**

Wheelie bin policy for Spelthorne Borough Council's rubbish collection services

Issues

1	Alternative sack system	9	Excess rubbish
2	Assisted collection	10	Flats
3	Bin collection point	11	Ownership
4	Bin replacement	12	Physical assessment
5	Bin size	13	Garden Waste
6	Bin storage	14	Food Waste
7	Contamination of recycling	15	New Builds
8	Excess recycling		

1	Alternative sack system
	Policy
1.1	<ul style="list-style-type: none"> Properties that do not have any storage space for wheelie bins or bulk bins will remain on a weekly rubbish collection.
	Process
1.2	<ul style="list-style-type: none"> Property survey conducted
1.3	<ul style="list-style-type: none"> Decision recorded on electronic database.

2	Assisted collection
	Policy
2.1	<ul style="list-style-type: none"> This service is offered to elderly or infirm residents who require assistance with their rubbish, recycling or garden waste wheelie bin.
2.2	<ul style="list-style-type: none"> The collection crew will collect and return the wheelie bin from the location where it is kept, as determined by a Streetscene officer
	Process
2.3	<ul style="list-style-type: none"> Streetscene officer undertakes visit after receiving residents request.
2.4	<ul style="list-style-type: none"> Details are recorded on electronic database.

3	Bin collection point
	Policy
3.1	<ul style="list-style-type: none"> Wheelie bins must be placed at the kerbside nearest to the front of the property, by 6am on the scheduled collection day
3.2	<ul style="list-style-type: none"> Where 3.1 is not possible the Council will determine an alternative location
	Process
3.3	<ul style="list-style-type: none"> Streetscene officer visits property to assess bin collection point.

4	Bin replacement
	Policy
4.1	<ul style="list-style-type: none"> Spelthorne will replace the bin if damaged during the emptying process
4.2	<ul style="list-style-type: none"> Stolen wheelie bins will be replaced by the Council free of charge on receipt of a crime reference number.
4.3	<ul style="list-style-type: none"> It is the responsibility of the householders or their managing agents to replace wheelie bins which have been lost or damaged by the householder or other parties.

4.4	<ul style="list-style-type: none"> Bin issue or replacement charges will be as advertised in the Councils fees & charges
Process	
4.5	<ul style="list-style-type: none"> Resident reports lost/stolen/damaged bin to Streetscene
4.6	<ul style="list-style-type: none"> Invoice to be sent for payment (if appropriate) before bin is delivered.

5	Bin size-individual properties
Policy	
5.1	<ul style="list-style-type: none"> Households will be issued with 2 x 240 litre wheelie bins one for rubbish and one for recycling.
5.2	<ul style="list-style-type: none"> Smaller 140l bins are available on request.
5.3	<ul style="list-style-type: none"> Households with 5 or more people in permanent residence may be issued with an extra 240 litre bin of both types if requested. Residents who have certain medical conditions may require larger storage capacity and provision for additional bin capacity in such circumstances can be requested.
Process	
5.4	<ul style="list-style-type: none"> Residents not producing large quantities of waste who request smaller 140 litre wheelie bins will be reminded at the time of the exchange of the policy relating to non-collection of excess waste.
5.5	<ul style="list-style-type: none"> Street Scene Officer visits property to assess need.

6	Bin storage
Policy	
6.1	<ul style="list-style-type: none"> Wheelie bins will be stored in bin areas where provided or within the boundary of the property to which the bin has been allocated
6.2	<ul style="list-style-type: none"> Bins must not be placed on the kerbside until 6am on the scheduled collection day
Process	
6.3	<ul style="list-style-type: none"> Streetscene officer to visit property to assess bin storage and determine appropriate collection arrangements

7	Contamination of recycling-individual & bulk bins
Policy	
7.1	<ul style="list-style-type: none"> Recycling bins will only be emptied if the recycling is free of contamination.
7.2	<ul style="list-style-type: none"> Residents/housing association/management company will be responsible for the disposal of the contents of all contaminated bins
Process	
7.3	<ul style="list-style-type: none"> Stickers will be applied to non-compliant bins.
7.4	<ul style="list-style-type: none"> If contamination is frequent, an officer from Environment Services will visit the property to help determine problem and offer support on how to maximise recycling.

8	Excess recycling
	Policy
8.1	<ul style="list-style-type: none"> Recycling should be contained in the wheelie bin.
8.2	<ul style="list-style-type: none"> If the bin is full extra lighter recyclables will be collected from the side of the wheelie bin if uncontaminated and contained in an appropriate plastic sack

9	Excess rubbish - individual bins
	Policy
9.1	<ul style="list-style-type: none"> Only refuse contained within the wheelie bin with the lid closed will be collected overfilled bins will not be emptied
9.2	<ul style="list-style-type: none"> The resident will be responsible for the disposal of the contents of the bin if presented with the bin lid up
9.3	<ul style="list-style-type: none"> Excess or side waste will not be collected.
	Process
9.4	<ul style="list-style-type: none"> Stickers will be applied to non-compliant bins.
9.5	<ul style="list-style-type: none"> If excess waste is frequent an officer will visit the property to help determine problem and offer support in how to maximise recycling.

10	Flats
	Policy
10.1	<ul style="list-style-type: none"> Individual or bulk bins will be provided depending on the bin storage space and number of properties within the development
10.2	<ul style="list-style-type: none"> Only refuse contained within the wheelie bin with the lid closed will be collected, overfilled bins will not be emptied
10.3	<ul style="list-style-type: none"> The housing association/management company will be responsible for the disposal of the contents of the bin if presented with the bin lid up
10.4	<ul style="list-style-type: none"> Excess or side waste will not be collected
	Process
10.5	<ul style="list-style-type: none"> Initial property survey conducted
10.6	<ul style="list-style-type: none"> Consultation with residents, the managing agent or housing association.

11	Ownership
	Policy
11.1	<ul style="list-style-type: none"> All wheelie bins are the property of the Council.
11.2	<ul style="list-style-type: none"> The wheelie bin is the responsibility of the householder.
11.3	<ul style="list-style-type: none"> Only Spelthorne Borough Council bins will be emptied.
11.4	<ul style="list-style-type: none"> Properties on the Alternate Weekly Collection scheme will have their bins emptied every other week
11.5	<ul style="list-style-type: none"> Cleanliness of all bins is the responsibility of the resident

12	Physical assessment
	Policy
12.1	• Bins will be issued to all properties unless:
12.2	• There is no space at all to store the bins
	Process
12.3	• Initial property survey conducted
12.4	• Decision recorded on electronic database

13	Garden Waste
	Policy
13.1	• Garden waste is a chargeable service, 240l bins will be issued on payment to the Council of the agreed yearly rate
13.2	• Bins must be placed kerbside by 6am on the scheduled day of collection
13.3	• Only garden waste contained within the bin will be cleared
13.4	• If the bin is contaminated the resident will be responsible for disposal of the contents
13.5	• Residents who are unable to store a wheelie bin will be offered a bag at a reduced rate as identified in the Councils fees & charges
	Process
13.6	• Streetscene Officer to visit property to assess storage issue

14	Food Waste
	Policy
14.1	• Food waste caddies & bins will be issued to all residents who are suitable to be included in the service
14.2	• Outdoor bins must be placed kerbside on the scheduled day of collection with the handle in the upright position
14.3	• All waste must be either contained in a compostable liner or wrapped in newspaper
14.4	• Cleanliness of the bin/caddy is the responsibility of the resident

15	New Builds
	Policy
15.1	• Developers of new build properties are responsible for the provision of suitable wheelie bins as determined by the Council
15.2	• Wheelie bins must be the size, type colour and identified as Spelthorne bins as determined by the Council
15.3	• Collections will not take place until such provision has been made by the developer/owner of the property

**OVERVIEW AND SCRUTINY COMMITTEE MEETING
14 JUNE 2011**

REPORT OF CHIEF EXECUTIVE AND RETURNING OFFICER

ELECTION ISSUES

1. INTRODUCTION

- 1.2 The Chairman, Councillor Broom, has asked for a report on various aspects of the recent Borough Council Elections (5th May 2011) – in particular costs, staffing and count procedures and has raised concerns at the time taken to announce the Borough Council Election results on 6th May.
- 1.3 Whilst the Borough Elections were combined with the national Referendum, this report focuses primarily upon Borough issues – with reference to the Referendum where appropriate.
- 1.4 Elections are complex and require a great deal of organisation and project management. There are numerous statutory deadlines as set out in Appendix 'A'

2. The Returning Officer

- 2.2 By way of background, Members should be aware of the legal position regarding the role of a 'Returning Officer'. The Chief Executive is formally appointed by the Borough Council as Returning Officer (RO) – this means that he/she is responsible for the conduct of all elections.
- 2.3 Whilst a RO is an employee of the Council, he/she has an independent role in relation to elections and indeed has a personal liability for the proper conduct of elections. He/She is accountable to the Electoral Commission - an independent body with overall responsibility for elections as well as party and election finance. It issues both advice, guidance and Directions and has an investigative role in relation to significant electoral issues.

3. Costs

- 3.2 The costs of conducting elections are significant and primarily fall under 3 headings – **staffing; premises; printing, stationery and equipment**, etc. The Borough Council pays directly for its own elections and has to meet all the costs – Parliamentary and Referenda are funded centrally - and the County Council reimburses the full costs of County Council elections. For centrally funded elections, the Ministry of Justice provide funding direct up to a maximum permitted level based on electorates. A small advance is paid and accounts have to be submitted post elections to reclaim the balance of costs.
- 3.3 Where elections are combined, as on 5th May this year, the costs were equally divided between Borough Elections and Referendum.
- 3.4 The actual costs of elections since 2007, and estimated budgets for the 5th May 2011 elections are summarised in Appendix 'B'

4. Staffing

- 4.2 Staffing costs are significant as elections are heavily dependent on staff. For Borough Council elections, payments to staff are based on fees prescribed and agreed County-wide. There is only a small amount of discretion – we are given a slightly enhanced fee scale to reflect our proximity to London.
- 4.3 By way of example, the total staffing cost for the recent elections was just over £105,000 – this includes everything from payment for poll card delivery, polling staff, count staff, to the cost of office based additional casual employees. Appendix 'C' gives an overview of the number of staff employed in key areas. Both internal and external staff are appointed and we endeavour to work with a combination of experienced and inexperienced staff – all of whom have training provided by the RO and his/her appointed Deputies. Since arriving in Spelthorne in 2006 I have increased the number of senior staff involved in key responsibilities to provide career development and increase continuity and resilience.
- 4.4 Training for key aspects is crucial to the successful conduct and outcome of elections – this covers briefings for Agents, Poll Clerks and Presiding Officers, Polling Station Inspectors and Counting Supervisors. By way of background the training notes for Agents and Poll Clerks/Presiding Officers have been placed in the Members' Room.

5. Premises

- 5.2 Premises hire is another significant cost factor. We used 34 premises on 5th May 2011 with 70 Polling Stations. Whilst we have the right to use schools free of charge - subject to payment of costs for heating, lighting and caretaking,- private hall hire costs have risen significantly – the average is £200, the highest is nearly £1,000. The costs of hiring and equipping the Count premises – both late on 5th and all day on 6th May, are also significant (approx £8,000). We bought a carpet in 2009, in partnership with the Leisure Centre contractor which has repaid its cost. Main contributors to the £8,000 include Hall Hire, IT equipment, screens for results, tables and chairs, refreshments.

6. Printing, Stationery and Equipment

- 6.2 Printing, stationery and equipment costs can also be significant but we endeavour to obtain best value throughout.

7. Overall

- 7.2 All the above costs are related overall to the number of polling places/stations used. Our use of 70 stations in 34 buildings is significantly higher than the South East and Surrey average. However, we are currently reviewing (as statutorily required by December 2011) all our polling places/stations with a view to rationalising the number and will, following consultation, be reporting to Cabinet and Council later this year.

8. Count

- 8.2 Organising a Count for the Borough Council elections is far more complex than for other types of elections. This is due to the fact that we have multiple (rather than single member) Wards and have to count votes where electors vote along party lines (block votes) and where they do not (single/non-block votes). Block votes can be sorted quickly whilst non-blocks/singles have to be recorded and counted separately
- 8.3 Appendix 'D' shows the layout of this year's count and Appendix 'E' is a copy of the Count briefing notes for Agents and Candidates. The layout has been improved following each election since my arrival, principally through constructive comments by Election Agents, Councillors, the Member of Parliament, staff, the media and the Electoral Commission.
- 8.4 **Some additional considerations** - It is important to note a number of additional factors that impacted on the recent Count. As the Borough Elections were combined with the referendum, the Electoral Commission was basically in charge of key aspects and issued 'Directions' that had to be complied with, ie
- We had to follow a Count model, with detailed procedures (and with limited discretion)
 - All papers had to be verified twice
 - The Referendum verification had to be completed by 1.00pm
 - The Referendum Count was to commence at 4.00pm
- 8.5 We did have discretion about other timings and decided to conduct the verification and count for both events on 6th May. Other Councils, particularly those with Parish Councils and Borough elections by 1/3rds with single member Wards – chose to and could realistically conduct Parish/Borough verifications and counts on the evening of 5th May.
- 8.6 We started the verification and count for both at 9.15am on 6th May. We followed the Commission's Directions to the letter and ensured that votes placed in the 'wrong' ballot boxes by voters were transparently transferred to correct boxes. We completed the verification by the required time, but it did take much longer than envisaged as we were Directed to count all papers twice, and there was a higher than usual turnout (approx. 45%)
- 8.7 We commenced the Count of the Borough votes at approximately 1.30pm. For counting of the non-block votes we used a new method called "grass skirts" – as opposed to counting sheets used previously. The major advantage of the former is that Agents can have a more open view of the papers and recounting of votes is much quicker. However, there were far more non-block and spoilt papers than previously experienced requiring far greater use of this process than anticipated, and hence taking much longer.
- 8.8 We announced draft, then formal results as we went along and the final announcement was made at approximately 6.00pm.

- 8.9 Whilst the announcement of the first Borough results was delayed due to a procedural error, subsequent results were not delayed and the processes and procedures used ensured we had accurate results.
- 8.10 Like Candidates and guests, I would always like to finish as quickly as possible but my briefings to staff emphasise that we must concentrate on accuracy, not speed. We must also allow time for staff breaks at key stages whilst paperwork is prepared for the next stage in accordance with Electoral Commission requirements. This was particularly important on Friday 6th May because an observer was present from the Cabinet Office who was entirely satisfied with our procedures and complemented my staff on the Count layout and “feel”
- 8.11 A smaller number of staff commenced the Referendum Count at 4.00pm as directed – this was complete by 7.00pm but we were not ‘allowed’ to announce it until 8.00pm
- 8.12 By way of comparison I have undertaken a brief survey of Surrey Districts on their election timing having regard to electorates, turnout, etc (Appendix ‘F’ – to follow). Appendix “G” (to follow) is a very brief survey of other South East Councils conducted by one of them. Key points to emphasise are that we took 4.5 hours to count 12 Wards, running alongside the Count for the Referendum and that no one Council is identical in terms of electorate, number of Wards and type of elections held. Within the limits of discretion allowed some Councils decided to work on Thursday night, some all night and some on 6th only. Our common aim is however to produce accurate results that are not challenged.

9. Initial Conclusions

- 9.2 My view is that the recent Borough Council Election (and Referendum) went well. We had less problems on Election Day than in recent years. The Verification in particular did take a considerable time – there are Councils that took less time and those that took longer. We have had our usual post-election review to learn lessons. Please see these in (Appendix ‘H’).
- 9.3 I hope that this report clarifies the position and the context. The Head of Corporate Governance and the Electoral Services Manager will be present at your meeting to run through the key points and answer questions as myself and my main Deputy Returning Officer, Tim Kita, had previously booked short breaks abroad before being asked for this report to be prepared.

Roberto Tambini

Chief Executive and Returning Officer

7 June 2011

Mon	Tues	Wed	Thurs	Fri	Sat	Sun
14 (March)	15	16 Cands & Agents meeting 9.30am PO training 12.30	17	18 PC Training 12.30	19 Office to be open	20
21 Purdah begins NOE (25) Delivery of Nom papers PO training 6pm	22	23	24 Poll cards coming in PC training 6pm	25 Canvasser collect pollcards	26	27
28	29	30	31	1 (April)	2 Office to be open	3
4 Close of Nomination 12pm Set up room 201 & test Training and go thorough forensic	5	6 Statement of Persons Nominated 12pm	7 Withdrawal of Candidature 12pm Appt of election & Ref Agents 12pm	8 Combined Notice of Poll & Situation of Polling Stations Count test	9	10
11	12	13	14 D/line for apps to reg to vote (12 am) & dd/line for new PV apps and PV & proxy amends (5pm)	15 Sent out o/s voters?	16 Office to be open	17 Office to be open
18 1 st PV issue 9.00 for 9.15	19	20	21 Last day for new applications for proxy votes 5pm	22 Office to be open	23 Office to be open	24
25	26 Appt of polling & counting agents Pub of Notice of Alteration Print registers	27 1 st day to issue replacement for 'lost' pv's	28 PV opening 9.00 for 9.15	29 Office to be open	30 Office to be open	1 (May)

2	3 (PV opening ?) Count training 2pm Poll Insp training 3pm Ballot box collection 10-6	4 PV opening 9.00 for 9.15	5 Polling Day 7am-10pm PV opening 10am & 9pm Emerg proxy ends 5pm Req for replacement PV ballot papers ends 5pm Clerical amend req 9pm	6 Verification of Ref votes by 1pm. Commence counting of Ref votes at 4pm	7	8
---	---	-------------------------------	---	---	---	---

Elections Costs

Appendix B

	Borough 2007 Actual	County 2009 (Combined) Actual	EU 2009 (Combined) Actual	Parliamentary 2010 Actual	Referendum 2011 Combined Budget	Borough 2011 Combined Budget
Total	86,929.10	79,817.52	9,510.85	153,661.96	123,252.17	102,000.00
	86,929.10		169,661.52	153,661.96		225,252.17

Staff involved in the poll**Polling Day**

Counting Officer/Returning Officer	Roberto Tambini
Deputy Counting Officer / Returning Officer	Tim Kita
Deputy Counting Officer / Returning Officer	Jayne McEwan
Deputy Counting Officer / Returning Officer	Michael Graham
Polling Station Inspectors	X 9 staff
Senior Presiding Officers	X 23
Presiding Officers	X 48
Poll Clerks	X 132

Count

Counting Officer/Returning Officer	Roberto Tambini
Top Table staff	X 5
Count Manager	X 2
Count Supervisors	X 8
Count Assistant	X64
Security	X 1
Candidate Liaison	X 1
Check in staff	X 4
Floor staff	X 2
Press Liaison	X 1

2011 Local Election – Count Layout

Corridor: Cordon off corridor leading to toilets/main hall for security from

STORE: Refreshments Extra tables

Parcels stored numerically

Access to store

Access to toilets

Unused BPs

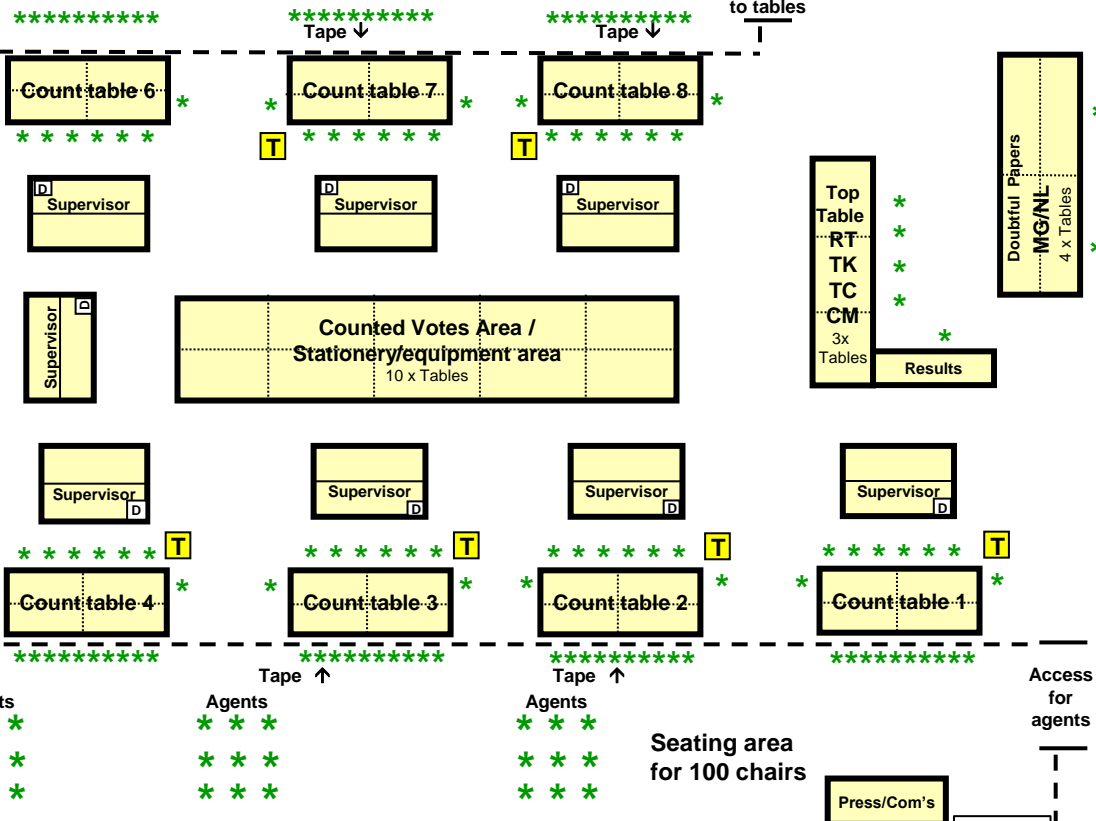
Results screen

Staff entrance

to tables

Staff entrance / manned door

LT/TG



Receipt Area/Check unused BPs
JM
LH
MB
MG
4x tables

Photo grapher
Table for Member

Top Table
RT
TK
TC
CM
3x Tables
Results

Doubtful Papers
MG/NL
4 x Tables

Counted Votes Area /
Stationery/equipment area
10 x Tables

Microphone point for RO
Screen

Press/Com's

Photocopier

Seating area for 100 chairs

Access for agents

Traffic cones

● Outside marshall(s)
Car parking - at rear of Leisure Centre, 20 shallow supermarket trolleys available to assist transport of boxes etc

Agents, candidates, guest entrance / manned door

JS/TB

Results screen

Display boards

Key * Chair

□ Table

T Ward name stand

D Doubtful tray

● Wheelie bin

Table

Ward Names

- 1 and 2 Ashford Common / Ashford East / Ashford North Stanwell South / Ashford Town
 - 3 and 4 Halliford and Sunbury West / Laleham and Shepperton Green / Riverside and Laleham
 - 5 and 6 Shepperton Town / Staines / Staines South
 - 7 and 8 Stanwell North / Sunbury Common / Sunbury East
- Referendum Verification
PV Openings (Thursday night) and Referendum Verification

Ballot Box Nos.

- 1-5, 6-11, 12-17, 18-22
- 23-27, 28-33, 70, 34-38
- 65-69, 39-45, 61-64
- 55-60, 46-50, 51-54

Supervisor

- MH and AF
- MB and LH
- BH and NS
- VM and LP

Borough Elections and Referendum - 5 May 2011

**Returning and Local Counting Officer – Verification and Count - 6 May
2011 – Briefing Notes**

Venue: Main Hall, Spelthorne Leisure Centre

1. Welcome and introduction by Roberto Tambini as Returning Officer and Local Counting Officer. He is appointed as Returning Officer for the Borough Council Elections and as the Local Counting Officer for the Referendum.
 - The Local Counting Officer is required to report to and consult with the Regional Counting Officer based in Southampton regarding the Referendum; the latter reports to the Chief Counting Officer at the Electoral Commission.
 - All of the procedures followed today have to comply with Directions issued by the Commission.

2. Health & Safety/Domestic Announcements.

3. **Reminders:**
 - Mobile phones to be used outside Hall and no photographs to be taken except when results announced
 - The Café will be open for refreshments. No alcoholic drinks/food are to be taken in to the Council Hall
 - Please avoid distracting Count staff when observing.

4. **Overall aims:**
 - To produce an accurate result for the Borough Elections that all Candidates and Agents accept
 - To announce the local Referendum result when authorised to do so by the Regional Returning Officer
 - Not aiming to beat any records!

5. Run through the 6 Key Stages:

1. Verification of ballot papers for both Borough Elections and the Referendum
2. Sorting of votes for the Borough Election Candidates by block votes and individual votes
3. Counting votes cast for each Candidate in Borough Election
4. Announcing the results by Ward
5. Sorting, the Referendum papers into “yes”, “no” “for adjudication” (doubtful papers) and counting of votes.
6. Following reconciliation of verification and votes counted and rejected totals, to announce provisional and final Local result for Referendum.

Stage 1 – Verification of both Borough elections and Referendum

- Note: (1) Following yesterday’s Elections and Referendum, all the ballot boxes were stored securely overnight in the Leisure Centre with my staff present. (2) We are directed to complete the Referendum verification by 1.00pm on 6 May 2011.
- The purpose of this stage is to confirm that the number of ballot papers counted corresponds with the number recorded on the accounts completed by Polling Station Presiding Officers.
- All stations except those in the Ashford North and Stanwell South Wards (uncontested) had 2 ballot boxes – the latter stations only had one - for the Referendum.
- Pairs of boxes will be stacked together at the appropriate tables (signs will indicate when wards are being verified/counted) as per plan attached
- Seals will be checked and broken and papers emptied onto tables, in two piles (grey – Referendum; green – borough) counted into 20s and clipped together in bundles of 100.
- We are directed to double-check the papers before proceeding
- Once all the ballot papers have been counted twice for each Box, that number will be given to the Top table. When agreed,

papers will be returned to the ballot boxes. The Referendum boxes will be sealed.

- The process will be repeated until all Boxes have been verified.
- Roberto Tambini will announce the total number of papers verified, and % turnouts.

Stage 2 – Borough Elections - Sorting of votes by Candidate

- **Note:** There are 3 vacancies for each Ward and not all voters vote according to party lines. We therefore have to record a number of votes for non-block votes and individual candidates separately and will be using the ‘grass skirt’ method mentioned later.
- The purpose is to sort papers for each Candidate, whilst identifying “doubtful papers” throughout.
- Ballot papers from each Box will be mixed with those from another, from the same Ward, and emptied. We will use profile cards to identify block votes and place these into appropriate Parties’ trays. Where voters have not voted for Candidates in a Party block. These votes will be placed in trays marked “Odds”.
- When all ballot papers are sorted they will be counted into bundles of 20.
- The total number of votes recorded for each Candidate taken from the ‘block vote’ trays will be recorded.
- The “Odd” votes will then be dealt with as follows:
The ‘Grass Skirts’ method involves attaching the ballot papers to a large sheet of paper, with double sided sticky tape so that they overlap, leaving only the ‘X’s visible for each candidate. These rows of votes can then be totalled up and transferred to a master sheet. Counting assistants will also record unused votes by having a spare row at the bottom of the sheet.
- The Supervisors will record the total numbers of votes for candidates onto a master sheet.

Stage 3 – Counting of Votes

- The purpose is to count and record votes for each Candidate and adjudicate on doubtful papers.
- Votes for all Candidates, including those doubtful papers deemed valid, will be totalled and checked against the verification figures to ensure that the totals, including papers rejected, match precisely.

Stage 4 - Results / Recounts

- Roberto Tambini will advise candidates and election agents of the outcome of the local government count on a Ward by Ward basis and seek their agreement to the announcement of Results.
- Candidates and Agents will have sufficient time to digest the provisional result before proceeding with the declaration. It is at this point that any candidate or election agent may request to have the votes recounted or, following a recount, recounted again.
- Recounts can be refused if the request is considered to be unreasonable.
- Once consultations are complete, Results will be declared.

Stage 5 - Referendum

Counting of votes

- The sealed Ballot Boxes will be placed by tables, seals broken and emptied, in view of Agents / candidates.
- Votes will be sorted into three trays – yes / no / doubtfuls
- Papers will be counted in bundles of 20 and then 100s, with doubtfuls taken to my team for adjudication. Doubtfuls held valid will be returned to Table 8.
- The counted votes will be put in trays on the central table and the totals for 'Yes' and 'No' recorded

- Total votes recorded will be checked against the original verification figure.

Stage 6 - Result

1. The provisional result will be prepared.
2. It will be shared with the referendum and counting agents. At this stage a referendum agent or a designated counting agent may request a recount. This may be considered, but may be refused if it is considered unreasonable.
3. The Regional Counting Officer will be informed of all requests for recounts. If it is intended to refuse a request, the Regional Counting Officer must be consulted.
4. The local Result with % turnout will be announced.

DOUBTFUL BALLOT PAPERS

For the Borough Elections, legislation requires that we must reject a paper :

- That does not bear the official mark (not the unique identifying mark)
- On which votes are given for more candidates than the voter is entitled to vote for
- On which anything is written or marked by which the voter can be identified (except the printed ballot paper number or other unique identifying mark)
- That is unmarked or void for uncertainty.

For the Referendum, we must reject a paper :

- That does not bear the official mark (not the unique identifying mark)
- On which a vote is given for both answers to the referendum question
- On which anything is written or marked by which the voter can be identified (except the printed ballot paper number or other unique identifying mark)
- That is unmarked or void for uncertainty.

However, for both the referendum and the elections, legislation states that unless the way the ballot paper is marked identifies the voter, a ballot paper

on which the vote is marked on the following ways must not be rejected if the voter's intention is clear:

- Elsewhere than in the proper place
- Otherwise than by means of a cross, or
- By more than one mark

A Council election ballot paper can be rejected but good votes will not be rejected because another vote on the ballot paper is uncertain.

Ballot papers displaying any of the following may require further consideration:

- Any ballot paper with anything unusual about it (for example, any ballot paper that appears to have been altered, either with a clearly different writing instrument or with correction fluid)
- Any ballot paper torn or mutilated in any way.

Roberto Tambini will decide on the validity of doubtful papers in the presence of agents, observers and candidates. Referendum observers do not have the legal right to object to the rejection of a referendum ballot paper. Local Agents do for Council Elections.

Roberto Tambini's decision on any question arising in respect of a ballot paper is final, subject to consultations with the Regional Counting Officer as mentioned above.

We hope that you enjoy the Verification and Count and welcome any feedback.

Roberto Tambini
Returning Officer and Local Counting Officer

Spelthorne Ward with Various other SE Authorities (All with Referenda)

Type		Start (6 May except * = overnight 5/6 May)	Finish
Spelthorne:	Borough: 13 wards (1 un-contested) - All multi-member	09.15	18.00
Council 1:	Borough: 29 wards – 18 multi-member + Parish	08.00	23.00
Council 2:	Borough: 32 wards – 15 multi-member + Parish	09.00	16.40
Council 3:	Borough: 22 wards + Parish + By Election	09.30	21.30
Council 4:	Borough: 33 wards – 24 multi-member + Parish	* 22.00	05.00
Council 5:	Borough: 13 wards + Parish	* 22.00	03.00
Council 6:	Borough: 22 – 15 multi-member + Parish	* 22.00	02.30
Council 7:	Borough: 21 wards + Parish	* 22.00	05.45

Council 8:	Borough: 22 wards – 17 multi-member + Parish	08.00	16.00
Council 9:	Borough: 25 wards – 19 multi-member	09.00	19.15
Council 10:	Borough: 26 wards – 24 multi-member + Parish + Town	09.00	15.30
Council 11:	Borough: 18 wards – 17 multi-member	* 22.00	06.00
Council 12:	Borough: 16 wards + Parish	* 20.00	06.35

Elections 5 May 2011

Debrief Notes

Wednesday 25/5

Attendees:- RT,TK,JM,CP,LB,BH,MG,VM,MB.

Pre- planning meeting(s)

These sessions were well received and allowed the key duties to be agreed.

Staff were also supplied with a mini version of the Elections Office calendar containing the election timetable and other key dates.

Candidate/Agent briefings and liaison

This meeting was received well by those attending and it was thought that we should encourage all future agents and candidates to attend.

Nominations

It was agreed that having a designated room for checking nominations was essential.

There were less nominations received than originally anticipated. However some Agents did need additional guidance when completing their paperwork. In future it would be beneficial to give a separate briefing on completion of nominations.

Printing/Equipment

For future local election the layout of the ballot papers needs to be reviewed to take into account the use of grass skirts.

If any new equipment is purchased such as new polling booths, staff should be given the opportunity to become familiar with them at the training sessions rather than on the day.

Postal Votes

Accommodation for the issuing and opening of postal votes needs to be looked at. Several options were discussed and the practicalities of each needed to be looked at while considering the core requirements:- space, IT, security, cost, availability,

Polling Stations

It was commented that although the buildings we use are DDA compliant, we might be using a certain room or hall and the access to that part of the building may not be ideal.

Some premises are overcrowded which can cause confusion for the elector.

The cost of premises varies from £30 - £995 so we must look at getting value for money.

A Polling Station review is due to take place this summer/autumn.

Polling Day

The day was thought to go well.

The Count

The double handling of all ballot papers at verification and count worked really well as it produce a more accurate and reliable figures and should be implemented in future election.

The principle of grass skirt is good as it provides a higher rate of accuracy and transparency to that of counting sheets. However the ballot paper layout needs to be reviewed so that there are no overlaying of sheets. This will also reduce the time in processing these votes.

When using grass skirts the Supervisors table could be located somewhere that is easier for observers to see. However as space is limited at the count venue this may impact on the number of wards that can be counted at any one time.

The number of people not “block voting” took us by surprise and therefore were more reliant on grass skirts. This also slowed the process of counting down.

More grass skirts stationary to be printed.

Need to simplify a system for collating grass skirts totals, possibly using laptops and spreadsheets. This will also reduce the time in processing these votes.

Single votes should not be placed on grass skirts but counted individually.

Votes cast summary sheet to be reviewed so that it includes unused votes and single votes.

Result screen is a good size but the surrounding was too large.

Result system (see **IT** below)

Louise on the Coms. desk worked very well and did a good job co-ordinating the photographer.

Proper comfort breaks need to be scheduled so that we ensure all staff, at every level are looked after.

There were concerns about the activities of certain Count Agents/Observers which put undue pressure on some Supervisors. This needs to be covered in future briefings with Agents.

Staffing

On the whole this was good. Issues with particular staff that were reported by the Polling Inspectors needs to be addressed.

IT

This will need to be considered when looking at the location of future postal vote openings.

Daniel from Steria produced a good results system that can be tweaked to meet our needs.

Ceres (the result system) needs to be cancelled

Future Elections

Police and Crime Commissioner in May 2012, subject to legislation.

REVIEW OF THE CODE OF CORPORATE GOVERNANCE

For resolution Report of the Monitoring Officer

Executive Summary

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

Good governance underpins all that a Council does to deliver excellent services and enhance local prosperity.

Purpose of the Report

To provide the Committee with information about the review of the local code of corporate governance which is part of the Council's Constitution.

Key issues

- CIPFA / SOLACE Framework of Corporate Governance in Local Government
- Corporate Governance

Financial Implications

None.

Corporate Priority:

Good governance underpins all that the Council does and therefore supports all priorities.

Officer Recommendations:

- (1) To note the contents of this review.

Contact: Michael Graham, Head of Corporate Governance, 01784 446227

REPORT

1. BACKGROUND

- 1.1 The Local Code of Corporate Governance (“the Code”) is part of the Council’s Constitution. The Code is shown at Appendix 1 of this report. The Code also has an appendix which is shown at Appendix 2. The Code follows the CIPFA / SOLACE Framework by which the Council measures its effectiveness in Corporate Governance. This guidance document was last revised in 2007 but it still remains the most up to date guidance to councils on this topic.
- 1.2 The Code was last reviewed at Performance Management and Review Committee in 2009 when a slight alteration was made to remove the requirement to produce an annual report from the Scrutiny Committee. This was not considered to be a value adding activity. Apart from that minor deviation from the guidance, the Council aspires to meet all the requirements of the guidance and the standards.
- 1.3 This review of the Code examines the policies, documents and processes within the Council which support the six principles of Corporate Governance outlined in the CIPFA / SOLACE Framework:
- (a) Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.
 - (b) Members and officers working together to achieve a common purpose with clearly defined functions and roles.
 - (c) Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
 - (d) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
 - (e) Developing the capacity and capability of members to be effective.
 - (f) Engaging with local people and other stakeholders to ensure robust local public accountability.

2. KEY ISSUES

- 2.1 At the last review the Head of Audit Services and the Head of Corporate Governance were satisfied that the Council had adequate arrangements in place for Corporate Governance and that the individual elements that support the overall Code were sufficiently kept under review on a regular basis. Since the last review of the Code the following matters have been addressed:
- 2.2 Annual Governance Statement. The Chief Finance Officer, the Head of Audit and the Monitoring Officer reviewed a number of working documents in order to produce the Annual Governance Statement which goes with the Statement of Accounts each year. A report was taken to the Audit Committee on 24 March 2010 and there were no actions required following this review of the Annual Governance Statement. The Audit Committee received also the detailed matrices which staff reviewed in preparing the Annual Governance Statement.
- 2.3 Bribery Act. This legislation is due to be implemented this year. Although for many years there has been legislation designed to prevent corruption in local

authorities there has not been the same requirement on the private sector. This legislation is therefore causing private companies to draw up new policies, procedures and training. However the Council does already have good policies and procedures in place. These have been reviewed by the Head of Audit to include reference to the new Bribery Act duties on companies. These reports will go to Audit Committee on 23 June 2011.

- 2.4 In addition the following matters need to be kept under review:
- 2.5 Constitution – the introduction of the new Leader and Cabinet model from May 2011 may well require the Council to review further the provisions in the Constitution once the new system has a chance to establish itself. The Council always seeks to review the Constitution annually and so any minor adjustments will be picked up at that point. Any more significant issues or concerns will be highlighted during the year.
- 2.6 Localism Bill – it is anticipated that the new law will have an impact on the Code of Corporate Governance. It is expected that the legislation will remove the legal requirement for the Council to maintain a Standards Committee. It remains to be seen what if any guidance CIPFA or SOLACE offer in response to this development. It is likely that the Council will have to change its own systems during the next year. At the time of writing this report the government released its second draft of the bill following some amendments in Committee stage. We will need to see what form the final legislation takes before we know the full extent of likely changes.

3. PROPOSALS

- 3.1 To note the contents of this report.

Report Author:

Michael Graham, Head of Corporate Governance 01784 446227

Background papers:

There are none.

SPELTHORNE BOROUGH COUNCIL

LOCAL CODE OF CORPORATE GOVERNANCE

1. INTRODUCTION

1.1 Spelthorne Borough Council recognises the need to ensure that its affairs are managed in a way which achieves the highest standards of corporate governance. Corporate governance in this context means the systems, processes and values by which the Council ensures that it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable way.

1.2 On the basis that effective leadership is the foundation for effective corporate governance the Council commits:

- ⇒ To engage in effective partnerships and provide leadership for and with the community.
- ⇒ To ensure the delivery of high quality local services whether directly or in partnership or by commissioning.
- ⇒ To perform a stewardship role which protects the interests of local people and makes best use of resources.
- ⇒ To develop citizenship and local democracy.

2. THE PRINCIPLES OF CORPORATE GOVERNANCE

2.1 The Council recognizes that its commitments for corporate governance need to be reflected in its working arrangements. The framework for corporate governance published by CIPFA (Chartered Institute of Public Finance) and SOLACE (Society of Local Authority Chief Executives) suggests, and the Council accepts, that the following core principles should be applied to its activities:

- ⇒ Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area.
- ⇒ Councillors and staff working together to achieve a common purpose with clearly defined functions and roles.
- ⇒ Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- ⇒ Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

- ⇒ Developing the capacity and capability of councillors and staff to be effective.

The detail of what is covered by each principle and the Council's approach to each is set out in the **Appendix**.

3. ARRANGEMENTS FOR CORPORATE GOVERNANCE

- 3.1 The Council has established structures, procedures, processes and a system of controls to ensure that the necessary standards of corporate governance are achieved and maintained. It first reviewed these against the framework for corporate governance published by CIPFA (Chartered Institute of Public Finance) and SOLACE (Society of Local Authority Chief Executives) in April 2002. Since then it has reported on a regular basis to the Performance Management and Review Committee. In 2008 the Council reviewed its arrangements for corporate governance taking into account the revised framework published by CIPFA and SOLACE in 2007 – “Delivering Good Governance in Local Government”. The Code was last reviewed in June 2011 at Overview and Scrutiny Committee.
- 3.2 Most of the arrangements are set out in the Council's constitution and supporting policies and documentation. However, the Council recognises that these arrangements must be kept up-to-date and need to be kept under review to ensure that they remain appropriate and are improved where possible. Without proper monitoring, the effectiveness of the Council's arrangements could be compromised so the Council will ensure that systems are in place to monitor compliance with the agreed processes and procedures.
- 3.3 Various staff have responsibility for different areas of the Council's corporate governance arrangements. These responsibilities will change over time as the Constitution develops and management structures change. However, overall responsibility for ensuring that the Council's Corporate Governance arrangements are followed and that they remain adequate, lies with the Chief Finance Officer.
- 3.4 Councillors will need to be assured that the activities of the Council are properly controlled and the Chief Finance Officer will be responsible for providing the Cabinet with an annual report on compliance with the arrangements and any actions required to improve these.
- 3.5 In addition, the Heads of Audit Services and Corporate Governance will review the Council's arrangements against the Code and the standards laid down in the CIPFA/SOLACE framework and will report annually to the Overview and Scrutiny Committee on the adequacy and effectiveness of the Code and the extent of compliance.

SPELTHORNE BOROUGH COUNCIL

LOCAL CODE OF CORPORATE GOVERNANCE

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

Spelthorne Borough Council will:

- (a) Develop and promote the authority's purpose and vision.
- (b) Review on a regular basis the authority's vision for the local area and its impact on the authority's governance arrangements.
- (c) Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties.
- (d) Publish an annual report on a timely basis to communicate the authority's:
 - ⇒ activities and achievements
 - ⇒ financial position and performance
- (e) Decide how quality for service users is to be measured and make sure that the information needed to review service quality effectively and regularly, is available.
- (f) Put in place effective arrangements to identify and deal with failure in service delivery.
- (g) Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies plans and decisions.

Principle 2: Councillors and staff working together to achieve a common purpose with clearly defined functions and roles

Spelthorne Borough Council will:

- (a) Set out a clear statement of the respective roles and responsibilities of the Cabinet and of the Cabinet's members individually and the authority's approach towards putting this into practice.
- (b) Set out a clear statement of the respective roles and responsibilities of other councillors and senior officers.
- (c) Determine a scheme of delegation and reserve powers, including a formal schedule of those matters specifically reserved for the collective decision of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required.

- (d) Make a Chief Executive or equivalent responsible to the authority for all aspects of operational management.
- (e) Develop protocols to ensure that the Leader and Chief Executive (or equivalent) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.
- (f) Make a senior officer (s151 officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.
- (g) Make a senior officer (usually the Monitoring Officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations and other relevant statements of good practice are complied with.
- (h) Develop protocols to ensure effective communication between councillors and staff in their respective roles.
- (i) Set out the terms and conditions of councillors and staff and an effective process for managing the process including an effective remuneration panel (if applicable).
- (j) Ensure that effective mechanisms exist to monitor service delivery.
- (k) Ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated.
- (l) When working in partnership ensure that councillors are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority.
- (m) When working in partnership:
 - ⇒ ensure that there is clarity about the legal status of the partnership
 - ⇒ ensure that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions

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

Spelthorne Borough Council will:

- (a) Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect.
- (b) Ensure that standards of conduct and personal behaviour expected of councillors and staff, of work between councillors and staff and between

- the authority, its partners and the community are defined and communicated through codes of conduct and protocols.
- (c) Put in place arrangements to ensure that councillors and staff are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice.
 - (d) Develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations and communicate these with councillors, staff, the community and partners.
 - (e) Put in place arrangements to ensure that systems and process are designed in conformity with appropriate ethical standards, and to monitor their continuing effectiveness in practice.
 - (f) Develop and maintain an effective Standards Committee.
 - (g) Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority.
 - (h) In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively.

Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Spelthorne Borough Council will:

- (a) Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible.
- (b) Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.
- (c) Put in place arrangements to safeguard councillors and staff against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice.
- (d) Develop and maintain an effective audit committee (or equivalent) which is independent of the Cabinet and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee.
- (e) Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints.
- (f) Ensure that those making the decisions whether for the authority or the partnership are provided with information that is fit for the purpose –

- relevant, timely and gives clear explanations of technical issues and their implications.
- (g) Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.
 - (h) Ensure that risk management is embedded into the culture of the authority, with councillors and managers at all levels recognising that risk management is part of their jobs.
 - (i) Ensure that arrangements are in place for whistle blowing to which staff and all those contracting with the council have access.
 - (j) Actively recognise the limits of lawful authority placed on them, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities.
 - (k) Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law.
 - (l) Observe all specific legislative requirements placed on them, as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into their processes and decision making processes.

Principle 5: Developing the capacity and capability of councillors and staff to be effective

Spelthorne Borough Council will:

- (a) Provide induction programmes tailored to individual needs and opportunities for councillors and staff to update their knowledge on a regular basis.
- (b) Ensure that statutory officers have the skills resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority.
- (c) Assess the skills required by councillors and staff and make a commitment to develop those skills to enable roles to be carried out effectively.
- (d) Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed.
- (e) Ensure that effective arrangements are in place for reviewing the performance of the Cabinet as a whole and of individual councillors and agreeing an action plan which might, for example, aim to address any training or development needs.

- (f) Ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority.
- (g) Ensure that career structures are in place for staff and councillors to encourage participation and development,

Principle 6: To engage with local people and other stakeholders to ensure the Council is seen as being publicly accountable

Spelthorne Borough Council will:

- (a) Make clear to themselves, all staff and the community, to whom they are accountable and for what.
- (b) Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required.
- (c) Ensure that clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively.
- (d) Hold meetings in public unless there are good reasons for confidentiality.
- (e) Ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands.
- (f) Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result.
- (g) On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period.
- (h) Ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality where it is proper and appropriate to do so.
- (i) Develop and maintain clear policy on how staff and their representatives are consulted and involved in decision making.

Provisional Revenue Outturn report 2010/11

Resolution Required

Report of the Chief Financial Officer

REPORT SUMMARY

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

The report informs residents of where the Authority's revenue budgetary spend was made in 2010/11 providing services for residents to has spent

Purpose of Report

To provide Members with details of the provisional outturn spend on the revenue budget in 2010/11

Key Issues

- Loss of £150k government grants during the year
- The actual spend at year end date against the original budget approved of £13.501m was £13.569m (a variance of 0.5%)
- The interest earned on our investments was £420,118
- The balance / proposed transfer to reserves after net expenditure and all other transfers to and from reserves is £116k

Financial Implications

As set out in the report and appendices

Corporate Priority

All Priorities.

Officer Recommendations

The Cabinet is asked to note the provisional outturn position

The Cabinet is asked to agree the proposed transfers to and from reserves

Report Author: David Lawrence, Chief Accountant, 01784 446471

Area of Responsibility: Terry Collier, Chief Financial Officer 01784 446296

Cabinet member: Councillor Tim Evans

MAIN REPORT

1. BACKGROUND

- 1.1 The purpose of the report is to update Cabinet on the provisional revenue outturn (prior to Audit) spend for 2010/11.
- 1.2 To advise Members of the reasons for variances identified against the original budget approved in February 2010.
- 1.3 To inform Members of the proposed level of transfer to reserves of £116k

2. KEY ISSUES

- 2.1 The summary on Appendix A shows that we have spent £13.569m against the full year budget of £13.501m (a variance of 0.5%)
- 2.2 Appendix B summarises the spend across portfolios by service areas broken down into employees, other expenditure and income
- 2.3 Appendices C1 to C9 give a breakdown by service of the spend against the original budget
- 2.4 Major variances against the original budget are outlined in paragraphs 2.7 (a) to (h) together with officer comments on the more significant expenditure / income differences.
- 2.5 A plus expenditure indicates that the budget / projection has been achieved to date and a minus expenditure indicates non achievement. A plus income indicates that the budget / projection has been exceeded and a minus indicates non achievement.
- 2.6 Additional comments on the other variances can be found on appendices C1 to C9
- 2.7 (a) Economic Development

Cost Centre	Variance to original	Comments
Car Parks	+£86k	Due to uncertainty over future of on street parking enforcement temporary staff employed to cover vacant posts throughout the year, but cost offset by extra PCN (penalty charge notice) generated by the temporary staff.
	-£106k	Savings on energy spends due to initiatives, reduced rental on Kingston Rd car park plus reduced spend on operational costs
Staines Town Centre Management	+£72k	Income to offset salary spend on Staisafe coordinator plus additional town centre rental income

Economic Development	-£49k	Loss of external Local Authority Business Grant Initiative monies as part of Government spending cuts
----------------------	-------	---

(b) Planning and Housing

Cost Centre	Variance to original	Comments
Homelessness	-£44k	One off receipt of court costs for Homelessness Initiatives
Housing Benefit Admin	-£37k	Vacant posts savings
Housing Benefit Payments	-£433k	Lower benefit payments than originally expected
	-£305k	Increased recovery of prior years benefit overpayments
Private Sector Leasing	-126k	No activity in 2010/11
	-£50k	Return of £30K float money. No leasing income received due to no activity in the year
Land Charges	+£102k	Increased search fees received plus external funding to fund personal search fees challenge by search agencies
Planning Development Control	+£46k	Increased number of informal hearings plus preparation costs for the public inquiry at Riverside Work Sunbury
	-£116k	Loss of Housing Planning Delivery Grant as part of Govt spending cuts plus reduced planning fee application income
ICT	-£27k	Contractor costs higher than budgeted offset by prior year credit on BT expenditure

(c) Health and Independent Living

Cost Centre	Variance to original	Comments
Day Centres	+£43k	Income from Surrey County Council budgeted in Community Care Admin
Spelthorne alarm network (SPAN)	-£46k	Delay in signing contract with A2D re community alarms

Spelthorne Accessible Transport (SAT)	+£34k	Increased fuel and vehicle costs plus share of Elmbridge partnership set up costs
Environmental Protection Act	-£26k	Reduced improvement grants expenditure – carry forward requested

(d) Environment

Cost Centre	Variance to original	Comments
Streetscene Management and Support	-£57k	Posts held vacant and vacancy savings
Refuse Collection	-£68k	Vacant posts savings
	-£83k	Reduced vehicle leasing costs and spend on operational equipment, consultants budget not required. Offset by increased fuel costs
	+£73k	Additional green waste income due to a higher take up level of the service
Waste Recycling	+£110k	Increased credits received due to higher volumes of Alternate Weekly Collection and green waste recycling

(e) Young People and Cultural Services

Cost Centre	Variance to original	Comments
Grounds Maintenance	-£60k	Vacant posts savings and changes to the structure of the Nursery
	-£32k	Nursery restructure
Parks Strategy	-£48k	Under spends on electricity and playground improvements
	-£38k	Lettings, Licences, football income and Lammas car park income below budget

(f) Communications and Engagement

Cost Centre	Variance to original	Comments
Publicity	-£105k	Under spend on the communications and marketing budget is primarily the centralised marketing budget which, despite all efforts, people are not using

(g) Community Safety

Cost Centre	Variance to original	Comments
Asset Management	+£63k	Unbudgeted redundancy costs due to partnership with Runnymede and partnership savings budgeted but not achieved. Secondment income received
Asset Management	+£25k	Predominantly stock condition survey costs not originally budgeted but approved by Cabinet Jan 2011
Community Safety	+£35k	Increased telephone / cctv maintenance and cctv replacement costs
	+£29k	Additional contributions received
Knowle Green	+£40k	Additional income from Surrey Police offset by loss of Airtrack public inquiry income
Planned Maintenance	-£43k	Reduced spend on renewal of service and maintenance contracts
Responsive Maintenance	+£207k	Increased responsive costs spend due to reduced spend on property planned maintenance expenditure and increased vandalism

(h) Finance and Resources

Cost Centre	Variance to original	Comments
Asst Chief Executives	+£106k	2 staff redundancy costs not budgeted. Salary saving gives a payback of less than 1.5 years. Funded from Business Improvement Reserve
Legal	+£42k	Legal debt work being undertaken not originally budgeted
	+£31k	Income to date from legal debt work undertaken
Corporate Management	+£140k	Increased spend on valuation fees re stanwell , property asset valuation costs bank charges and audit fees,
	-£32k	£100k Procurement savings reflected within other services offset by additional funding re stanwell, legal fees, procurement income from Runnymede and prior year monies held on the balance sheet.
Central Overheads	+£55k	Higher added years costs than budgeted
Accountancy	+£49k	Unbudgeted redundancy cost funded through the Business Improvement Programme with salary savings payback less than 3 years
Council Tax	+£47k	Long term sickness of one member of staff covered by existing staff with additional payments. Temporary staff were also employed to run the service This will be addressed in 2011/12 with the integration of Revenues into Customer Services with ongoing savings anticipated in the region of £170k - £200k

2.8 Provisions

- 2.9 To cover potential future liabilities of the Authority which were known as at the 31st March 2011 have been set up
- (a) Secure Tenancy cases – potential barrister costs of defending a court case in respect of buildings within the parks which were occupied by former Council parks staff who transferred when the grounds maintenance contract was outsourced in 1996
 - (b) Bad debt provision – car loan repayments have not been received from a now ex employee of the Authority and the case is being progressed through Legal Service Section

2.10 Extraordinary Items

- (a) The one off VAT refund of £540k related to prior years overpayments of VAT in relation to Leisure Facilities recovered from Customs and Excise by Accountancy
- (b) Prior year Right To Buy interest of approximately £161k has been received in relation to prior year sales of shared ownership properties by A2D not originally advised but identified in 2010/11

2.11 Investment Income

- 2.12 Interest earned on our investments amounted to £420,118 which was £5,118 greater than the original budget

2.13 Transfers to and from Reserves

- 2.14 Transfers to and from the reserves relating to New schemes fund, Interest Equalisation Account were as originally budgeted
- 2.15 Transfers relating to Area Based Grant and the Local Public Sector Agreement reward grant have been credited directly back to offset Service Expenditure
- 2.16 The transfer in relation to Airtrack was not required as expenditure was not incurred
- 2.17 An additional transfer from reserves is proposed relating to:-
- (a) The Business Improvement Reserve transfer of £117k is required to offset redundancy costs incorporated in the service expenditure. The resulting ongoing salary savings ensure payback of this money within a 2 year payment
- 2.18 Additional transfers to reserves are proposed relating to:-
- (a) Carry forward reserve – an amount of £239,500 is proposed to be transferred to reserves in relation to work underway but not completed in 2010/11 – these schemes are identified in Appendix D

3. PROPOSALS

- 3.1 Cabinet are asked to note the provisional revenue outturn position
- 3.2 Cabinet are asked to agree the revenue carry forward requests on Appendix D

4. BENEFITS AND SUSTAINABILITY

- 4.1 Careful monitoring of budgets enables variances to be identified at an early stage in order to allow time for corrective action if possible

4.2 Variances identified through the ongoing monitoring process can be validated and incorporated into future years budget if deemed to be ongoing

4.3 Constant monitoring enables Heads of Service to be held accountable for any major unidentified variations at year end which have occurred.

5. FINANCIAL IMPLICATIONS

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

6. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS

6.1 There are none

7. RISKS AND HOW THEY WILL BE MITIGATED

7.1 Please explain the risks involved with pursuing particular options / proposals and how these risks will be mitigated.

8. TIMETABLE FOR IMPLEMENTATION

8.1 Quarterly reports are provided to Cabinet plus Overview and Scrutiny committee for information, comment and scrutiny

8.2 Monthly system generated summary reports with drill down facilities are sent to MAT, Heads of Service and Cabinet Members monthly

Report Author:

David Lawrence 01784 446471

Background Papers:

There are none

2010/11 Provisional Capital Outturn Report

Resolution Required

Report of the Chief Financial Officer

REPORT SUMMARY

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

Spend on capital projects within the Borough ensures that the services, equipment and buildings are up to date and fit for the purpose provided.

Purpose of Report

To advise Members of the provisional spend on the capital programme for 2010/11 and to identify major variances and the need to carry forward monies to complete schemes unfinished in the financial year.

Key Issues

- The provisional capital spend in 2010 is £1,792k against a revised budget including carry forwards from 2009/10 of £2,567k (a variance of £775k)
- The final budget carry forward requirement into 2011/12 is £204k

Financial Implications

As per attached report and appendices

Corporate Priority

All Priorities.

Officer Recommendations

The Cabinet is asked to note the provisional capital outturn position

The Cabinet is asked to agree the final list of budget carry forwards from 2010/11

Report Author: David Lawrence, Chief Accountant (01784 446471)

Cabinet member: Councillor Tim Evans

MAIN REPORT

1. BACKGROUND

- 1.1 The purpose of this report is to update Members on the spend as at 31 March against the capital programme for 2010/11 agreed at Full Council in February 2010
- 1.2 Quarterly reports are provided to both Cabinet and Overview and Scrutiny of the spend to date position and the projected spend for the year along with Officer comments on the variances
- 1.3 Schemes which are incomplete as at the 31 March 2011 require a carry forward of budget to enable completion in 2011/12.

2. KEY ISSUES

- 2.1 Appendix A summarises the provisional level of spend as at the 31 March is £1,792k against the revised budget
- 2.2 Appendix B shows the detailed spend position on the individual schemes along with Officer comments
- 2.3 The level of budget carry forwards required to complete schemes unfinished as at the 31 March is £204k – Appendix C
- 2.4 Reasons for the major variances on schemes are identified below
- 2.5 (a)

Scheme	Revised Budget £	Variance against revised budget £	Comments
Housing Investment Programme			
Wall / Loft Insulation	£50k	£24k under spend	New contractor appointed and resource issues restricted amount of work able to be undertaken in 2010/11
Decent Homes Grant	£189k	£77k under spend	Grant has been suspended and future budgets have been reduced. £37k carry forward requested
New Schemes Fund			
Sunbury Improvement Project	£200k	£76k under spend	Works completed invoices awaited

Hawke Park	£0	£75k over spend	Works funded by SCC not included in original programme
Other Capital Expenditure			
Website upgrade	£50k	£50k under spend	Project deferred until 2011/12 due to resource constraints
Document Management System	£100k	£61k under spend	Works ongoing and will be completed in 2011/12
Mobile Working	£40k	£39k under spend	Works ongoing and will be completed in 2011/12
Customer Relationship Manager solution	£160k	£160k	Project deferred until 2011/12 due to resource constraints
Human Resources and Payroll system	£60k	£60k under spend	Project deferred due to request to re-examine options. Work now underway and will be completed in 2011/12
Contaminated Land Investigation	£58k	£58k under spend	Works ongoing – carry forward requested. Funds not used will need to be returned to DEFRA as project grant funded
Sensory Play Area	£0	£28k over spend	Funded by monies from the Big Lottery Fund not originally budgeted in 2010/11
Tennis Courts	£68k	£30k under spend	2009/10 Budget carry forward not required as programme only enables 1 project per year

Critical Ditches	£74k	£74k under spend	No capital works required to preventing flood in 2010/11
Car Parks improvements	£43k	£43k under spend	Pay on foot system with automatic number plate recognition to be installed in 2011/12
Biffa award match funding	£72k	£59k under spend	2009/10 Budget carry forward not required as match funding only £25k in total
Compost Bins	£40k	£40k under spend	Sufficient stock of bins. Monies earmarked to support implementation of kitchen waste scheme
Capitalised salaries	£50k	£40k over spend	Additional time spent doing capital works in Env Health supporting Disabled Facilities Grant works and Asset Management works
Stanwell CCTV	£68k	£68k under spend	Stanwell New Start scheme deferred until 2011/12

3. PROPOSALS

- 3.1 Cabinet are asked to note the provisional capital outturn spend for 2010/11
- 3.2 Cabinet are asked to agree the final level of budget carry forwards to be added to the 2011/12 capital programme original budget.

4. BENEFITS AND SUSTAINABILITY

- 4.1 Monitoring of the budgets enables Heads of Service to be aware of the current spend to date in order to inform Accountancy of any potential variations to the approved budget
- 4.2 Additional schemes can be approved within the original approved programme value if schemes no longer required are identified early enough in the financial year

4.3 Any major variations to the proposed budgetary spend can be identified at an early stage and additional funding can be identified to complete the schemes

5. FINANCIAL IMPLICATIONS

5.1 As set out in the report and appendices

6. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS

6.1 Legal implications may be possible on schemes which are contractually agreed if insufficient funding is available to finance the works

7. RISKS AND HOW THEY WILL BE MITIGATED

7.1 All schemes are evaluated and investigated prior to going on the programme to ensure that sufficient budget has been requested and the scheme works meet with the capital regulations as to what can be defined as capital expenditure.

7.2 The risk that schemes will not be completed due to insufficient finance is mitigated by the post evaluation work

7.3 The risk that the approved contractor is not able to finish the scheme because of lack of resources is mitigated by a financial appraisal being undertaken on all contractors

7.4 The risk that the scheme is not finished to the Council's satisfaction can be mitigated by making stage payments to the contractor and keeping a proportion of the cost back as retention monies to be released once satisfactory completion has been completed.

8. TIMETABLE FOR IMPLEMENTATION

8.1 Monthly position statements are provided to MAT as an update on the current spend to date position

8.2 All Heads of Service with capital schemes are provided monthly with system reports which enables them to investigate the spend in order to identify any spend which doesn't relate to the scheme

8.3 Quarterly reports with officer comments are provided to Cabinet and Overview and Scrutiny Committee for investigation and comments.

Report Author:

David Lawrence, Chief Accountant (01784 446471)

Background Papers:

There are none

TREASURY MANAGEMENT ANNUAL REPORT 2010/11

Resolution 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 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

The report is to update members on the outturn treasury position and Prudential Indicators for 2010/11.

Key Issues

- To note the slightly better than budgeted outturn treasury position achieved against the prevailing interest rate and economic backgrounds operating in 2010/11.
- To note the borrowing and investment strategies followed during 2010/11 and the policy for managing the Council's investments.
- To note the outturn Prudential Indicators for 2010/11.

Financial Implications

This report is to update members 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 for 2010/11.

Report Author: Jo Hanger, 01784 446219.

Area of responsibility: Terry Collier, Chief Finance Officer (01784) 446296

Cabinet Member: Councillor Tim Evans

REPORT

1. BACKGROUND

- 1.1 Treasury Management is “the management of the Council’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
- 1.2 The primary requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management include the creation of a Treasury Management Policy Statement and Practices to implement the policy. A Treasury Management Strategy Statement must be approved annually by full Council (February 2011) including an annual investment strategy report for the year ahead. In addition a mid year review and an annual review report must be presented to Members.
- 1.3 The Council is required to delegate responsibilities for implementing and monitoring treasury activities and also to delegate the role of scrutiny to a named body. This role has been delegated to the Overview and Scrutiny Committee and Cabinet.
- 1.4 The purpose of this report is to meet one of the above requirements of the CIPFA Code, namely the annual review report of treasury management activities for the financial year 2010/11.

2. KEY ISSUES

2.1 Criteria and Constraints

- 2.2 The CIPFA Code of Practice on Treasury Management 2009 was formally adopted by the Council on 25 February 2010 and the Council fully complies with its requirements. The current relevant criteria and constraints incorporated into the Treasury Management Policy Statement are:
 - (a) New borrowing to be contained within the limits approved by the Council, in accordance with the CIPFA Prudential Code for Capital Finance in Local Authorities and the Council’s prudential indicators.
 - (b) Investment to be made in accordance with the Department for Communities and Local Government (DCLG) guidance on Local Authority Investments, on the basis of IBCA (Interbank Bank Credit Analysis) credit ratings and detailed in the Treasury Management Policy Statement and approved scheduled and practices.
 - (c) Sufficient funds are to be available to meet the Council’s estimated outgoings for any day.
 - (d) Investment objectives are to maximise the return to the Council subject to the overriding need to minimise risk and protect the capital sum.
 - (e) Our response to interest rate changes is to minimise the net interest rate burden on borrowing and maximise returns from investments, subject to (b-d) above.

2.3 Strategy for the Year 2010/11

- 2.4 The Council’s investments are all managed in house and the investment strategy was reviewed in consultation with Sector, our treasury management advisors. Given Spelthorne’s dependency on investment returns to balance

the budget it was considered appropriate to continue to keep a significant proportion of the Council's investment portfolio invested in longer term fixed rate cash deposits and Euro-Sterling Bonds.

- 2.5 The Council has taken the decision to fund its capital investment from available capital receipts rather than using prudential borrowing, although this may be considered for individual projects on a scheme by scheme basis. Borrowing activity is thus limited to managing our daily cash flow needs and our strategy is therefore simply to borrow at the lowest available rates for the minimum period required.
- 2.6 **Economic Background**
- 2.7 The financial year started with short to medium term interest rates continuing at historical low levels and the economy still suffering from a lack of credit. Bank rate remained at 0.50% for the whole year reflecting the ongoing domestic economic circumstances in the aftermath of the global economic and financial crisis and the need to reduce levels of UK sovereign debt.
- 2.8 Sovereign debt levels became a serious issue particularly in Greece, Ireland, Spain and Portugal. Greece and Ireland in particular were the focus of market attention because of the deemed high risk of government debt default and indeed, during the year the International Monetary Fund and its European partners had to arrange financial rescue packages for these two countries. Portugal has become the recent focus of attention and there is a possibility that other countries, including Spain, may need financial assistance in the future.
- 2.9 The UK also has a high level of government debt. The new coalition government set out plans for reducing the deficit which calmed the financial markets in the short term and the UK retained its AAA sovereign rating. However, the possibility of a downgrade, making it more expensive for the government to borrow, has not gone away.
- 2.10 UK growth proved mixed and the first half of the year saw the economy outperform expectations, although the economy slipped into negative territory in the final quarter of 2010 largely due to inclement weather conditions. The year finished with prospects for the UK economy being decidedly downbeat over the short to medium term. The Japanese disasters in March and the Arab uprisings, particularly in Libya, caused an increase in world oil prices which all combined to dampen prospects for international economic growth.
- 2.11 Inflation in the UK has remained well above the MPC 2% target for many months. The Consumer Prices Index (CPI) ended the financial year at 4% and the Retail Prices Index (RPI) at 5.3%. Rising Inflationary pressures and strong first half growth lead to prospects of an increase in bank rate. However, by March 2011 slow actual growth together with weak growth prospects saw expectations of a bank rate rise move back from May 2011 to August 2011, despite high inflation.
- 2.12 The financial year ended with bank rate still at 0.5%. Sector revised their interest rate forecast several times during the year and now expects bank rate remain at 0.5% until at least Quarter 3 2011 before starting to rise again to 2.25% by Quarter 1 2013.

2.13 Compliance with Treasury Limits

2.14 During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Policy Statement and annual Treasury Strategy Statement. The outturn Prudential Indicators for 2010/11 are shown in **Appendix A**.

3. OPTIONS ANALYSIS

3.1 Performance in 2010/11

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

3.3 At the start of the financial year, outstanding short term borrowing was £1.534m. Borrowing averaged £70k during the year and the average interest rate around 0.46%. Short term borrowing rates ended the year at around 0.50% to 0.60% and outstanding borrowing as at 31/3/11 was limited to £35k in respect of small loans from charitable and voluntary groups.

3.4 During February and March the Council's income is significantly reduced because no instalment monies are received for Council Tax and Business Rates. As a result, short term borrowing requirements are often greater at this time of the year.

3.5 **Investments** – The Council manages its investments in-house and invests with highly rated counterparties. During the year all investments were made in full compliance with the Council's treasury management policies and practices. At the start of 2010/11, the Council's net investment portfolio was £11.424m made up as follows:-

Investment Class	Amount	Average Rate
Euro-Sterling Bonds	6,000,000	4.17%
Fixed Term Deposits	5,000,000	5.90%
Call Account Deposits	424,000	0.80%
Total Investment Portfolio at 1/4/10	11,424,000	5.40%
Short term loans outstanding	1,500,000	
Net Investments at 1/4/10	9,924,000	

3.6 As at 31st March 2011 the net investment portfolio was £14.770m as set out below:

Investment Class	Amount	Average Rate
Euro-Sterling Bonds	6,000,000	4.17%
Fixed Term Deposits	5,000,000	1.55%
Money Market Funds	770,000	0.56%
Call Account Deposits	3,000,000	0.80%
Total Investment Portfolio at 31/3/11	14,770,000	2.40%
Short term loans outstanding	35,000	
Net Investments at 31/3/11	14,735,000	

- 3.7 During the year the value of investments increased from £9.9m to £14.8m due to the receipt of a refund of NNDR repaid to the Council by the Government Pool.
- 3.8 The net overall return on investments was 2.17% for 2010/11 which is 1.56% higher than the benchmark average 3 month LIBID rate of 0.61% for the year. The performance reflects our strategy of locking into fixed term investments against a background of continuing low interest rates.
- 3.9 The original estimate for net investment income to be credited to the General Fund in 2010/11 was £415,000 based on an interest rate of 1.19%, based on Sector's interest rate forecast at the time the budget was compiled. However, this estimate was revised downwards during the year to £391,000 to reflect the changes in Sector's forecasts. The actual outturn for the year was £420,118 made up as follows:

Investment Income	Actual £	Budget £
Temporary Investments	46,680	45,000
Fixed Term Deposits	113,099	110,000
Euro-Sterling Bonds	255,498	255,000
Total Investment Income	415,277	410,000
Other net Interest	5,175	6,000
Total Gross Investment Income	420,452	416,000
Interest paid on temporary borrowing	(334)	(1,000)
Available Interest	420,118	415,000
Transfer to Interest Equalisation Reserve	(5,118)	0
Credited to General Fund	415,000	415,000

- 3.10 The net surplus over the estimate will be transferred to 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.
- 3.11 **Investment Performance Monitoring**
- 3.12 Regular quarterly meetings of officers and the Portfolio holder are held with Sector, our treasury management advisors and in-house performance is monitored monthly. The Council is heavily dependent on investment returns to support the General Fund and the stability of those returns is an important part of our ongoing financial objectives.
- 3.13 Creditworthiness is also monitored regularly reflecting the changed financial environment. Many once highly rated institutions have had their credit ratings significantly downgraded and no longer meet our tight criteria. As a result these have subsequently been removed from our list of potential investment counterparties.

- 3.14 The Council uses Sector's suggested criteria to assist in the selection of suitable investment counter-parties. This is based on credit ratings, including sovereign ratings, provided by the three main ratings agencies and supplemented by additional market data including rating outlooks, credit default swaps, bank equity prices etc to assist the Council in making more informed decisions about which counter-parties to invest with. However, the final selection decision rests with the Council.
- 3.15 **Conclusions for 2010/11 and Prospects for 2011-12**
- 3.16 Sector believes that bank rates will remain at the historically low level of 0.5% until September 2011 before starting to rise again. The return on investments this year has been good considering the current economic climate and level of interest rates, largely due to the fortunate timing of locking into fixed rates on deposits and Euro-Sterling Bonds.
- 3.17 The volatility of returns has been more effectively managed by the current investment strategy which has had a positive impact on our overall returns for this year and should continue to create some stability in the level of returns in the future.
- 3.18 The three year contract with Sector as the Council's treasury advisors ends on 31st July. Sector has recently taken over one of their main competitors. Following this deal, there are now only three main treasury advisors specialising in the local government market compared to five when we tendered three years ago. As a consequence, the takeover has been referred to the Competition Commission to establish its effect on the reduction in the level of competition in the market.
- 3.19 The tender process for appointing treasury advisors for the next three years has begun and the effect of the Competition Commission enquiry will be considered during this process.

4. PROPOSALS

- 4.1 There are no proposals.

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.

7. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS

- 7.1 There are none.

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.

Report Author: Jo Hanger

Background papers: None

Agenda Item 14 - Appendix A

**PRUDENTIAL INDICATORS
ACTUALS 2010/11**

Capital Expenditure Prudential Indicators	2009/10 Actual	2010/11 Original Estimate	2010/11 Actual Outturn
Prudential Indicator	£'000	£'000	£'000
Capital Expenditure (all non-HRA)	1,904	1,907	XXX
Ratio of Financing Costs to Net Revenue Stream	(9.05)	(3.27)	XXX
Net Longer-term Borrowing	£0	£0	£0
In year Capital Financing Requirement	£0	£0	£0
Capital Financing Requirement as at 31.3	£0	£0	£0
Affordable Borrowing Limit	£12,000	£12,000	£12,000

Treasury Management Prudential Indicators	2009/10 Actual	2010/11 Original Estimate	2010/11 Actual Outturn
Prudential Indicator	£'000	£'000	£'000
Authorised Limit for external debt	12,000	12,000	12,000
Operational Boundary for external debt	10,000	10,000	10,000
Net Borrowing and Capital Finance Requirement	0	0	0
Upper limit for fixed rate exposure	100%	100%	100%
Upper limit on variable rate exposure	100%	100%	100%
Upper limit for principal invested for over 364 days	20,000	15,000	15,000

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

Actual External Debt as at 31.3.11	£35,388 (all short term borrowings)
---	-------------------------------------

OVERVIEW AND SCRUTINY COMMITTEE - DRAFT WORK PROGRAMME

DATE OF MEETING	SUBJECT AND BRIEF OUTLINE
September 2011	<p>Capital and Revenue Monitoring reports (4th month spend)</p> <p>To review the Councillor Call for Action procedures after one year's operation and at that time to also consider the option to delegate powers to councillors under section 236 of the Local Government and Public Involvement in Health Act 2007</p> <p>Standard items: Minutes, Matters arising, Cabinet Forward Plan/ Task Groups</p>
	Work Programme
November 2011	Capital and Revenue Monitoring Reports (6 th month)
	To review the e petition scheme after one year in operation
	Standard items: Minutes, Matters arising, Cabinet Forward Plan/ Task Groups
	Work Programme
Followed by	Crime and Disorder Scrutiny Committee meeting
February 2012	Capital and Revenue Monitoring reports (9 th month)
	Standard items: Minutes, Matters arising, Cabinet Forward Plan/ Task Groups
	Work Programme