



Please reply to:

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Date: 29 June 2020

Notice of meeting

Overview and Scrutiny Committee

Date: Tuesday, 7 July 2020

Time: 6.00 pm

Place: Skype for Business Conference Call

To: Members of the Overview and Scrutiny Committee

Councillors are reminded to notify Committee Services of any Gifts and Hospitality offered to you since the last Council meeting so that these may be entered in the Gifts and Hospitality Declaration book.

Spelthorne Borough Council, Council Offices, Knowle Green

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AGENDA

Description	Lead	Timings	Page Number.
1. Appointment of Chairman To appoint the Chairman of the Overview and Scrutiny Committee for the municipal year 2020/21.			
2. Apologies To receive any apologies for non-attendance.			
3. Minutes To confirm the minutes of the meeting held on 21 January 2020 as a correct record. (copy attached).			5 - 10
4. Appointment of Vice Chairman To appoint the Vice Chairman of the Overview and Scrutiny Committee for the municipal year 2020/21.			
5. Disclosures of Interest To receive any disclosures of interest from councillors in accordance with the Council's Code of Conduct for members.			
6. Call-in of Cabinet decisions No Cabinet decisions have been called in.			
7. Role of Overview and Scrutiny To note the attached documents from the Council's Constitution which are for background information. If members have any queries about any matter within these documents, please will they raise them at least 24 hours in advance of the meeting by contacting the Committee Manager, whose details are shown on the front of the agenda. <ul style="list-style-type: none">• Overview and Scrutiny Committee Terms of Reference• Overview and Scrutiny Procedure Rules			11 - 20

Description	Lead	Timings	Page Number.
<p>8. Presentation on KGE Business Plan To receive a presentation on the Knowle Green Estates Business Plan.</p>			To Follow
<p>9. Provisional Revenue Outturn Report 2019/20 To note the provisional revenue outturn report for 2019/20 which will be considered by Cabinet at their meeting on 15 July.</p>			21 - 40
<p>10. Provisional Capital Outturn Report 2019/20 To note the provisional capital outturn report for 2019/20 which will be considered by Cabinet at their meeting on 15 July.</p>			41 - 50
<p>11. Treasury Management Outturn Report 2019/20 To note the treasury management outturn report for 2019/20 and the financial environment in global markets which will be considered by Cabinet on 15 July.</p>			51 - 70
<p>12. Pavement Parking To note the report of the Parliamentary Transport Committee on the problems caused by pavement parking and recommendations to the government about possible solutions to the problem. Evidence submitted by Surrey County Council to the select committee, which has recommended some of that authority's proposed changes, is also attached.</p>			71 - 118
<p>13. Work Programme To consider the Committee's work programme for the remainder of the Municipal year. During this session, councillors will be invited to consider and suggest suitable topics for inclusion on the Committee's Work Programmes for 2020-21 and 2021-22.</p>			119 - 130
<p>Councillors are encouraged to speak to other Members in advance of the meeting to identify key issues for their constituents which would result in improvements for local people.</p>			

Description

Lead

Timings

Page
Number.

The following documents are attached to assist councillors' consideration of this item:

- Review of the work programme 2019-20
- Current draft work programme for 2020-21
- Cabinet Forward Plan (as last published)

**Minutes of the Overview and Scrutiny Committee
21 January 2020**

Present:

Councillor V.J. Leighton (Chairman)

Councillors:

J.H.J. Doerfel

T. Fidler

L. E. Nichols

J.T.F. Doran

N.J. Gething

R.J. Noble

R.D. Dunn

M. Gibson

Apologies: Councillors C.F. Barnard, C.L. Barratt and R.A. Smith-Ainsley

7/20 Election of Vice-Chairman

It was proposed by Councillor V.J. Leighton and seconded by Councillor R.J. Noble and agreed that Councillor N.J. Gething be appointed Vice Chairman for the remainder of the municipal year.

8/20 Minutes

The minutes of the meeting held on 26 November 2019 were approved as a correct record.

9/20 Disclosures of Interest

There were none.

10/20 Call-in of Cabinet decisions

No Cabinet decisions have been called in.

11/20 Cabinet Forward Plan

The Cabinet Forward Plan was noted.

12/20 Treasury Management half yearly report 2019/20

Members of the Committee had been requested to submit questions regarding the Treasury Management half-yearly report for 2019-20 in advance of the meeting. The questions and responses were circulated in advance of the meeting and are attached to these minutes.

It was requested that the timing of financial reports are considered when planning the programme of meetings in order that the reports are brought before the Committee within an appropriate timescale.

It was agreed to provide further detail in writing to the Committee after the meeting regarding:

1. The movement in long and short term borrowing shown in Table 2 of the report.
2. Information about how Knowle Green Estates Ltd investment would appear in the capital expenditure summary (Table 1 of the report).

The Chief Finance Officer offered to discuss separately individual concerns about the methodology used to calculate the dividend yield.

Resolved to note the report, subject to some concern about the values in the report. The Chief Finance Officer will report back to the Committee on the above points.

13/20 Houses in Multiple Occupation

The Committee received a report concerning Houses in Multiple Occupation (HMO). The Planning Development Manager outlined the background to the report; the subject was previously scrutinised by the Committee in November 2018 following a change in legislation and an update requested for late 2019/early 2020.

The report had been prepared jointly by Planning and Environmental Health using data for the period October 2016 to September 2019, the two years preceding and the year following the new legislation coming into effect. The data showed that there was insufficient evidence at present to justify the introduction of Article 4 direction but HMOs would continue to be monitored by the Planning Enforcement and Environmental Health teams.

The Committee asked a range of questions and in response were advised:

- There were a number of reasons why some areas had a higher number of HMOs than others, generally it occurred in university towns or where the cost of rented property was very high. In Spelthorne the general tendency was for friends to rent a house together or through an agency. The number of HMOs in Spelthorne was very small in comparison to other areas.
- There was a cluster of HMOs around Ashford Town and Ashford North/Stanwell South, which was likely to be due to the size and type of properties.
- The new licensing regime had improved management and safety standards.
- Most complaints received related to noise and accumulation of rubbish.
- There had been an increase in enforcement action as a result of the legislative change. Information was gathered from many different sources and the approach used by the enforcement team would depend on the nature of the potential breach.

- There had been one case relating to modern day slavery, and three concerning possible illegal immigration.

Resolved to note the report.

14/20 Overview and Scrutiny Statutory Guidance

The Committee received the report relating to new statutory guidance on Overview and Scrutiny to ensure that the function is carried out effectively and agreed that further consideration needed to be given to this

Resolved to carry forward this item to the next meeting where suggestions for tangible actions can be considered.

15/20 Review of Knowle Green Estates Ltd

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

Terry Collier, Deputy Chief Executive, conveyed the apologies of Councillor A.J. Harman, as Chairman of the Board of Knowle Green Estates, who was unable to attend the meeting.

Howard Williams, Non-Executive Director of Knowle Green Estates Ltd (KGE), outlined the history of the company and why it was first established in 2016. Since the company's formation the Council's direction in relation to provision of housing had substantially changed and it was now envisaged that the role of KGE would be to manage most of the Council's residential assets, managing within the next few years tenancies of 500-600 properties.

The residential portfolio would include a range of types of rental properties. It was proposed that the Council would acquire and develop suitable sites before handing these over to KGE for management. The financial arrangements for the transfer of properties were broadly outlined.

The Committee were advised that the report to be presented to Cabinet also requested that a new company, Knowle Green Estates Group, is set up with facilities for limited liability partnerships (LLP) for risk and tax management purposes.

Members were also informed that the accounts had been independently audited and were now being reviewed by the Council's external auditors as part of the Council's consolidated accounts.

The Committee scrutinised the report in detail and raised a number of questions. In response to these they were advised:

- The structure of the group was still under consideration by Cabinet in the role of shareholder representative. No Special Purpose Vehicles (SPV) or LLPs have been set up.
- The board structure had been broadened to include two non-executive directors which would bring a wider range of experience to the company and provide safeguards for continuity purposes. It had recently been decided that the company secretary need not be an individual but appropriate members of the legal department.
- The company would take its direction from the Council as the sole shareholder.
- The company will not be able to purchase or dispose of assets without the permission of the Council. Furthermore they cannot source third party funding without the permission of the Council. There had been clear instructions from the shareholder that the intention was to retain the properties for ever and not sell them. If at any stage sales were considered necessary, the company would need Cabinet's (as the shareholder representative) agreement to do so. It was also confirmed that the company was not authorised to raise mortgages on the properties.
- The Council will complete the residential developments and incur costs from the PWLB or equivalent funding source. At the point of completion the property will be transferred to KGE; they will buy assets with a loan from the Council, interest from the company will be paid to the Council. This will be reflected in the Council accounts which will show a stream of interest receivable and the capital loan will be paid down.
- The 5 year Profit and Loss projection in the plan had been produced in conjunction with KGE's financial advisers. The model had been based on a set of assumptions with the risk profile varying according to the nature of the scheme. The projections will be kept under review and the company will continue to work with the financial advisers.
- KGE doesn't currently have any employees. Any work carried out for KGE by Council staff will be recorded and charged to the company. A detailed breakdown will be provided of the officers, how much time they have incurred and the costs to the company. This will be visible in both the company's and Council's accounting and will be scrutinised by auditors from both perspectives

Mr Williams offered to report to the Overview and Scrutiny Committee on the work of the company on a regular basis, as required.

Concern was expressed that there may be insufficient or no affordable housing allocated to some developments. The Committee were informed that the shareholder's commitment to providing affordable housing was demonstrated by the fact that the first schemes have been 100% affordable as will the accommodation to be provided in the West Wing, Knowle Green. This was a key part of delivering accommodation to meet the needs of

residents. It was suggested that the Council should provide an indication of the split of tenure across all developments which could then be monitored and scrutinised.

It was proposed that there should be a mission statement, issued by the Council, setting out the purpose and aims of the company as this would assist in scrutinising and measuring the success of their work.

The Committee sought further clarification on the financial arrangements relating to asset valuation and the transfer of property at cost price and considered that the wording of the plan needing further refinement and clarity.

Resolved to recommend to Cabinet:

1. That the Business Plan for the Knowle Green Estates Group is presented alongside a mission statement or that a mission statement is subsequently developed identifying the purpose and aims of the Group.
2. The Committee believes that the process of asset valuation and transfer detailed in the Business Plan for the Knowle Green Estates Group requires further clarification.

It was agreed that an update would be provided to Overview and Scrutiny Committee at their next meeting in March 2020.

16/20 Work Programme

The Chairman provided an update on the work programme of the Committee. To avoid duplication of work, it was agreed that instead of considering the topic of renewable energy, the Committee would receive a report from the Leader's Climate Change task group at the next meeting and regular updates thereafter.

One of the items on the programme, to consider the need for a crematorium, had not yet been addressed. The Committee agreed to set up a task group consisting of Councillors Noble, Nichols and Richard Dunn to consider this. Councillor Noble requested that the issue is renamed 'Provision of a Celebration of Life Centre' rather than provision of a crematorium on the work programme.

Resolved to note the work programme.

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OVERVIEW AND SCRUTINY COMMITTEE

(15 Members)

1. 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 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 Cabinet.

2. 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 wellbeing 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.

3. 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;
- (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 wellbeing 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 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.

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 councillors except members of the Cabinet and the Mayor may be members of the Overview and Scrutiny Committee. However, no councillor 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 councillor 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 councillor 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 councillor 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 councillor 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 councillors appointed to 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 councillor 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) Disclosures of interests;
 - (d) Call in of a Leader, Cabinet or Cabinet Member decision;
 - (e) Any matter referred under the "Councillor call for action" procedures

- (f) Outcomes of any reports or recommendations to the Leader, Cabinet or Cabinet Member
 - (g) Matters set out in the work programme for the meeting
 - (h) Cabinet Forward Plan
 - (i) Members of the Committee to suggest items for future Committee consideration
 - (j) Work Programme; and
 - (k) Any business identified by the Lead Officer to the Scrutiny Committee and agreed by the Chairman
- 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 (e.g. 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 and support of the committee manager.
- 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 councillors, members of the Overview and Scrutiny Committee have the additional right to documents, and to notices 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 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 five 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 councillor 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.

Cabinet**15 July 2020**

Title	2019/20 Provisional Revenue Outturn Report		
Purpose of the report	To note		
Report Author	Laurence Woolven, Chief Accountant		
Cabinet Member	Councillor S. Buttar	Confidential	No
Corporate Priority	Financial Sustainability		
Recommendations	The Cabinet is asked to: <ul style="list-style-type: none"> a) Note the provisional revenue outturn for 2019/20 b) Approve the revenue carry forwards for 2019/20 totalling £204,200 		
Reason for Recommendation	Not applicable		

1. Key issues

- 1.1 The summary on Appendix A shows a surplus for the year of £4.939m. As planned £2m will be transferred to Sinking Funds, this will be even more important following the Covid-19 pandemic, £2.486m relates to Business Rates and will be placed in the Business Rates reserve for use in future years due to the nature of its funding, and £0.204m relates to proposed carry forward items, leaving £0.249m being able to be set aside for any planned use. This results in a net balanced outturn.
- 1.2 The collection rates for Council Tax and Business Rates were 98.3% and 99.2% respectively.
- 1.3 There were a number of salary underspends throughout the year and these ensured that the vacancy monitoring saving requirement was met.
- 1.4 Appendix B summarises spend across portfolios by service areas broken down in employees, other expenditure and income.
- 1.5 Appendices C1 to C9 give a breakdown by service of spend against the revised budget plus comments on various variances.

Investment Income

- 1.6 Interest earned on our investments amounted to £694k above the original budget. The main reason for this extra income is due to the income from acquisitions, this element is used to top up the sinking funds.

Transfers to and from Funds

- 1.7 In year, £7.2m has been transferred to the various property sinking fund reserves and £3.1m has been transferred to various other reserves, including CIL, S106 and housing reserves. In line with proper accounting treatment, CIL funding of £1.873m was received in the year and is reflected in the Planning portfolio figures before being offset by the transfer to reserves.
- 1.8 As a result of the above reserves transfers the total level of cash backed reserves for the year ended 31 March 2020 will be approximately £39.5m of which roughly half will be sinking funds reserves.
- 1.9 Carry forwards totalling £0.204m have been put forward for approval. These Schemes are identified in appendix D.
- 1.10 As mentioned in para 1.1, after transferring £2m to sinking funds and £2.486m to the Business Rates reserve, there is £0.249m available to be used where the Council see fit.

Bad Debts Provision

- 1.11 The Bad Debts Provision has been increased in year by £1m, this was seen as a prudent approach to take and is especially relevant now in the Covid-19 climate in which we find ourselves.

Knowle Green Estates Ltd (KGE)

- 1.12 The table below shows the recharges and financing payments that KGE has made to the Council:

Charges to KGE	2019/20
	£
<i>Spelthorne BC Services</i>	
Property Management recharge	51,889
Senior Management and GDPR recharge	9,394
Finance recharge	10,626
Housing recharge	11,442
Legal recharge	18,400
Total recharge for work completed by Spelthorne BC staff	101,751
<i>Loan Financing Payments</i>	
Repayment of Principal	45,554
Payment of Interest	101,977

Total	249,282
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- 1.13 The KGE accounts are separately audited before being fed into the consolidated Group Accounts as part of Spelthorne's Statement of Accounts process.

Asset Management

- 1.14 The table below sets out the detail of the property transactions for 19/20:

Property	Budget Income	Actual Income	Variance	Interest Payable	MRP Payable	Cont. to Sinking Fund
	£'000	£'000	£'000	£'000	£'000	£'000
BP Main Site	-15,666	-15,651	15	7,445	4,340	500
BP SW Corner	-1,905	-1,905	-	754	278	150
Elmbrook House	-477	-477	-	38	73	50
Hanover House	-	-	-	96	46	-
Stockley Park	-1,426	-1,431	-5	572	226	100
WBC4	-2,447	-2,399	48	1,151	539	200
12 HSG	-9,531	-9,575	-44	4,269	2,025	900
Comms House	-1,232	-1,180	52	275	122	500
Thames Tower	-6,329	-6,329	-	3,197	1,290	840
Charter	-7,926	-7,923	3	3,398	1,373	2,480
Porter	-3,690	-3,690	-	1,833	740	685
Summit Centre	-	-502	-502	54	-	391
119-121a High St	-	-14	-14	-	-	-
Elmsleigh	-	-548	-548	-	-	548
Total	-50,629	-51,624	-995	23,082	11,052	7,344

2. Options analysis and proposal

2.1 The Cabinet are asked to note the provisional revenue outturn position and list of carry forwards provisionally approved by corporate management team.

3. Financial implications

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

4. Other considerations

4.1 There are none.

5. Timetable for implementation

5.1 Quarterly reports with officer comments are provided to Cabinet and Overview and Scrutiny committee for investigation and comments.

5.2 Monthly system generated summary reports with drill down facilities are sent to corporate management team, group heads of service and cabinet members.

Background papers: None

Appendices: A, B, C & D

APPENDIX A

2019/20 Net Revenue Budget Monitoring As at end of 31 MARCH 2020

	19/20 Budget		19/20 Total	19/20 Variance
	Original £	Revised £	Actuals £	to Revised £
Gross Expenditure	63,666,200	66,018,100	59,081,329	(6,936,771)
Less Housing Benefit grant	(32,021,000)	(32,021,000)	(25,673,331)	6,347,669
Less Specific fees and charges income	(10,313,000)	(11,013,000)	(15,239,847)	(4,226,847)
Net Expenditure - broken down as below	21,332,200	22,984,100	18,168,151	(4,815,949)
Leader of the Council	1,488,500	1,537,100	1,496,459	(40,641)
Deputy Leader and Finance	3,192,400	3,192,400	3,276,348	83,948
Corporate Management	936,600	966,600	810,823	(155,777)
Housing	1,911,400	1,941,400	2,612,197	670,797
Planning	1,152,100	1,275,600	(1,303,742)	(2,579,342)
Environment and Compliance	5,549,300	5,799,900	4,776,786	(1,023,114)
Community Wellbeing	763,700	768,100	427,942	(340,158)
Economic Dev, Customer Services, Estates & Transport	3,158,300	4,033,300	2,817,969	(1,215,331)
Investment Portfolio, Asset Management & Regeneration	3,179,900	3,469,700	3,253,370	(216,330)
NET EXPENDITURE AT SERVICE LEVEL	21,332,200	22,984,100	18,168,151	(4,815,949)
Salary expenditure - vacancy monitoring (offsetting saving related to this shown in portfolios above)	(300,000)	(300,000)	-	300,000
NET EXPENDITURE	21,032,200	22,684,100	18,168,151	(4,515,949)
NET EXPENDITURE	21,032,200	22,684,100	18,168,151	(4,515,949)
Asset Acquisition Income	(50,629,100)	(50,629,100)	(51,624,556)	(995,456)
Debt Interest Payable	23,028,200	23,028,200	23,852,341	824,141
Minimum Revenue Provision	11,051,700	11,051,700	11,051,697	(3)
Refurbishments Reserve Contributions	6,405,000	6,405,000	7,700,802	1,295,802
Other Transfers to/from Reserves	-	(25,800)	3,163,191	3,188,991
Housing Development Project revenue impact	2,441,400	2,441,400	-	(2,441,400)
Interest earnings	(1,290,000)	(1,290,000)	(1,984,305)	(694,305)
Revenue Contributions to Capital Outlay	750,000	750,000	750,000	-
BUDGET REQUIREMENT	12,789,400	14,415,500	11,077,321	(3,338,179)
Baseline NNDR Funding	(3,000,000)	(3,000,000)	(5,485,572)	(2,485,572)
Non Ring-fenced Grants	(981,400)	(981,400)	(1,345,183)	(363,783)
New Homes Bonus	(754,600)	(754,600)	(754,634)	(34)
NET BUDGET REQUIREMENT	8,053,400	9,679,500	3,491,932	(6,187,568)
2018/19 Revenue carry forward	-	(1,626,100)	(377,700)	1,248,400
Collection Fund Surplus/(deficit)	(19,000)	(19,000)	(19,000)	-
Income from Council Tax	(8,034,400)	(8,034,400)	(8,034,439)	(39)
Net Position	-	-	(4,939,207)	(4,939,207)

Appendix B				
REVENUE MONITORING 2019/20				
EXPENDITURE AND INCOME SUMMARY 31 MARCH 2020				
Results to 31-Mar-20	Budget		Actual YTD	Variance to Revised
	Original	Revised		
	£	£	£	£
Leader of the Council				
Employees	917,900	966,500	1,081,814	115,314
Other Expenditure	754,100	754,100	671,569	(82,531)
Income	(183,500)	(183,500)	(256,925)	(73,425)
	1,488,500	1,537,100	1,496,459	(40,641)
Deputy Leader and Finance				
Employees	2,712,200	2,712,200	2,734,464	22,264
Other Expenditure	485,200	485,200	558,874	73,674
Income	(5,000)	(5,000)	(16,990)	(11,990)
	3,192,400	3,192,400	3,276,348	83,948
Corporate Management				
Employees	671,500	671,500	428,629	(242,871)
Other Expenditure	266,100	296,100	455,766	159,666
Income	(1,000)	(1,000)	(73,572)	(72,572)
	936,600	966,600	810,823	(155,777)
Housing				
Employees	1,776,300	1,776,300	1,817,591	41,291
Other Expenditure	34,251,200	34,981,200	29,407,606	(5,573,594)
Housing Benefit grant income	(32,021,000)	(32,021,000)	(25,673,331)	6,347,669
Income	(2,095,100)	(2,795,100)	(2,939,670)	(144,570)
	1,911,400	1,941,400	2,612,197	670,797
Planning				
Employees	1,636,400	1,636,400	1,672,936	36,536
Other Expenditure	416,900	540,400	753,491	213,091
Income	(901,200)	(901,200)	(3,730,170)	(2,828,970)
	1,152,100	1,275,600	(1,303,742)	(2,579,342)
Environment and Compliance				
Employees	5,930,900	5,930,900	5,771,251	(159,649)
Other Expenditure	3,847,600	4,098,200	3,837,192	(261,008)
Income	(4,229,200)	(4,229,200)	(4,831,658)	(602,458)
	5,549,300	5,799,900	4,776,786	(1,023,114)
Community Wellbeing				
Employees	2,011,500	2,011,500	1,940,260	(71,240)
Other Expenditure	778,600	783,000	839,707	56,707
Income	(2,026,400)	(2,026,400)	(2,352,025)	(325,625)
	763,700	768,100	427,942	(340,158)
Economic Dev, Customer Services, Estates & Transport				
Employees	2,284,300	2,294,300	2,047,989	(246,311)
Other Expenditure	1,185,500	2,050,500	1,146,004	(904,496)
Income	(311,500)	(311,500)	(376,023)	(64,523)
	3,158,300	4,033,300	2,817,969	(1,215,331)
Investment Portfolio, Asset Management & Regeneration				
Employees	780,800	780,800	648,948	(131,852)
Other Expenditure	2,959,200	3,249,000	3,267,237	18,237
Income	(560,100)	(560,100)	(662,815)	(102,715)
	3,179,900	3,469,700	3,253,370	(216,330)
NET EXPENDITURE AT SERVICE LEVEL	21,332,200	22,984,100	18,168,151	(4,815,949)

REVENUE MONITORING 2019/20				
EXPENDITURE AND INCOME SUMMARY 31 MARCH 2020				
	Budget		Actual	Variance
<i>Results to</i>	Original	Revised	YTD	to Revised
<i>31-Mar-20</i>	£	£	£	£
Total Employees	18,721,800	18,780,400	18,143,883	(636,517)
Total Other Expenditure	44,944,400	47,237,700	40,937,446	(6,300,254)
Housing Benefit grant income	(32,021,000)	(32,021,000)	(25,673,331)	6,347,669
Total Income	(10,313,000)	(11,013,000)	(15,239,847)	(4,226,847)
	21,332,200	22,984,100	18,168,151	(4,815,949)
Total Expenditure	63,666,200	66,018,100	59,081,329	(6,936,771)
Total Income	(42,334,000)	(43,034,000)	(40,913,178)	2,120,822
Net	21,332,200	22,984,100	18,168,151	(4,815,949)

Leader of the Council

Results to 31-Mar-20	Budget		Actual	Variance	Comments
	Original	Revised	YTD	to Revised	
	£	£	£	£	
Employees	154,800	203,400	206,672	3,272	
Other Expenditure	7,200	7,200	16,547	9,347	Mainly consultants costs incurred to fill the vacant post with no budget
Income	0	0	0	0	
Corporate Governance	162,000	210,600	223,219	12,619	
Employees	12,100	12,100	17,916	5,816	
Other Expenditure	411,000	411,000	369,873	(41,127)	Computer Hardware expenditure is lower against the budget for the members
Income	0	0	0	0	
Democratic Rep & Management	423,100	423,100	387,789	(35,311)	
Employees	2,300	2,300	81,388	79,088	Funded through other expenditure line
Other Expenditure	152,900	152,900	77,045	(75,855)	Please see above
Income	0	0	0	0	
Elections	155,200	155,200	158,433	3,233	
Employees	147,500	147,500	161,689	14,189	Additional costs funded through 'Individual Electoral Registration' Grant income received from Cabinet Office
Other Expenditure	100,900	100,900	105,814	4,914	Please see above
Income	(1,000)	(1,000)	(23,446)	(22,446)	Please see above
Electoral Registration	247,400	247,400	244,056	(3,344)	
Employees	64,600	64,600	58,596	(6,004)	Saving from one member of staff reducing hours
Other Expenditure	30,500	30,500	27,353	(3,147)	Expected payment to SCC less due to reduction in income.
Income	(165,000)	(165,000)	(154,959)	10,041	Uncertainty surrounding Brexit impacting on search and land charge fees. Covid19 impact to hit 2020-21.
Land Charges	(69,900)	(69,900)	(69,010)	890	
Employees	536,600	536,600	555,554	18,954	Vacant posts are covered by Agency / Temporary staff with higher costs
Other Expenditure	51,600	51,600	74,937	23,337	Higher legal & court costs are due to various acquisitions of assets, offset by higher income
Income	(17,500)	(17,500)	(78,519)	(61,019)	
Legal	570,700	570,700	551,971	(18,729)	
Total Employees	917,900	966,500	1,081,814	115,314	
Total Other Expenditure	754,100	754,100	671,569	(82,531)	
Total Income	(183,500)	(183,500)	(256,925)	(73,425)	
	1,488,500	1,537,100	1,496,459	(40,641)	

Deputy Leader and Finance

Results to 31-Mar-20	Budget		Actual	Variance	Comments
	Original	Revised	YTD	to Revised	
	£	£	£	£	
Employees	185,600	185,600	175,589	(10,011)	Savings due to a vacant post in the earlier part of the year and one member of staff got paid on lower scale point
Other Expenditure	68,000	68,000	67,176	(824)	
Income	(5,000)	(5,000)	(7,086)	(2,086)	
Corporate Publicity	248,600	248,600	235,679	(12,921)	
Employees	0	0	0	0	
Other Expenditure	209,600	209,600	196,300	(13,300)	Carry forward of underspent budget submitted
Income	0	0	0	0	
General Grants	209,600	209,600	196,300	(13,300)	
Employees	0	0	0	0	
Other Expenditure	13,000	13,000	1,536	(11,464)	Carry forward of underspent budget submitted
Income	0	0	0	0	
Research & Consultation	13,000	13,000	1,536	(11,464)	
Employees	207,200	207,200	220,998	13,798	Additional Holiday Payments of £5k are made and remainder relates to higher centralised overall training costs
Other Expenditure	8,400	8,400	3,909	(4,491)	
Income	0	0	0	0	
Chief Executive	215,600	215,600	224,907	9,307	
Employees	117,700	117,700	122,341	4,641	
Other Expenditure	3,600	3,600	4,788	1,188	
Income	0	0	0	0	
MAT Secretariat & Support	121,300	121,300	127,129	5,829	
Employees	267,700	267,700	265,778	(1,922)	
Other Expenditure	2,400	2,400	1,307	(1,094)	
Income	0	0	0	0	
Deputy Chief Executives	270,100	270,100	267,084	(3,016)	
Employees	98,300	98,300	92,463	(5,837)	
Other Expenditure	71,700	71,700	40,443	(31,257)	Savings achieved against counter fraud & Audit consultancy budget. A carry forward request has also been submitted.
Income	0	0	0	0	
Audit	170,000	170,000	132,906	(37,094)	
Employees	563,700	563,700	583,037	19,337	Vacant posts are covered by agency staff with higher costs
Other Expenditure	46,900	46,900	49,606	2,706	
Income	0	0	(9,904)	(9,904)	Management recharges for Knowle Green Estates Ltd
Accountancy	610,600	610,600	622,738	12,138	
Employees	1,272,000	1,272,000	1,274,259	2,259	
Other Expenditure	61,600	61,600	46,810	(14,790)	Occupational health contract payments are lower against the budget
Income	0	0	0	0	
Unapportionable CentralO/Heads	1,333,600	1,333,600	1,321,070	(12,530)	
Employees	0	0	0	0	
Other Expenditure	0	0	147,000	147,000	Various write off adjustments for the year
Income	0	0	0	0	
Misc Expenses	0	0	147,000	147,000	
Total Employees	2,712,200	2,712,200	2,734,464	22,264	
Total Other Expenditure	485,200	485,200	558,874	88,769	
Total Income	(5,000)	(5,000)	(16,990)	(10,990)	
	3,192,400	3,192,400	3,276,348	100,043	

Appendix C3					
Corporate Management					
Results to	Budget		Actual	Variance	Comments
31-Mar-20	Original	Revised	YTD	to Revised	
	£	£	£	£	
Employees	256,000	256,000	25,324	(230,676)	Savings achieved against Retention Allowance Budget
Other Expenditure	148,000	148,000	326,028	178,028	Higher consultants costs (£53K), Bank Charges (£25K) Various Subscription Payments (£52K), Other Expenditure (£31k), Thames Improvements (£8k) and Covid-19 (£8k)
Income	0	0	(61,765)	(61,765)	Additional EU Exit funding from Ministry of Housing, Communities and Local Government and £9k Management recharges to Knowle Green Estates Ltd.
Corporate Management	404,000	404,000	289,587	(114,413)	
Employees			0	0	
Other Expenditure			0	0	
Income	0	0	(12,412)	(12,412)	Various year end adjustments
Corporate Savings	0	0	(12,412)	(12,412)	
Employees	0	0	0	0	
Other Expenditure	109,600	109,600	124,695	15,095	Last financial year's quarterly payment due to Applied Resilience has been made in this financial year
Income	(1,000)	(1,000)	0	1,000	
Emergency Planning	108,600	108,600	124,695	16,095	
Employees	415,500	415,500	403,305	(12,195)	Savings achieved against temporary staff budget
Other Expenditure	8,500	38,500	5,044	(33,456)	
Income	0	0	605	605	
Project Management	424,000	454,000	408,953	(45,047)	A carry forward request has also been submitted
Total Employees	671,500	671,500	428,629	(242,871)	
Total Other Expenditure	266,100	296,100	455,766	159,666	
Total Income	(1,000)	(1,000)	(73,572)	(72,572)	
	936,600	966,600	810,823	(155,777)	

Appendix C4				
Housing				
Results to	Budget	Actual	Variance	Comments
31-Mar-20	Revised	YTD	to Revised	
	£	£	£	
Employees	1,194,700	1,234,059	39,359	One post acting up and another to be funded by MHCLG grant
Other Expenditure	56,600	52,096	(4,504)	
Income	(33,900)	(46,994)	(13,094)	MHCLG grant funding for Rough sleep Initiative post
Housing Needs	1,217,400	1,239,161	21,761	
Employees	0	32,957	32,957	Rough Sleep Initiative post funded by MHCLG grant
Other Expenditure	2,780,800	2,598,582	(182,218)	Lower numbers in B&B than anticipated
Income	(2,461,200)	(2,463,695)	(2,495)	
Homelessness	319,600	167,844	(151,756)	
Employees	581,600	550,576	(31,024)	Systems Admin & Fraud posts vacant throughout the year
Other Expenditure	41,800	44,622	2,822	
Income	(300,000)	(428,981)	(128,981)	Additional Government grants received, majority of which not utilised in 19/20, balance transferred to HB reserve
Housing Benefits Admin	323,400	166,217	(157,183)	
Employees	0	0	0	
Other Expenditure	32,102,000	26,712,306	(5,389,694)	Benefits paid lower than anticipated
Income	(32,021,000)	(25,673,331)	6,347,669	HB subsidy lower due to benefits paid being lower
Housing Benefits Payments	81,000	1,038,975	957,975	Housing Benefit Overpayment bad debt provision increased by £1m
Total Employees	1,776,300	1,817,591	41,291	
Total Other Expenditure	34,981,200	29,407,606	(5,573,594)	
Total Income	(34,816,100)	(28,613,001)	6,203,099	
	1,941,400	2,612,197	670,797	

Appendix C5					
Planning					
	Budget		Actual	Variance	
Results to	Original	Revised	YTD	to Revised	
31-Mar-20	£	£	£	£	
Employees	352,100	352,100	409,372	57,272	This also includes expenditure and income from Env Impact cost centre.
Other Expenditure	71,800	71,800	175,270	103,470	Overspend covered by additional income below
Income	0	0	(248,848)	(248,848)	Additional income plus Government Grant recognised for Planning PI - £51k
Planning Policy	423,900	423,900	335,793	(88,107)	
Employees	897,200	897,200	872,804	(24,396)	Some reduction in employee hours and savings from posts that were vacant throughout the year, but are now filled.
Other Expenditure	186,700	186,700	160,844	(25,856)	Savings made on computer software and consultants costs
Income	(516,200)	(516,200)	(808,490)	(292,290)	Planning performance agreement to help fund excess expenditure (95k) & (30k) and higher anticipated demand reflected by increases in pre-application advice and planning fees. SBCs own projects also have used this function.
Planning Development Control	567,700	567,700	225,158	(342,542)	
Employees	387,100	387,100	390,760	3,660	
Other Expenditure	18,400	18,400	15,410	(2,990)	
Income	(385,000)	(385,000)	(409,672)	(24,672)	Higher income is achieved due to more activity
Building Control	20,500	20,500	(3,502)	(24,002)	
Employees	0	0	0	0	
Other Expenditure	140,000	263,500	11,968	(251,532)	C/f requested in 1920 has not been used.
Income	0	0	0	0	
Staines Upon Thames Programme	140,000	263,500	11,968	(251,532)	
Employees	0	0	0	0	
Other Expenditure	0	0	390,000	390,000	
Income	0	0	(2,263,159)	(2,263,159)	net figure moved into CIL reserves.
Community Infrastructure Levy	0	0	(1,873,159)	(1,873,159)	
Total Employees	1,636,400	1,636,400	1,672,936	36,536	
Total Other Expenditure	416,900	540,400	753,491	213,091	
Total Income	(901,200)	(901,200)	(3,730,170)	(2,828,970)	
	1,152,100	1,275,600	(1,303,742)	(2,579,342)	

Appendix C6					
Environment and Compliance					
Results to	Budget		Actual	Variance	Comments
	Original	Revised	YTD	to Revised	
	£	£	£	£	
31-Mar-20					
Employees	0	0	0	0	
Other Expenditure	3,500	3,500	3,152	(348)	
Income	0	0	0	0	
Abandoned Vehicles	3,500	3,500	3,152	(348)	
Employees	0	0	0	0	
Other Expenditure	114,700	114,700	113,625	(1,075)	
Income	0	0	(5,788)	(5,788)	
Depot	114,700	114,700	107,837	(6,863)	
Employees	1,075,100	1,075,100	1,084,455	9,355	Long term sickness is covered by Temporary/ agency staff with higher cost
Other Expenditure	137,500	153,900	120,091	(33,809)	Savings achieved against Car Park Grit (£12k), Equipment (£7k), Legal & Court Costs (£5k), Postage (£4k) and Marketing (£6k) budgets.
Income	(24,200)	(24,200)	(12,577)	11,623	Income is lower due to less activity
DS Management & Support	1,188,400	1,204,800	1,191,970	(12,830)	
Employees	1,294,200	1,294,200	1,321,361	27,161	Vacant posts are covered by agency staff with higher costs
Other Expenditure	886,000	925,000	827,336	(97,664)	Savings achieved against Vehicle Tyres (£31k), Operational Equipment (£15k), SCC contracts (£41k) and remainder against Hired Transport budget
Income	(793,000)	(793,000)	(797,765)	(4,765)	
Refuse Collection	1,387,200	1,426,200	1,350,932	(75,268)	
Employees	0	0	0	0	
Other Expenditure	10,100	10,100	4,649	(5,451)	Savings achieved against consultants & Promotion & exhibition budgets
Income	0	0	(900)	(900)	Income for generating renewable energy via the Feed-in-Tariff and Generation Tariff
Energy Initiatives	10,100	10,100	3,750	(6,350)	
Employees	0	0	0	0	
Other Expenditure	46,000	71,800	53,758	(18,042)	Savings achieved due to lower activity
Income	(25,000)	(25,000)	(59,612)	(34,612)	Additional funding is received from Rural Agency during the year
Environmental Enhancements	21,000	46,800	(5,854)	(52,654)	
Employees	0	0	0	0	
Other Expenditure	25,300	25,300	23,372	(1,928)	
Income	0	0	0	0	
Bus Station	25,300	25,300	23,372	(1,928)	
Employees	644,600	644,600	591,740	(52,860)	Savings achieved due to vacant posts, partially covered by agency staff
Other Expenditure	314,500	314,500	298,568	(15,932)	Savings achieved against Vehicle leasing and fuel budget
Income	(47,700)	(47,700)	(64,096)	(16,396)	Additional 'High Street Community Clean-Up' funding received from Ministry of Housing, Communities & Local Government
Street Cleaning	911,400	911,400	826,212	(85,188)	
Employees	0	0	0	0	
Other Expenditure	0	0	0	0	
Income	(342,000)	(342,000)	(227,163)	114,837	Recycling income is lower against the budget due to change of system.
Waste Recycling	(342,000)	(342,000)	(227,163)	114,837	
Employees	0	0	0	0	
Other Expenditure	12,400	12,400	4,208	(8,192)	Savings achieved mainly due to closure of services
Income	0	0	0	0	
Public Conveniences	12,400	12,400	4,208	(8,192)	
Employees	0	0	0	0	
Other Expenditure	23,000	23,000	14,143	(8,857)	Savings achieved mainly against Grounds Maintenance budget
Income	(30,500)	(30,500)	(33,370)	(2,870)	
Allotments	(7,500)	(7,500)	(19,227)	(11,727)	
Employees	0	0	0	0	
Other Expenditure	87,200	99,200	94,991	(4,209)	
Income	(72,400)	(72,400)	(124,839)	(52,439)	Additional 'Parks Improvement funding' of £16k received from Communities & Local Govt. and S106 funding of £22k for parks. Remainder relates to higher filming rights & rental income against the budget.
Parks Strategy	14,800	26,800	(29,848)	(56,648)	
Employees	1,247,200	1,247,200	1,179,477	(67,723)	Savings achieved mainly due to vacant posts, partially covered by agency staff and additional overtime payments
Other Expenditure	684,900	692,300	623,309	(68,991)	Savings achieved mainly against overall Supplies & Services and also against external contract budget.
Income	(248,600)	(248,600)	(672,322)	(423,722)	Additional income generated due to more activity and S106 funding of £373k is also received towards overall improvement.
Grounds Maintenance	1,683,500	1,690,900	1,130,464	(560,436)	

Environment and Compliance

Results to 31-Mar-20	Budget		Actual	Variance	Comments
	Original	Revised	YTD	to Revised	
	£	£	£	£	
Employees	0	0	0	0	
Other Expenditure	5,500	5,500	1,126	(4,374)	
Income	0	0	0	0	
Water Courses & Land Drainage	5,500	5,500	1,126	(4,374)	
Employees	427,300	427,300	394,139	(33,161)	Savings achieved due to vacant posts, partially covered by agency staff
Other Expenditure	1,001,300	1,151,300	1,064,510	(86,790)	Savings achieved of £77k mainly against Bridge Street car park and a refund of £12k is received from SCC relating to 2017/18 in this year
Income	(2,126,200)	(2,126,200)	(2,241,963)	(115,763)	Higher income for major car parks due to more usage.
Car Parks	(697,600)	(547,600)	(783,314)	(235,714)	
Employees	0	0	0	0	
Other Expenditure	113,300	113,300	113,052	(248)	
Income	(250,000)	(250,000)	(207,090)	42,911	Lower income generated since X-Mas and poor weather conditions and Covid-19 situation in latter part of March has resulted in cancelled markets
Staines Market	(136,700)	(136,700)	(94,038)	42,662	
Employees	991,500	976,400	945,665	(30,735)	Savings achieved due to vacant posts in earlier part of year, partially covered by agency/ temporary staff and consultants
Other Expenditure	80,300	80,300	64,809	(15,491)	Savings achieved mainly against Consultants budget
Income	0	0	(6,416)	(6,416)	Additional income relating to enforcement notice charges with no budget
Environmental Health Admin	1,071,800	1,056,700	1,004,059	(52,641)	
Employees	0	0	0	0	
Other Expenditure	85,700	85,700	193,968	108,268	Additional expenditure relating to Schools based air quality awareness project funded through grant income from DEFRA. A request is also submitted to carry forward the budget
Income	(5,100)	(5,100)	(148,605)	(143,505)	Please see above
Environmental Protection Act	80,600	80,600	45,363	(35,237)	
Employees	0	0	0	0	
Other Expenditure	26,400	26,400	8,424	(17,976)	No external contract payment in this financial year against Rodent & Pest control.
Income	(5,000)	(5,000)	(3,280)	1,720	
Rodent & Pest Control	21,400	21,400	5,144	(16,256)	
Employees	0	0	0	0	
Other Expenditure	2,500	2,500	494	(2,006)	
Income	(5,000)	(5,000)	(2,233)	2,767	
Food Safety	(2,500)	(2,500)	(1,740)	760	
Employees	0	0	0	0	
Other Expenditure	7,900	7,900	3,944	(3,956)	
Income	(12,900)	(12,900)	(8,872)	4,028	
Public Health	(5,000)	(5,000)	(4,928)	72	
Employees	184,100	199,200	190,380	(8,820)	Savings achieved due to a vacant post
Other Expenditure	4,200	4,200	16,637	12,437	Income written off for this and previous financial years
Income	(162,600)	(162,600)	(113,815)	48,785	Income on HMO Licensing is cyclical. The bulk of HMO licensing has already been received. Income is expected to slow down until the licences already approved come up for renewal in five years time
Licensing	25,700	40,800	93,202	52,402	
Employees	0	0	0	0	
Other Expenditure	0	0	7,281	7,281	
Income	0	0	(17,606)	(17,606)	Income achieved not budgeted for. These properties are managed by A2.
Parks Properties Project	0	0	(10,325)	(10,325)	
Employees	66,900	66,900	64,033	(2,867)	
Other Expenditure	172,100	172,100	178,538	6,438	CCTV Telephone maintenance costs are higher against the budget
Income	0	0	0	0	
Community Safety	239,000	239,000	242,570	3,570	
Employees	0	0	0	0	
Other Expenditure	3,300	3,300	3,209	(91)	
Income	(79,000)	(79,000)	(83,346)	(4,346)	
Taxi Licensing	(75,700)	(75,700)	(80,137)	(4,437)	
Total Employees	5,930,900	5,930,900	5,771,251	(159,649)	
Total Other Expenditure	3,847,600	4,098,200	3,837,192	(261,008)	
Total Income	(4,229,200)	(4,229,200)	(4,831,658)	(602,458)	
	5,549,300	5,799,900	4,776,786	(1,023,114)	

Appendix C7				
Community Wellbeing				
Results to	Budget	Actual	Variance	Comments
31-Mar-20	Revised	YTD	to Revised	
	£	£	£	
Employees	96,300	104,477	8,177	Vacancies earlier in year, covered by overtime and temporary staff costs
Other Expenditure	87,700	70,740	(16,960)	Reduction in spend on telecare equipment
Income	(205,000)	(247,607)	(42,607)	Additional income received for services
Span	(21,000)	(72,390)	(51,390)	
Employees	318,200	289,395	(28,805)	Savings due to Senior Team Manager post vacant earlier in year & vacant Joint head of Independent Living Manager post in year, now being used to fund salary increases
Other Expenditure	18,100	26,657	8,557	
Income	(20,000)	(87,487)	(67,487)	Reimbursement of capitalisation of DFG Salaries & additional funding received for Wellbeing Prescriber
Com Care Administration	316,300	228,565	(87,735)	
Employees	484,300	464,233	(20,067)	Savings through vacancies in year, underspend reduced by use of temporary staff
Other Expenditure	260,100	282,858	22,758	Increase spend on food purchases, however offset by additional income on sale of food
Income	(361,100)	(486,446)	(125,346)	No budget for Surrey agency reimbursement. 18/19 received in 19/20, plus 50% in 19/20
Day Centres	383,300	260,644	(122,656)	
Employees	133,600	112,959	(20,641)	Vacant post not filled
Other Expenditure	87,400	105,237	17,837	Write offs of bad debts & lease of MOW vans increased
Income	(175,300)	(208,124)	(32,824)	No budget for Surrey agency reimbursement. 18/19 received in 19/20, plus 50% in 19/20
Meals on Wheels	45,700	10,072	(35,628)	
Employees	478,600	481,329	2,729	
Other Expenditure	13,600	31,554	17,954	Mainly Transport costs & other expenses are higher against the budget funded through additional income
Income	(492,200)	(524,503)	(32,303)	Additional income received relating to previous financial year and higher income achieved against the budget
Spelthorne Troubled Families	0	(11,620)	(11,620)	
Employees	194,400	203,774	9,374	Higher costs due to Long term sickness is covered by Temporary staff and one of the driver also failed assessment test during the year
Other Expenditure	48,100	52,783	4,683	
Income	(94,000)	(115,431)	(21,431)	Fordbridge Day Centre Recharged Income of £11k with no budget and additional funding of £4.7k from Department of Transport. Also Spelride charges income is also higher against the budget
SAT	148,500	141,126	(7,374)	
Employees	237,600	223,325	(14,275)	Two members of staff on maternity leave during the year
Other Expenditure	10,800	12,670	1,870	
Income	0	0	0	
Leisure Administration	248,400	235,995	(12,405)	
Employees	0	0	0	
Other Expenditure	57,600	80,692	23,092	COVID Payment Holiday granted
Income	(260,300)	(268,098)	(7,798)	
Spelthorne Leisure Centre	(202,700)	(187,406)	15,294	
Employees	12,600	12,089	(511)	
Other Expenditure	3,300	4,033	733	
Income	(3,100)	(9,730)	(6,630)	
Resource Centre	12,800	6,392	(6,408)	
Employees	1,600	1,531	(69)	
Other Expenditure	17,900	30,831	12,931	Fitness Equipment funded by grant
Income	(6,500)	(31,439)	(24,939)	London Marathon Trust grant for Fitness Equipment
Sports Development	13,000	923	(12,077)	
Employees	0	0	0	
Other Expenditure	0	0	0	
Income	(46,200)	(35,116)	11,084	Profit share lower than budgeted
Sunbury Golf Club	(46,200)	(35,116)	11,084	
Employees	0	0	0	
Other Expenditure	1,100	0	(1,100)	
Income	0	0	0	
Safeguarding	1,100	0	(1,100)	
Employees	0	0	0	
Other Expenditure	5,400	5,429	29	
Income	(8,000)	(8,000)	0	
Museum	(2,600)	(2,571)	29	
Employees	0	0	0	
Other Expenditure	24,800	20,554	(4,246)	

Community Wellbeing

Results to	Budget	Actual	Variance	Comments
31-Mar-20	Revised	YTD	to Revised	
	£	£	£	
Income	0	0	0	
Youth	24,800	20,554	(4,246)	
Employees	0	1,013	1,013	
Other Expenditure	5,000	2,631	(2,369)	
Income	(600)	(60)	540	
Active Lifestyle	4,400	3,584	(816)	
Employees	1,500	521	(979)	
Other Expenditure	29,800	30,073	273	
Income	(3,000)	(1,860)	1,140	
Arts Development	28,300	28,735	435	
Employees	0	0	0	
Other Expenditure	28,800	32,147	3,347	
Income	(351,100)	(328,124)	22,977	Income fell short due to less activity
Cemeteries	(322,300)	(295,976)	26,324	
Employees	0	0	0	
Other Expenditure	2,000	160	(1,840)	
Income	0	0	0	
Events	2,000	160	(1,840)	
Employees	52,800	45,613	(7,187)	Saving made by employee not being part of pension scheme.
Other Expenditure	81,500	50,658	(30,842)	Community Connector post vacant so not invoiced in year
Income	0	0	0	
People & Partnerships	134,300	96,271	(38,029)	
Total Employees	2,011,500	1,940,260	(71,240)	
Total Other Expenditure	783,000	839,707	56,707	
Total Income	(2,026,400)	(2,352,025)	(325,625)	
	768,100	427,942	(340,158)	

Economic Development, Customer Services, Estates and Transport

Results to	Budget	Actual	Variance	Comments
31-Mar-20	Revised	YTD	to Revised	
	£	£	£	
Employees	1,058,300	881,651	(176,649)	Savings expected due to vacant posts partially covered by Temporary / Agency staff and additional consultants payments
Other Expenditure	362,300	535,291	172,991	Software costs are higher by £60k due to additional charges relating to credit/debit card payments, consultants costs by £47k, Postage by £27k and remainder relates to additional costs for council tax BDP
Income	(311,500)	(373,622)	(62,122)	Higher income received for Council Tax
Cserv Management & Support	1,109,100	1,043,321	(65,779)	
Employees	0	0	0	
Other Expenditure	319,100	182,161	(136,939)	Overall lower Insurance Costs against the budget
Income	0	(897)	(897)	
Insurance	319,100	181,264	(137,836)	
Employees	142,900	139,968	(2,932)	Small saving from a post becoming vacant in Q4.
Other Expenditure	907,600	81,962	(825,638)	Only 50k of the ring fenced c/f spent in year. This will be spent in future years on Economic Development projects
Income	0	0	0	
Economic Development	1,050,500	221,930	(828,570)	
Employees	0	0	0	
Other Expenditure	0	1,358	1,358	
Income	0	0	0	
Sea Cadets	0	1,358	1,358	
Employees	299,900	292,723	(7,177)	Savings achieved due to vacant post during the year, partially covered by other member of staff working additional hours
Other Expenditure	87,300	53,228	(34,072)	Savings achieved against Consultants (£13k) and Software budget. A carry forward has also been submitted
Income	0	(5)	(5)	
HR	387,200	345,946	(41,254)	
Employees	56,300	54,784	(1,516)	
Other Expenditure	800	512	(288)	
Income	0	0	0	
Payroll	57,100	55,295	(1,805)	
Employees	641,500	580,510	(60,990)	Savings achieved due to vacant posts partially covered by Temporary staff and additional payments
Other Expenditure	352,400	277,258	(75,142)	Savings achieved mainly against overall software budget
Income	0	(1,500)	(1,500)	
Information & Comms Technolog	993,900	856,268	(137,632)	
Employees	95,400	98,354	2,954	
Other Expenditure	21,000	14,233	(6,767)	Savings achieved against software budget
Income	0	0	0	
Committee Services	116,400	112,587	(3,813)	
Total Employees	2,294,300	2,047,989	(246,311)	
Total Other Expenditure	2,050,500	1,146,004	(904,496)	
Total Income	(311,500)	(376,023)	(64,523)	
	4,033,300	2,817,969	(1,215,331)	

Investment Portfolio, Asset Management & Regeneration

Results to 31-Mar-20	Budget		Actual	Variance	Comments
	Original	Revised	YTD	to Revised	
	£	£	£	£	
Employees	202,200	202,200	208,670	6,470	Employee increment and temporary staff overspends to be funded from savings within expenditure budget.
Other Expenditure	640,700	692,700	534,770	(157,930)	Saving from cleaning contract, business rates and utilities reductions from the West Wing part of the building.
Income	0	0	(13,541)	(13,541)	SCC final rent payment
Facilities Management	842,900	894,900	729,899	(165,001)	
Employees	0	0	0	0	
Other Expenditure	1,479,900	1,479,900	1,352,196	(127,704)	Work not required in year
Income	0	0	(2,084)	(2,084)	
Planned Maintenance Programm	1,479,900	1,479,900	1,350,112	(129,788)	
Employees	578,600	578,600	440,278	(138,322)	Some vacant posts at year end.
Other Expenditure	628,900	866,700	1,213,865	347,165	Costs for consultants, surveyors & valuers (327k) & Bluebox system (30k), running costs (375k) and the aborted capex of Northumberland Close (£256k) all partly offset by business rate refund and other underspends.
Income	0	(24,500)	(76,639)	(52,139)	Public Halls responsibility that was transferred to Asset Management in Q3 and also KGE time recharge for 2019-20 (£52k)
Asset Mgn Administration	1,207,500	1,420,800	1,577,504	156,704	
Employees	0	0	0	0	
Other Expenditure	41,400	41,400	11,136	(30,264)	No longer paying Sunbury Library CAB lease and external contracts budget of 12k not used anymore. Underspends also on valuers, surveyors and consultants budgets.
Income	(58,200)	(58,200)	(76,655)	(18,455)	More income received than expected from rents, licences, wayleaves and easements. This has been generated from Asset Management exercise on SBC land, sites & leases
General Property Expenses	(16,800)	(16,800)	(65,519)	(48,719)	
Employees	0	0	0	0	
Other Expenditure	160,000	160,000	148,480	(11,520)	Some lower costs near end of year as SBC now own the property
Income	(450,000)	(450,000)	(465,879)	(15,879)	More income received than expected.
Staines Town Centre Managemen	(290,000)	(290,000)	(317,399)	(27,399)	
Employees	0	0	0	0	
Other Expenditure	8,300	8,300	6,790	(1,510)	
Income	(51,900)	(27,400)	(28,018)	(618)	Other part of income in Asset Admin
Public Halls	(43,600)	(19,100)	(21,228)	(2,128)	
Total Employees	780,800	780,800	648,948	(131,852)	
Total Other Expenditure	2,959,200	3,249,000	3,267,237	18,237	
Total Income	(560,100)	(560,100)	(662,815)	(102,715)	
	3,179,900	3,469,700	3,253,370	(216,330)	

Carry forward requests 2019/20

GL Code	Account Description	Budget 19/20 £	Spend 19/20 £	Unspent budget £	Amount requested to be carried forward £	Comments
301034960	Better Neighbourhood Grants	39,000	34,636	4,364	4,400	Requested to be carried forward to meet future need
315014912	Education Ambassador Grants	25,000	13,387	11,613	11,600	Requested to be carried forward to meet future need
301304552	HR Software	35,000	13,873	21,127	18,000	Budget required for data retention module and implementation to ensure GDPR compliance for manger/employee self service
102014422	Pollution Control Monitoring	57,200	162,735 -	105,535	15,300	Overspends are funded through DEFRA Grant received for £145k. Funds required for an outstanding payment to SCC
121065501	Discretionary Housing Payments (DHP)	430,000	365,286	64,714	64,700	Requested to be carried forward to meet future need
301235012	External contractors	20,500	3,536	16,964	15,000	Requested to be carried forward to meet future need
315041011	Project Management	343,300	340,774	2,526	2,500	Requested to be carried forward to meet future need
315051011	Back Scanning	110,700	68,179	42,521	42,500	Requested to be carried forward to meet future need
318024899	Council Grants	209,600	196,300	13,300	13,300	Unallocated funds, may be required to help organisations following Covid issues subject to grants panel views
317024941	Citizens Panel	12,000	1,536	10,464	10,400	Underspent due to postponement of engagement activities, required post Covid-19
315014944	Community Plan	6,500	-	6,500	6,500	Required to meet emerging need post Covid-19
					204,200	

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Cabinet**15 July 2020**

Title	2019/20 Provisional Capital Outturn Report		
Purpose of the report	To note		
Report Author	Laurence Woolven, Chief Accountant		
Cabinet Member	Councillor S. Buttar	Confidential	No
Corporate Priority	Financial Sustainability		
Recommendations	<p>The Cabinet are asked to:</p> <p>a) note the provisional capital outturn spend for 2019/20</p> <p>b) approve the capital carry forward of £76,525,900</p>		
Reason for Recommendation	Not applicable		

1. Key issues

- 1.1 There will be an under spend for the 2019/20 financial year of £154.4m against the revised budget.
- 1.2 The majority of the under spend (£153.7m) relates to property development schemes. The remaining underspend primarily relates to Corporate ICT projects.
- 1.3 £76.5m is requested to be carried forward to 2020/21.

Details of Variances

- 1.4 Attached as Appendix A & B is the provisional level of spend as at the 31st March of £75.6m against the revised budget.

Attached as Appendix C is the list of £76.5m worth of carry forwards that MAT have agreed, of this £74.6m relates to the development of Oast House with the remaining £0.9m from various other capital schemes.

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

2. Options analysis and proposal

- 2.1 The Cabinet are asked to note the provisional capital outturn position.

3. Financial implications

- 3.1 Any underspend on the approved Capital Programme enables the Council to invest the monies to gain additional investment income or can be used to fund additional schemes identified.

4. Other considerations

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

5. Timetable for implementation

- 5.1 Monthly position statements are provided to MAT as an update on the current spends to date position.
- 5.2 All Group Heads with capital schemes are provided monthly with system reports which enable them to investigate spend in order to identify any spend which doesn't relate to the scheme.
- 5.3 Quarterly reports with officer comments are provided to Cabinet and Overview and Scrutiny committee for investigation and comments.

Background papers: None

Appendices: A, B & C

CAPITAL MONITORING REPORT AT 31 MARCH 2020

Portfolio Member	ORIGINAL BUDGET	REVISED BUDGET	ACTUALS YTD	MANAGERS PROJECTION TO REVISED BUDGET
Housing	84,200	84,200	85,451	1,251
Community Wellbeing	-	65,000	-	(65,000)
Environment & Compliance	273,100	489,800	388,409	(101,391)
Investments, Management of Assets and Regeneration	77,255,200	228,679,400	74,992,348	(153,687,052)
Economic Dev, Customer Serv, Estates & Transport	438,000	687,000	163,953	(523,047)
	78,050,500	230,005,400	75,630,161	(154,375,239)

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CAPITAL MONITORING REPORT AT 31 MARCH 2020

Portfolio Member / Service Head	Cost Centre	Description	Original Budget	Revised Budget	Actuals YTD	Variance	Comments
<u>Housing Investment Programme</u>							
<u>Housing</u>							
Deborah Ashman & K Sinclair	40203	Disabled Facilities Mandatory	770,000	831,303	757,108	(74,195)	The underspend is due to the delays caused by the lack of Occupational Therapists referrals. Additionally, the final months work was not completed/invoiced due to the COVID-19 restrictions
Deborah Ashman & K Sinclair	40204	Disabled Facilities Discretion	29,600	29,600	5,000	(24,600)	
		Less Specified Capital Grant	(770,000)	(831,303)	(757,108)	74,195	
		Net Cost of Disabled Facilities Grants	29,600	29,600	5,000	(24,600)	
Deborah Ashman & K Sinclair	40209	Home Improvement Agency grant	81,000	81,000	80,451	(549)	
		HIA Funding	(26,400)	(26,400)	-	26,400	
		Total	54,600	54,600	80,451	25,851	
Total For HIP			84,200	84,200	85,451	1,251	
<u>Other Capital Programme</u>							
<u>Community Wellbeing</u>							
Sandy Muirhead	42015	Landlord Guarantee Scheme	-	65,000	-	(65,000)	Project was dependant on work at another Council which didn't happen. A request has been made to carry forward the budget into next year for use against Sharepoint and Office 365 costs in order to maximise agile working opportunities
		Total	-	65,000	-	(65,000)	
<u>Environment & Compliance</u>							
Jackie Taylor	41025	Tennis Court Refurbishment	-	6,000	5,995	(5)	This project has been completed. .
Jackie Taylor	41502	Refuse/Recycling Vehicles	129,000	129,000	26,000	(103,000)	Order raised but there is a 6 month wait hence a request has been made to carry forward the balance of budget into next year
Jackie Taylor	41504	EV Pool Vehicles/Bikes			101,368	101,368	Funded through Planned projects Reserve
Jackie Taylor	41612	Recycling Bins	27,000	27,000	-	(27,000)	A request has been made to carry forward the budget into next year
Jackie Taylor	41614	CCTV Provision	37,100	37,100	28,773	(8,328)	This project has been completed.
Jackie Taylor	41620	Wheelie Bins	50,000	61,000	61,000	(0)	This project has been completed.
Jackie Taylor	42027	Domestic Home Energy	30,000	30,000	11,181	(18,819)	This scheme is used to support fuel poor and vulnerable residents where ECO funding is not sufficient and therefore spend varies greatly.
Jackie Taylor	42043	Renewal of Toilet Facilities	-	55,200	59,686	4,486	This project has been completed and overspends are funded through other capital projects.
Jackie Taylor	41621	CCTV Enhancement	-	120,000	94,407	(25,593)	This project was delayed due to unforeseen issues at both Two Rivers and Staines Police Station. A request has been made to carry forward the balance of budget into next year
		Total	273,100	465,300	388,409	(76,891)	

CAPITAL MONITORING REPORT AT 31 MARCH 2020

Portfolio Member / Service Head	Cost Centre	Description	Original Budget	Revised Budget	Actuals YTD	Variance	Comments
Lee O'Neil	41314	Air Quality	-	24,500	-	(24,500)	Due to higher priority work and resource issues, the air quality review has been delayed. A request has been made to carry forward the budget into next year
		Total	-	24,500	-	(24,500)	
Investments, Management of Assets and Regeneration							
Heather Morgan	41015	Runnymede Estates	55,600	55,600	47,291	(8,309)	
Heather Morgan	41024	SpelthorneLeisurCenDevelopment	7,090,000	7,090,000	772,160	(6,317,840)	Public consultation completed 10 April - 96% support. Awaiting a date for Cabinet Approval to submit planning application.
Heather Morgan	41026	Laleham Park Upgrade	-	248,300	10,343	(237,957)	Project delayed due to Environment Agency objecting on flood risk assessment grounds on notional pavilion rebuild to rear (EA have changed flood risk model). Demolition works will now likely be delayed to autumn.
Heather Morgan	41622	Affordable Housing Opportunity	-	343,200	-	(343,200)	Options will continue to be explored for potential residential acquisitions.
Heather Morgan	42010	KG Car Park Improvements	-	44,000	(406)	(44,406)	Project delayed and discussions ongoing with MAT about scope of works. Cost to be provided once more clarity on tender and the programme of works known. Underspend requested to be carried forward.
Heather Morgan	42017	Memorial Gardens			2,256	2,256	Project complete.
Heather Morgan	42034	Community Centre Projects	-	130,000	11,471	(118,529)	The ground floor extension at the Greeno Centre has been completed. The project at Fordbridge Centre for a ground floor extension is currently on hold and will be given the go ahead once designs have been approved. Carry forward requested.
Heather Morgan	41328	Ashford MSCP	465,000	465,000	3,188	(461,813)	Viable feasibility options are being considered by ward councillors that optimise wider community benefits. Carry forward requested.
Heather Morgan	42036	Plot 12&13 Towpath Car Park	-	56,200	-	(56,200)	Balance scorecard and initial project feasibility being carried out, likely that this project will not go ahead.
Heather Morgan	42039	Bugle	-	50,000	3,894	(46,106)	Project complete. Retention being held until final works completed.
Heather Morgan	42040	82 Cranford Avenue	-	-	-	-	
Heather Morgan	42041	Churchill	-	14,500	9,551	(4,949)	Project complete.
Heather Morgan	42042	Ceaser Court	10,123,100	10,123,100	4,387,417	(5,735,683)	P1 of project now under construction and completion date anticipated in November 2020. P2 of project is currently going through planning. Target - July planning committee.
Heather Morgan	42051	Building Improvements	5,000,000	5,000,000	-	(5,000,000)	Not required in year.
Heather Morgan	42052	Whitehouse	1,501,500	1,501,500	14,473	(1,487,027)	Delayed until allocated under local plan. Carry forward requested.
Heather Morgan	42054	Thameside House	7,980,000	7,980,000	382,001	(7,597,999)	Planning application submitted and targeting decision in Aug/Sept committee.

CAPITAL MONITORING REPORT AT 31 MARCH 2020

Portfolio Member / Service Head	Cost Centre	Description	Original Budget	Revised Budget	Actuals YTD	Variance	Comments
Heather Morgan	42055	West Wing	5,040,000	5,040,000	1,861,268	(3,178,732)	Construction and project completion anticipated end Q4 2020. Small carry forward requested.
Heather Morgan	42056	Whitehouse Hostel	-	4,000,000	599,560	(3,400,440)	Planning permission obtained. Construction started Q1 2020 with project completion end March 2021. Small carry forward requested.
Heather Morgan	42057	Victory Place	-	16,238,000	-	(16,238,000)	Application withdrawn in March 20 and revised application due for submission in June 20. Soft strip works and decommissioning works complete.
Heather Morgan	42058	Waterfront	-	-	168,695	168,695	Cabinet approved Arora as preferred partner in April. Standstill/limitation period expired 10 May 2020. Arora to progress planning application.
Heather Morgan	42059	Northumberland Close	-	-	-	-	Project aborted and costs charged to revenue as planning not obtained.
Heather Morgan	42060	Oast House	-	85,700,000	11,071,760	(74,628,240)	Acquisition complete. Designing & feasibility stage underway. Some enabling works to start in Q3/20. Planning application target date - December 20. Carry forward requested.
Heather Morgan	42061	Laleham Park Pavilion Redev.	-	-	-	-	Not required.
Heather Morgan	42062	Harper House Redevelopment	-	2,600,000	-	(2,600,000)	Main contractor on site progressing works - Project ongoing with a target completion of March 21.
Heather Morgan	42063	Elmsleigh Centre	-	-	2,598	2,598	For the regeneration of the Elmsleigh Centre. Currently at pre-feasibility stage.
Heather Morgan	42064	Block E, London Road, Staines	-	-	11,949	11,949	Cabinet approved acquisition. Berkeley have put on hold due to viability/Covid-19 situation
Heather Morgan	41619	Small Scale Area Regeneration	-	-	109,791	109,791	Project complete, final invoice to be paid to Runnymede for their support delivering the project.
Heather Morgan	42038	Acquisition of Assets	40,000,000	82,000,000	55,523,090	(26,476,910)	Purchase of the Summit Centre & Elmsleigh Centre in 2019/20
Total			77,255,200	228,679,400	74,992,348	(153,687,052)	
Economic Dev, Customer Serv, Estates & Transport							
Alistair Corkish	43003	New Software	20,000	20,000	9,007	(10,993)	Expenditure on various software enhancements throughout the financial year.
Alistair Corkish	43606	Replacement Data Cabinets	12,000	12,000	10,925	(1,075)	The project has been completed
Alistair Corkish	43608	Other Hardware	40,000	40,000	46,021	6,021	Expenditure on various hardware enhancements throughout the financial year
Alistair Corkish	43611	Mobiles and Tablets	10,000	10,000	16,647	6,647	The project has been completed
Alistair Corkish	43619	Members Electronic Devices	41,000	41,000	34,950	(6,050)	The project has been completed
Alistair Corkish	43625	Customer Portal	-	10,000	-	(10,000)	A request has been made to carry forward the budget into next year
Alistair Corkish	43626	Customer Services Contact Cent	-	40,000	-	(40,000)	A request has been made to carry forward the budget into next year
Alistair Corkish	43628	Reception Terminals	10,000	10,000	2,845	(7,155)	A request has been made to carry forward the balance of budget into next year
Alistair Corkish	43629	Sharepoint Upgrade	-	35,000	-	(35,000)	A request has been made to carry forward the budget into next year
Alistair Corkish	43601	SCP Portal	-	-	7,495	7,495	Payment has been made in advance for 2020-21 Project
Total			133,000	218,000	127,888	(90,112)	

CAPITAL MONITORING REPORT AT 31 MARCH 2020

Portfolio Member / Service Head	Cost Centre	Description	Original Budget	Revised Budget	Actuals YTD	Variance	Comments
Sandy Muirhead	42008	Project Lima	-	69,000	30,811	(38,190)	A request has been made to carry forward the balance of budget into next year to deal with Covid related changes.
Sandy Muirhead	43511	ScannersCorporateEDMS Roll out	-	5,000	2,759	(2,241)	This project has been completed
Sandy Muirhead	43512	Sharepoint redesign & Relaunch	-	90,000	-	(90,000)	A request has been made to carry forward the budget into next year.
Sandy Muirhead	43515	Corporate EDMS Project	305,000	305,000	2,495	(302,505)	A request has been made to carry forward the balance of budget into next year
Total			305,000	469,000	36,064	(432,936)	
Total For Other			77,966,300	229,921,200	75,544,710	(154,376,490) #	
Total Expenditure			78,846,900	230,863,103	76,387,269	(154,475,834)	
Total Funding			(796,400)	(857,703)	(757,108)	100,595	
GRAND TOTAL			78,050,500	230,005,400	75,630,161	(154,375,239)	

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Spelthorne Borough Council
Carry forward requests 2019/20

Number	GL Code	Account Description	Budget 19/20 £	Spend 19/20 £	Unspent budget £	Amount requested to be carried forward £	Comments
1	41514	Air Quality Pollution Control	24,500	-	24,500	24,500	Due to other higher priority work and resource issues the review of the air quality management boundary and action planning has been delayed for a number of years.
2	41612	Recycling Bins	27,000	-	27,000	27,000	Project has not been completed due to resource issues
3	41621	CCTV Enhancemnt	120,000	94,400	25,600	25,600	This project was delayed due to issues of appointing CCTV infrastructure to the roofs of both Two rivers and Staines Police station.
4	41502	Refuse/ Recycling Vehicles	129,000	26,000	103,000	99,000	Order already raised but there is a 6 month wait to get the actual delivery of the vehicle
5	42008	Project Lima	69,000	30,810	38,190	27,600	There were a few items still to be undertaken as part of / follow up to Project Lima e.g. further adaptations to the Housing Options Reception Counter. These were not completed in early March due to COVID-19. Further work is required to the reception area and counters and to the office configuration and general provisions at Knowle Green - to adapt to COVID-19
6	42015	Landlord Guarantee Scheme	65,000	-	65,000	65,000	The project was much dependent on module end at another council which never materialised. A request has now been made to use this to be put forward towards Share point design and relaunch as we may have to do more with getting Office 365 and Share point out over the next year if we are to maximise the opportunities that working from home due to Covid- 19 has brought about in terms of agile working.
7	43512	Sharepoint Redesign & Relaunch	90,000	-	90,000	90,000	With the move to Office 365 it will be important to have the funds available to implement Sharepoint
8	43515	Corporate EDMS Project	305,000	2,495	302,505	302,500	This is part of office 365 and there will be licence requirements and software set up during 20/21
9	43625	Customer Portal	10,000	-	10,000	10,000	Work was delayed and will be part of office 365
10	43626	Customer Services Contact Centre	40,000	-	40,000	40,000	Please see above
11	43628	Reception Terminals	10,000	2,845	7,155	5,000	Please see above
12	43629	Sharepoint Upgrade	35,000	-	35,000	35,000	Please see above
13	42039	Bugle	50,000	3,894	46,106	46,100	For the final retention payment
14	42055	West Wing	5,040,000	1,861,268	3,178,732	250,000	Required for the completion of the project.
15	42056	White House Hostel	4,000,000	599,560	3,400,440	250,000	Required for the completion of the project.
16	41026	Laleham Park Upgrade	248,300	10,343	237,957	237,900	Required for the completion of the project.
17	41328	Ashford MSCP	465,000	3,188	461,812	200,000	Parking still needs to be addressed in the area, awaiting Member decision on way forward.
18	42010	KG Car Park Improvements	44,000	-	44,000	44,000	To be able to progress with resurfacing of car park, mainly horseshoe area.
19	42034	Community Centre Projects	130,000	11,471	118,529	118,500	This is required to ensure completion of the Fordbridge Day Centre.
20	42060	Oast House	85,700,000	11,071,760	74,628,240	74,628,200	Designing & feasibility stage underway. Some enabling works to start in Q3/20. Planning application target date - December 20
						76,525,900	

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Cabinet**15 July 2020**

Title	Treasury Management Annual Report 2019-20		
Purpose of the report	To note		
Report Author	Anna Russell, Deputy Chief Accountant		
Cabinet Member	Councillor S. Buttar	Confidential	No
Corporate Priority	Financial Sustainability		
Recommendations	Cabinet is asked to note the treasury outturn position for 2019-20 and the financial environment in global markets.		
Reason for Recommendation	Not applicable.		

1. Key issues

- 1.1 This report provides outturn details on treasury outturn for 2019-20 (section 3), initially giving external background (section 2). In the context of £77m additional capital investment (Table 1), borrowing has increased by £60m to £1,110m (Table 2). The scale of capital investment has decreased by £305m compared to last year, reflecting the shift in the council's strategy from acquisition of investment properties to focusing on schemes to facilitate regeneration and support housing needs of the borough.
- 1.2 The overall return on £88.2m investments was 2.07% on average for 2019-20, with 3.97% average return on £28.2m pooled funds (3.16, Appendix A). The impact of COVID-19 on investment yield has been low, because of the timing at year end after the majority of dividends had been distributed. However, capital values as at the end of March have decreased significantly, by £4.3m, as a consequence of the COVID-19 crisis.
- 1.3 The Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA TM Code, edition 2017) requires that authorities report on the performance of the treasury management function at least twice a year (mid-year and at year-end). This report fulfils the Council's legal obligation to have regard to the CIPFA TM Code.
- 1.4 The Council's Treasury Management Strategy for 2019-20 was approved by Cabinet on 30 January 2019 and then by full Council on 21 February 2019.

- 1.5 This report is an outturn statement of treasury management activities for the financial year 2019-20. The Council has invested and borrowed substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.
- 1.6 CIPFA's 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 21 February 2019.

2. External Context provided by Arlingclose

- 2.1 The narrative for external context is provided by the Council's treasury advisers, Arlingclose, with minor revisions by council officers reflecting for example the timing of this report compared to the Arlingclose draft.

Economic background

- 2.2 The UK's exit from the European Union and future trading arrangements remained one of major influences on the UK economy and sentiment during 2019/20. The Brexit deadline of 29 March 2019 was extended to 12 April, then to 31 October and finally to 31 January 2020. Politics played a major role in financial markets over the period as the UK's protracted negotiations over its exit from the European Union, together with its future trading arrangements, drove volatility particularly in foreign exchange markets. The outcome of December's General Election removed much of the uncertainty and looked set to provide a 'bounce' to confidence and activity.
- 2.3 The headline rate of UK Consumer Price Inflation year on year fell to 1.7% in February, below the Bank of England's target of 2%. Labour market data remained positive. The ILO (International Labour Organization) unemployment rate was 3.9% in the three months to January 2020 while the employment rate hit a record high of 76.5%. The average annual growth rate for pay excluding bonuses was 3.1% in January 2020, and the same when bonuses were included, providing some evidence that a shortage of labour had been supporting wages.
- 2.4 GDP growth in Q4 2019 was reported as flat by the Office for National Statistics, service sector growth slowed and production and construction activity contracted, on the back of what at the time were concerns over the impact of global trade tensions on economic activity. The annual rate of GDP growth remained below trend at 1.1%.
- 2.5 The coronavirus crisis quickly changed everything. COVID-19 had first appeared in China in December 2019 and started spreading across the globe causing plummeting sentiment and falls in financial markets not seen since the 2008 Global Financial Crisis, as part of a flight to quality into sovereign debt and other perceived 'safe' assets.

- 2.6 In response to the spread of the virus and the sharp increases in those infected, governments enforced lockdowns, central banks and governments around the world cut interest rates and introduced massive stimulus packages in attempts to reduce the negative economic impact on domestic and global growth.
- 2.7 In March, the Bank of England, which had held policy rates steady at 0.75% through most of 2019-20, moved to cut rates, first to 0.25% and then within days to the record low of 0.1%. In conjunction with these cuts, the UK government introduced a number of measures to help businesses and households impacted by a series of ever-tightening social restrictions culminating in a lockdown across the UK.
- 2.8 The US economy grew at an annualised rate of 2.1% in Q4 2019. After escalating trade wars and a protracted standoff, the signing of Phase 1 of the trade agreement between the US and China in January was initially positive for both economies. COVID-19 severely affected sentiment and production in both countries. Against a slowing economic outlook, the US Federal Reserve had begun cutting rates on 31 July 2019. Following a series of five rates cuts, the largest of which were in March 2020, the Federal Funds Rate fell to a range of 0% - 0.25% (down from 2.25% - 2.5% 30 July 2019). The US government also unleashed a raft of COVID-19 related measures and support for its economy, including a \$2 trillion fiscal stimulus package.
- 2.9 With interest rates already on (or below) the floor, the European Central Bank held its base rate at 0% and deposit rate at -0.5%.

Financial markets

- 2.10 Financial markets sold off sharply as the impact from the coronavirus worsened. After starting positively in 2020, the FTSE 100 fell over 30% at its worst point, with stock markets in other countries seeing similar huge falls. In March, sterling reached its lowest level against the dollar since 1985. The measures implemented by central banks and governments helped restore some confidence, and financial markets have rebounded in recent weeks, though remaining extremely volatile.
- 2.11 The flight to quality caused gilts yields to fall substantially, the 5-year benchmark falling from 0.75% in April 2019 to 0.26% on 31 March 2020. Over the same comparison period, the 10-year benchmark yield fell from 1% to 0.4%, and the 20-year benchmark yield from 1.47% to 0.76%. One-month, 3-month and 12-month bid rates averaged 0.61%, 0.72% and 0.88% respectively over the period.
- 2.12 Since January 2020, the yield on 2-year US treasuries has fallen from 1.58% to 0.23% end March, and from 1.92% to 0.70% for 10-year treasuries. German bund yields remain negative.
- 2.13 Into the new financial year towards the end of May 2020, UK gilts were sold with a negative yield, for the first time in history. Interest rates on loans through the Public Works Loan Board (PWLB) are based on gilts +1.80%.

Credit review

- 2.14 In Q4 2019, Fitch affirmed the UK's AA sovereign rating, removed it from Rating Watch Negative (RWN) and assigned a negative outlook. Fitch then affirmed UK banks' long-term ratings, removed the RWN and assigned a stable outlook. Standard & Poor's also affirmed the UK sovereign AA rating and revised the outlook to stable from negative. The Bank of England announced its latest stress tests results for the main seven UK banking groups. All seven passed on the basis of a Common Equity Tier 1 (CET1) ratio and of a leverage ratio. Under the test scenario, the banks' aggregate level of CET1 capital would remain twice their level before the 2008 financial crisis.
- 2.15 After remaining flat in January and February and within a range of 30-55 bps (bps = basis points; 30 bps = 0.30%), Credit Default Swap spreads rose sharply in March as the potential impact of COVID-19 on bank balance sheets gave cause for concern. Spreads came down in late March and through to mid-April, but remain above their initial 2020 levels. NatWest Markets Plc (non-ring-fenced) remains the highest at 128 bps and National Westminster Bank Plc (ring-fenced) still the lowest at 56 bps. The other main UK banks are between 65 and 123 bps, with the latter being the thinly traded and volatile Santander UK CDS.
- 2.16 While the UK and non-UK banks on the Arlingclose counterparty list remain in a strong and well-capitalised position, the duration advice on all these banks was cut to 35 days in mid-March.
- 2.17 Fitch downgraded the UK sovereign rating to AA- in March which was followed by a number of actions on UK and non-UK banks. This included revising the outlook on all banks on the counterparty list to negative, with the exception of Barclays Bank, Rabobank, Handelsbanken and Nordea Bank which were placed on Rating Watch Negative, as well as cutting Close Brothers long-term rating to A-. Having revised their outlooks to negative, Fitch upgraded the long-term ratings on Canadian and German banks but downgraded the long-term ratings for Australian banks. HSBC Bank and HSBC UK Bank, however, had their long-term ratings increased by Fitch to AA-.

3. Local Context

Overview

- 3.1 With the purchase of commercial properties generating sustainable income streams starting with the BP international campus site in Sunbury during 2016-17, the Council now has significant levels of long-term borrowing secured at low fixed rates to fund property acquisitions.
- 3.2 The Council's strategy when making strategic asset acquisitions has been to take advantage of the cheap borrowing rates available and fix at those rates to provide long-term funding certainty, while maintaining, and supplementing when possible, the investment portfolio that has been built up.

- 3.3 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The CFR, and resources applied, are summarised in Table 1. This shows that capital investment for 2019-20 was £77m, which increased the CFR, offset by capital inflows and contribution from revenue, resulting in a closing CFR of £1,115m.

Table 1: Balance Sheet Summary as at 31 March 2020

	Actual 31/03/2019 £m	Movement 2019-20 £m	Actual 31/03/2020 £m
Opening Capital Financing Requirement	678	373	1,051
Capital investment	382	(305)	77
<i>Less:</i>			
Capital Receipts, Grants & Contributions	(1)	(1)	(2)
Minimum Revenue Provision (MRP)	(7)	(4)	(11)
Revenue Contributions (above MRP)	(1)	1	0
Closing Capital Financing Requirement	1,051	64	1,115

- 3.4 Borrowing does not affect the CFR. However, Council does borrow to finance capital spend. On 31 March 2020, the Council had net borrowing of £1,021m (shown at Table 2 below) arising from its revenue and capital income and expenditure, an increase on 2018-19 of £51m.
- 3.5 The Council's current strategy is to maintain borrowing at levels that minimise risk and keep interest costs low. The Council also continues to consider alternative funding to assess availability of funders at rates cheaper than the PWLB. The treasury management position as at 31 March 2020 and the change over the period is show in Table 2.

Table 2: Treasury Management Summary

	Balance 31/03/2019 £m	Movement £m	Balance 31/03/2020 £m	Rate 31/03/2020 %
Long-term borrowing	(1,039)	(8)	(1,047)	2.27%
Short-term borrowing *	(11)	(52)	(63)	0.97%
Total borrowing	(1,050)	(60)	(1,110)	
Long-term investments	36	(7)	29	3.95%
Short-term investments	30	12	42	1.00%
Cash and cash equivalents	14	4	18	0.72%
Total investments	80	9	89	2.07%
Net borrowing	(970)	(51)	(1,021)	

* Short term borrowing includes £10m relating to PWLB.

- 3.6 The Council continued the move away from investment property acquisitions and towards strengthening its strategic policy objectives such as on housing and regeneration.

- 3.7 Available funds were held in short-term funds and as cash as far as possible during 2019-20. This approach was based on Arlingclose advice in the context of the low rates available through local authorities, and also as a holding position while longer term funding options are appraised.
- 3.8 Delays in capital projects due to COVID-19 constraints and the availability of low cost borrowing mean that related funding needs are not as pressing as expected. However, this is offset by emergency spending pressures and reduced income, also due to COVID-19, which has been impacting on cash reserves following year end.
- 3.9 During 2019-20, the cash balance on the current bank account exceeded the internal limits. In September, £3m funds were not received as notified resulting in an overdraft. In response, the team does not rely on those notifications, and the funds are dealt with only once received. In January and in March, balances were £3m credit and £5m overdrawn respectively. Both occasions were on period start/ end days, and were the result of team members not being able to give due attention to treasury tasks because of other work commitments, the latter being during the COVID-19 period. This has been and is being addressed through procedural changes and through system improvements.

Borrowing Activity

- 3.10 At 31 March 2020, the Council held £1,110m of loans, an increase of £60m from 31 March 2019, including £1,057m long-term Public Works Loan Board (PWLB) borrowing as part of the strategy for funding major acquisitions and developments. The 31 March 2020 borrowing position is show in Table 3 below.

Table 3: Borrowing Position

	Balance 31/03/2019 £m	Movement £m	Balance 31/03/2020 £m	Rate 31/03/2020 %	Maturity (wtd av) years
PWLB	1,027	30	1,057	2.27%	49
Local authorities					
- Long-term	17	(17)	0	0.00%	2
- Short-term	6	47	53	0.97%	<1
Total Borrowing	1,050	60	1,110		

- 3.11 Borrowing increased during 2019-20 by £60m net, with £35m raised for PWLB (£30m net of repayments), and £45m from local authorities (£30m net of repayments). This borrowing, taking advantage of low PWLB and inter-authority rates, supported capital programme spend, which in 2019-20 included affordable housing developments and a local retail acquisition. It should be noted that there is no requirement to link such borrowing to specific spend. Also, all borrowing through PWLB and local authorities is at fixed rates of interest over fixed terms.

- 3.12 The Council will need to borrow additional funds on both long- and short-term bases to fund the housing and regeneration programme in the future. Work is ongoing with Arlingclose and the portfolio holder to ensure that the cheapest and most appropriate duration and source are secured.
- 3.13 The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. Flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.
- 3.14 Affordability and the "cost of carrying" remained important influences on the Council's borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing.

Investment Activity to 31 March 2020

- 3.15 The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield consistent with these principles. The ability to maximise interest returns within these guidelines is paramount to generating sufficient funds to support the Council's revenue budget.
- 3.16 As at 31 March 2020, the Council's investment portfolio was a total of £88.2m (2.07 % average return), with £28.2m of this in pooled funds (3.97% average return) and £43.4m in short-term and cash-flow funds (0.71% to 1.25% return). A breakdown of the investments is given in **Appendix A**.
- 3.17 Given the increasing risk and continued low returns from short-term unsecured bank investments, it is the Council's aim to further diversify into more secure or higher yielding asset classes. The availability of funds for investment is dependent upon the timing of precept payments, receipt of grants and progress on the capital programme. The Council has no funds placed with the 'challenger' bank, Metro Bank.
- 3.18 The pooled fund investments form a key part of the portfolio and a full list of these and their current performance is detailed in **Appendix B**.
- 3.19 An update from Arlingclose on the impact of COVID-19 is included at **Appendix C**.
- 3.20 At Spelthorne, the COVID-19 crisis has impacted cash-flow and availability of funds through: increased demands such as emergency costs following the economic and social lockdown; reductions in various funding, grant and income streams.
- 3.21 The COVID-19 lockdown occurred towards the end of March when the majority of dividends had been distributed. As a result, the impact on 2019-20 dividend income has been relatively low, with pooled funds delivering a yield of 3.97% return compared to an expected 5%.
- 3.22 In contrast, COVID-19 has severely affected pooled fund capital values, which have decreased by £4.3m, with increases in only four of the funds held (one bond, one equity, two in the CCLA property fund).

- 3.23 The unrealised capital losses (that is, decrease in capital value) will not impact on the General Fund as the Council has elected to present changes in the funds' fair values in other comprehensive income (FVOCI).
- 3.24 The next section includes consideration of the impact of COVID-19 on 2020/21 budgets.

Investment Performance Monitoring

- 3.25 Security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2019-20.
- 3.26 Table 4 shows the performance of the Council's investments compared to budget.

Table 4: Performance of investments

Investment Income 2019/20	Budget	Actual	Variance from budget
	£'000	£'000	£'000
Pooled Fund - Dividends	(715)	(1,290)	(575)
Fixed Term Deposits - Interest	(375)	(375)	0
Money Market Funds - Dividends	(200)	(236)	(36)
Total Investment Income	(1,290)	(1,901)	(611)

- 3.27 The Council seeks professional advice from Arlingclose and closely adheres to the advice set out in the Ministry for Housing, Communities and Local Government (MHCLG) guidance. Given Spelthorne's dependency on investment returns to balance the budget, the Council's investment strategy is also kept under constant review and regular quarterly review meetings are held with Arlingclose, the Council's treasury advisors. All investment and borrowing decisions are made in consultation with our advisors.
- 3.28 Counterparty credit quality was assessed and monitored with reference to credit ratings (the Council's minimum long-term counterparty rating for institutions defined as having "high credit quality" is A- across rating agencies Fitch, S&P and Moody's); credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.
- 3.29 Based on Arlingclose's advice on how income might be impacted by COVID-19, income from pooled funds is estimated to be reduced by £0.6m (39%). However, fixed term deposits will continue to meet expectations. Budgeting for such funds is relatively conservative/ prudent, as indicated by the (£0.6m) actual income above budget in 2019/20, which means that the forecast income on pooled funds and fixed term deposits can be managed without use of reserves. This is without including income from money market funds.

Non-Treasury Investments

- 3.30 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of an authority as well as other non-financial assets that an authority holds primarily for financial return. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.
- 3.31 The Authority also held £1bn of such investments in directly owned property. These investments generated £52m of investment income for the Council after taking account of direct costs, representing a rate of return of 5.2%. Note that the council-owned subsidiary is not categorised as investment property, as the assets are held mainly, not for rental return, but for operational purposes, such as meeting housing needs in the borough and supporting regeneration.

4. Financial implications

- 4.1 The financial implications are as set out in this report. The ability to maximise interest returns is paramount to generate sufficient funds to support the General Fund and even a small decline in interest rates can mean a significant reduction in cash returns. Our aim is to continue to maintain flexibility commensurate with the high level of security and liquidity and minimal risk when making investment decisions.

5. Other considerations

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

6. Timetable for implementation

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

Background papers: There are none

Appendices: Appendices A – C are attached

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Details of Investments Held as at 31 March 2020

Investment Type	Initial Investment Amount £m	Valuation as at 31Mar20 £m	Yield %	Start Date	Maturity Date
<i>Pooled Investment Funds</i> <i>(see Appendix B for more details)</i>					
Charteris Elite Equity Income	0.8	0.6	3.99	11 May 2012	N/A
Schroders UK Corporate Bond	1.5	1.7	3.60	11 May 2012	N/A
Schroders Income Maximiser	1.0	0.8	6.94	06 Jul 2012	N/A
Schroders Income Maximiser	1.0	0.6	5.64	24 Jul 2015	N/A
Schroders Income Maximiser	1.0	0.7	5.99	26 Aug 2016	N/A
Schroders Income Maximiser	3.0	1.9	5.85	25 Feb 2019	N/A
M&G Global Dividend	1.0	1.4	3.66	27 Jun 2012	N/A
M&G Global Dividend	3.0	2.4	2.16	20 Feb 2019	N/A
M&G Optimal Income Sterling	1.7	1.6	2.71	13 Apr 2015	N/A
M&G Extra Income Fund	2.0	1.6	3.18	15 Aug 2016	N/A
Investec Diversified Income	3.0	2.6	3.35	25 Aug 2016	N/A
Investec Diversified Income	1.5	1.4	3.48	20 Feb 2019	N/A
Threadneedle UK Equity Fund	2.0	1.6	3.49	08 Sept 2016	N/A
Threadneedle UK Equity Fund	1.5	1.2	3.44	21 Feb 2019	N/A
Threadneedle Global Equity Fund	1.5	1.3	3.35	21 Feb 2019	N/A
CCLA Property Fund (LAMIT)	1.5	1.9	4.39	31 Mar 2013	N/A
CCLA Property Fund (LAMIT)	1.0	1.1	3.76	30 Apr 2014	N/A
UBS Multi- Asset Income Fund	1.5	1.3	3.60	22 Feb 2019	N/A
Kames Diversified Monthly Income Fund	3.0	2.5	4.99	21 Feb 2019	N/A
Total	32.5	28.2	3.97		
<i>Fixed Rate Deposits</i>					
Network Housing Group	2.0	-	3.60	28 Apr 2016	27 Apr 2021
Total	2.00	-	3.60		
Total of Core Investment Portfolio	34.5	-	3.95	Average	

Details of Investments Held as at 31 March 2020

Investment Type	Initial Investment Amount £m	Yield %	Start Date	Maturity Date
<i>Cash Flow Investments</i>				
Aberdeen Liquidity Fund	5.0	0.73		Instant Access
CCLA	5.0	0.71		Instant Access
Aviva	5.0	0.71		Instant Access
Invesco	3.4	0.72		Instant Access
Total	18.4	0.72	Average	
<i>Investments: Other Local Authorities</i>				
Lancashire CC	5.0	1.05	Apr 2020	
London Borough of Croydon	5.0	0.88	Jul 2020	
Broxbourne	5.0	0.85	Sep 2020	
Swindon BC	5.0	1.25	Sep 2020	
Moray Council	5.0	1.05	Mar 2021	
Total	25.0	1.02	Average	
<i>Investments: Other</i>				
Close Brothers	5.0	1.20	20 Dec 2019	18 Dec 2020
Lloyds Bank	5.0	0.75		32 day notice
Total	10.0	0.98		
<i>Funding Circle</i>				
Loans to small businesses	0.3	1.29	16 Apr 2015	N/A
Total Investments at 31 March 2020	88.2	2.07	Overall average	

Pooled Funds as at 31 March 2020

Fund	Date of Purchase	Initial Investment	Dividends Received to 31/03/2020	Dividend Yield (Income/ cost)	Gain	Total Return at 31/03/2020	Total Return, Yield	Income per year since purchased	Dividend Yield per year
					Capital Gain/ (Loss) at 31/03/2020				
		£	£	%	£	£	£	£	%
DMS Charteris Premium Income Fund	11/05/12	800,120	31,952.57	3.99%	(226,571)	(194,619)	(24.32%)	36,400	4.55%
Schroders UK Corporate Bond Fund	11/05/12	1,500,000	54,047.75	3.60%	163,380	217,428	14.50%	67,929	4.53%
Schroders Income Maximiser Fund	06/07/12	1,000,000	69,353.42	6.94%	(228,526)	(159,173)	(15.92%)	83,390	8.34%
Schroders Income Maximiser Fund	24/07/15	1,000,000	56,379.92	5.64%	(372,841)	(316,461)	(31.65%)	61,445	6.14%
Schroders Income Maximiser Fund	26/08/16	1,000,000	59,902.29	5.99%	(333,659)	(273,756)	(27.38%)	64,905	6.49%
Schroders Income Maximiser Fund	25/02/19	3,000,000	175,593.02	5.85%	(1,046,738)	(871,145)	(29.04%)	159,939	5.33%
M&G Global Dividend Fund	27/06/12	1,000,000	36,614.24	3.66%	378,729	415,343	41.53%	40,095	4.01%
M&G Global Dividend Fund	20/02/19	3,000,000	64,879.79	2.16%	(556,916)	(492,037)	(16.40%)	58,368	1.95%
M&G Optimal Income Sterling	13/04/15	1,690,636	45,816.97	2.71%	(130,037)	(84,220)	(4.98%)	47,083	2.78%
M&G UK Income Distribution Sterling	15/08/16	2,000,000	63,553.06	3.18%	(415,713)	(352,160)	(17.61%)	76,173	3.81%
Investec Diversified Income	25/08/16	3,000,000	100,364.55	3.35%	(386,188)	(285,824)	(9.53%)	118,884	3.96%
Investec Diversified Income	20/02/19	1,500,000	52,235.98	3.48%	(139,609)	(87,373)	(5.82%)	46,993	3.13%
Threadneedle Inv Services - UK Equity	08/09/16	2,000,000	69,731.28	3.49%	(380,945)	(311,214)	(15.56%)	71,388	3.57%
Threadneedle Inv Services - UK Equity	21/02/19	1,500,000	51,618.33	3.44%	(301,501)	(249,882)	(16.66%)	46,552	3.10%
Threadneedle Global Equity Fund	21/02/19	1,500,000	50,265.18	3.35%	(194,862)	(144,596)	(9.64%)	45,332	3.02%
CCLA - The LAs Property Fund	31/03/13	1,500,000	70,902.25	4.39%	454,202	525,104	35.01%	86,925	5.80%
CCLA - The LAs Property Fund	30/04/14	1,000,000	32,496.87	3.76%	115,818	148,315	14.83%	41,075	4.11%
UBS Multi- Asset Income Fund	22/02/19	1,500,000	54,015.02	3.60%	(211,093)	(157,078)	(10.47%)	48,834	3.26%
Kames Diversified Monthly Income Fund	21/02/19	3,000,000	149,653.84	4.99%	(454,461)	(304,808)	(10.16%)	146,568	4.89%
Value at 31/03/2020		32,490,756	1,289,376	3.97%	(4,267,532)	(2,978,155)	(9.17%)		

Pooled Fund Performance to 31 March 2020

Capital gains and losses may fluctuate throughout the period that the investments are held. In 2019-20, any gains/ losses would only have been realised/ borne had the funds been sold. Dividends are received at various times during the year, with some paid quarterly and others half yearly.

The impact of COVID-19 is evident from the net (9.52%) capital depreciation of these pooled investments as at 31/03/2020.

The income yield for 2019-20 as at 31/03/2020 is 3.97% for the year. With the COVID-19 lockdown starting towards the end of the financial year, and as dividends are issued during the year, the effect on income for 2019/20 has been relatively minor.

The impact of COVID-19 will hit returns over the coming months and maybe years. A report by Arlingclose on the impact of COVID-19 is included at Appendix C for information.

The average income per year on funds has been added to this table, and shows the benefit of holding pooled funds over the long term.

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INVESTMENT UPDATE

The Outlook for Income from Externally Managed Pooled Funds for Arlingclose Clients Only

In a relatively short period since the onset of the COVID-19 pandemic, the global economic fallout has been sharp and large. We have yet to reach the peak in infections in the UK and many countries around the world. Market reaction has been extreme with the large falls in equities, corporate bond markets and, to some extent, real estate echoing lockdown-induced paralysis and the uncharted challenges for governments, businesses and individuals.

The outlook for income for 2020 and 2021

Local authority investors should be prepared for **lower** income from bond, equity income, multi-asset and property funds. Bond and property funds, and therefore to an extent multi-asset funds, will receive coupon/contractual income. For equity funds, the generation of income will be very dependent on individual securities held in the fund and the degree of portfolio concentration. UK and Eurozone banks, a big source of dividends, are under regulatory direction to suspend or freeze dividends in 2020, deferring them to a later date.

Arlingclose has asked all managers of funds in our Strategic Fund Suite to provide dividend estimates for 2020 and 2021 and their outlook for the main drivers of income and capital returns. We expect their responses to be generic or heavily caveated as the corporate world is still adjusting to the economic shock, with probably more to come, and it is still too early to tell which companies will withstand the economic damage in the short- to medium-term or which will choose to conserve cash in very difficult economic conditions simply to survive.

We do not believe income will be zero. Even though the circumstances of the COVID-19 related crisis are different to those which led to the global financial crisis, we illustrate later on pages 4 and 5 of this update, the dividend declaration by funds whose history extends to the period of extreme market distress in 2008/09 and its immediate aftermath.

If your budget for income from your bond/equity/property/multi-asset funds has been based on income received in previous years, then it would be prudent to recognise that income in 2020/21 will be under pressure and advise that you consider making downward adjustments:

- Bond funds and property funds: **20%** lower
- Multi-asset income funds: **25%** lower
- Equity income funds: **50%** lower

This is Arlingclose's subjective assessment. Dividends and income paid will ultimately depend on many factors including but not limited to the duration of COVID-19 and the extent of its economic impact, the fund's sectoral asset allocation, securities held/bought/sold and, in the case of equities, the enforced or voluntary dividend cuts or deferral.

March 2020 valuations

The wild gyrations and volatility, measured by the VIX index, are almost as high as they were during the global financial crisis of 2008/9 and evidenced in plummeting equity prices and the widening of corporate bond spreads, now very close to rivalling those twelve years ago. Gilt yields have fallen but credit spreads

have widened markedly reflecting the sharp deterioration in economic and credit conditions associated with a sudden stagnation in economies, so corporate bonds yields (comprised of the gilt yield plus the credit spread) have risen and prices have therefore fallen.

Clients invested in bond, equity and multi-asset funds will have seen some swingeing falls in capital value reflected in 31st March valuations. Almost every fund in the Arlingclose Strategic Funds Suite has negative capital returns over 12 months to March. Several March-end dividend details are awaited, but early calculations suggest that, despite decent income returns in 2019-20, most funds will post negative total return over the one-year period due to the capital component of total returns.

The unrealised capital losses (the 'drawdown' referred to by fund managers) in equity income funds are especially severe, ranging from -5% to -33%. Short-, long-dated and absolute return bond funds have not been immune either with falls ranging between -2.5% to -11%.

These unrealised capital losses will not have an impact on the General Fund if clients have elected to present changes in the funds' fair values in other comprehensive income (FVOCI). Clients in England and Wales using the alternative fair value through profit and loss (FVPL) accounting must defer the fair value losses to the Pooled Investment Fund Adjustment Account until 2023/24.

Market volatility and sentiment-driven selling will calm once real economic data emerges and a more objective assessment and response replaces speculation-driven sentiment we are seeing right now. However, it does not necessarily mean that financial markets will rebound in tandem and rise to pre-pandemic levels just as rapidly as they fell. It is way too early to say if, following an economic recession, the recovery is V-shaped and similar to the growth path following the 2008/9 financial crisis, or a lot more protracted.

Income Outlook

Bond funds: Bonds have contractual income which, in the absence of default, will be received by funds. The massive government response and support initiatives will limit some of the damage to corporate earnings but, as not all firms are at the front of the queue for government assistance to adjust for the economic shock, it is too early to tell how many or which companies will default.

Resilience: Highly rated government bond and supranationals in portfolios will underpin capital values and income, at least in the short-term. Income from secured and collateralised bonds can also be relied upon.

Under pressure: Corporate bonds in sectors directly affected by COVID-19 such as travel and leisure, auto, retail and the energy sector have come and will remain under increasing pressure and are at risk of default. Portfolios invested in high quality and senior bonds and healthcare, supermarkets and telecoms will likely be more resilient.

Financials (banks, insurers, fund management companies) are better placed than in the 2008-09 financial crisis and, from a creditworthiness aspect, there is much higher confidence in their ability to honour debt obligations. However, Royal London has shared some useful insight: *"Banking and insurance issuers have come under regulatory pressure to suspend equity dividend payments and may come under pressure to defer bond coupon payments. but the likely deferral (as opposed to suspension) nature of any changes to income would mean that income would still be expected."*

Equity income funds: The longer that COVID-19 intensifies and government-enforced lockdowns and the economic fallout persist, the bigger damage it will inflict on revenues and profits. Financial leverage and adequacy of liquidity will also play their part in determining which companies survive.

Arlingclose believes that dividends in 2020 will be lower than that received in the last 2-3 years. Companies that have sought COVID-19 related government financial assistance will very likely have moratoriums on (though not necessarily cancellation of) the payment of dividends.

A case in point are banks, many of which are regular dividend payers and which feature in many equity income portfolios. The Bank of England has already asked large UK banks to defer dividend payments until at least the end of 2020. Eurozone banks are also under regulatory orders to freeze dividend payments and share buybacks this year in order to conserve capital to cope with the economic fallout. Several banks in Nordic countries have indicated plans to reconsider their dividends.

Even profitable companies which are unfettered by government assistance but facing tough trading conditions may consider preserving cash, deferring or cutting dividends if only to ensure resilience in what could be a prolonged period of economic stress and uncertainty.

Fighting for survival, let alone profitability, are retailers reliant on footfall, supermarkets excepting, and the travel and hospitality industries which have also been hit hard. Cyclical (e.g. construction, capital goods, non-essential consumer products) have also come under stress and the general view is that some may cut or cancel dividends this year or defer them to 2021.

Oil prices had been falling even before the full impact of COVID-19. With the price of oil around \$35 a barrel, the share price of oil companies has also slumped; however, some oil companies have strong balance sheets and may nonetheless pay dividends.

For clients with funds which also employ an income enhancement strategy using options (Schroder Income Maximiser, Fidelity Global Enhanced Income and UBS Global Income), it will be prudent to assume that income could be much lower than in normal market conditions. Managers may prefer to be very cautious in applying the option strategy in extremely stressed markets and reduce the proportion of the fund overwritten by options.

Fidelity states: *“We have no automatic ‘knee-jerk’ reaction to a dividend cut in the portfolio. In many cases a dividend cut today will be in the long interests of shareholders and aid a speedy recovery on the other side of the pandemic. As such, we could own some companies which will not pay a dividend in the current year if we believe long-term franchise value is preserved and that dividends will be resumed once the pandemic has passed.”*

It is a view shared by other managers including M&G and Schroders.

Property as an asset class tends to have low correlation with other risk assets but is not immune to the effects of economic downturns and recessions. Contractual income from long leases to creditworthy tenants are, however, the mainstay of returns even in periods of prolonged uncertainty and volatility when capital values can be susceptible to large downward adjustments and transaction volumes dry up.

Exposure to sub-sectors and geographies as well as the credit strength of tenants, lease terms and covenants will be key to income reliability during an economic downturn or recession.

Contractual income derived from long-term leases allows property funds to distribute to investors not only income received but also that which is accrued. However, where the prospectus allows, in an economic downturn funds may choose to limit distributions to only that income that has actually been received.

Defensive sectors include public sector backed real estate including those of local authorities, housing associations and universities which will continue to provide relatively better income protection through periods of economic and political instability. Assets linked to student accommodation could however be

under pressure if social distancing and disruption to academic terms continue longer than currently anticipated.

Under pressure in the current economic crisis are tenancies relating to retail, hotel and leisure, food and beverage, automotive (car dealerships) which will struggle in the near term from the fallout of COVID-19, increasing the risk of arrears, default or CVAs which force landlords to accept revised lease terms and lower rents or risk the tenant’s default and subsequent vacancies.

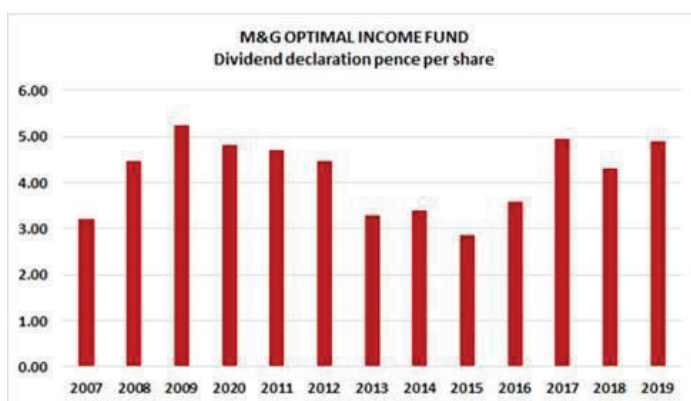
CCLA’s comment on the Local Authorities’ Property Fund: *“At the moment there are clear uncertainties over the payment and so the Board have decided that we will pay each quarter income received + accrued income where we have a high confidence of the payment. We have little exposure to traditional retail (3.5% of rents) with another 12% from retail warehouses. Tenant quality too is high, so we should be relatively well sheltered, also there will be an element of income delayed rather than lost. Given all this we haven’t yet felt able to make a forecast for the year but realistically there must be a good chance it is lower by more than our early year estimate.”*

Multi-asset income funds: These funds use a combination of bonds, equity, property (often using REITs) and alternatives (e.g. aircraft leasing). The income generated will largely depend on the asset allocation to securities with more reliable contractual income in current market conditions (bonds, property).

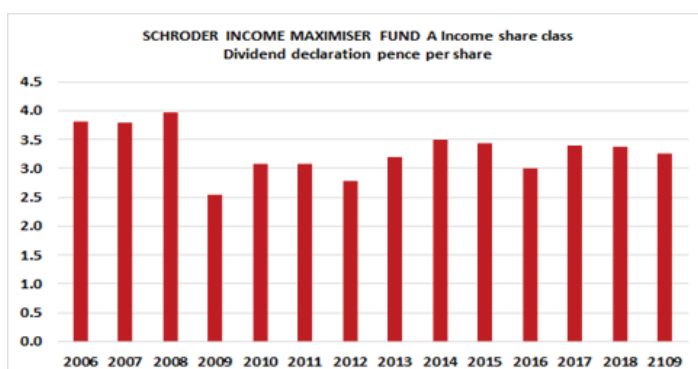
Dividend declarations (calendar years) by funds with history from 2008/09 or earlier.

Share classes may differ to those in which clients are invested.

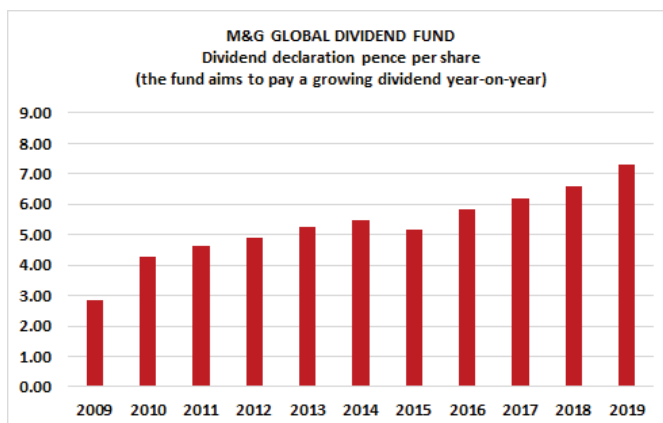
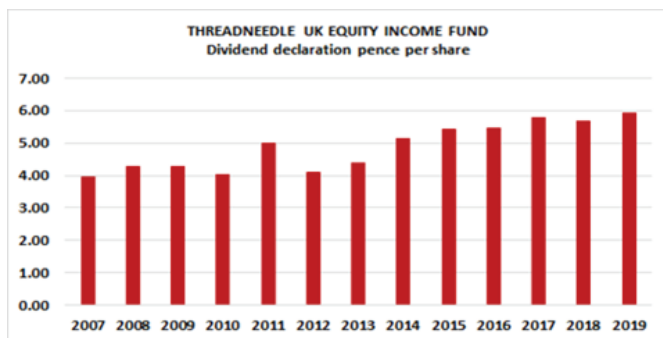
Bonds



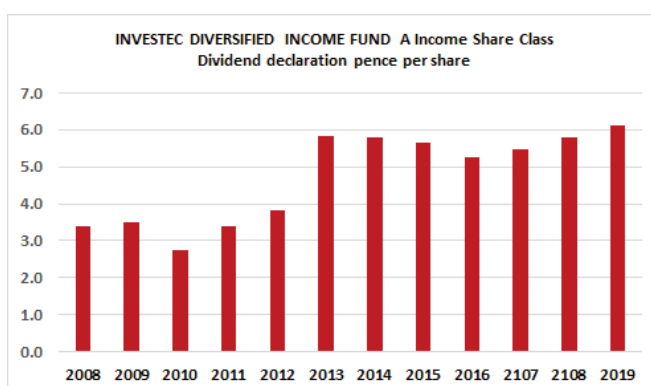
Equity income



Dividend data for the Z Income share class extends only as far back as June 2011

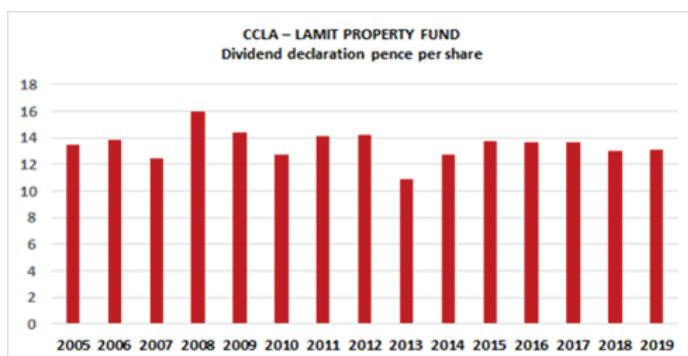


Multi-asset



Dividend data for the I Income 2 share extends only as far back as July 2012

Property



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House of Commons
Transport Committee

Pavement parking

Thirteenth Report of Session 2017–19

*Report, together with formal minutes relating
to the report*

*Ordered by the House of Commons
to be printed 5 September 2019*

HC 1982

Published on 9 September 2019
by authority of the House of Commons

Transport Committee

The Transport Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Transport and its associated public bodies.

Current membership

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Summary

The extent and impacts of pavement parking affect many communities. People with mobility difficulties or visual impairments and people who care for others are particular groups who are adversely affected by pavement parking. Action from the Government to tackle the problem of pavement parking has been slow and has not improved people's day-to-day lives.

Pavement—as opposed to 'on-street'—parking happens when a vehicle is partially or wholly parked on the pavement or footpath. It is not a criminal offence to park on the pavement—apart from Heavy Goods Vehicles—however it is a criminal offence to drive on to the pavement, whether there is an intention to park or not.

In 2015 the UK Government promised to look into the issue of pavement parking in England. It ran consultations and roundtables and held internal reviews, but this has not led to any actions that have made a difference to the public's experience of pavement parking. The Government needs to draw conclusions rapidly from the work it has undertaken, publish its proposals and take action.

Pavement parking can have a considerable impact on people's lives and their ability to safely leave their homes. We have received evidence from people with both visual and mobility impairments, and those who care for others—including children—about how they are affected by pavement parking. People are at risk of social isolation if they feel unable to leave their homes safely or are physically prevented from doing so. While pavement parking can be a necessity in some areas, it should not be allowed to happen where it has a significant adverse impact on people's lives.

We are deeply concerned about the Government's failure to act on this issue, despite long-standing promises to do so. We appreciate that this is a thorny problem that may be difficult to resolve to the satisfaction of all, but the Government's inaction has left communities blighted by unsightly and obstructive pavement parking and individuals afraid or unable to leave their homes or safely navigate the streets. Scotland is currently legislating for a national ban, while London took action to tackle this issue forty-five years ago.¹ The Government must act to improve the situation in the rest of England and it must do so quickly.

Some people are unaware that driving on the pavement is illegal. Some people are not aware of the detrimental effect pavement parking can have. It is the responsibility of the Government to run an awareness campaign around the illegality of driving on the pavement and the negative impacts of pavement parking.

Traffic Regulation Orders (TROs) are a way that local authorities can tackle congestion, manage traffic flows and restrict parking, including pavement parking. Currently there is a legal requirement to advertise any TRO in a local print newspaper. Newspaper advertising may not be effective in spreading this information widely and is costly for a local authority. The Government should remove the onerous requirement of newspaper advertising from the TRO process. We recognise the importance of providing support for local newspapers but, if the Government wishes to do this, it should be done directly,

¹ There has been a general ban on pavement parking in London since 1974. For more information see paragraph 17.

not indirectly through the TRO process. However, it is vital that people are aware of proposed TROs and the local authority must put in place effective mechanisms for consulting with their local communities.

Enforcement of the law is the most effective deterrent against pavement parking. It is not always clear who is responsible for taking enforcement action when a vehicle is parked on the pavement, as it depends on the circumstances. We encourage the Government to produce good practice guidance for local authorities and police forces on enforcement, and publicise who is responsible for enforcing which offences to the public.

The police can fine people for obstruction of the highway, which includes cars parked on the pavement that impede pedestrians. Currently there is not a clear legal definition of obstruction as it is not an easy thing to define in law. The police have priorities about what they enforce. Obstructive pavement parking is not a high police priority. Obstructive parking could be enforced by local authorities, in most cases they already have parking enforcement staff in place and want to enforce. We recommend that a new civil offence of obstructive pavement parking is created, and enforcement become the responsibility of local authorities.

We recommend that in the long term a ban on pavement parking is put in place across England, outside London, with a new process for exempting areas from the ban that is not as expensive or complicated as the current TRO process. We recognise that this is not something that can happen quickly, and so recommend a full consultation with local authorities about how to make this process easier and cheaper.

1 Introduction

1. Drivers want, and often need, to park near their homes or places of work. Sometimes the only way to do this and maintain access for emergency vehicles, buses and refuse lorries is to park partly or wholly on the pavement.² Pavement parking can make it difficult or impossible for pedestrians to walk safely on the pavement. We decided to look into what the Government can do to address these issues.

2. During the inquiry we received 430 pieces of written evidence, held two evidence sessions and a public engagement event in Bexhill-on-Sea. We are grateful to everyone who contributed to the inquiry.³ Our thanks also go to the UK Parliament Education and Engagement team.

3. The Department for Transport gave us a breakdown of parking offences, if an offence is criminal or civil and who can enforce these offences:

Table 1: Table of parking offences by scenario

Scenario	Criminal or civil offence	Who enforces it
Parking a vehicle on a pavement; the remaining pavement is clearly wide enough for pedestrians to pass; the street is not subject to any parking restrictions	No offence or contravention <i>note 1</i>	No enforcement action
Parking a vehicle on a pavement; the pavement is clearly blocked and pedestrians are forced onto the carriageway; the street is not subject to any parking restrictions	An obstruction offence may be being committed in this case	Police service
Parking a vehicle on a pavement; the remaining pavement is clearly wide enough for pedestrians to use; the street is subject to parking restrictions (eg. yellow lines)	Civil contravention (contravention code 01 -parked where restricted during restricted hours) <i>note 2</i>	Local authority <i>note 3</i>
Parking a car or motorbike on a pavement; the pavement is entirely blocked and pedestrians are forced onto the carriageway; the street is subject to parking restrictions (eg. yellow lines)	Civil contravention (contravention code 01– parking where restricted during prescribed hours) A separate obstruction offence may also be being committed. <i>note 2</i>	Police service for the obstruction offence; local authority for the contravention of parking restrictions <i>note 3</i>

2 Adrian Wilkinson ([PPA0063](#)), Alliance of British Drivers ([PPA0185](#))

3 A list of witnesses the Committee took evidence from, and written evidence submitted to the Committee, is printed in this report. Written evidence and transcripts of oral evidence are available on the Committee's website.

Scenario	Criminal or civil offence	Who enforces it
Parking an HGV weighing more than 7.5t on a pavement to carry out unload that could not have been performed from the carriageway, on a road that is not subject to any parking restrictions	No offence or contravention <i>note 1</i>	No enforcement action
Parking an HGV weighing more than 7.5t on the pavement; regardless of the width of the pavement or whether the street is subject to any parking restrictions	Civil contravention (Contravention code 61 - A heavy commercial vehicle wholly or partly parked on a footway, verge or land between two carriageways)	Local authority <i>note 3</i>
Parking an HGV weighing more than 7.5t on the pavement for the purposes of loading/unloading which could not be satisfactorily performed if the vehicle was parked elsewhere, where the street is not subject to loading/unloading restrictions (eg. yellow kerb blips)	No offence or contravention <i>note 1</i>	No enforcement action
Parking a HGV weighing more than 7.5 on the pavement for the purposes of loading/unloading, where that street is subject to loading/unloading restrictions	This would be a civil contravention (contravention code 02–parked loading/unloaded in a restricted street where waiting and loading/unloading restrictions are in force) <i>note 2</i>	Local authority <i>note 3</i>
Parking a vehicle on the footway and/or verge, where that street is subject to a prohibition of footway and/or verge parking (a TRO banning pavement parking)	This would be a civil contravention, regardless of the type of vehicle or whether a criminal obstruction is taking place (contravention code 62 - <i>note 2</i>)	Local authority <i>note 3</i>

Note 1: It is unlikely that an offence or contravention is occurring in these circumstances as a general rule of thumb, but some may argue that an obstruction offence is being committed; the Department understands that police services are generally likely to apply discretion towards obstruction offences and are unlikely to issue FPNs unless there is a clear and unambiguous obstruction, so any enforcement is likely to depend on the specifics of that particular case.

Note 2: Even where a Traffic Regulation Order imposes a civil contravention for parking on pavements, an obstruction offence may still be committed as these offences exist under separate legislation and are enforced only by police services. In practical terms, however, police services are unlikely to issue FPNs for low-level obstruction offences if the vehicle can be dealt with by the local authority as a routine parking contravention.

Note 3: This assumes that the local authority has taken on civil parking enforcement powers. If that local authority has not been designated as a civil enforcement area, the police service will remain responsible for enforcing all parking offences.

Source: Department for Transport ([PPA0233](#))

2 Legislation and enforcement

4. Given current levels of car ownership, pavement parking is inevitable in some areas. In many towns and cities in England housing is Georgian, Victorian or Edwardian. These houses were built before the advent of mass motoring, do not benefit from off-street parking spaces, and since they were built many have been converted into houses in multiple occupation (HMOs). As a result there are often not enough parking spaces for the people that live in them, whether residents' parking schemes are in place or not.⁴ This is not only a problem with older housing: one in twenty of the submissions we received highlighted that new developments do not have enough parking space for the people who live there and their visitors—in some cases this is the result of deliberate planning decisions to discourage car use.

5. The extent and impact of pavement parking vary from place to place. There are many reasons for this, for example:

- Towns, cities and villages have narrow streets;
- New developments not being built with wide enough roads or pavements, or any pavements at all;
- Drivers follow the lead of other people parking on the pavement;
- Drivers may not be aware of the consequences of their actions;
- The police and local authorities have different roles with enforcement. Not everyone will be aware of these different roles;
- Enforcement of offences does not take place;
- Local authorities have the power to ban pavement parking but may not have the means to ban or enforce these restrictions; and
- The nations of Great Britain⁵ are at different points with bans around pavement parking.

Parking enforcement

6. Local authorities and the police have different responsibilities for the enforcement of parking offences, as outlined in chapter 1. Most parking offences in England were decriminalised in 1995, when local authorities were given powers to implement, manage and enforce parking restrictions, for example yellow lines and clearways. Around 95% of local authorities⁶ have taken up civil enforcement powers.⁷ In those areas where they have not, parking enforcement remains a criminal matter for the police to enforce. In 2008 the law was substantially updated and amended⁸ and is now generally called civil parking enforcement (CPE). It is enforced by Civil Enforcement Officers (CEOs) who are employed by the local authority.

4 Kevin Harper (PPA0210), Nichola Harrison (PPA0270)

5 The position in Northern Ireland is the same as that in England outside London, for more information see: NI Direct, [Parking enforcement](#) [accessed 27 August 2019].

6 Department for Transport, [List of areas in England designated as a Civil Enforcement Area \(CEA\) for the purposes of enforcing parking contraventions](#), 9 January 2018

7 HC Deb, 4 December 2015, [col 654](#) Commons Chamber

8 By the Traffic Management Act 2004, [Part 6](#). The secondary legislation came into force on 31 March 2008.

7. Parking on double yellow lines—on-street parking⁹—and parking in contravention of a scheme—residents’ parking—are civil offences for which local authorities can issue a penalty. Where these schemes or markings are in place, someone parking on a double yellow line and with any wheels on the pavement, can be issued a penalty by a CEO for the on-street offence. The penalty will be issued for parking on yellow lines, not parking on the pavement. The police can issue fines to people who are seen to drive onto a pavement or if parking is obstructing the highway.¹⁰ Where there are no on-street restrictions, only the police can issue fines for the criminal offence of obstruction, including on the pavement.¹¹

8. In 2016, the then Transport Committee noted in their report on road traffic law enforcement¹² that roads police numbers had been falling for years. As a result, there are only limited numbers of officers available to spot illegal obstructive pavement parking and issue fines. Traffic wardens—who used to assist the police in this work—were abolished in England and Wales from 1 December 2018.¹³ PCSOs (Police Community Support Officers) are now able to use police powers to enforce the offence of obstruction, explained further in chapter 4 below.

9. It is not always clear to the public, motorists and sometimes police and local authorities who is responsible for enforcing which offence. Some local authorities¹⁴ have a memorandum of understanding with their local police about enforcement policy to make it clear which offences should be issued a penalty—by the council—or a fine—by the police.

Pavement parking and Traffic Regulation Orders (TROs)

10. Traffic Regulation Orders (TROs) are the only way local highway authorities—county and unitary councils in England—can ban pavement parking in specific areas. TROs are used to tackle congestion, manage traffic flows and implement parking restrictions.¹⁵ There are three different types of TRO:

- Permanent orders—these include consultation periods, the right to object and for objections to be heard, can take time and be expensive;
- Experimental orders—these generally lead to permanent orders but allow for a flexible approach as minor changes can be made easily; and
- Temporary orders—these cannot be converted into permanent orders.

9 Yellow lines are for the whole of the highway and include the pavement.

10 This includes pavements. For more details please see the House of Commons Library note, [Pavement and on-street parking in England](#) chapter 2.

11 There are a number of statutes and regulations that allow proceedings to be brought for obstructing the highway. For more details please see the House of Commons Library note, [Pavement and on-street parking in England](#) chapter 2.

12 Transport Committee, Second report of the session 2015–16, [Road Traffic Law Enforcement](#), HC518

13 This was as a result of the Policing and Crime Act 2017, [section 46](#).

14 Norfolk County Council and Norwich City Council ([PPA0353](#)), Devon County Council ([PPA0234](#)), City of York Council ([PPA0182](#))

15 These can be made under Parts I and IV of the [Road Traffic Regulation Act 1984](#).

11. Commonly a TRO is made to introduce residents' parking schemes, controlled parking zones or changes to on-street parking, for example yellow lines. These have an indirect effect on the enforcement of restrictions on pavement parking. Due to the cost of a local authority putting a TRO in place very few TROs are made to solely address pavement parking.

Engineering measures

12. Engineering measures—such as railings, plant pots or bike racks—can be used to stop people parking on pavements. However, these solutions may not always be appropriate or feasible.¹⁶ They can add to street clutter and negatively impact those with visual or mobility impairments. The Government's 1993 traffic advisory leaflet on pavement parking encourages the use of engineering measures to stop pavement parking.¹⁷ This conflicts with the desire of successive Governments to minimise street clutter.¹⁸ Any local authority considering engineering measures to inhibit pavement parking must judge whether any measure would create as much of a physical barrier for those with visual or mobility impairments as the vehicles parked on the pavement.

Legislation and Government action

13. In 2015, Simon Hoare MP introduced the Pavement Parking (Protection of Vulnerable Pedestrians) Bill.¹⁹ At the end of the Second Reading debate in December 2015 Mr Hoare withdrew the Bill after securing from the then Minister, Andrew Jones MP, a commitment to convene a roundtable in 2016 to discuss pavement parking and “examine more closely the legal and financial implications of an alternative regime, and the likely impacts on local authorities”.²⁰ The roundtable took place in March 2016,²¹ during which the time and cost for putting TROs in place was identified as a major factor affecting the enforcement of restrictions on pavement parking. The then Minister said that he was “considering how best to address the general improvement of the TRO-making process”.²²

16 Department for Transport ([PPA0233](#)), para 37

17 These are outlined in Traffic Advisory Leaflet 4/93, [pavement parking](#), December 1993.

18 [PQ 59474](#) on Road Signs and Markings, 13 January 2017; Manual for Streets 1 provides advice on reducing clutter, see: Department for Transport, [Manual for Streets 1](#), 29 March 2007, page 58, paragraph 5.10.

19 [Pavement Parking \(Protection of Vulnerable Pedestrians\) Bill](#) [Bill 16 (2015–16)]. This was a Private Member's Bill, which provided a framework for local authorities in England and Wales to consult on and subsequently to ban pavement parking across wide areas, subject to certain exemptions to be set out by the Secretary of State in secondary legislation and guidance.

20 HC Deb, 4 December 2015, [cols 659–60](#)

21 [PQ 37550](#) on Parking: Pedestrian Areas, 19 May 2016

22 [PQ 49804](#) on Parking: Pedestrian Areas, 26 October 2016

14. In April 2017 Andrew Jones said that he planned “to launch a survey in Summer 2017 in order to gather evidence about the current situation, the costs and timescales for processing TROs, and information about options for change”.²³ The survey was put back to autumn 2017.²⁴ Anthony Ferguson, Deputy Director of Traffic and Technology at the Department for Transport told us that the survey was ultimately “absorbed into a different piece of work”:

It evolved into something different, which was a piece of work we did looking at TROs as part of a discovery project around what data is held by local authorities. TROs are potentially a very fertile source of data and information about the road environment. The survey was picked up in that project, which ran for three months from the very end of 2017 to the beginning of 2018. That piece of work, which was a very extensive discovery project, led to the recent TRO discovery project that we launched at the end of last year and is just coming to a conclusion. That is what happened. It evolved into something slightly larger.²⁵

15. In March 2018 the Minister who succeeded Andrew Jones, Jesse Norman MP, said that the Department for Transport had been considering the scope for improving the TRO process and as a result was:

... undertaking a broader piece of work to gather evidence on the issue of pavement parking including how it is addressed in current regulation. We expect to be able to draw conclusions later this year.²⁶

However, by November 2018 the Government’s position remained that it was “in the process of gathering evidence on the problems posed by vehicles parking on pavements, the effectiveness of current regulation, and the case for change”.²⁷ Jesse Norman said that the Department for Transport had held meetings with a range of stakeholders, including accessibility campaigners, local authority managers, and motoring associations, with the intention of completing this evidence gathering by the end of 2018.²⁸

16. Most recently, on 15 April 2019 the then Minister said that the Department for Transport was still “considering the findings of its internal review on the issue of pavement parking, and will be announcing a decision in the coming months”.²⁹ The TRO discovery project—funded by the Department for Transport, and that is feeding into the Department’s internal review—reported to the Department on 30 August 2019.³⁰

23 [PQ 71396](#) on Parking: Pedestrian Areas, 24 April 2017

24 [PQ 4827](#) on Parking: Pedestrian Areas, 20 July 2017

25 [Q134](#)

26 [PQ 133316](#) on Parking: Pedestrian Areas, 26 March 2018

27 [PQ 191412](#) on Parking: Pedestrian Areas, 19 November 2018

28 [PQ 242828](#) on Parking: Pedestrian Areas, 15 April 2019

29 [PQ 242828](#) on Parking: Pedestrian Areas, 15 April 2019

30 GeoPlace, [TRO discovery Summary report](#), 30 August 2019

Situation elsewhere in Great Britain

London

17. Since 1974 there has been a general ban on pavement parking in London.³¹ A London highway authority—a London Borough Council or Transport for London—may suspend the pavement parking ban in specific circumstances and for specific areas of road by passing a resolution³² or issuing a notice.

18. Spencer Palmer, Director of Transport and Mobility at London Councils, told us that exemptions from the pavement parking ban in London do not require the use of TROs:

For exemptions to the footway parking ban in London, there is a more informal process. There has to be a resolution of the council, [...] but there will be a more informal consultation process [than a TRO] to propose a series of exemptions in a particular street or streets and seek residents' views.³³

19. Exemptions from the London pavement parking ban do not require advertising in a print newspaper, though typically a highway authority will take other steps to raise public awareness. Spencer Palmer from London Councils told us:

Although you are not obligated to advertise in a local paper, as you do for other traffic orders, typically you would write to every resident, business and premises in the street concerned. You might want to put up street notices as well, to pick up people who use the street but do not necessarily live or work there ...³⁴

The TRO process is still followed in London for other restrictions, but not for exemptions from the pavement parking ban.³⁵

Scotland

20. The Scotland Act 2016³⁶ devolved competence over on-street parking to the Scottish Parliament.³⁷ Part 4 of the Transport (Scotland) Bill,³⁸ currently going through the Scottish Parliament, includes a clause that would ban pavement parking across Scotland. The Bill completed Stage 2 on 26 June 2019. The ban would apply to any stationary vehicle with one or more of its wheels (or part of them) on the pavement. This includes when the engine is running, or the driver is present. The Bill also provides for exemptions from

31 Provided for under the Greater London Council (General Powers) Act 1974, [section 15](#).

32 For a resolution to be passed or a notice to be issued the highway authority must: "take such steps as are necessary to secure the placing on or near the road or footpath, or the part thereof, to which the resolution or notice relates of such traffic signs in such position as they consider requisite". Greater London Council (General Powers) Act 1974, [section 15](#), subsections (5) and (6).

33 [Q45](#)

34 [Q52](#)

35 [Q45](#)

36 Scotland Act 2016, [Section 43](#)

37 This followed years of confusion and debate; for full details see: Scottish Parliament Information Centre (SPICe), [Transport \(Scotland\) Bill: Pavement Parking and Double Parking](#), 30 October 2018, page 8.

38 [Transport \(Scotland\) Bill](#) [Scottish Parliament]

the national ban, which will be set out in Directions by Scottish Ministers.³⁹ Any local authority seeking to apply an exemption would be required to erect road signs indicating that a footway was the subject of an exemption order.⁴⁰

Wales

21. The legal position regarding pavement parking in Wales is unclear.⁴¹ The competencies covering this have not been tested. The National Assembly for Wales Economy, Infrastructure and Skills Committee report; *Post Legislative Scrutiny of the Active Travel (Wales) Act 2013*,⁴² recommended that the Welsh Government work regionally with police and local authorities to agree innovative ways to tackle pavement parking, including changing driver behaviour and raising awareness of its impacts. The Welsh Government accepted this in principle.⁴³ On 4 July 2019 at the Active Travel conference in Cardiff the Deputy First Minister announced that the Welsh Government intends to convene an expert group to explore ways of clamping down more widely on illegal parking, including pavement parking, across Wales.⁴⁴

39 Not yet published

40 SPICe, [Transport \(Scotland\) Bill: Pavement Parking and Double Parking](#), 30 October 2018

41 Wales Act 2017 [Schedule 7](#) does not go into detail.

42 Economy, Infrastructure and Skills Committee [Welsh Assembly], [Post Legislative Scrutiny of the Active Travel \(Wales\) Act 2013](#), June 2018

43 Government response to Economy, Infrastructure and Skills Committee [Welsh Assembly], [Post Legislative Scrutiny of the Active Travel \(Wales\) Act 2013](#), June 2018, page 10

44 Welsh Government, [Welsh Government to take action against pavement parking](#), 4 July 2019

3 Effect on people

22. Pavement parking effects everyone, but some are more adversely affected than others. These groups include:

- a) People who have visual impairments;
- b) People who are neurodiverse;
- c) People who use mobility aids to get around; and
- d) People with prams and pushchairs or walking with children.

23. Many of the difficulties experienced are due to the way pavement parking reduces the useable width of the pavement. People who rely on a mobility aid, such as a stick, walking frame, mobility scooter or wheelchair, may be impeded or find the pavement impassable. People with a visual impairment may need support from a carer while walking or use a long cane or guide dog. At the engagement event we held in Bexhill-on-Sea we heard that effective use of a long cane is impossible if the available pavement is too narrow. In Bexhill-on-Sea we also heard how people had been injured when they were forced to squeeze through spaces that were too narrow because of vehicles parked on pavements.

24. Some people with visual impairments use guide dogs. When faced with a hazard the guide dog is trained to stop, but the user of the guide dog does not necessarily know why they have stopped. On our walk around Bexhill-on-Sea we were accompanied by a guide dog user and saw first-hand the difficulties they face. When a guide dog has stopped unexpectedly their user has to think why the dog has stopped and what danger they are facing, before deciding what action to take. A vehicle parked on the pavement might force a guide dog user and their dog to step out into the road.⁴⁵

25. Another issue with pavement parking, particularly for those with a visual impairment, is its lack of predictability. Chris Theobald from Guide Dogs told us that people get to know their local areas and certain obstructions are expected or appear routinely. For example, street furniture, when it is bin collection day or where there are advertising boards outside shops. He went on to explain that “pavement parking could crop up anywhere essentially. That can really add to people’s nervousness about stepping out independently”.⁴⁶

26. Many pavements are not built to take the weight of vehicles and can result in trip hazards. Pavements become cracked and uneven creating an unpredictable surface as well as damage to kerbs and grass verges. Councils bear the costs of these repairs.⁴⁷ As noted in our July 2019 report on local roads funding and maintenance,⁴⁸ there has been historic, long-term underfunding to properly maintain the local road network, including pavements. Councils should not have to bear the unnecessary extra costs associated with having to repair pavements damaged by persistent pavement parking.

45 Miss Lisa Boocock ([PPA0021](#)), Mr George Hogman ([PPA0078](#)), Simon Daws ([PPA0218](#)), Guide Dogs ([PPA0350](#))

46 [Q18](#) [Chris Theobald]

47 The East Riding of Yorkshire Council ([PPA0069](#)), Bournemouth, Christchurch and Poole Council ([PPA0235](#)), Telford & Wrekin Council ([PPA0281](#)), West Midlands Combined Authority (Transport for West Midlands) ([PPA0336](#)), Southend-on-Sea Borough Council ([PPA0338](#)), St Helens Council ([PPA0342](#)), Surrey County Council ([PPA0347](#)), Northumberland County Council ([PPA0348](#)), Sheffield City Council ([PPA0349](#)), Mid Sussex District Council ([PPA0395](#))

48 Transport Committee, Tenth report of the session 2017–19, [Local roads funding and maintenance: filling the gap](#), HC1486

27. We heard how pavement parking can make some people so afraid that they do not leave their home and how this can increase the risk of social isolation. Living Streets, the walking charity, surveyed its members about the impact pavement parking has on their daily lives. Social isolation was highlighted as an issue by some of the 4,000 people who responded. One person said:

My disabled sister is now housebound in the area we were born and bred in because of selfish parking [...] It became impossible for me to take my elderly mother for a walk around the block, physically supported, because there wasn't enough room left for 2 people to walk side-by-side.⁴⁹

28. Parking over dropped kerbs restricts the ability of people using wheelchairs and mobility scooters to leave their homes. When drivers park over dropped kerbs people who use these mobility aids are unable to go out, have to complete their journeys in a different and sometimes longer way, put themselves in danger in the path of vehicles or have to abandon their journey and return home.⁵⁰

29. The evidence we received clearly shows that, in some areas, pavement parking and damage to pavements is causing loneliness.⁵¹ In October 2018 the Government published a loneliness strategy.⁵² It states that the Government is “committed to long-lasting action to tackle the problem of loneliness”.⁵³

30. Another group who are affected by pavement parking are people who have babies or young children. They may use prams or pushchairs or need to walk directly alongside their children.⁵⁴ The width of the pavement can put these young and vulnerable pedestrians at risk. Mrs Susan Lyons, a member of the public, told us that with a double buggy it can be difficult to get around. She said: “the lives of me and my children were at greater risk of being hit by a car on the road, than they would have been on a pavement”.⁵⁵ Emily Steadman, a member of the public, who faces pavement parking issues outside her children’s school told us:

[Pavement parking] not only makes walking down the pavement extremely unpleasant [...] cars driving on and off the pavement create a hazard for small children who can't easily be seen from the wheel of a car. I have had a number of terrifying occasions where my children have very nearly been hit by a car coming on or off the pavement as they've run along.⁵⁶

49 Living Streets-additional written evidence ([PPA0438](#))

50 Dana O'Connor ([PPA0036](#)), Terence Fleming ([PPA0041](#)), Mr Richard Toulson ([PPA0044](#)), Alan Woodard ([PPA0045](#)), Steven Gibson ([PPA0052](#)), Mr Steve Hatton ([PPA0065](#)), Mr Leslie Phillips ([PPA0087](#)), Dr Barbara Lucas ([PPA0103](#)), Mr D M ([PPA0132](#)), Mr Morris Steel ([PPA0142](#)), Mrs Lisa Ainsworth-Barnes ([PPA0201](#)), Mrs Alison Morgan ([PPA0211](#)), Mr Eddie Clark ([PPA0269](#)), National Rheumatoid Arthritis Society ([PPA0280](#)), Arthur Ward ([PPA0357](#)), Mr Douglas Campbell ([PPA0402](#)), Mr Gordon Guest ([PPA0404](#))

51 Bristol Walking Alliance ([PPA0060](#)), Mr D M ([PPA0132](#)), Green Councillors' Group, Bristol City Council ([PPA0220](#)), National Rheumatoid Arthritis Society ([PPA0280](#)), Birmingham and Black Country Sight Loss Councils ([PPA0318](#)), Oxfordshire County Council Public Health ([PPA0346](#)), Guide Dogs ([PPA0350](#)), NFBUK ([PPA0359](#)), Leicester Disabled People's Access Group ([PPA0364](#)), Mr Robin Kenworthy ([PPA0375](#)), Living Streets ([PPA0399](#)), Living Streets-additional written evidence ([PPA0438](#))

52 HM Government, [A connected society, A strategy for tackling loneliness – laying the foundations for change](#), 15 October 2018

53 HM Government, [A connected society: a strategy for tackling loneliness](#), 15 October 2018

54 [Q10](#)

55 Mrs Susan Lyons ([PPA0048](#))

56 Mrs Emily Steadman ([PPA0323](#))

31. The Department for Transport recognise in their evidence that pavement parking “can cause serious problems for pedestrians, and particularly for people in wheelchairs or with visual impairments, and those with prams or pushchairs”.⁵⁷ Michael Ellis MP, the then Minister of State for Transport with responsibility for parking, told us that the Department was “seeking to make progress on the issue of pavement parking”.⁵⁸

32. Pavement parking affects everyone who uses the pavement. Pavement parking puts pedestrians in danger when they are forced to move into the road to get around a vehicle or where there are trip hazards due to damage to the pavement. People with mobility or visual impairments, as well as those who care for others, are disproportionately affected. It exacerbates, and is a cause of, social isolation and loneliness for people who feel unable to safely leave their homes or are physically prevented from doing so by pavement parking. We find it profoundly regrettable that the Government has taken so long to take any action to deal with this issue. There have been no concrete actions to tackle pavement parking and improve people’s daily lives. We recognise that the Government has to balance the needs of drivers and pedestrians. *We recommend that the Government commits to tackling pavement parking as part of its Loneliness Strategy. We recommend that the Government swiftly learns the lessons from the work being done in other areas of Great Britain.* We will be watching the actions of Scotland and Wales around pavement parking with interest.

57 Department for Transport ([PPA0233](#)) para 5

58 [Q158](#)

4 Solutions

Education and awareness of drivers

33. Driving onto the pavement is illegal and, in almost all cases, vehicles parked on the pavement will have been driven onto the pavement in breach of this law. It is unclear how widespread public awareness is of this offence.

34. Some evidence suggests drivers may do something even when they know it breaks the rules. Chris Theobald from Guide Dogs told us that a 2017 YouGov survey found that 55% of drivers had considered the impact of pavement parking on people with visual impairments but did it regardless.⁵⁹ Ian Taylor from the Alliance of British Drivers (ABD) said the majority of its members are aware of the rules but “as regards to practice, and what people think that they can get away with, because there has not been much actual enforcement where it is not allowed, people tend to do it”.⁶⁰ Drivers can be unaware that it is illegal to drive on the pavement, are unaware of the implications of pavement parking, or do know but park on the pavement anyway because the threat of enforcement is low.

35. The issue of being able to get away with an offence because it is not enforced is an important one. Michael Ellis MP, the then Minister, acknowledged this when he told us “Many people feel that it is something that they are allowed to do, or they are in some doubt about whether they are allowed to do it and think that the rules may not be enforced [...] it is not clear to every road user where the parameters are and how they apply”.⁶¹

36. In the UK, once you have passed your driving test there is no compulsory re-testing.⁶² A driver is expected to keep up-to-date with any changes to the Highway Code, but this is not checked or recorded.⁶³ To date the Government has never run a campaign to increase public awareness that driving onto the pavement is illegal or to raise awareness of the negative effects of pavement parking.⁶⁴ We welcomed comments from Michael Ellis that this would change. He said:

... pavement parking is quite a visual image. I would have thought that a marketing campaign would be able to address it in quite a straightforward way and, hopefully, facilitate change. We are seeking to do that right now [...] we would engage professionals to look at how we best relay the message to people that pavement parking is dangerous. It causes damage, loss and injury, and we know that it can cause death, and we want to address those issues.⁶⁵

59 [Q2](#) [Chris Theobald]

60 [Q7](#)

61 [Q127](#)

62 Except in the case of retesting following a driving ban or in some cases of medical withdrawal of a driving licence.

63 This largely only manifests in the event of a driving offence being committed - ignorance of the law is not a defence. Similarly, there is no offence of disobeying the Highway Code per se, but failure to observe its advice can constitute evidence of carelessness, or in extreme cases even dangerous driving.

64 [Q177](#)

65 [Q179](#)

However, we are concerned that Mr Ellis qualified this answer when he told us that “of course, budgets are finite and decisions have to be made. One has to look at where the most harm is being done and try to address those areas”.⁶⁶ In a follow up letter to the Committee the Minister said that he would give “further consideration” to an awareness campaign about the difficulties caused by pavement parking.⁶⁷

37. We welcome the then Minister’s comments recognising how dangerous pavement parking can be and committing to consider a public awareness campaign on the issue. However, this does not go far enough. We are concerned that there is no real urgency in the Department for Transport to develop a campaign or to find a budget to fund it. A public awareness campaign will not solve the problem of pavement parking by itself, but it is a necessary part of any effort to curtail the incidence of pavement parking. It may reduce the number of people who knowingly break the law and change the behaviour of those who do not know and drive onto a pavement, or are unaware of the effect it has on other people. We recommend that the Department for Transport plan, fund and deploy a national awareness campaign to highlight that driving onto the pavement is illegal, and to show the negative consequences of pavement parking for pedestrians including older people, disabled people and children. This campaign should highlight the physical dangers involved in pavement parking; how it can cause social isolation; and aim to reduce the instances of pavement parking.

Traffic Regulation Orders (TROs) and pavement parking

38. As described above, a Traffic Regulation Order (TRO) is a tool that local authorities can use to place restrictions on traffic in their areas, including banning pavement parking in a specific area.⁶⁸ There is an extensive network of TROs in place across the country. However, these tend to be for widespread on-street parking restrictions, limiting the movements of heavy goods vehicles and other traffic management purposes. Living Streets found that from 2016-2018 37% of local authorities had put TROs in place to restrict pavement parking.⁶⁹

39. We heard that there are several reasons why some councils are not using TROs to ban pavement parking in whole or part in their local areas. Simon Botterill from Sheffield City Council told us that the process is archaic: “We have a very dense legal system. In this day and age, we ought to be able to move more quickly on the processes and update our data faster and publish it. With the processes we have it is very difficult to move into the modern world”.⁷⁰ The TRO discovery project funded by the Department for Transport encouraged the Department to address this issue, and the project report stated that the Department was commencing a 16-week legislative review of Traffic Regulation Order legislation.

66 [Q180](#)

67 [Letter received 10 July 2019 from Michael Ellis MP, Minister of State, Department for Transport](#)

68 These can be made under Parts I and IV of the [Road Traffic Regulation Act 1984](#).

69 Living Streets ([PPA0399](#)), page 17; 38 of 103 local authorities who responded to Living Streets’ 2018 freedom of information request put pavement parking TROs in place between 2016 and 2018.

70 [Q46](#)

40. Each TRO requires a consultation to allow people to object to a proposal. Tim Young, from Norfolk County Council, told us that TROs can be straightforward if there are no objections, however “If you get into a dialogue with local residents or stakeholder groups, it becomes very resource intensive for a local authority”.⁷¹

41. Making a TRO can be a time consuming and expensive process.⁷² TROs are required by law to be advertised in a local newspaper with significant circulation.⁷³ PATROL (Parking and Traffic Regulations Outside London) told us this can cost up to £1,000.⁷⁴ Simon Botterill told us that one recent advert cost £3,000.⁷⁵ Surrey County Council said that they spend approximately £75,000 per year on advertising parking restriction notices alone.⁷⁶ Tim Young from Norfolk County Council told us that the majority of the cost of making a TRO comes from the advertising requirements.⁷⁷

42. The Department for Transport has previously looked at removing the requirement to advertise in a newspaper. In 2011 an Impact Assessment was published. It had the policy aim to “remove the burdensome regulation [...] by removing the duty to advertise TROs in local newspapers”.⁷⁸ However, following public consultation in 2012 the Government concluded that withdrawing the requirement to advertise could undermine the local newspaper industry and as a result decided against any change.⁷⁹

43. Since the requirement to advertise in a print newspaper was first introduced in 1986⁸⁰ the way people consume local news has changed. Print circulation for UK local and regional newspapers more than halved in the decade to 2017—from 63.4 million to 31.4 million.⁸¹ According to research by Oxford’s Reuters Institute for the Study of Journalism, only one person in ten now reads a regional or local printed paper every week.⁸² Michael Ellis MP, the then Minister of State for Transport, told us that he wanted to “make sure that we continue our duty of ensuring that, when TROs are passed by a local authority, they are seen by as wide a range of people as possible”.⁸³ The Government funded TRO discovery project reported that “Road users who responded to a Transport Focus survey told us that there are 8 methods that would better meet their needs for communication changes about the network than an official notice in the local paper” and that “only 7% of road users find out about plans for road network changes through an official notice

71 [Q40](#)

72 Mayor of Greater Manchester and Greater Manchester Cycling and Walking Commissioner ([PPA0418](#)), Northumberland County Council ([PPA0348](#)), Surrey County Council ([PPA0347](#)), Hertfordshire County Council ([PPA0321](#)), PATROL (Parking and Traffic Regulations Outside London) ([PPA0334](#)), Liverpool City Council ([PPA0309](#)), Cambridgeshire County Council ([PPA0285](#)), Brighton & Hove City Council ([PPA0278](#)), Durham County Council ([PPA0261](#)), Bournemouth, Christchurch and Poole Council ([PPA0235](#)), Devon County Council ([PPA0234](#)), The East Riding of Yorkshire Council ([PPA0069](#)), East Hampshire District Council ([PPA0032](#))

73 Local Authorities’ Traffic Orders (Procedure) (England and Wales) Regulations 1996 (SI 1996/2489) as amended, [Regulation 7](#)

74 PATROL (Parking and Traffic Regulations Outside London) ([PPA0334](#))

75 [Q44](#)

76 Surrey County Council ([PPA0347](#))

77 [Q42](#)

78 Department for Transport, [Traffic Orders - Deregulating Publicity Requirements](#), 22 August 2011, page 1

79 HC Deb 7 February 2013, [col 427](#) Westminster Hall

80 The Local Authorities’ Traffic Orders (Procedure) (England and Wales) Regulations ([SI 1986/179](#)). This requirement was renewed and revised in 1989—The Local Authorities’ Traffic Orders (Procedure) (England and Wales) Regulations ([SI 1989/1120](#))—and most recently in 1996—Local Authorities’ Traffic Orders (Procedure) (England and Wales) Regulations 1996 ([SI 1996/2489](#)).

81 Mediatique report for Department for Digital, Culture, Media & Sport, [Overview of recent dynamics in the UK press market](#), April 2018

82 Reuters Institute for the Study of Journalism, [Digital News Report 2018](#), pp62–63

83 [Q142](#) [Michael Ellis]

in the local paper.”⁸⁴ Simon Botterill said that Sheffield City Council go beyond their statutory duty and generally post street notices and send letters to those affected by any TRO proposals. He told us that Sheffield does this “because it does not believe that the press offers that level of distribution of information to people”.⁸⁵

44. The TRO process can be difficult. Although local authorities can use these powers to ban pavement parking, there is little information on how widely they are used. If the TRO process was made easier and cheaper it would incentivise more local authorities to use these powers. We recommend that the Government bring forward proposals to reform the TRO process—to make it cheaper and easier for local authorities to use—and bring forward any required secondary legislation, if necessary, by spring 2020.

45. We believe that public consultation and the right of local people and businesses to object to any change that would have a material impact on their lives is an important part of the Traffic Regulation Order (TRO) process and must be retained. However, the TRO process has an onerous and outdated provision requiring advertisement in a local newspaper. It is vital that people who are affected by a TRO have time to object. Given the seismic changes to news consumption since these provisions were enacted, this imperfectly meets the policy objective of letting as many people as possible who may be affected know about a TRO. We recognise the importance of providing support for local newspapers, but if the Government wishes to do this, it should be done directly, not indirectly through the TRO process. The local authority is best placed to know how to communicate with the community it serves. People can only object if they are informed. Removing the requirement to advertise in a local newspaper would make the TRO process cheaper for local authorities and increase the likelihood of them using TROs to enact pavement parking bans. We recommend that the Government abolish the requirement to advertise TROs in a local newspaper. It should replace this with a requirement for the local authority to maximise the reach of its advertising to the largest number of people by whatever media would best achieve this. The Government should commit to achieving this by spring 2020: it should be delivered alongside the wider reforms to TROs recommended above.

84 GeoPlace, [TRO discovery Summary report](#), 30 August 2019, p22

85 [Q70](#)

Enforcement

46. The Committee received many pieces of evidence outlining examples of members of the public reporting issues relating to pavement parking being passed from the local authority to the police and back again.⁸⁶ Crispin Blunt MP told us “I have contacted the Surrey County Council, Reigate & Banstead Council and the Police, each one passing the problem on to the other, with the result of course that no one takes any action”.⁸⁷

47. The police and local authorities have limited resources to enforce pavement parking restrictions. The Police and Crime Commissioner for Devon and Cornwall told us that “there is little appetite for enforcement. The issue of resources [...] is clearly a key reason for this”.⁸⁸ The then Minister recognised that this was a problem but said that ultimately “it is about priorities and choices about what gets enforced”.⁸⁹

48. We heard evidence that some local authorities have submitted requests to the Department for Transport to decriminalise parking so they are able to enforce parking restrictions laid out in TROs. We understand that at least one local authority has been informed that the legislative process for doing this would be delayed due to the Parliamentary timetable for the UK exiting the European Union. We have heard that East Sussex County Council, as part of its parking decriminalisation submission for the area in and around Bexhill-on-Sea, where we saw ample evidence of a lack of parking enforcement by the police, had been given a provisional date by the Department for Transport for mid-2020, but due to resourcing issues within the Department we understand that this has been moved towards the end of 2020.

49. Areas which have not had their parking enforcement decriminalised lack the resources to ensure adequate parking enforcement. This can blight communities and encourages anti-social parking behaviour, such as pavement parking. We saw numerous examples of this anti-social behaviour during our visit to Bexhill-on-Sea. The then Minister, Michael Ellis MP, assured us that the application from East Sussex would be considered with haste. *The Department for Transport must not drag its feet, citing external or resourcing issues, and must act now to meet the requests of local authorities to decriminalise pavement parking enforcement.*

86 Miss Lisa Boockock ([PPA0021](#)), Mrs Anna Langley ([PPA0028](#)), Chris Garbett ([PPA0051](#)), J Ardron ([PPA0056](#)), Bristol Walking Alliance ([PPA0060](#)), Pedestrian Liberation ([PPA0061](#)), The East Riding of Yorkshire Council ([PPA0069](#)), CycleSheffield ([PPA0077](#)), Graham Turnbull ([PPA0082](#)), Mr Mike Parker ([PPA0114](#)), Mr Anthony Keith Marquis ([PPA0127](#)), Mr Jerry Cullum ([PPA0134](#)), Mr Morris Steel ([PPA0142](#)), Mr Neil Meadows ([PPA0149](#)), Mr James Burton ([PPA0177](#)), Jamie Wood ([PPA0194](#)), Green Councillors' Group, Bristol City Council ([PPA0220](#)), Mrs Laurence Pinturault ([PPA0251](#)), Matthew Wilson ([PPA0254](#)), Andrew Foxcroft ([PPA0274](#)), Crispin Blunt MP ([PPA0276](#)), Mr Mark Kemp ([PPA0306](#)), Birmingham and Black Country Sight Loss Councils ([PPA0318](#)), PATROL (Parking and Traffic Regulations Outside London) ([PPA0334](#)), Mr Steve Hamilton ([PPA0337](#)), Mr Andrew Barclay ([PPA0341](#)), Northumberland County Council ([PPA0348](#)), Guide Dogs ([PPA0350](#)), Mr S.J. Eastwood, Snr. ([PPA0351](#)), Ms Deborah Watson ([PPA0362](#)), Cycle Basingstoke ([PPA0370](#)), Mr William McKinnon ([PPA0372](#)), Mr Tim Pickering ([PPA0386](#)), Dr Martin Parretti ([PPA0396](#)), Mr Jeremy Varns ([PPA0412](#)), Chris Maxim ([PPA0419](#)), Living Streets-additional written evidence ([PPA0438](#))

87 Crispin Blunt MP ([PPA0276](#))

88 Police and Crime Commissioner for Devon and Cornwall ([PPA0422](#))

89 [Q172](#) [Michael Ellis]

50. As set out in Chapter 2, above, to make the enforcement responsibilities of councils and the police clearer some local authorities⁹⁰ have agreed a memorandum of understanding with their local police about enforcement policy. In Norfolk, the memorandum states that “If a wheelchair or child’s buggy can pass a vehicle parked on the footway then no enforcement action [by the police] will take place”.⁹¹

51. The Committee received examples of good practice and suggestions for different types of enforcement and community initiatives to discourage pavement parking. Sadly, not all of these have proved to be sustainable. City of York Council said that they have tried leafleting cars when they do not allow sufficient space for a wheelchair or pushchair to pass by.⁹² Charnwood Borough Council told us it had run a campaign that gave a single point of contact to whom the public could report incidents of pavement parking where there was less than one metre to get past. There were clear instructions and the public were informed what constituted an offence. This was a joint initiative with the police but did not last: “in 2016 the Police felt they could not offer the resource to deal with these cases anymore. As a result, customers were passed to the council who have no powers where there are no signs and lines”.⁹³

52. The Police and Crime Commissioner for Devon and Cornwall told the Committee that there is widespread confusion and dissatisfaction with enforcement of pavement parking.⁹⁴ The Government admitted in its evidence that the different enforcement roles of the police and local authorities are sometimes not clear.⁹⁵ The then Minister, Michael Ellis MP, noted that “clearly, parking violations of any sort are not a high priority for the police”.⁹⁶

53. As pavement parking can have such a detrimental impact on the lives of millions of people, including vulnerable road users, the only effective deterrent to parking illegally on the pavement is robust enforcement. We recognise that police and local authority budgets are tight. However, both must do more to make it clear to everyone who has enforcement responsibility and commit to doing that enforcement where resources permit. This could be made easier with consistent messaging. We recommend that the Government undertake actions to ensure that local authorities and police forces have access to the correct information about who enforces which offences and they are clear about their responsibilities. They should also commit to publicise to the general public who enforces which offences as part of the public awareness campaign we recommended above.

90 Norfolk County Council and Norwich City Council ([PPA0353](#)), Devon County Council ([PPA0234](#)), City of York Council ([PPA0182](#))

91 Norfolk County Council and Norwich City Council ([PPA0353](#))

92 City of York Council ([PPA0182](#))

93 Charnwood Borough Council ([PPA0282](#))

94 Police and Crime Commissioner for Devon and Cornwall ([PPA0422](#))

95 Department for Transport ([PPA0233](#)), para 44

96 [Q173](#)

Obstruction

54. Most people understand that restricting the width of the pavement can cause an obstruction. The then Minister, Michael Ellis MP, said that “most of us would recognise when a vehicle is parked in such a way that it obstructs lawful road users”.⁹⁷ We have been given different views on what is an acceptable width for pedestrians to be able to use the pavement. Ian Taylor from the Alliance of British Drivers (ABD) said that 1.2 metres would be acceptable.⁹⁸ The Department for Transport’s inclusive mobility guidance says that, where possible, the width of a pavement should be 2 metres.⁹⁹

55. Local authorities, including those in London, would like a clear legal definition of obstruction. Spencer Palmer from London Councils said that the crucial questions are “when is an obstruction an obstruction and what is the clear width you need?”.¹⁰⁰ Lincolnshire County Council said they would “welcome updated statutory guidance” on the matter.¹⁰¹

56. Some local authorities would like obstruction decriminalised so that the offence can be enforced by local authorities, rather than the police.¹⁰² York City Council told us this change would take pressure off the police.¹⁰³ PATROL (Parking and Traffic Regulations Outside London) have called for the Government to “add highway obstruction by a stationary vehicle to the list of contraventions for which civil enforcement applies”.¹⁰⁴ Louise Hutchinson from PATROL told us that local authorities want to share these powers with the police.¹⁰⁵

57. Before obstruction could be decriminalised it would have to be clearly defined in statute. Defining obstruction is likely to be difficult. The standard textbook, Wilkinson’s Road Traffic Offences,¹⁰⁶ has 12 densely-packed paragraphs explaining the degree and definition of ‘obstruction’ as it has been defined in caselaw over the past 100 years. Much turns on the question of “intent” in the current offences—e.g. whether obstructive parking is “wilful” or has been “caused” or “permitted”. The Minister of State for Transport, Michael Ellis MP, told us that “The use of the words “obstructing” or “obstruction” is known to law, and, with work, no doubt we could come to an agreement about what amounts to obstruction”.¹⁰⁷

58. Enforcement of parking offences is not a priority for the police. We believe that creating a new civil offence of obstructive pavement parking would take some burden from the police and allow for better, more consistent enforcement. It is important that enforcement sits with the body most able to enforce it: the evidence points to local authorities being that body, and in general they seem to want these powers. This would

97 [Q176](#)

98 [Q11](#)

99 Department for Transport, [Inclusive Mobility](#), 15 December 2005, Para 3.1

100 [Q54](#)

101 Lincolnshire County Council ([PPA0304](#))

102 The East Riding of Yorkshire Council ([PPA0069](#)), City of York Council ([PPA0182](#)), Bournemouth, Christchurch and Poole Council ([PPA0235](#)), Brighton & Hove City Council ([PPA0278](#)), Surrey County Council ([PPA0347](#))

103 City of York Council ([PPA0182](#))

104 PATROL (Parking and Traffic Regulations Outside London) ([PPA0334](#)); Traffic Management Act 2004 [schedule 7](#), Part 1

105 [Q60](#)

106 Kevin McCormac (General editor), Wilkinson’s Road Traffic Offences, 28th edition (London 2017), paras 6–210 to 6–221

107 [Q174](#)

take time to accomplish. A new offence would have to be defined in law before local authorities could assume the relevant enforcement powers. *We recommend that the Government consult on a new offence of obstructive pavement parking, with a view to making such an offence subject to civil enforcement under the Traffic Management Act 2004 and introducing the relevant legislation by summer 2020.*

5 A nationwide ban

59. We were struck by the amount of evidence we received about the impact of pavement parking on people’s daily lives and the depth of feeling there was about how this one activity can harm people’s everyday lives.¹⁰⁸ There were concerns, if a nationwide ban on pavement parking were to be implemented, about local authorities being able to make exemptions to best suit their local circumstances. There were also concerns raised in the evidence about street clutter,¹⁰⁹ cost¹¹⁰ and difficulty of exempting specific areas from a pavement parking ban.¹¹¹ However, this must be balanced against the serious negative consequences that pavement parking has on some of the most vulnerable in our society. We recognise that a nationwide ban on pavement parking would have an impact on some drivers who live on narrow residential streets with limited off-street parking and need their cars to get around.

60. The then Minister, Michael Ellis MP, told us that if the TRO process were used to make exemptions to a ban it would cost “at least £1,000 per street”.¹¹² He had not considered modelling any exemption order process on that used in London for more than 40 years, which is cheaper and simpler than a TRO—see Chapter 2, above.¹¹³ The then Minister said that in his view the option to do nothing was “not necessarily a bad option”.¹¹⁴ We disagree.

61. We recommend that, in the long term, the Government legislate for a nationwide ban on pavement parking across England, outside London. The legislation should give the Secretary of State for Transport powers to make secondary legislation setting out exemptions that local authorities can make from a nationwide ban. We recommend that the Government include in the legislation a provision for a new exemption order process based on the London model. The specific nature of those exemptions should only be determined following public consultation and the full involvement of local authorities across England. It should include a full impact assessment to weigh the resource implications to local authorities of different options. The enforcement of this ban should lie with local authorities and not the police who do not have time to enforce parking offences.

62. A public information campaign surrounding this work will help the public understand where they can park, the effects of pavement parking and where to report these offences. We recognise that this fundamental change cannot happen overnight, but the Government must commit to legislating on this issue before the end of this Parliament. In the meantime, we have set out some short- and medium-term options that could be delivered before a ban was in place.

108 41% of the evidence received supported a total ban on pavement parking.

109 Northumberland County Council ([PPA0348](#))

110 Devon County Council ([PPA0234](#))

111 Durham County Council ([PPA0261](#))

112 [Q165](#)

113 [Q170](#)

114 [Q159](#)

Conclusions and recommendations

Effect on people

1. Pavement parking affects everyone who uses the pavement. Pavement parking puts pedestrians in danger when they are forced to move into the road to get around a vehicle or where there are trip hazards due to damage to the pavement. People with mobility or visual impairments, as well as those who care for others, are disproportionately affected. It exacerbates, and is a cause of, social isolation and loneliness for people who feel unable to safely leave their homes or are physically prevented from doing so by pavement parking. We find it profoundly regrettable that the Government has taken so long to take any action to deal with this issue. There have been no concrete actions to tackle pavement parking and improve people's daily lives. We recognise that the Government has to balance the needs of drivers and pedestrians. We recommend that the Government commits to tackling pavement parking as part of its Loneliness Strategy. *We recommend that the Government commits to tackling pavement parking as part of its Loneliness Strategy. We recommend that the Government swiftly learns the lessons from the work being done in other areas of Great Britain.* (Paragraph 32)

Solutions

2. We welcome the then Minister's comments recognising how dangerous pavement parking can be and committing to consider a public awareness campaign on the issue. However, this does not go far enough. We are concerned that there is no real urgency in the Department for Transport to develop a campaign or to find a budget to fund it. A public awareness campaign will not solve the problem of pavement parking by itself, but it is a necessary part of any effort to curtail the incidence of pavement parking. It may reduce the number of people who knowingly break the law and change the behaviour of those who do not know and drive onto a pavement, or are unaware of the effect it has on other people. *We recommend that the Department for Transport plan, fund and deploy a national awareness campaign to highlight that driving onto the pavement is illegal, and to show the negative consequences of pavement parking for pedestrians including older people, disabled people and children. This campaign should highlight the physical dangers involved in pavement parking; how it can cause social isolation; and aim to reduce the instances of pavement parking.* (Paragraph 37)
3. The TRO process can be difficult. Although local authorities can use these powers to ban pavement parking, there is little information on how widely they are used. If the TRO process was made easier and cheaper it would incentivise more local authorities to use these powers. *We recommend that the Government bring forward proposals to reform the TRO process—to make it cheaper and easier for local authorities to use—and bring forward any required secondary legislation, if necessary, by spring 2020.* (Paragraph 44)

4. We believe that public consultation and the right of local people and businesses to object to any change that would have a material impact on their lives is an important part of the Traffic Regulation Order (TRO) process and must be retained. However, the TRO process has an onerous and outdated provision requiring advertisement in a local newspaper. It is vital that people who are affected by a TRO have time to object. Given the seismic changes to news consumption since these provisions were enacted, this imperfectly meets the policy objective of letting as many people as possible who may be affected know about a TRO. We recognise the importance of providing support for local newspapers, but if the Government wishes to do this, it should be done directly, not indirectly through the TRO process. The local authority is best placed to know how to communicate with the community it serves. People can only object if they are informed. Removing the requirement to advertise in a local newspaper would make the TRO process cheaper for local authorities and increase the likelihood of them using TROs to enact pavement parking bans. *We recommend that the Government abolish the requirement to advertise TROs in a local newspaper. It should replace this with a requirement for the local authority to maximise the reach of its advertising to the largest number of people by whatever media would best achieve this. The Government should commit to achieving this by spring 2020: it should be delivered alongside the wider reforms to TROs recommended above.* (Paragraph 45)
5. Areas which have not had their parking enforcement decriminalised lack the resources to ensure adequate parking enforcement. This can blight communities and encourages anti-social parking behaviour, such as pavement parking. We saw numerous examples of this anti-social behaviour during our visit to Bexhill-on-Sea. The then Minister, Michael Ellis MP, assured us that the application from East Sussex would be considered with haste. *The Department for Transport must not drag its feet, citing external or resourcing issues, and must act now to meet the requests of local authorities to decriminalise pavement parking enforcement.* (Paragraph 49)
6. As pavement parking can have such a detrimental impact on the lives of millions of people, including vulnerable road users, the only effective deterrent to parking illegally on the pavement is robust enforcement. We recognise that police and local authority budgets are tight. However, both must do more to make it clear to everyone who has enforcement responsibility and commit to doing that enforcement where resources permit. This could be made easier with consistent messaging. *We recommend that the Government undertake actions to ensure that local authorities and police forces have access to the correct information about who enforces which offences and they are clear about their responsibilities. They should also commit to publicise to the general public who enforces which offences as part of the public awareness campaign we recommended above.* (Paragraph 53)

7. Enforcement of parking offences is not a priority for the police. We believe that creating a new civil offence of obstructive pavement parking would take some burden from the police and allow for better, more consistent enforcement. It is important that enforcement sits with the body most able to enforce it: the evidence points to local authorities being that body, and in general they seem to want these powers. This would take time to accomplish. A new offence would have to be defined in law before local authorities could assume the relevant enforcement powers. *We recommend that the Government consult on a new offence of obstructive pavement parking, with a view to making such an offence subject to civil enforcement under the Traffic Management Act 2004 and introducing the relevant legislation by summer 2020.* (Paragraph 58)

A nationwide ban

8. *We recommend that, in the long term, the Government legislate for a nationwide ban on pavement parking across England, outside London. The legislation should give the Secretary of State for Transport powers to make secondary legislation setting out exemptions that local authorities can make from a nationwide ban. We recommend that the Government include in the legislation a provision for a new exemption order process based on the London model. The specific nature of those exemptions should only be determined following public consultation and the full involvement of local authorities across England. It should include a full impact assessment to weigh the resource implications to local authorities of different options. The enforcement of this ban should lie with local authorities and not the police who do not have time to enforce parking offences.* (Paragraph 61)
9. *A public information campaign surrounding this work will help the public understand where they can park, the effects of pavement parking and where to report these offences. We recognise that this fundamental change cannot happen overnight, but the Government must commit to legislating on this issue before the end of this Parliament. In the meantime, we have set out some short- and medium-term options that could be delivered before a ban was in place.* (Paragraph 62)

Formal minutes

Thursday 5 September 2019

Members present:

Lilian Greenwood, in the Chair

Ruth Cadbury Daniel Zeichner
Huw Merriman

Draft Report (*Pavement parking*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 62 read and agreed to.

Resolved, That the Report be the Thirteenth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Wednesday 16 October at 9.15am

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Wednesday 19 June 2019

Dr Rachel Lee, Policy and Research Coordinator, Living Streets, **Ian Taylor**, Director, Alliance of British Drivers, and **Chris Theobald**, Public Affairs Manager, Guide Dogs, **Simon Botterill**, Transport and Traffic, Design and Delivery Manager, Sheffield City Council, **Louise Hutchinson**, Director, PATROL, **Spencer Palmer**, Director, Transport and Mobility, London Councils, and **Tim Young**, Project Engineer (Policy and Performance), Norfolk County Council

[Q1–123](#)

Wednesday 3 July 2019

Michael Ellis MP, Minister of State, and **Anthony Ferguson**, Deputy Director, Traffic and Technology, Department for Transport

[Q124–186](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

PPA numbers are generated by the evidence processing system and so may not be complete.

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- 2 Simon Abbott ([PPA0135](#))
- 3 Jason Adams ([PPA0223](#))
- 4 Mr Nigel Ainsworth-Barnes ([PPA0145](#))
- 5 Mrs Lisa Ainsworth-Barnes ([PPA0201](#))
- 6 Colin Aldworth ([PPA0017](#))
- 7 Miss Ann Allen ([PPA0066](#))
- 8 Alliance of British Drivers ([PPA0185](#))
- 9 Altrincham and Bowdon Civic Society ([PPA0397](#))
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- 11 Anonymous - written evidence ([PPA0429](#))
- 12 J Ardron ([PPA0056](#))
- 13 Ms Helen Armitage ([PPA0246](#))
- 14 Automobile Association ([PPA0340](#))
- 15 Mr William Baer ([PPA0016](#))
- 16 Mrs Alison Baldock ([PPA0202](#))
- 17 Mr Andrew Barclay ([PPA0341](#))
- 18 Mr Chris Barker ([PPA0083](#))
- 19 Mrs Kim Barnettson ([PPA0073](#))
- 20 Katharine Barnett ([PPA0209](#))
- 21 Mrs Lorraine Barter ([PPA0047](#))
- 22 Mr David Beacham ([PPA0094](#))
- 23 Mr Philip Benstead ([PPA0067](#))
- 24 Mrs Amie Berkovitch ([PPA0240](#))
- 25 Ms Henrietta Bewley ([PPA0119](#))
- 26 Ms Frances Bibby ([PPA0019](#))
- 27 Mr Paul Biggs ([PPA0273](#))
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- 29 Birmingham City Council and West Midlands Police ([PPA0424](#))
- 30 Mr Paul Blomfield ([PPA0248](#))
- 31 Mr Harry Bloomfield ([PPA0090](#))
- 32 Mr Christopher Bloor ([PPA0107](#))
- 33 Crispin Blunt MP ([PPA0276](#))

- 34 Ian Bonner ([PPA0225](#))
- 35 Miss Lisa Boocock ([PPA0021](#))
- 36 Mr Graham Bounds ([PPA0287](#))
- 37 Bournemouth, Christchurch and Poole Council ([PPA0235](#))
- 38 Mr Colin Bousfield ([PPA0425](#))
- 39 Mr William Bramhill ([PPA0258](#))
- 40 Mr R Bravery ([PPA0250](#))
- 41 Ms Alison Brice ([PPA0302](#))
- 42 Grant Bright ([PPA0109](#))
- 43 Brighton & Hove City Council ([PPA0278](#))
- 44 Bristol Walking Alliance ([PPA0060](#))
- 45 British Parking Association ([PPA0374](#))
- 46 British Polio Fellowship ([PPA0434](#))
- 47 Mr Mark Brough ([PPA0242](#))
- 48 Mia Buckley ([PPA0035](#))
- 49 Mr Malcolm Buller ([PPA0289](#))
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- 57 Mr Douglas Campbell ([PPA0402](#))
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- 65 Charnwood Borough Council ([PPA0282](#))
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- 68 City of York Council ([PPA0182](#))
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- 70 Mr Philip Cleverley ([PPA0428](#)) and ([PPA0441](#))
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- 92 Simon Daws ([PPA0218](#))
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- 101 Mr Ian Dinwiddie ([PPA0146](#))
- 102 Disability Sheffield ([PPA0315](#))
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- 104 Disabled Persons Transport Advisory Committee (DPTAC) ([PPA0333](#))
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- 108 Mr Thomas Donoghue ([PPA0058](#))
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- 110 Dr Tim Jones, Oxford Brookes University ([PPA0245](#))
- 111 Paul Drake-Davis ([PPA0079](#))
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- 164 Mr Peter Hall ([PPA0253](#))
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- 194 Mr Peter Hutchinson ([PPA0268](#))
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All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

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Second Report	Improving air quality	HC 433 (HC 1149)
Third Report	Airports National Policy Statement	HC 548 (Cm 9624)
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Third Special Report	Improving air quality: Government Response to the Committee's Second Report of Session 2017–19	HC 1149
Fourth Special Report	Rail infrastructure investment: Government and Office of Rail and Road Responses to the Committee's Fourth Report of Session 2017–19	HC 1557
Fifth Special Report	Intercity East Coast franchise: Government Response to the Committee's Fifth Report of Session 2017–19	HC 1729
Sixth Special Report	Appointment of the Chair of the Office of Rail and Road: Government Response to the Committee's Sixth Report	HC 1859
Seventh Special Report	Rail timetable changes: Government and Office of Rail and Road Responses to the Committee's Seventh Report	HC 1939
Eighth Special Report	Mobility as a Service: Government Response to the Committee's Eighth Report	HC 1984

Submission to the Transport Select Committee by Surrey County Council

14 May 2019

The impact of pavement parking:

We know it causes problems for people to get along the footway safely, however we don't have data about number of complaints specifically or analysis of frequency/severity of problems.

Car ownership and housing density is increasing in Surrey. In many towns there is not enough parking space on streets, many of which were laid out before the car was invented. The lack of road space combined with infill development increases pressure to park on footways and verges. As a county council we spend approximately £300,000 per year managing parking restrictions and we have a countywide programme to tackle dangerous and obstructive parking but this might be done on a smaller scale if footway parking were prohibited.

Parking on footways and verges causes damage to the surface (and also potentially to utility company apparatus underneath) leading to additional maintenance costs and general degradation of the street scene / environment. This gives rise to complaints and residents often put logs/rocks/posts and other obstructions on verges to protect them.

Historically, when we have received complaints about footway or verge parking and obstruction in busy pedestrian areas we have installed bollards or other street furniture to prevent it. This can be expensive on a large scale, we estimate an annual spend of approximately £75,000 each year on this activity.

There are many residential streets with little off road parking where resident's cars are parked in almost every conceivable space on the road, footway or verge. Many residents rely on cars in areas less well served by public transport so managing this situation can be challenging, removing parking space quite often just causes displacement (usually somewhere less suitable)

It is not unusual for incidents and complaints over pavement parking to be associated with the areas near to schools at school journey times. This can impede journeys to school by those walking and scooting and can make travel by these modes less attractive and convenient. It can be especially problematical if it results in school children and parents having to walk or scoot in the road, or if the parked vehicle obscures visibility between different road users. If these problems deter more walking and scooting, and lead to more car use, then this results in more congestion, more air pollution, and is worse for the health of school children.

There is often confusion amongst the public regarding who enforces footway parking, particularly as parking in front of a dropped kerb is decriminalised under Civil Parking Enforcement (CPE) but parking so to block footways is not.

Current Practice

Surrey Police have powers to tackle obstruction on the highway including the footway. They do respond to serious obstructive parking problems but their policing priorities often mean 'routine' footway parking issues do not receive attention.

Current legislation (TSRGD 2016) allows us to prohibit or allow footway parking with the introduction of a TRO. We can also introduce waiting restrictions that apply to the back of the highway (verge or footway) to achieve the same effect but this means it is not possible to park on the road either.

It is challenging to introduce a Traffic Regulation Order (TRO) in an area where footway parking has been taking place for a long time. The most severe problems take place where residents have little/no off street parking, on a narrow road with high housing density. To ban parking in these circumstances is politically very challenging as parking capacity is reduced by ~50% and therefore such proposals are unpopular with the overwhelming majority of residents.

In some circumstances a permit parking scheme or CPZ may alleviate pressure by removing non resident parkers but in most cases the problems are worst in the evenings and overnight when only residents are home.

We have implemented two footway/verge parking bans in Surrey since the DfT relaxed the relevant signing regulations in 2011. Both schemes were introduced in Epsom and Ewell Borough over relatively small areas (about 6 streets each) and had to be signed at the boundaries with repeater signs at regular intervals. The combined cost of the traffic orders and signs for each scheme was about £5000 and covered a tiny percentage of the overall urban/residential area in Surrey. It would be prohibitively expensive to expand this type of restriction over large areas using the current TRO legislation and in the process greatly increase sign clutter.

Note: Local Authorities are still required to place a statutory notice in the local paper (usually twice) when promoting TRO's. We spend approximately £75,000 per year on parking restriction notices alone, despite concerted efforts to reduce this in recent years. We encourage feedback and objections to proposals via our web pages and always ask respondents how they came to find out about the planned restrictions. Generally 1% say they saw a notice in the local paper, the remainder from a letter/street notice/web or neighbour.

Surrey operates a 'parking review' process whereby we assess complaints and comments about parking issues in each borough every year. This picks up parking related safety and obstruction problems and we decide at a local level whether to introduce restrictions that may be needed. We tend to tackle persistent and dangerous footway obstruction in this process.

A 'national' blanket ban on footway and verge parking would create huge problems for many towns and villages in Surrey that are currently largely unrestricted. Many vehicles would be displaced and I expect obstruction of the highway rather than the footway would become more widespread.

Surrey County Council has a "Road Safety Outside Schools Policy" which sets out a process of how we respond to concerns over road safety near schools. This includes a site visit to assess the perceived problems and to develop highway solutions where possible. If pavement parking is an issue then options such as bollards and other parking controls can be considered, but this can be expensive and not always feasible. For the reasons described above enforcement can be problematical.

SCC recommendations to the committee

1. It doesn't seem practical/cost effective to introduce large scale pavement/verge parking bans as currently allowed by the TSRGD 2016. The cost of traffic orders and

signs would be prohibitive, particularly in locations where there may only be pavement parking by 'one or two' individuals

2. If a 'blanket ban' on pavement parking were to be introduced, our authority would come under huge pressure to introduce schemes that re-permit pavement parking (as in London) which would require a significant resource to implement and maintain at a time of severely reduced budgets, so the legislation would need to be supported by extra funding from central government.
3. It seems unlikely that pursuing such blanket schemes would be of greater benefit (from a safety perspective for example) than the schemes we're currently promoting with the resources at our disposal.
4. **From our perspective, the most effective approach would be to enable obstruction of the footway to be penalised as a civil matter under CPE, allowing us to take enforcement action against the main problems caused by pavement parking without the need for costly TROs and signage. This would also stop the police from being asked to divert resources to deal with the problem, although they could retain the powers to take action if necessary.**
5. **If councils had powers to enforce footway obstruction we could devise our own enforcement policies that might include considerations such as:**
 - **Setting a minimum width of footway that must be kept clear before obstruction was caused.**
 - **Taking into account traffic and pedestrian movement and the road hierarchy**
 - **A safety assessment of streets where footway parking was the norm to guide enforcement practice.**
 - **Publicity to inform highway users and residents and potentially issuing warnings for a first offence.**
- 6 **Contraventions of any new footway obstruction offence should be at the higher PCN level, currently £70 in Surrey.**
- 7 **Camera enforcement of footway obstruction should be permitted in areas where a prohibition by TRO is in place or elsewhere within 500m of a school during the operational hours of the school keep clear.**

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Review of Work undertaken by Overview and Scrutiny in 2019-20

Meeting date	Topic
July 2019	The role of Overview and Scrutiny
	Treasury Management Annual Report 2018/19
	Capital and revenue outturn 2017/18
	Project Management update
September 2019 Extraordinary	SBC's Policy stance on Heathrow expansion
September 2019	Review of Community Safety
	SW Rail update
	Project Management update
November 2019	Access to Healthcare in Spelthorne
	Capital Strategy update
	Budget Issues 2019/20 to 2020/21 presentation
	Housing and Homelessness Prevention Strategies
	Capital and Revenue Monitoring Q2
January 2020	Houses in Multiple Occupation – Article 4 Direction
	Review of Knowle Green Estates Ltd
	Treasury Management half-yearly report
July 2020	KGE Business Plan
	Provisional Capital and Revenue Outturn reports 2019/20
	Treasury Management outturn report 2019/20
	Pavement Parking

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Overview and Scrutiny Committee Work Programme 2019-2020/21

Outstanding issues from March		
ISSUE	Lead Officer	Objectives
1. Climate Change Working Group	Sandy Muirhead/Cllr Barratt	To receive a report on the work of the Task Group.
2. Report from River Thames TG	Chairman	To receive a report from the Chairman of the River Thames Task Group on its work.
3. Reports from Task Groups		To receive an update on the work of the Task Groups
4. O&S Statutory Guidance	Terry Collier	To receive a report on the new O&S Guidance
5. Work Programme and Cabinet Forward Plan	Chairman / Terry Collier	To note the proposed work programme and consider issues of interest for the future work programme from the Cabinet Forward Plan.

Other topics for future inclusion in Work Programme

- Surrey County Council cuts - How to facilitate shared ownership of the impact on the Borough and especially the impact on the voluntary sector.
- Financial implications of COVID-19 update – September
- Asset Management Plan – September
- Annual Asset Investment Report – September
- Community Asset Policy - September
- Fire Service operation post reduction in Stations – September/November 2020
- Review of Off-Peak Parking in Staines – November 2020
- 2021-22 Budget and beyond – initial discussion on issues and on Budget scrutiny process – November 2020

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Spelthorne Borough Council

Cabinet and Property and Investment Committee Forward Plan and Key Decisions



This Forward Plan sets out the decisions which the Cabinet expects to take over the forthcoming months, and identifies those which are **Key Decisions**.

A **Key Decision** is a decision to be taken by the Cabinet which is either likely to result in significant expenditure or savings or to have significant effects on those living or working in an area comprising two or more wards in the Borough.

The members of the Cabinet and their areas of responsibility are:

Whilst the majority of the Cabinet's business at the meetings listed in this Plan will be open to the public and press, there will inevitably be some business to be considered which contains confidential, commercially sensitive or personal information.

This is formal notice under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that part of any of the Cabinet meetings listed below may be held in private where exempt and / or confidential information is due to be considered.

Representations regarding this should be made to committee.services@spelthorne.gov.uk

Please direct any enquiries about this Plan to the Principal Committee Manager, Gillian Scott, at the Council offices on 01784 444243 or e-mail g.scott@spelthorne.gov.uk

Spelthorne Borough Council

Cabinet and Property and Investment Committee Forward Plan and Key Decisions for 24 June 2020 to 30 September 2020

Anticipated earliest (or next) date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer/ Cabinet Member
Property and Investment Committee 06 07 2020	Exempt report - Acquisition AA - Key Decision To consider the acquisition of a Property.	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £164,000	Private	Nick Cummings, Property and Development Manager Leader of the Council
Property and Investment Committee 06 07 2020	Exempt Report - Property Letting 'H'	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £164,000	Private	Nick Cummings, Property and Development Manager Portfolio Holder for Investment Portfolio and Management and Regeneration
Property and Investment Committee 06 07 2020	Exempt Report - Property Letting 'I' To consider the letting of property 'I'.	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £164,000	Private	Nick Cummings, Property and Development Manager Portfolio Holder for Investment Portfolio and Management and Regeneration
Cabinet 15 07 2020	Homelessness and Rough Sleeping Strategy 2020-2025 To consider a report on a review of the Strategy.	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	David Birley, Housing Strategy and Policy Manager Portfolio Holder for Housing
Cabinet 15 07 2020	Asset Management Plan To consider a draft Asset Management Plan	Non-Key Decision	Public	Heather Morgan, Group Head - Regeneration and Growth Portfolio Holder for Investment Portfolio and Management and Regeneration

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer/ Cabinet Member
Cabinet 15 07 2020	Annual Asset Investment Report To note the Annual Asset Investment report.	Non-Key Decision	Public	Nick Cummings, Property and Development Manager Leader of the Council
Cabinet 15 07 2020	Community Asset Policy To consider the proposed Community Asset Policy.	Non-Key Decision	Public	Nick Cummings, Property and Development Manager Portfolio Holder for Investment Portfolio and Management and Regeneration
Cabinet 15 07 2020	Corporate Plan Review To review the Corporate Plan and recommend it to Council for adoption.	Non-Key Decision	Public	Lee O'Neil, Deputy Chief Executive Leader of the Council
Cabinet 15 07 2020	Treasury Management Outturn Report 2019/20 To note the Treasury Management outturn report for 2019/20.	Non-Key Decision	Public	Anna Russell, Deputy Chief Accountant Deputy Leader and Portfolio Holder for Finance
Cabinet 15 07 2020	Provisional Revenue Outturn Report 2019/20 To note the provisional revenue outturn report for 2019/20 and consider the proposed revenue carry forward figures.	Non-Key Decision	Public	Laurence Woolven, Chief Accountant Deputy Leader and Portfolio Holder for Finance

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer/ Cabinet Member
Cabinet 15 07 2020	Provisional Capital Outturn Report 2019/20 To consider the provisional capital outturn report for 2019/20 and the proposed capital carry forward requests.	Non-Key Decision	Public	Laurence Woolven, Chief Accountant Deputy Leader and Portfolio Holder for Finance
Cabinet 15 07 2020	Street Traders Fees and Charges 2020-21 To consider the fees and charges for street traders for 2020-21	Non-Key Decision	Public	Tracey Willmott-French, Senior Environmental Health Manager Portfolio Holder for Environment and Compliance
Cabinet 15 07 2020	Appointments to Outside Bodies To consider Council appointments to Outside Bodies.	Non-Key Decision	Public	Gillian Scott, Principal Committee Manager Leader of the Council
Cabinet 15 07 2020	Replacement Spelthorne Leisure Centre - outcome of Consultation	Non-Key Decision		Lee O'Neil, Deputy Chief Executive Leader of the Council
Property and Investment Committee 20 07 2020	Exempt report - Acquisition AB - Key Decision To consider the acquisition of a Property	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £164,000	Private	Nick Cummings, Property and Development Manager Leader of the Council
Property and Investment Committee 20 07 2020	Exempt Report - Property Letting 'J' To consider the letting of property 'J'	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £164,000	Private	Nick Cummings, Property and Development Manager Portfolio Holder for Investment Portfolio and Management and Regeneration

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer/ Cabinet Member
Property and Investment Committee 20 07 2020	Exempt report - Property Letting 'K' To consider the letting of property 'K'	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £164,000	Private	Nick Cummings, Property and Development Manager Portfolio Holder for Investment Portfolio and Management and Regeneration
Property and Investment Committee 04 08 2020	Exempt report - Acquisition AC - Key Decision To consider the acquisition of a Property	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £164,000	Private	Nick Cummings, Property and Development Manager Leader of the Council
Property and Investment Committee 04 08 2020	Exempt Report - Property Letting 'L' To consider the letting of property 'J'.	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £164,000	Private	Nick Cummings, Property and Development Manager Portfolio Holder for Investment Portfolio and Management and Regeneration
Cabinet 23 09 2020	Exempt Report - Planned and Reactive Repairs Managed Service Tender To consider an exempt report on the tenders received for the Planned and Reactive Repairs Managed Service contract.	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £164,000	Private	Hilary Gillies, Interim Corporate Procurement Manager Portfolio Holder for Investment Portfolio and Management and Regeneration
Cabinet 23 09 2020	Exempt Report - White House and Harper House Managed Services To consider a tender report on a managed service provider for the White House Hostel and Harper House	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £164,000	Private	David Birley, Housing Strategy and Policy Manager Portfolio Holder for Housing

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer/ Cabinet Member
Cabinet 23 09 2020	Exempt report - Thameside House construction budget - Key Decision To consider an exempt report on the construction budget for Thameside House.	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £164,000	Private	Richard Mortimer, Asset Management Contractor Leader of the Council
Cabinet 23 09 2020	Exempt Report - Victory Place Construction Costs - Key Decision To consider an exempt report on the construction costs for Victory Place.	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £164,000	Private	Richard Mortimer, Asset Management Contractor Portfolio Holder for Investment Portfolio and Management and Regeneration
Cabinet 23 09 2020	Exempt Report - Ceaser Court Phase 2 - Construction Costs - Key Decision To consider an exempt report on the construction costs for Phase 2 of Ceaser Court.	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £164,000	Private	Richard Mortimer, Asset Management Contractor Portfolio Holder for Investment Portfolio and Management and Regeneration
Cabinet 23 09 2020	Exempt report - Waterfront - Appointment of monitoring surveyor - Key Decision To consider an exempt report on the appointment of a monitoring surveyor to the Waterfront project.	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £164,000	Private	Heather Morgan, Group Head - Regeneration and Growth Portfolio Holder for Investment Portfolio and Management and Regeneration
Cabinet 23 09 2020	Exempt report - Thameside House - demolition contract - Key Decision To consider the tenders received for the demolition contract in respect of Thameside House.	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £164,000	Private	Heather Morgan, Group Head - Regeneration and Growth Portfolio Holder for Investment Portfolio and Management and Regeneration

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer/ Cabinet Member
Cabinet 23 09 2020	Corporate Health and Safety Policy To adopt a Corporate Health and Safety Policy	Non-Key Decision	Public	Stuart Mann, Health & Safety Officer Portfolio Holder for Corporate Management
Cabinet 23 09 2020	Sandbag Policy To consider and agree to a Sandbag Policy	Non-Key Decision	Public	Nick Moon, Risk and Resilience Manager Portfolio Holder for Corporate Management
Cabinet 23 09 2020	Playing Pitch Strategy	Non-Key Decision	Public	Lisa Stonehouse, Leisure Services Manager Portfolio Holder for Corporate Management
Cabinet 23 09 2020	Construction Constructors' Framework Agreement	Non-Key Decision	Public	Hilary Gillies, Interim Corporate Procurement Manager Portfolio Holder for Investment Portfolio and Management and Regeneration
Cabinet 23 09 2020	Construction Professional Services Framework Agreement	Non-Key Decision	Public	Hilary Gillies, Interim Corporate Procurement Manager Portfolio Holder for Investment Portfolio and Management and Regeneration
Cabinet 23 09 2020	Capital and Revenue Monitoring Q1 (April to June)	Non-Key Decision	Public	Laurence Woolven, Chief Accountant Deputy Leader and Portfolio Holder for Finance
Cabinet 23 09 2020	Public Space Protection Order - Parks and Open Spaces To consider a proposal to make Public Space Protection Orders in the borough and to consult residents on the matter.	Non-Key Decision	Public	Karen Limmer, Interim Group Head of Corporate Governance Portfolio Holder for Environment and Compliance

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