



Please reply to:

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Date: 09 February 2024

Notice of meeting

Corporate Policy and Resources Committee

Date: Monday, 19 February 2024

Time: 7.00 pm

Place: Council Chamber, Council Offices, Knowle Green, Staines-upon-Thames TW18 1XB

To the members of the Corporate Policy and Resources Committee

Councillors:

J.R. Sexton (Chair)

C. Bateson (Vice-Chair)

M.M. Attewell

M. Beecher

J.R. Boughtflower

J. Button

J.T.F. Doran

S.M. Doran

M. Gibson

K.M. Grant

K. Howkins

M.J. Lee

L. E. Nichols

O. Rybinski

K.E. Rutherford

H.R.D. Williams

Substitute Members: Councillors S.N. Beatty, M. Bing Dong, M. Buck, R. Chandler, A. Gale and N. Islam

Councillors are reminded that the Gifts and Hospitality Declaration book will be available outside the meeting room for you to record any gifts or hospitality offered to you since the last Committee meeting.

Spelthorne Borough Council, Council Offices, Knowle Green

Staines-upon-Thames TW18 1XB

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Agenda

Page nos.

- 1. Apologies and Substitutes**

To receive apologies for absence and notification of substitutions.
- 2. Minutes** **5 - 10**

To confirm the minutes of the meeting held on 22 January 2024 as a correct record.
- 3. Disclosures of Interest**

To receive any disclosures of interest from councillors in accordance with the Council's Code of Conduct for members.
- 4. Questions from members of the Public**

The Chair, or his nominee, to answer any questions raised by members of the public in accordance with Standing Order 40.

At the time of publication of this agenda no questions were received.
- 5. The installation of a Papilio 3 unit in Elmsleigh Surface Carpark** **11 - 20**

Committee is asked to approve the entering into a contract to install a Papilio 3 unit for electric vehicle charging within Elmsleigh Surface Carpark.
- 6. Parking Order Revision (Tariff and Charges update) 2024** **21 - 78**

Committee is asked to recommend to Council that they approve the Parking Order Revision (Tariff and Charges update) 2024.
- 7. Capital Strategy 2024 to 2025** **79 - 94**

Committee is asked to recommend to Council that the Capital Strategy 2024/25 be approved
- 8. Capital Programme 2024/25 to 2027/28** **95 - 104**

Committee is asked to recommend to Council that they approve the Estimated 2024/25 to 2027/28 Capital Programme.
- 9. Treasury Management Strategy Statement 2024/25** **105 - 188**

Committee is asked to recommend to Council that they approve the Treasury Management Strategy Statement 2024/25.

- | | | |
|------------|---|------------------|
| 10. | Pay Award 2024/25 | 189 - 194 |
| | <p>Committee is asked to recommend to Council that a two year pay award for 2024/25 and 2025/26 is approved as follows:</p> | |
| | <p>1. Pay Award 2024/25</p> | |
| | <p>A consolidated award of 2.8% on all spinal points and personal salaries (across the board increase),</p> | |
| | <p>An additional 2 days special paid leave (pro rata for part time staff) to cover the Christmas closure period 2024. This is in addition to the 1 day special paid leave already in place for 2024. Front line operational staff who are required to work to provide vital services to residents over the Christmas week will be compensated and paid for this time; and</p> | |
| | <p>2. Pay Award 2025/26</p> | |
| | <p>A consolidated award of 2.8% on all spinal points and personal salaries (across the board increase),</p> | |
| | <p>An additional 3 days special leave (pro rata for part time staff) to cover the Christmas closure in 2025. Front line operational staff who are required to work to provide vital services to residents over the Christmas week will be compensated and paid for this time.</p> | |
| 11. | Pay Policy Statement 2024/25 | 195 - 216 |
| | <p>Committee is asked to recommend to Council that the Pay Policy Statement is approved.</p> | |
| 12. | Proposed Fees & Charges 2024/25 | 217 - 284 |
| | <p>Committee is asked to approve the proposed Fees and Charges for 2024-25 for all Committees.</p> | |
| 13. | Capital and Revenue Reserves Strategy | 285 - 306 |
| | <p>Committee is asked to note the strategy for the Council's reserves for the four years from 01 April 2024 to 31 March 2028 and the use of £703.8k from the Social Housing Initiatives Fund (included in the Prevent Homelessness Reserve) to fund the 2024-25 budget deficit.</p> | |
| 14. | 2024-25 Funding activity (below the line) to support the Council's Net Expenditure Budget | 307 - 336 |
| | <p>Committee is asked to note the 'below the line' funding elements of the 2024-25 Budget to support the Net Expenditure Budget of £26,099.100.00, as part of the overall budget process for 2024-25.</p> | |
| 15. | Draft Detailed Revenue Budget for 2024/25 | 337 - 372 |

Committee is asked to recommend to Council that they consider and approve the recommendations as outlined in the report.

16. Corporate Plan 2024-2028

The Committee is asked to recommend to Council that it adopts the proposed Corporate Plan 2024-28 and associated Action Plan (as appended to this report) which specify the priorities, key themes and values for the Council for the next five years and the actions the Council intends to take to deliver its objectives.

17. Forward Plan

373 - 380

To consider the Forward Plan for committee business.

18. Urgent Actions

To note those urgent actions which have been taken by the Chief Executive in consultation with the Leader since the last Corporate Policy and Resources meeting on 20 January 2024.

19. Exclusion of Public & Press (Exempt Business)

To move the exclusion of the Press/Public for the following items, 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.

20. Corporate Policy & Resources Chair's Updates

To receive any updates from the Chair of Corporate Policy & Corporate Committee.

**Minutes of the Corporate Policy and Resources Committee
22 January 2024**

Present:

Councillor J.R. Sexton (Chair)
Councillor C. Bateson (Vice-Chair)

Councillors:

M.M. Attewell	S.M. Doran	O. Rybinski
M. Beecher	M. Gibson	K.E. Rutherford
J.R. Boughtflower	K.M. Grant	H.R.D. Williams
J. Button	K. Howkins	
J.T.F. Doran	L. E. Nichols	

Apologies: Councillors M.J. Lee

1/24 Apologies and Substitutes

Apologies were received from Councillor Lee.

2/24 Minutes

The minutes of the meeting held on 27 November 2023 were agreed as a correct record.

3/24 Disclosures of Interest

Councillors Attewell and Sexton declared that they were also Surrey County Councillors.

4/24 Questions from members of the Public

There were none.

5/24 Corporate Risk Register

The Committee considered a report from the Internal Audit Manager that sought to advise the Committee of the significant strategic risks and issues and how they were identified, managed, monitored, and reported. The Internal Audit Manager highlighted that five new proposed actions were included in the Risk Action Plan. The Committee's attention was also drawn to one risk which

had moved from amber to red as part of the review which related to Climate Change and Sustainability. This was due to increased extreme weather events and their impact.

The Committee raised technical queries related to mitigations the Council was putting in place to address the impact of groundwater flooding, and how the re-registration in housing affected the decrease in numbers. The Committee also noted risk description related to delays on the Council's development schemes and requested modelling that demonstrated the developments would have delivered the yields identified if they were not delayed. Officers confirmed that answers would be provided after the meeting.

The Committee **resolved** to consider the significant strategic risks and issues highlighted in the report, ensuring continued wider reporting of the Corporate Risk Register and Risk Action Plan across other Committees.

6/24 Bureau Services and Energy Supply

The Committee considered a report from the Property Account Manager on the procurement of bureau services and gas and electric supply through Kent County Council (KCC) LASER. The current contract with the provider required renewal, and KCC LASER provided the best value as energy was purchased in large volumes at lower prices, and bulk purchasing avoided market volatility. A bureau service was also offered which helped address queries, provided monthly portfolio reviews, and allowed for usage data to be collated to help identify trends.

The Committee queried the status of the contract should Kent County Council encounter any difficulties in future. The Property Account Manager assured the Committee that there should be no impact on energy as it was purchased in bulk, but this would be raised with them and an answer provided after the meeting.

The Committee **resolved** to

- 1) Approve the Council entering into a contract for the provision of a Bureau Service and Supply of Energy (Gas and Electricity) with Kent County Council (KCC) LASER for a period from October 2024 to September 2028,
- 2) Authorise the Group Head of Assets to agree terms in respect of any necessary contract arrangements with KCC LASER; and
- 3) Authorise the Group Head of Corporate Governance to enter into a contract with the KCC LASER.

7/24 Proposed Fees and Charges for 2024-25 (as part of the budget process)

The Committee considered the Fees and Charges under the Corporate Policy and Resources Committee's remit as part of the annual Budget process. Following previous guidance from the Committee, all statutory fees were

recommended to increase by the maximum permissible by the regulator, and all discretionary fees were recommended to increase by at least 5%.

The Committee noted that the process of increasing discretionary fees by a percentage resulted in odd pences. It was proposed by Councillor Beecher and seconded by Councillor Gibson that these figures be rounded up to the nearest £5 or £10 figure. The Chair acknowledged concern from some of the Committee with the proposal and suggested that the figures instead be rounded up to the nearest pound. A vote was taken, and a majority of the Committee agreed with the amended proposal.

Some members of the Committee expressed discomfort with the proposal as on smaller charges it may result in a disproportionate increase. After some discussion, the Committee suggested that this should be applied only to discretionary fees and charges over £25, with other proposed fees and charges left unrounded.

A recorded vote was requested and the results were as follows:

For (10):	C Bateson, M Beecher, J Button, J Doran, S Doran, M Gibson, K Grant, L Nichols, J Sexton, H Williams
Against (5):	M Attewell, J Boughtflower, K Howkins, K Rutherford, O Rybinski
Abstain (0):	

The Committee **resolved** to:

1. Approve the proposed Fees and Charges for 2024-25 for this Committee with the exception of any discretionary fees and charges over £25 which will be rounded up to the nearest pound.

8/24 Revenue Growth Bids, Revenue Savings Plans, Capital Growth Bids 2024-25

The Committee considered the Revenue Growth Bids, Revenue Savings Plans, and Capital Growth Bids under the Committee's remit for 2024-25. The Chief Accountant advised the Committee that at present the budget anticipated to be presented to Council was balanced. Growth bids presented in the budget papers, if approved, would still be subject to due process by the Committee. The Chief Accountant highlighted to the Committee that a change was required to Appendix E and that "Sea Cadets" required removal.

The Committee noted anomalies in the figures against Thameside House and requested this be clarified after the meeting when a related item was to be discussed. The Committee also requested that clarification on what was included in individual budget items be provided after the meeting.

The Committee **resolved** to:

1. Approve the proposed Revenue Growth Bids, Savings Plan, and Capital Growth Bids for 2024-25 for this Committee.

9/24 Forward Plan

The Committee noted the forward plan for future committee business.

10/24 Urgent Actions

There were no urgent actions to report.

11/24 Exclusion of Public & Press (Exempt Business)

It was proposed by Councillor Bateson, seconded by Councillor Button and **resolved** that the public and press be excluded for the following agenda items, in accordance with paragraph 3 of part 1 of Schedule 12A of the Local Government Act 1972 (as amended) because it was likely to disclose information to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintain the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in being able to undertake even-handed negotiations and finalizing acceptable contract terms.

12/24 Annual Commercial Property Report 2022/23

The Committee considered the Annual Commercial Property Report 2022/23 from the Asset Manager. The report had previously been considered by the Development Sub-Committee at their meeting on 8 January 2024 and was recommended for approval by this Committee. The Asset Manager drew the Committee's attention to the vacancy rates, portfolio value, and rent collected for the year.

The Committee noted that operating costs were lower than budgeted. The Asset Manager explained that this as due a delay in some refurbishments, though the costs of some refurbishment costs were substantially lower than anticipated.

The Committee **resolved** to:

1. Note the Annual Commercial Property Report for the year ending 31 March 2023,
2. Approve option B as outlined in the report; and
3. Approve the publication of the report to make it publicly available.

13/24 Thameside House

The Committee considered a report from the Development Advisor on the proposed demolition of Thameside House. The property had been vacant for

over ten years and was deteriorating, and additionally was incurring £295,000 per annum to the Council in business rates and security costs. Demolition of the site would provide savings. Cost of internal refurbishment and re-use of the site would far exceed anticipated costs of demolition.

The Committee provided suggestions for options for the site and the Group Head – Assets confirmed that if the procurement exercise was successful, a report would be presented to the Committee which included options for the site. A consultation would be undertaken. A full survey of the site had been undertaken which would form part of the tender. The Committee provided suggestions for requests that should also be included in the tender.

The Committee noted that the final decision for the outcome of the site would be made by members.

The Committee requested that the minutes for this item be public.

A recorded vote was requested and the results were as follows:

For (9):	C Bateson, M Beecher, J Button, J Doran, S Doran, K Grant, L Nichols, K Rutherford, J Sexton
Against (0):	
Abstain (6):	M Attewell, J Boughtflower, M Gibson, K Howkins, O Rybinski, H Williams

The Committee **resolved** to authorise officers to undertake a tender process to procure a demolition contractor to demolish Thameside House.

14/24 Corporate Policy & Resources Chair's Updates

There were no updates for this meeting.

The meeting ended at 20:45.

15/24 Actions Arising From Meeting

The following actions rose from the meeting:

- Further information would be provided on what mitigations the Council was putting in place with regards to the impact of groundwater flooding
- Further information would be provided on how the re-registration process brought the numbers on the housing register down.
- Members would be provided with modelling that demonstrated the Council's developments would have delivered the yields promised if they were developed when intended.
- Further information would be provided on the outcome of the energy contract if Kent County Council entered financial difficulties.

- Justification for the reduction in some car park fees would be provided.
- Clarification on the numbers listed against Thameside House listed in Appendix C of the Revenue Growth Bids, Revenue Savings Plans, Capital Growth Bids 2024-25
- Clarification would be provided on what was covered under the Chief Executive's Training budget listed in Appendix F of the Revenue Growth Bids, Revenue Savings Plans, Capital Growth Bids 2024-25
- Further information would be provided on when we anticipate NNDR liability to end.

Corporate Policy and Resources Committee



19th of February 2024

Title	The installation of a Papilio 3 unit in Elmsleigh Surface Carpark
Purpose of the report	To make a decision
Report Author	Timothy Snook, Sustainability and Flood Risk Officer
Ward(s) Affected	Staines
Exempt	Report – No Appendix 2 - Yes
Exemption Reason	Appendix 2 contains 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 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in any lease, contract or other type of negotiation with the tenant or developer, who could then know the position of the Council.
Corporate Priority	Community Environment
Recommendations	Committee is asked to: Decide whether the Council should enter into contract to implement Papilio 3 unit for electric vehicle charging within Elmsleigh Surface carpark.
Reason for Recommendation	The committee is being asked to make this decision to enable the installation of a purpose-built EV charge point station, in support of the council's EV infrastructure strategy 2023-2030.

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> • CPRC committed to EV infrastructure development in 2023. As per the EV infrastructure strategy 2023-2030. • 3ti has developed a unique drop in solution for rapid deployment of EV infrastructure. • We have a limited offer of the free installation of a unit. • Spelthorne Declared a Climate Emergency in 2020 • New petrol and diesel vehicles are set to be banned in 2035. With 80% of vehicles sold in the UK by 2030 must be zero emissions. 	<ul style="list-style-type: none"> • We have committed to developing EV infrastructure as we move towards 2030. • To utilise this new emergent technology as a drop in solution that is easily installed and not necessarily permanent. Therefore it can act as a test bed for EV infrastructure development within the borough. • Would provide a new source of income to the council. • This solution does not require significant investment into asset development.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> • Go into contract with 3ti to install a Papilio 3 system into Elmsleigh surface carpark following the legal and procurement guidance. 	<ul style="list-style-type: none"> • Contract 3ti to install a unit and undertake the next steps.

- 1.1 This report seeks to obtain a decision on whether to contract 3ti (Solar Carparks Company) to install one of their Papilio3 (EV charging/solar) units for a term of 3 years within Elmsleigh surface carpark.
- 1.2 The Papilio3 unit is a pop-up mini solar car park and electric vehicle charging hub, developed by the company 3ti. Who are the industry leaders in this field. This product is proven to increase the rate of the roll out of EV charging infrastructure, help to decarbonise the transport sector without excessive pressure upon the grid. Further details pertaining to the Papilio3 can be found in Appendix A.

2. Key issues

- 2.1 In 2023, the Council produced an EV infrastructure strategy to guide the development of EV charging infrastructure throughout the borough. Although the strategy suggests that development of rapid and ultrarapid infrastructure should be prioritised, the strategy does state that “an element of focus must be kept on the technological progress of emerging technologies to ensure we are adaptable.” Therefore, the Papilio 3 system presents a unique opportunity for the council to rapidly deploy 22kW EV charging systems and gain experience in operating EV infrastructure.

- 2.2 The deployment of a Papilio3 unit can be conducted in such a way that the Council can test the technology in specific locations without the need for costly infrastructure commitments at this stage and will provide a proof of concept and inform the deployment of further rapid charge EV hubs.
- 2.3 Though this is an opportunity to demonstrate demands for EV charging within the borough. This is complimentary to the ultrarapid EV charging hub project.

3. Options analysis and proposal

- 3.1 Option 1 (preferred), The Council approaches 3ti to enter into contract for a period of 3 years to implement a Papilio3 system into Elmsleigh surface carpark.
- 3.2 Option 2, Do nothing.

4. Financial management comments

- 4.1 The contract offered by 3ti is a rental agreement. The Papilio rental costs are fixed at £2,000 per month over a 3-year term. This will rise to £2,500 per month for units rented after the 1st of April 2024.
- 4.2 Typically, the installation costs of the Papilio units are around £8,000 depending on location. However, there currently exists an offer for free installation of the Papilio units for the first few units, this may expire if all units are claimed prior to a Council decision.
- 4.3 All income generated by the charging points is collected by the Council and is not split with 3ti. This is anticipated to exceed the rental amount.
- 4.4 All maintenance and upkeep of the Papilio unit is conducted by 3ti and is covered under the rental fee.
- 4.5 An estimate of the income generation potential concluded that on 17% utilisation, the Papilio 3 could yield £39,400 annually. This is above the rental costs of £24,000/annum, meaning a potential income after rent of £15,400 per annum. (See Appendix B)
- 4.6 An estimate for an after April installation, the income generation potential concluded that on 17% utilisation, the Papilio 3 could yield £39,400 annually. This is above the rental costs of £24,000/annum, meaning a potential income after rent of £9,400 per annum. (See Appendix B)
- 4.7 There is a need to consider methods of not charging electric vehicle customers using the charge points in Elmsleigh surface car park to ensure it is an attractive site for the trial and thus ensure an income stream. This will most likely be achieved through appropriate identification of EV vehicles via the ANPR system for the car park.

5. Risk management comments

- 5.1 There is a risk the unit will not generate a profit but effective management of the car park and promotion of the unit in and out of the Borough should mitigate this risk.
- 5.2 There are other charge points within Staines (i.e. Two Rivers) that offer free charging for EVs. However, this is at a lower speed to the proposed development and in a less secure environment. In addition, this will represent a significant cost to Two Rivers due to the price of electricity. It is also likely

that there would be excessive demand at the Two Rivers site, forcing EV owners to either wait or look for alternatives.

- 5.3 The Papilio3 will provide an alternative site that has additional CCTV, lighting and protections.
- 5.4 Additional mitigation of risk is the recent popularity increase in EV ownership nationwide. An estimated 40% of cars within the borough are expected to be EVs by 2030.
- 5.5 The Ultrarapid EV charging hub is a separate project designed specifically to bring significant income to the Council and meet wider demands for in-journey drivers as well as the needs of residents. This project is ongoing and in the design phase.

6. Procurement comments

- 6.1 The Papilio 3 unit project has been presented to the Procurement Project Board for consideration.
- 6.2 It is understood that this is a distinctive product, and desktop research has identified nothing comparable on the market. Therefore, an exemption to comply with Contract Standing Orders would be sought from the DCEX to allow for a direct award to this company.
- 6.3 Whilst further work needs to be undertaken to determine the most appropriate route to market, the cost of the unit, at a rental cost of £2k per month, would allow the Council to implement a short-term contract at relatively low cost and risk, with an appropriate form of contract and suitable break clauses in the event that the service does not deliver to our expectations.
- 6.4 The Corporate Procurement team will work closely with the Sustainability and Flood Risk Officer and with Legal Services to ensure that the appropriate procurement arrangements are implemented.

7. Legal comments

- 7.1 The Legal Services (g.legal@spelthorne.gov.uk) will provide advice and assistance on the review and negotiation of the contract terms and conditions.
- 7.2 The Legal Services will approve the form of the contract and any other relevant agreements.
- 7.1 In order to fully consider the legal implications a red edged demise plan will need to be produced showing exactly where the equipment will be situated and heads of terms setting out the terms of the letting.
- 7.2 Any cabling required for the installation will potentially require a wayleave/easement from the electricity supplier.
- 7.3 Part of the car park is leased to Soni Car Wash Ltd, the installation must not be within their demise.

8. Other considerations

- 8.1 3ti have recently received recognition and subsequent funding from Central Government to develop this proprietary technology further. It would be advantageous for the council to adopt this cutting-edge technology thus developing a leadership role which may attract further customers as new charging points are rolled out under the Council's EV strategy.

9. Equality and Diversity

- 9.1 The Papilio units are designed to UK accessibility standards, with large spaces between each bay, lighting, CCTV, and reachable charging cables integrated within its design. The unit will be open to all members of the public with an EV.

10. Sustainability/Climate Change Implications

- 10.1 The development of EV charging infrastructure has significant impacts on facilitating the transition to low carbon personal transport within the borough. Reducing on the road greenhouse gas emissions and keeping in line with the council's climate change strategy.
- 10.2 The Papilio 3 unit is constructed from an upcycled ship container. Additionally, it houses solar panels that produce renewable electricity which can be used for charging the vehicles.

11. Timetable for implementation

- 11.1 If the decision is taken to install a Papilio 3 unit, upon contract signing the installation of a Papilio 3 unit can take place in as a little time as 24 hours. Therefore, it would likely be functional in a matter of weeks.

12. Contact

- 12.1 Tim Snook, Sustainability and Flood Risk Officer.
- 12.2 T.snook@spelthorne.gov.uk

Background papers: There are none.

Appendices:

Appendix A, Papilio Brochure

Appendix B, Financial Breakdown (Part 2)

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Papilio3

Pop-up mini solar car park & EV charging hub

Papilio3 is a pop-up mini solar car park and electric vehicle charging hub, developed by 3ti, to boost the roll out of EV charging infrastructure and help to decarbonise the transport sector.

Papilio3 combines local mains power with solar panels, a battery and EV charge points, allowing businesses to deploy up to 12 fast charge points in one go. An ideal solution for workplace and destination car parks, including offices, retail outlets, travel hubs and leisure facilities.

Papilio3's smart charging and intelligent electrical load management system gives EV drivers reliable access to inexpensive, low carbon energy.

- ▶ 12 fast EV charge points at 7, 11, or 22kW
- ▶ 42 solar panels & local mains electricity
- ▶ Up to 250kWh of battery storage capacity
- ▶ Made using recycled shipping containers
- ▶ Designed & manufactured in the UK
- ▶ Deployed & commissioned within 24 hours
- ▶ Minimal ground works
- ▶ No planning permission*
- ▶ No new grid connection*
- ▶ Waterproof shelter with integrated LEDs
- ▶ 'ChargeSafe' accredited
- ▶ CCTV security cameras
- ▶ Smart charging & back-office billing system
- ▶ Branding & advertising opportunities
- ▶ Visible commitment to net-zero targets
- ▶ Flexible rental agreements

Papilio3 will enable customers to keep pace with the energy transition, whilst providing EV drivers with cleaner, more accessible charge points, supporting the global transition to net-zero.

Papilio3	
Installed solar capacity	19.32 kWp
Estimated solar generation**	18 MWh/yr
Equivalent solar carbon savings ***	3.2 tCO2e/yr
Equivalent solar EV miles driven ****	63,000 mi/yr
Deployment time	24 hours



*In most locations.

** Based on 910 kWh/kWp yield for a typical central UK location.

*** Based on 182g CO2/kWh average 2022 grid carbon intensity reported by the Energystr.

**** Based on 3.66 mi/kWh average EV efficiency from CarWow.co.uk data.



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Corporate Policy & Resources Committee

19 February 2024



Title	<i>Parking Order revision (Tariff and charges update) 2024</i>
Purpose of the report	To make a recommendation to Council
Report Author	<i>Bruno Barbosa – Parking Services Operational Manager</i>
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	<i>Not applicable</i>
Corporate Priority	Recovery Environment Service Delivery
Recommendations	<p>Committee is asked to recommend that Council:</p> <ul style="list-style-type: none"> • Authorise the Group Head Neighbourhood Services to proceed with the proposals made in this report and to implement the Spelthorne Borough Council Off-Street Parking Places (Amendment) Order 2024. • Authorise the Group Head Corporate Governance to publish all notices required to implement the Spelthorne Borough Council Off-Street Parking Places (Amendment) Order 2024. • Authorise the Group Head Neighbourhood Services in consultation with the Group Head Corporate Governance to consider and address any objections and to amend the proposals if necessary, following the public consultation.
Reason for Recommendation	In the context of inflation and increased costs, the Council needs to consider an increase of tariffs and charges in the Parking Order, in a proportionate manner to ensure the sustainability of the Service.

1. Summary of the report

What is the situation	Why we want to do something
<p>The current Parking Order has the same fees and charges as they were set in April 2018 (with the exception of Elmsleigh Surface+MSCP where the charges were lowered in the 2020 Order). Customer levels are dropping since Covid-19 with insufficient yearly gains since, so it's no longer feasible to expect an increase in customer numbers that would enable the budgetary expectation being met.</p>	<ul style="list-style-type: none"> • Car Parks and their management must be cost effective and generate sufficient revenue and surplus for its management, maintenance, upkeep and furthering of growth in towns. Benchmarking shows that we can increase charges and still be within the market average.
This is what we want to do about it	These are the next steps
<p>Adjust the fees and charges appropriately and in line with benchmarked values, as well as be responsible when adding new locations so they too are sustainable.</p>	<ul style="list-style-type: none"> • Obtain Full Council approval for the preferred options; • Launch the statutory public consultation; • Implement the Amendment of the Parking Order shortly after the start of the new financial year.

1.1 This report seeks to receive Council approval to make an Amendment to the Spelthorne Borough Council Off-Street Parking Places Order 2020, for the changes proposed in this report. Options are provided to enable members to make fully informed decisions.

2. Key issues

2.1 Spelthorne Borough Council car park income budgetary expectations cannot be met with the current tariffs and structures, given the reduction in customer numbers experienced after the national pandemic. As customer numbers remain low despite a number of measures to encourage usage of car parks and town centres, budget expectations require an increase in parking tariffs which is the approach being taken by most local authorities, including other Districts in our County.

2.2 All Recreation Grounds car parks with a tariff that includes a nil charge first hour have a significant operational deficit associated to that tariff and customer habits. It is recommended that those car parks are aligned to the tariffs practiced in our other Recreation Grounds car parks where the nil charge first hour is not offered which will remove the operational deficit. To adapt to increased costs and higher Business Rates, the tariffs must also be slightly increased on other duration points to ensure their budgetary sustainability until the next Parking Order revision.

2.3 Staines Park car park in Commercial Road has been subject to multiple complaints of overstay and overcrowding by vehicles belonging to business users from a nearby commercial property. Although the car park is part of the

Parking Order, it only restricts stays longer than 24 hours. There have been multiple complaints from residents and users of Staines Park, asking for consideration to be given to the introduction of a parking tariff to deter long term parking.

- 2.4 On some of our car parks, users have expressed their interest in being able to purchase parking sessions before the charging period starts. Since this is not a facility prescribed in the Parking Order, and such a facility could technically condone stays longer than permitted in the car park terms, consideration should be given to the increase of the charging period coverage and associated full day tariff cost.
- 2.5 Bridge Street car park has suffered a significant decrease of season ticket demand due to the introduction of home working and the current tariff is no longer appropriate and should defer back to the Staines-upon-Thames Long Stay tariff.
- 2.6 Currently there are some season ticket terms and conditions that are not explicit in the Parking Order and instead are published as a separate document. We should aim to have core terms and conditions included in the Parking Order and not reliant on customers having to consult multiple published documents to establish the terms of the product they purchase. In addition to this, the wording for Season Tickets assumes that a physical document would be displayed, whereas we may seek in the near future to enable more environmentally friendly approaches such as virtual permits.
- 2.7 There is an area of Laleham Park car park that is owned by Spelthorne Borough Council but is not contained within the Parking Order map for the car park. The area in question is currently being used for long term free parking and storage of vehicles and materials and needs to be included within this parking order amendment.
- 2.8 Tothill Multi Storey Car Park (MSCP) and Ashford MSCP are no longer open to the public so they should be removed from the Parking Order. In relation to the removal of Tothill MSCP, the area underneath the ramps was previously included within Tothill MSCP, hence it should now be added to Elmsleigh Road car park as it's still accessible by the public and subject to restrictions.

3. Options analysis and proposal

- 3.1 Members are asked to approve one of the following 3 options:
 - (A) Approve all proposals contained within Appendix 1;
 - (B) Approve only specific proposals contained within Appendix 1;
 - (C) Reject all proposals contained within Appendix 1.

4. Financial management comments

- 4.1 As a preamble, Spelthorne Borough Council has not effectively increased its tariff fees since April 2018, as well as technically decreasing the tariff charges in April 2020. In comparison inflation as measured by the Consumer Prices Index has risen by twenty five percent over this period. In the current context of increasing costs and focus on sustainability, Members are asked to carefully consider increases in fees for services provided by Spelthorne, in balance of other budget constraints.
- 4.2 Each of the above Options has distinctive financial implications, as below:

- (A) This Option has the potential to generate additional £338k in income for 2024/25, compared to the current achieved income in 2023/24.
- (B) This Option has multiple financial impact scenarios, depending on the specific proposals approved, but in general terms they can be grouped as follows:
 - i) Updated tariffs in Staines-upon-Thames can potentially generate an additional £218.5k in income, if approved;
 - ii) Updated tariffs in Recreation Grounds can potentially generate an additional £120k in income, to balance the current overall operational deficit of £78k that they generate;
- (C) This Option is associated with a potential substantial parking income budget deficit for 2024/25, likely to increase further in subsequent financial years with increases in costs and Business Rates, as well as the need to balance the £78k in operational deficit that Recreation Grounds car parks currently contribute to budgets.

5. Risk management comments

- 5.1 The foreseeable tangible risks associated with each Option Members are asked to consider are:
 - (A) This Option carries the risk of a small decrease in customer levels where the new charges are perceived to be too high for their predicted parking duration, but where similar increases were implemented in other Districts they found that the reduction in customer numbers was minimal and the achieved income was still near their original projections.
 - (B) This Option carries the risk of some proposals not being implemented, thus creating a possible imbalance in the overall Parking Order structure. Since this Option has multiple scenarios, it is impossible to assess the risks associated in advance, but they would have to be monitored after implementation and mitigated where appropriate.
 - (C) This Option carries the risk of significant budgetary pressures for the following yearly budgets, which would require the Council to seek alternative income streams to address the budgetary shortfalls.

6. Procurement comments

- 6.1 There is no procurement action associated with this report and recommendations.

7. Legal comments

- 7.1 Legal officers will be consulted in the implementation of any approved options from this report, following the same process and timeline achieved for the 2022 revision.

8. Equality and Diversity

- 8.1 All Options contained within this Report do not remove or change existing facilities in a way that is likely to impact or be relevant to rights and obligations arising from Equality and Diversity legislation. Some Options also have the potential to introduce improved accessibility and independence to customers with protected characteristics, such as virtual season tickets.

9. Sustainability/Climate Change Implications

9.1 The Options proposed to members in this report have been carefully considered to enable a more sustainable approach to the operation and management of the car parks. Some options reduce the reliance on the use of printed documents, as well as encouraging the use of cashless payment options where suitable and relevant.

10. Timetable for implementation

10.1 Report to Council for decision to make the Order (22/02/2024)
Publish notice in the press and on social media (01/03/2024)
Order takes effect 15th April 2024 (subject to the receipt of objections)

11. Contact

11.1 Bruno Barbosa – b.barbosa@spelthorne.gov.uk

Background papers: Spelthorne Parking Order

<https://www.spelthorne.gov.uk/article/19592/Parking-Order-2020>

<https://www.spelthorne.gov.uk/article/19593/Parking-Order-2020-List-of-Schedules>

Appendices:

<https://www.spelthorne.gov.uk/article/17370/Car-park-season-ticket-terms-and-conditions>

Appendix 1 – Proposals

Appendix 2 – Parking Order 2020 and associated Schedules (including proposed changes highlighted)

SCHEDULE 1 - Pay and Display Parking Places

SCHEDULE 2 - Pay on Foot Parking Places, Staines-upon-Thames

SCHEDULE 3 - Free Parking Places

SCHEDULE 4 - Parking Tariffs - Short Stay Car Parks, Staines-upon-Thames

SCHEDULE 5 - Parking Tariffs - Long Stay Car Parks, Staines-upon-Thames, Ashford

SCHEDULE 6 - Parking Tariffs – Recreation Grounds

SCHEDULE 7 - Season Tickets, Contract Parking

SCHEDULE 8 - Disabled Persons' Badge Holders' Season Tickets

SCHEDULE 9 - Penalty Charge Notices

SCHEDULE 10 - Miscellaneous Charges

SCHEDULE 11 - List of all Car Parks

SCHEDULE 12 - Site plans of all Car Parks

Appendix 3 – Map amendments

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APPENDIX 1 PROPOSALS

1. Itemised proposals

- (A) Alignment of the Elmsleigh Surface+MSCP tariff with the Staines-upon-Thames Short stay car park tariff, as detailed in **Appendix 2, Schedule 4**.
- (B) Change of the Staines-upon-Thames Short and Long Stay tariffs, as detailed in **Appendix 2, Schedule 4**.
- (C) Standardize tariff charging periods for Staines-upon-Thames, with tariffs for Long and Short Stay starting at 6am and finishing at midnight, as detailed in **Appendix 2, Schedule 1, Schedule 2, Schedule 4 and Schedule 5**.
- (D) Adjust season ticket prices, as detailed in **Appendix 2, Schedule 7**.
- (E) Replace all nil charge first hour tariff points with a £0.50 minimum charge, and adjust subsequent tariff points accordingly also, to address the substantial operational deficits associated with the current tariff and usage, as detailed in **Appendix 2, Schedule 6**. This aligns the tariff structure across all Recreation Grounds car parks with a chargeable tariff, whilst maintaining a lower fee for car parks that have lower demand and/or abundant alternative parking options nearby that are free of charge.
- (F) Introduce a chargeable tariff in Staines Park car park, matching the one associated with Lammas Recreation Ground car park, as detailed in **Appendix 2, Schedule 1, Schedule 2 and Schedule 6**. This tariff would initially be rolled out without Pay and Display options, so the free Cashless payment facility would be the sole payment method available.
- (G) Extend the charging period for Laleham Thameside car park and Laleham Park car park, from 7am to 7pm, to 6am to 7pm, as detailed in **Appendix 2, Schedule 1 and Schedule 6**.
- (H) Align Dumsey Meadow car park charging tariff and period to the one operated in Laleham Park car park and Laleham Thameside car park, as detailed in **Appendix 2, Schedule 1 and Schedule 6**.
- (I) Align Bridge Street car park with the Staines-upon-Thames Long Stay tariff practiced in Kingston Road car park, and remove the Weekly ticket facility from the same tariff (only 65 purchases in the past year), since daily purchases can now be made through our Cashless Provider remotely and there is no functional benefit from providing this long term parking discounted facility in addition to the already existing season ticket options. This is detailed in **Appendix 2, Schedule 5**.
- (J) Incorporate the relevant published Season ticket terms and conditions for Season Tickets into Section III of the Parking Order

APPENDIX 1 PROPOSALS

that are not already detailed and prescribed within the same, as detailed in **Appendix 2, item 44.**

- (K) Enabled the future introduction of virtual season tickets, as detailed in **Appendix 2, item 45.**
- (L) Revise the Parking Order map for Laleham Park car park, to include the additional area currently being misused, as detailed in **Appendix 3.**
- (M) Revise the Parking Order map for Elmsleigh Road car park, to include the restricted area that was previously a part of the map for Tothill MSPC, as detailed in **Appendix 3.**
- (N) Removal of Tothill MSCP and Ashford MSCP from the Parking Order, as they are no longer open to the public, as detailed in **Appendix 2, Schedule 1, Schedule 4, Schedule 5 and Schedule 7.**

SPELTHORNE BOROUGH COUNCIL

**THE SPELTHORNE BOROUGH COUNCIL
(OFF-STREET PARKING PLACES) ORDER 2020**

Spelthorne Borough Council in exercise of its powers under Sections 32 and 35 and Part IV of Schedule 9 of the Road Traffic Regulation Act 1984 (“the 1984 Act”), the Local Authorities Traffic Orders (Procedure) (England and Wales) Regulations 1996 (“SI 1996/2489”) and the Road Traffic Act 1991 each as amended by the Road Traffic (Permitted Parking Area and Special Parking Area) (County of Surrey) (Borough of Spelthorne) Order 2006 and the Traffic Management Act 2004 and all other enabling powers, with the consent of Surrey County Council in accordance with Section 39 (3) of the 1984 Act and following consultation with the Chief Officer of Police in accordance with Part III of Schedule 9 to the 1984 Act and the Road Haulage Association and the Freight Transport Association in accordance with Regulation 6 of SI 1996/2489” hereby makes the following Order:

SECTION I

CITATION AND INTERPRETATION

Citation

1. This Order shall come into operation on **1st April 2020** and may be cited as The Spelthorne Borough Council (Off-Street Parking Places) Order 2020.

Interpretation

2. In this Order, except where the context otherwise requires, the following expressions have the meanings respectively assigned to them:

“bus” has the same meaning as in regulation 3 of the Road Vehicles (Construction and Use) Regulations 1986, being a motor vehicle which is

APPENDIX 2 – PARKING ORDER 2020

constructed or adapted to carry more than eight seated passengers in addition to the driver;

“Cashless Parking” means the system of cashless prepayment made via a telephone, smartphone, computer or other method, to allow a vehicle to park in a parking place for a specified period of time, with equivalent rights and obligations to those conferred by the purchase of a parking ticket (except with regards to the “relevant position”)

“civil enforcement officer” means a person authorised by or on behalf of the Council to enforce the restrictions imposed by this Order;

“charging days” in relation to a parking place means those days which are specified in Schedules 1 and 2 for each parking place respectively;

“charging hours” in relation to a parking place means the period during which a charge for parking is made as specified in Schedules 1 and 2 for each parking place respectively;

“permit” means a permit purchased from the Council, subject to certain conditions as laid down from time to time by the Council, valid for the period specified on the permit for use in parking places specified in the schedule indicated on the permit;

"disabled persons' badge" means a badge issued by any Local Authority in accordance with the provisions of the Disabled Persons (Badges for Motor Vehicles) (England) Regulations 2000 or a badge having effect under those regulations as if it were a disabled person's badge and “disabled persons’ badge holder” shall be construed accordingly as a person who has been issued with such a badge;

APPENDIX 2 – PARKING ORDER 2020

“goods vehicle” means a vehicle, which is constructed or adapted for use for the carriage of goods or burden of any description or a trailer so constructed or adapted;

“invalid carriage” has the same meaning as in Section 136 of the 1984 Act;

“motor car” has the same meaning as in Section 136 of the 1984 Act;

“motor cycle” refers to a solo motor cycle only and means a mechanically propelled vehicle with less than three wheels;

“motor cycle with side car” means a mechanically propelled vehicle not being an “invalid carriage” or a “motor cycle” with less than four wheels;

“owner” means the person by whom the vehicle is kept. In determining who was the owner of a vehicle at any time it shall be presumed that the owner was the person in whose name the vehicle was at that time registered under the Vehicle Excise and Registration Act 1994;

"parking place" means an area of land specified by name in Schedules 1 to 3 and provided by the Council pursuant to Section 32(1) of the Act for the purpose of vehicle parking and not closed (in part or in whole) by a Notice erected thereon by authority of the Council;

“parking ticket” means a ticket issued by a ticket machine pursuant to this Order and indicating the payment of a charge, the time at the beginning of the period for which payment was made and the time when the period expires;

“passenger vehicle” means a vehicle constructed or adapted solely for the carriage of passengers and their effects;

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“pay station” means an apparatus of a type and design approved by the Secretary of State for Transport for the purpose inter alia of this Order, being apparatus designed to receive payment in respect of Pedestrian Paid Parking;

“penalty charge” means the charge set by the Council under the provisions of the Traffic Management Act 2004, which is to be paid to the Council following the issue of a Penalty Charge Notice and within 28 days of the issue of that Notice;

“public holiday” means Christmas Day, Boxing Day, New Year’s day, Good Friday, Easter Monday, and any other day designated by the Government as a public holiday in England in addition to or instead of those days;

“relevant position” in respect of: -

- (a) a disabled person’s badge and parking disc has the same meaning as in the Local Authorities Traffic Orders (Exemptions for Disabled Persons) (England) Regulations 2000; and
- (b) all other tickets, season tickets and permits referred to in this Order means,
 - (i) exhibited on the windscreen, dashboard or fascia of the vehicle facing forward so that the whole of the information on the front of the ticket can be easily read from outside the vehicle; or
 - (ii) where the vehicle does not have a windscreen, dashboard or fascia in a conspicuous position on the vehicle so that the whole of the information on the front of the ticket is clearly legible from outside of the vehicle;

“season ticket” means a ticket purchased from the Council, subject to certain conditions as laid down from time to time by the Council, valid for the period specified on the ticket for use in parking places specified in the schedule indicated on the ticket;

“the Council” means Spelthorne Borough Council;

“ticket machine” means an apparatus of a type and design, approved by the Secretary of State for Transport, for the purpose, inter alia, of this Order, being apparatus designed to indicate the time by a clock, and to issue parking tickets which show that a payment has been made of an amount, or for a period specified thereon, and which specify the date and either the time of such payment, or the time at which the vehicle must leave the parking place;

“trailer” has the same meaning as in Section 136 of the 1984 Act;

3. Except where the context requires otherwise, any reference in this Order to an Article or Schedule shall be construed as a reference to that Article or Schedule in this Order.
4. Sub-sections (4) and (5) of Section 47 of the Road Traffic Regulation Act 1984 shall apply to the parking places as if they were parking places provided on a highway.
5. The Interpretation Act 1978 shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

SECTION II

USE OF PARKING PLACES

Classes of vehicles

6. Each parking place specified in Schedules 1 to 3 may be used subject to the following provisions of this Order, as a parking place for such classes of vehicles, on such days, during such hours and on payment of such charges as are specified in relation to that parking place in the Schedules;
7. Where in the Schedules a parking place is described as available for vehicles of a specified class, no person shall permit a vehicle to wait in that parking place unless it is of the specified class.
8. No person shall cause or permit a vehicle to park in a space marked for Disabled Persons unless the vehicle displays a Disabled Person's Badge in the manner prescribed by Regulation 12 of the Disabled Person's (Badges for Motor Vehicles) (England) Regulations 2000.
9. No person shall cause or permit a vehicle to park in a space marked for contract parking unless the vehicle is approved to park in that space either by the Council or on behalf of the Council by the purchaser of the contract parking space.

Position of vehicles

10. The driver of a vehicle shall not permit it to wait in a parking place other than in a parking space, and for this purpose, except with the written permission of the Council, every part of the vehicle must be within the limits of the parking space and not more than one vehicle shall occupy any one such parking space, except where the surface precludes bay parking except for disabled vehicles.

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11. No vehicle shall be left in any parking place if its length exceeds 5.5 metres in length except with the written permission of the Council.
12. Motor cycles permitted in a parking places shall be positioned in bays marked “motor cycles” on the parking place (if any).

Manner of parking of trailers

13. No person shall cause or permit a vehicle drawing a trailer having a combined length in excess of 5.5 metres to wait in a parking place unless they have been disconnected, and unless the registration number of the vehicle is clearly displayed on the trailer and for the purposes of this Order the vehicle and the trailer shall be deemed to be separate vehicles and the driver of the leading vehicle shall be deemed to be the driver of each of the said vehicles.

Use of vehicles in parking places

14. The driver of a vehicle using a parking place shall stop the engine as soon as the vehicle is in position in that parking place and shall not start the engine again except when about to change the position of the vehicle within or depart from the parking place.
15. No person shall use a vehicle or a trailer, while it is in a parking place, in connection with the sale of any article to persons in or near the parking place, or in connection with the selling or offering for hire of his skill or services, unless duly authorised by the Council in writing so to do.
16. No person shall use any part of a parking place or vehicle left in a parking place without the written permission of the Council:
 - (a) for sleeping or camping purposes, or
 - (b) for cooking purposes, or

- (c) for the purpose of servicing, washing, cleaning, constructing, maintaining or repairing any vehicle or any part thereof other than is reasonably necessary to enable that vehicle to depart from the parking place.

Maximum period of waiting

- 17. The maximum periods of waiting in the parking places and limitations on returning to them shall apply as specified in Schedules 1 to 3.
- 18. The Council at its discretion may grant any person a dispensation from the maximum period of waiting.
- 19. Any person may apply to the Council for a dispensation from the maximum period of waiting provided that
 - (a) the application is made prior to the parking of the vehicle to which the application relates, and
 - (b) the fee as specified in Schedule 10 is paid to the Council prior to the parking of the vehicle to which the application relates

Removal of a vehicle from parking places

- 20. Where a person duly authorised by the Council is of the opinion that any of the provisions contained in this Order have been contravened, or not complied with in respect of a vehicle left in a parking place, he / she may remove the vehicle or cause it to be removed from the parking place.

Movement of vehicles in a parking place

- 21. Any person authorised by the Council or a Police Constable in uniform, in case of emergency, may move or cause to be moved, vehicles left in a parking place to any place he / she thinks fit.

22. Where a vehicle is left in a parking place in a position other than that specified in Article 10 any person duly authorised by the Council or a Police Constable in uniform may move the vehicle or cause it to be moved to a position which complies with that specified in Article 10.

Manner of moving vehicles

23. Any person moving or removing a vehicle in accordance with the preceding Articles may do so by towing or driving the vehicle, or in such other manner as he / she may think necessary, and may take such measures in relation to the vehicle as he / she may think necessary to enable him / her to move or remove it as aforesaid.

Safe custody of vehicles

24. When a person authorised by the Council removes a vehicle or causes it to be removed from a parking place in accordance with Article 20 he / she shall make such arrangements as may be reasonably necessary for the safe custody of the vehicle.

Direction in which vehicles must be driven

25. No person shall drive or cause or permit to be driven any vehicle on any length of road or aisle in any parking place contrary to the directions given by the appropriate carriageway markings or signs.

Entry and exit

26. The driver of a vehicle shall not cause it to enter a parking place at a point marked “No Entry” or to leave a parking place at a point marked “No Exit”.

Suspension of parking place

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27. The Council, at its discretion, may suspend the use of any parking place or any part of a parking place and thereafter may designate that part of such parking place to be reserved for any purpose it may decide, such suspension to be indicated by notice or traffic sign. The Council shall charge for such suspensions as set out in the miscellaneous charges at Schedule 10.
28. No person shall cause or permit a vehicle to be left without the written permission of the Council in a parking place or any part thereof during such periods that the use is suspended or during such periods as there is in or adjacent thereto a notice or traffic sign placed in pursuance of the preceding Article.

Liability

29. The Council does not undertake to supervise the parking places specified in Schedules 1 to 3 and vehicles are parked entirely at the owner's risk and driver's risk and the Council accepts no responsibility for any loss or damage howsoever caused either to the vehicle or its contents.

Other provisions

30. The driver of a vehicle shall not permit that vehicle to wait in a parking place unless the vehicle is licensed in accordance with the provisions of Section 1 of the Vehicles Excise and Registration Act 1994 and unless there is in force in relation to the use of the vehicle by the driver such a policy of insurance as complies with the requirements of Part VI of the Road Traffic Act 1988.
31. The driver of a vehicle using a parking place shall not sound any horn or other similar instrument except when about to change the position of the vehicle in or to depart from the parking place.

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32. No person shall, except with the written permission of the Council, or any person duly authorised by them, drive any vehicle in a parking place other than for the purpose of leaving that vehicle in the parking place in accordance with the provisions of this order or for the purpose of departing from the parking place.
33. No person shall in a parking place use any threatening, abusive or insulting language, gesture or conduct with intent to put any person in fear or so as to occasion a breach of the peace whereby a breach of the peace is likely to be occasioned.
34. No person shall in a parking place wantonly shout or otherwise make any loud noise to the disturbance or annoyance of users of the parking place or residents of premises in the neighbourhood.
35. No person shall in a parking place:
 - (a) erect or cause to be erected any tent, booth, stand, building or other structure without the written permission of the Council; or
 - (b) light or cause or permit to be lit any fire, stove or cooker.
36. Any person using a parking place as a means of passage proceeding from one road to another road shall be deemed to be so by using a licence of the Council and not as of right.

SECTION III

PAYMENT FOR PARKING

Pay and display parking tickets

37. The driver of a vehicle left in accordance with the provisions of this Order in a parking place, as defined in Section 1 shall immediately make a prepayment to park their vehicle at the price and for the period indicated in Schedules 4 to 7, either by:
- a) purchasing a valid parking ticket from a ticket machine situated within the parking place and exhibiting the parking ticket on the vehicle in the relevant position;
 - b) using cashless parking where available (notices of the approved provider are displayed in the applicable Pay and Display machines, together with the relevant location code/ reference and the applicable transaction convenience charges to be borne by the customer in full)".
38. A parking ticket used in a parking place specified in Schedule 1 shall only be a valid parking ticket if it has been purchased from a ticket machine at the parking place where the vehicle is left and to cover the entire period that the vehicle is parked in the parking place.

Tickets non-transferable

39. A parking ticket is valid only for the vehicle in respect of which it was purchased. If a season ticket holder wishes the vehicle details to be amended on a season ticket the season ticket holder will incur an administrative charge as indicated in schedule 10.

Restriction on removal of parking tickets

APPENDIX 2 – PARKING ORDER 2020

40. When a parking ticket has been exhibited on a vehicle, in accordance with the provisions of Article 37 no person shall remove the parking ticket from the vehicle until the vehicle is removed from the parking place.

Absence of ticket machine

41. If at the time when a vehicle is left in a parking place shown in Schedule 1 during the charging hours there is no operational ticket machine at the parking place, or all the ticket machines at that parking place carry notices placed upon them by a person duly authorised by the Council indicating that they are out of order, the driver of that vehicle shall be required to contact Spelthorne Borough Council to ascertain if a charge is payable or when the machine(s) will resume operation.

Pay on foot

42. The parking places shown in Schedule 2 shall be controlled by entry and exit barriers and also ANPR cameras which record the number plate. The driver of a vehicle shall gain entry to such parking places by taking a ticket at the entry barrier. This ticket shall be submitted to a pay station at the end of the parking period and validated by making a payment in accordance with the parking tariffs shown respectively for the said parking places in Schedule 4. The ticket should be kept by the driver as the cameras cannot guarantee automatic exit at the exit barrier on every instance since they rely on the number plate being correctly detected at entry and exit.
43. In the event that the driver of a vehicle is unable to produce a ticket through loss or any other cause whatsoever he/she may obtain a validated ticket directly from the pay on foot terminal (Lost ticket, with full day rate payable).

Season tickets

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44. Season tickets to park shall be available for the parking places as specified in Schedule 7 but each season ticket shall be valid only for the parking place or places specified upon it. Where season tickets are available for Staines-upon-Thames car parks, only employees of businesses based in Staines-upon-Thames (or with commercial premises where employees work in that are sited in Staines-upon-Thames) are eligible to apply. For the Railway Season Ticket available in Kingston Road car park, only holders of a valid Railway card are eligible (the Railway card or season pass must be valid for the duration of the season ticket term being applied for).
45. The driver of a vehicle left in accordance with the provisions of this Order in a parking place as specified in Schedule 7 shall be exempt from purchasing a parking ticket if there is displayed in the relevant position a valid season ticket purchased from the Council. If the season ticket is sold as a virtual document and a physical copy is not supplied to the driver, the virtual permit present on the system will be considered valid for the purposes of this exemption of purchase of a parking ticket on the car park the virtual season ticket is designated for, and there will be no requirement to display the virtual season ticket in the relevant position on the vehicle.
46. Season tickets shall be priced as specified in Schedule 7.
47. A season ticket holder will incur an administrative charge for lost or replacement season tickets as indicated in Schedule 10.

Contract Permits

48. Contract permits to park shall be available for the parking places as specified in Schedule 7 but each contract permit shall be valid only for the parking place or places specified upon it.
49. The driver of a vehicle left in accordance with the provisions of this Order in a parking place as specified in Schedule 7 shall be exempt from purchasing a

APPENDIX 2 – PARKING ORDER 2020

parking ticket if there is displayed in the relevant position a valid contract permit purchased from the Council.

50. Contract permits shall be priced as specified in Schedule 7.
51. A contract permit holder will incur an administrative charge for lost or replacement season tickets as indicated in Schedule 10.

Disabled persons' vehicles

52. Disabled Persons' Badge Holders must pay the relevant charge as set out in Schedules 4 to 7, in accordance with Article 37.
53. For Disabled Persons' Badge Holders who pay the relevant charge as set out in Schedules 4 to 7, in accordance with Article 37, will be granted an additional hour of grace to their purchased expiry time as shown on the Pay and Display ticket (except on Elmsleigh Multi-storey Pay on Foot and Elmsleigh Surface Pay on Foot).

Disabled persons' vehicles season tickets

54. Disabled Persons' Badge Holders may apply to the Council to purchase a concessionary season ticket for the parking places specified in Schedule 8 and each season ticket shall only be valid for that parking place.
55. The driver of a vehicle left in accordance with the provisions of this Order in a parking place as specified in Schedule 8 shall be exempt from purchasing a parking ticket if they are in possession of a valid disabled badge holders' season ticket purchased from the Council.
56. Disabled persons' badge holders' season tickets shall be priced as specified in Schedule 8.

Motorcycles

- 57. The driver of a motorcycle which is left in accordance with the provisions of this Order in a parking place specified in Schedules 1 and 2 in the position marked for such vehicles (if any) or in any marked bay shall be exempt from payment for parking.

- 58. A motor cycle which is left in accordance with the provisions of this Order in a parking place specified in Schedules 1 and 2 shall not be permitted to park in a disabled person's bay or contractor/permit bay.

Council staff parking

- 59. The driver of a vehicle left in accordance with the provisions of this Order on parking places specified in Schedules 1 to 3 and displaying a valid pass issued under the Council Staff Parking Scheme shall be exempt from purchasing a parking ticket and from time limits (if any) as indicated in Schedules 1 to 3.

- 60. Where a ticket, season ticket or staff permit has been displayed on a vehicle in the relevant position no person other than the driver of that vehicle shall remove the permit from the vehicle unless authorised to do so by the driver of that vehicle.

Elmsleigh Bus Station

- 61. No vehicle, with the exception of buses, shall be left in Elmsleigh Bus Station. The provision of this area is dedicated exclusively to Service Vehicle Operator's Licence or Community Bus Permit and those vehicles with express authorisation from Spelthorne Borough Council being used in direct support of those operating under a Public Service Vehicles Operator's Licence or Community Bus Permit.

PART IV

PENALTY CHARGE AT PARKING PLACES

Penalty charge

62. If a vehicle is left in a parking place in contravention of or without complying with any Article of this Order a penalty charge shall be payable and/or the vehicle may be removed from that location or parking place

Penalty charge notice

63. Where a penalty charge may have been incurred it shall be the duty of the civil enforcement officer to issue a penalty charge notice which shall include the information required by the 2004 Act.

Payment of the penalty charge notice

64. The owner of the vehicle in respect of which the penalty charge has been incurred shall pay the amount of the penalty charge to the Council as specified in Schedule 9.

Indications as evidence

65. The particulars given in the penalty charge notice attached to a vehicle in accordance with this Article shall be treated as evidence in any proceedings relating to failure to pay such penalty charge.

Restriction on removal of a penalty charge notice

66. When a penalty charge notice has been attached to a vehicle in accordance with any of the foregoing provisions of this Order, no person, not being the driver of the vehicle, a police constable in uniform, a civil enforcement officer or

some other person duly authorised by the Council shall remove the penalty charge notice from the vehicle unless authorised to do so by the driver.

PART V

DISPOSAL OF VEHICLES ABANDONED IN PARKING PLACES

67. (i) The Council may sell or otherwise dispose of a vehicle which has been, or could at any time be, removed from a parking place pursuant to Article 20, if the vehicle appears to have been abandoned, provided that this power of disposal shall not be exercisable unless the Council has taken such of the following steps as are applicable to the vehicle in question, and there has elapsed a period of six weeks beginning with the taking of the first of those steps.
- (ii) Where the vehicle carries a registration mark the Council shall ascertain from the appropriate body the name and address of the person who is the Registered Keeper of the vehicle pursuant to the Vehicles Excise and Registration Act 1994, unless the Council is satisfied that the true owner of the vehicle has identified himself to it.
- (iii) The Council shall, where it is by virtue of paragraphs (ii), (iv) and (v) of this Article, aware of the name and address of a person who appears to be the owner of the vehicle, send a Notice to that person at that address stating that it is the intention of the Council to sell or otherwise dispose of the vehicle (which shall be sufficiently described in the Notice) on or after a specified date (which shall not be less than two weeks from the date of the Notice and in any event not earlier than six weeks from the date of the first step taken by the Council under this Part of this Order) unless it is in the meantime removed by or on behalf of that person from such place as is specified by the Council in the said Notice or from such place as may be subsequently notified in writing by the Council to that person.

APPENDIX 2 – PARKING ORDER 2020

- (iv) If any person to whom a Notice is sent in accordance with paragraph (iii) of this Article informs the Council of the name and address of some other person who he alleges may be the owner of the vehicle, a Notice stating the particulars mentioned in the last preceding Article shall be sent to that other person and to any further person who the Council may in consequence of the sending of the Notice to the said other person be led to believe may be the owner of the vehicle.
- (v) Where a vehicle does not carry a registration mark the first step to be taken by the Council shall be to apply in writing to the Chief Officer of Police in whose area the parking place is situated enquiring whom that officer considers is the owner of the vehicle and the address of that person.
- (vi) The Council shall then make such further enquiries as to ownership as it thinks fit.
- (vii) Upon the sale of a vehicle by the Council, the Council shall apply the proceeds of sale in or towards the satisfaction of any costs incurred by it in connection with the disposal thereof and of any charge or payment to which it is entitled.
- (viii) In the event that any such costs incurred by the Council in connection with the disposal of the vehicle are not satisfied by virtue of the last preceding Article, the Council may recoup those costs from the person who was the owner of the vehicle immediately before it was removed from the parking place, provided that that person was sent by the Council a Notice under paragraph (iii) of this Article.
- (ix) Any sums received by the Council on a sale of a vehicle shall, after deducting any sum applied thereabouts by virtue of paragraph (vii) of this Article, be payable within a period of one year from receipt hereof to any person to whom, but for such sale, the vehicle would have

APPENDIX 2 – PARKING ORDER 2020

belonged and insofar as any such sums are not claimed within the said period they shall be paid into the General Rate Fund of the Council.

- (x) Where under the foregoing provisions of this Order a Notice is required to be or may be sent to a person the Notice shall be sent by recorded delivery post.

PART VI

REVOCATIONS

- 68. The Spelthorne Borough Council (Off Street Parking Places) Order 2018 as amended is hereby revoked in its entirety.

SPELTHORNE BOROUGH COUNCIL (OFF-STREET PARKING PLACES) ORDER 2020

List of Schedules

- 1 Pay and Display Parking Places
- 2 Pay on Foot Parking Places, Staines-upon-Thames
- 3 Free Parking Places
- 4 Parking Tariffs - Short Stay Car Parks, Staines-upon-Thames
- 5 Parking Tariffs - Long Stay Car Parks, Staines-upon-Thames, Ashford
- 6 Parking Tariffs – Recreation Grounds
- 7 Season Tickets, Contract Parking
- 8 Disabled Persons' Badge Holders' Season Tickets
- 9 Penalty Charge Notices
- 10 Miscellaneous Charges
- 11 List of all Car Parks
- 12 Site plans of all Car Parks

SPELTHORNE BOROUGH COUNCIL (OFF-STREET PARKING PLACES) ORDER 2020

SCHEDULE 1

PAY AND DISPLAY PARKING PLACES

Parking Place	Description (see Schedule 12 site plans)	Classes of vehicles	Days and hours of operation	Charging days and hours Maximum period of waiting
Bridge Street Car Park, Staines-upon-Thames	West of Bridge Street	Motor cars without trailers Motor cycles with or without side cars Invalid carriages	All days All hours	8.00am 6.00am to 12.00am Monday to Sunday Maximum 24 hours
Elmsleigh Road Car Park, Staines-upon-Thames	East of Thames Street	Motor cars without trailers Motor cycles with or without side cars Invalid carriages	All days All hours	8.00am to 7.00pm 6.00am to 12.00am Monday to Sunday Maximum 24 hours
Kingston Road Car Park, Staines-upon-Thames	South west of Kingston Road	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 2.10 metres in height	All days All hours	8.00am to 7.00pm 6.00am to 12.00am Monday to Sunday Maximum 24 hours
Riverside Surface Car Park, Staines-upon-Thames	West of Thames Street Including access road from Thames Street	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 2.10 metres in height	All days All hours	8.00am to 12.00am Monday to Sunday Maximum 24 hours

SPELTHORNE BOROUGH COUNCIL (OFF-STREET PARKING PLACES) ORDER 2020

SCHEDULE 1 (continued)
PAY AND DISPLAY PARKING PLACES

Parking Place	Description (see Schedule 12 site plans)	Classes of vehicles	Days and hours of operation	Charging days and hours Maximum period of waiting
South Street West Car Park, Staines-upon-Thames	To rear of 111 High Street	Motor cars without trailers (Contract Bays only)	All days All hours	8.00am to 7.00pm 6.00am to 12.00am Monday to Sunday Maximum 24 hours
Tothill Multi-storey Car Park, Staines-upon-Thames	East of Thames Street including ground floor service area	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 1.90 metres in height	All days Times vary advertised on site.	8.00am to 7.00pm Monday to Sunday Maximum 11 hours
Ashford Multi-storey Car Park, Ashford	South west of Church Road	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 1.90 metres in height	All days 8.00am to 7.00pm	8.00am to 7.00pm Monday to Saturday Maximum 24 hours

SPELTHORNE BOROUGH COUNCIL (OFF-STREET PARKING PLACES) ORDER 2020

SCHEDULE 1 (continued)

PAY AND DISPLAY PARKING PLACES

Parking Place	Description (see Schedule 12 site plans)	Classes of vehicles	Days and hours of operation	Charging days and hours Maximum period of waiting
Lammas Recreation Ground	Area marked out for car parking within the recreation ground south of Wraysbury Road Staines-upon-Thames	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages	All days All hours	07 06.00am to 7.00pm Monday to Sunday All year Maximum 24 hours
Laleham Park Car Park	Areas marked out for car parking within Laleham Park	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 2.10 metres in height	All days All hours	07.00am to 7.00pm Monday to Sunday All year Maximum 24 hours
Abbey Drive, Laleham Park	Areas marked out for car parking within Laleham Park	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages	All days All hours	07.00am to 7.00pm Monday to Sunday All year Maximum 24 hours
Dumsey Meadow, Shepperton.	Area marked out for car parking within the recreation ground	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 2.10 metres in height	All days All hours	07 06.00am to 7.00pm Monday to Sunday All year Maximum 24 hours
Manor Park, Shepperton.	Area marked out for car parking within the recreation ground	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 2.10 metres in height	All days All hours	07.00am to 7.00pm Monday to Sunday All year Maximum 24 hours

Thameside Car Park, Laleham Park	Areas marked out for car parking within Laleham Park	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 2.10 metres in height	All days All hours	0706.00am to 7.00pm Monday to Sunday All year Maximum 24 hours
Thames Street, Sunbury.	Vehicles park in area except marked disabled bay	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages	All days All hours	07.00am to 7.00pm Monday to Sunday All year Maximum 24 hours
Old Bathing Station, Sunbury.	Area marked out for car parking within the recreation ground	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 2.10 metres in height	All days All hours	07.00am to 7.00pm Monday to Sunday All year Maximum 24 hours
Orchard Meadow, The Avenue, Sunbury	Area marked out for car parking within the recreation ground	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 2.10 metres in height	All days All hours	07.00am to 7.00pm Monday to Sunday Maximum 24 hours
Green Street, Sunbury	Area marked out for car parking within the recreation ground	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 2.10 metres in height	All days All hours	07.00am to 7.00pm Monday to Sunday Maximum 24 hours
Walled Garden, Sunbury	Area marked out for car parking within the recreation ground	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages	All days All hours	07.00am to 7.00pm Monday to Sunday Maximum 24 hours
Laleham Village Car Park (The Broadway), Laleham	South east of The Broadway,	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 2.10 metres in height	All days All hours	07.00am to 7.00pm Monday to Sunday Maximum 24 hours
Shepperton Village Hall	Area marked out for car parking within the recreation ground	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages	All days All hours	07.00am to 7.00pm Monday to Sunday

<p>Staines Park (Commercial Road) Staines- upon-Thames</p>	<p>Area marked out for car parking</p>	<p>Motor Cars with or without trailers. Motor cycles with or without side cars Invalid Carriages</p>	<p>All days All hours</p>	<p>7.00am to 7.00pm Monday to Sunday Maximum 24 hours</p>
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SPELTHORNE BOROUGH COUNCIL (OFF-STREET PARKING PLACES) ORDER 2020

SCHEDULE 2
PAY ON FOOT PARKING PLACES

Parking Place	Description (see Schedule 12 site plans)	Classes of vehicles	Days and hours of operation	Charging days and hours Maximum period of waiting
Elmsleigh Multi-storey Car Park, Staines-upon-Thames	East side of South Street	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 2.00 metres in height	All days Times vary. As advertised on site.	8.00am to 7.00pm 6.00am to 12.00am Monday to Sunday Maximum 24 hours
Elmsleigh Surface Car Park, Staines-upon-Thames	East side of South Street	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 2.00 metres in height Market trader vehicles up to 10 tonnes (in connection with market events only)	All days Times vary. As advertised on site.	8.00am 6.00am to 12.00am Monday to Sunday Maximum 24 hours

SPELTHORNE BOROUGH COUNCIL (OFF-STREET PARKING PLACES) ORDER 2020

SCHEDULE 3

FREE PARKING PLACES

Parking Place	Description (see Schedule 12 site plans)	Classes of vehicles	Days and hours of operation	Maximum period of waiting
Spelthorne Borough Council Car Park, Staines-upon-Thames	Employee parking areas at Knowle Green, Staines-upon-Thames	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 2.13 metres in height	All days All hours	No waiting period.
Spelthorne Borough Council Car Park, Staines-upon-Thames	Visitor parking areas at Knowle Green, Staines-upon-Thames	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 2.13 metres in height	All days All hours	Maximum of 2 hours waiting period.
Spelthorne Borough Council Car Park, Staines-upon-Thames	Resident at Knowle Green, Staines-upon-Thames	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 2.13 metres in height	All days All hours	No waiting period.
Spelthorne Leisure Centre, Staines-upon-Thames	Customer Parking at Spelthorne Leisure Centre Staines-upon-Thames Disabled Parking Bays Only	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages	All days All hours	Maximum of 3 hours waiting period.

Ashford Recreation Ground, Ashford	Area marked out for car parking	Motor Cars with or without trailers. Motor cycles with or without side cars Invalid Carriages Vehicles less than 2.10 metres in height	1 October – 31 March 7.30am – 6pm 1 April - 30 September 7.30am – 8.30pm	Maximum 11 hours
Elmsleigh Road Car Park, Staines-upon-Thames	East of Thames Street, area with demarcated bays with “Elmsleigh Shopping Centre” livery signs.	Motor cars without trailers Motor cycles with or without side cars Invalid carriages	All days All hours	No waiting for vehicles without express authorisation from the Elmsleigh Shopping Centre, the land owner, or a contractually authorised representative.
Cedars Recreation Ground, Sunbury on Thames	Area marked out for car parking	Motor Cars with or without trailers. Motor cycles with or without side cars Invalid Carriages	1 October – 31 March 7.30am – 6pm 1 April - 30 September 7.30am – 8.30pm	Maximum 11 hours
Charlton Village Hall, Shepperton	Area marked out for car parking	Motor Cars with or without trailers. Motor cycles with or without side cars Invalid Carriages	All days All hours	Maximum 11 hours
Fordbridge Recreation Ground, Ashford	Area marked out for car parking	Motor Cars with or without trailers. Motor cycles with or without side cars Invalid Carriages	1 October – 31 March 7.30am – 6pm 1 April - 30 September 7.30am – 8.30pm	Maximum 11 hours

Bus Area, Elmsleigh Shopping Centre, South Street, Staines-upon- Thames	Area marked out for bus stopping and ranking, outside the South entrance to Elmsleigh Shopping Centre	Motor vehicles used for the carriage of passengers, comprising more than eight seats in addition to the driver's seat, and having a maximum mass not exceeding 5 tonnes. Motor cars with or without trailers authorised by Spelthorne Borough Council.	All days All hours	No waiting, except for vehicles operating under a Public Service Vehicle Operator's Licence or Community Bus Permit and those vehicles with express authorisation from Spelthorne Borough Council being used in direct support of those operating under a Public Service Vehicles Operator's Licence or Community Bus Permit
Groveley Road Recreation Ground, Sunbury	Area marked out for car parking to the north of the recreation ground	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 2.13 metres in height	All days All hours	Maximum of 2 hours waiting period.
Hengrove Recreation Ground, Ashford	Area marked out for car parking	Motor Cars with or without trailers. Motor cycles with or without side cars Invalid Carriages	1 October – 31 March 7.30am – 6pm 1 April - 30 September 7.30am – 8.30pm	Maximum 11 hours
Kenyngton Manor, Sunbury on Thames	Area marked out for car parking	Motor Cars with or without trailers. Motor cycles with or without side cars Invalid Carriages Vehicles less than 2.10 metres	1 October – 31 March 7.30am – 6pm 1 April - 30 September 7.30am – 8.30pm	Maximum 11 hours
Littleton Recreation Ground, Shepperton	Area marked out for car parking	Motor Cars with or without trailers. Motor cycles with or without side cars Invalid Carriages Vehicles less than 2.10 metres	1 October – 31 March 7.30am – 6pm 1 April - 30	Maximum 11 hours

			September 7.30am – 8.30pm	
Long Lane Recreation Ground, Stanwell	Area marked out for car parking	Motor Cars with or without trailers. Motor cycles with or without side cars Invalid Carriages	1 October – 31 March 7.30am – 6pm 1 April - 30 September 7.30am – 8.30pm All Year	Maximum 11 hours
Mulberry Green, Stanwell	Area marked out for car parking	Motor Cars with or without trailers. Motor cycles with or without side cars Invalid Carriages	All days All hours	Maximum 11 hours
Shepperton Recreation Ground, Shepperton	Area marked out for car parking	Motor Cars with or without trailers. Motor cycles with or without side cars Invalid Carriages	All days All hours	Maximum 11 hours
Staines Park (Commercial Road) Staines- upon-Thames	Area marked out for car parking	Motor Cars with or without trailers. Motor cycles with or without side cars Invalid Carriages	All days All hours	Maximum 11 hours
Bishop Duppa's Recreation Ground	Bishop Duppas Park road and parking and area marked out for car parking to the southeast of the recreation ground	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages	All days All hours	Maximum 11 hours. No waiting on all areas not marked for permitted parking.
Woodthorpe Road open space	Area marked out for car parking to the north of the recreation ground	Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages	All days All hours	Maximum 11 hours.

SPELTHORNE BOROUGH COUNCIL (OFF-STREET PARKING PLACES) ORDER 2020

SCHEDULE 4

PARKING TARIFFS – SHORT STAY CAR PARKS, STAINES-UPON-THAMES

Elmsleigh Road, Elmsleigh Surface, Elmsleigh MSCP, Riverside Surface car parks

	Elmsleigh Road Pay and Display	Elmsleigh Multi- storey Pay on Foot	Elmsleigh Surface Pay on Foot	Riverside Surface Car Park Pay and Display	Tothill Multi-storey, Staines-upon-Thames
	Monday to Saturday	Monday to Saturday	Monday to Saturday	Monday to Saturday	Monday to Saturday
Up to 1 hour	£1.30 £1.00	£1.00	£1.00	£1.30	£1.00
Up to 2 hours	£2.30	£2.00	£2.00	£2.30	£2.00
Up to 3 hours	£2.70 £3.00	£3.00	£3.00	£2.70	£3.00
Up to 4 hours	£3.80 £5.00	£4.00	£4.00	£3.80	£4.00
Up to 5 hours	£7.00 £6.00	£7.00	£7.00	£7.00	£7.00
Over 5 hours	£12.20 £12.00	£12.00	£12.00	£12.20	£12.00
7pm-12am	£2.00	£2.00	£2.00	£1.20	
	Sunday 8am to 7pm 6am to midnight	Sunday 8am to 7pm	Sunday 8am to 12am	Sunday 8am to 12am	Sunday 8am to 7pm
All day (between times specified)	£2.00	£2.00	£2.00	£2.00	£2.00

SPELTHORNE BOROUGH COUNCIL (OFF-STREET PARKING PLACES) ORDER 2020

SCHEDULE 5

PARKING TARIFFS – LONG STAY CAR PARKS, STAINES-UPON-THAMES ~~AND ASHFORD~~

Pay and Display Car Parks

Bridge Street and Kingson Road car parks

	Bridge Street, Staines-upon-Thames (Monday to Saturday)	Kingston Road, Staines-upon-Thames (Monday to Saturday)
Up to 1 hour	Season ticket holders only	£1.30 £1.50
Up to 2 hours		£2.30
Up to 3 hours		£2.70 £3.00
Up to 4 hours		£3.50 £5.00
Up to 5 hours		£3.70 £6.00
Over 5 hours		£7.30 £8.00
7pm -12am		£2.00
Weekly ticket (Monday 7am to Friday 7pm)		£35
All day (between times specified)	(Sunday 8am to 12am)	(Sunday 8 6am to 7pm 12am)
	£2.00	£2.00

Ashford multi-storey car park	All year round
Up to 30 minutes	£0.50
Up to 2 hours	£1.00
Over 2 hours	£3.00

SPELTHORNE BOROUGH COUNCIL (OFF-STREET PARKING PLACES) ORDER 2020

SCHEDULE 6

PARKING TARIFFS - RECREATION GROUNDS

Pay and display car parks

		All Year
Lammas Recreation Ground, Staines-upon-Thames Staines Park (Commercial Road) Staines-upon-Thames	Up to 1 hour	£0.50
	Up to 2 hours	£2.00
	Up to 4 hours	£3.00 £4.00
	Over 4 hours	£7.00 £8.00
Laleham Park Car Park Thameside Car Park, Laleham Dumsey Meadow, Shepperton	Up to 1 hour	£0.50
	Up to 2 hours	£2.00
	Up to 4 hours	£3.00 £4.00
	Over 4 hours	£7.00 £8.00
Shepperton Village Hall	Up to 1 hour	£0.00 £0.50
	Up to 2 hours	£1.00 £2.00
	Over 2 hours	£3.00 £4.00
Dumsey Meadow, Shepperton Manor Park, Shepperton Abbey Drive, Laleham Laleham Village Car Park (The Broadway) Laleham Old Bathing Station, Sunbury Green Street, Sunbury	Up to 1 hour	£0.00 £0.50
	Up to 2 hours	£1.50 £2.00
	Over 2 hours	£2.00 £4.00

Thames Street, Sunbury Orchard Meadow, Sunbury The Walled Garden, Sunbury		
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SPELTHORNE BOROUGH COUNCIL (OFF-STREET PARKING PLACES) ORDER 2020

SCHEDULE 7

SEASON TICKETS, CONTRACT PARKING

	Parking Places	Period	Fee level
Season Tickets All days	Bridge Street, Staines-upon-Thames Kingston Road, Staines-upon-Thames Tothill Multi-storey, Staines-upon-Thames Elmsleigh Multi-storey Car Park, Staines-upon-Thames	3 months	£205.00 £250
		6 months	£380.00 £450
		12 months	£715.00 £850
	Ashford multi-storey	3 months	£60.00
		6 months	£100.00
		12 months	£180.00
Contract Parking Monday to Sunday	South Street West, Staines-upon-Thames Elmsleigh Road Car Park, Staines-upon-Thames Tothill Multi-storey, Staines-upon-Thames Bridge Street, Staines-upon-Thames	12 months	£830.00 £950
Railway Season Ticket Holders All days	Kingston Road, Staines-upon-Thames	3 months	£230.00 £275
		12 months	£800.00 £900
Local Season Ticket	Thames Street, Sunbury Orchard Meadow, Sunbury The Walled Garden, Sunbury Manor Park, Shepperton Laleham Village Car Park (The Broadway) Laleham;	Up to 3 months	£65.00 £100
		Up to 6 months	£85.00 £150
		Up to 12 months	£110.00 £200

	Shepperton Village Hall		
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SPELTHORNE BOROUGH COUNCIL (OFF-STREET PARKING PLACES) ORDER 2020

SCHEDULE 9

PENALTY CHARGE NOTICES

Article 51 - Penalty Charges

	Charge to be paid if higher level contravention as detailed in the Civil Enforcement of Parking Contraventions (Guideline on Levels of Charges) (England) Order 2007	Charge to be paid if lower level contravention as detailed in the Civil Enforcement of Parking Contraventions (Guideline on Levels of Charges) (England) Order 2007.
Payment received by Spelthorne Borough Council after 14 days of the date on which the Penalty Charge Notice was issued (The Discounted Penalty Charge).	£70.00	£50.00
Payment received by Spelthorne Borough Council within 14 days of the date on which the Penalty Charge Notice was issued.	£35.00	£25.00
Remains unpaid after 56 days from date of issue	Increase original notice by 50%	Increase original notice by 50%
Remains unpaid after 70 days from date of issue	Increase further the increased notice by £8.00 debt registration fee*	Increase further the increased notice by £8.00 debt registration fee*

Informative: The Civil Enforcement of Parking Contraventions (Guidelines on Levels of Charges) (England) (Order) 2007 specifies that authorities outside London with civil enforcement powers must issue two different levels of penalty charges in their area higher and lower. What constitutes a higher and lower offence is detailed at Table 2 in the above mentioned Order.

* - The debt registration fee is set by Parliament. Consequently, any increase to the fee is outside of the Council's control. The current fee is £8 (as of 25 July 2016) but this may change from time to time.

SPELTHORNE BOROUGH COUNCIL (OFF-STREET PARKING PLACES) ORDER 2020

SCHEDULE 10

Miscellaneous charges

Description	Charge	Comment
Dispensations	£15 per day per vehicle	This charge relates to administrative costs relating to processing of such dispensations. The charge for charities and voluntary organisations may be waived, at Spelthorne Borough Council's discretion.
Suspensions used to reserve parking spaces	£30 one off administrative charge and £15 per day per vehicle	This charge may be waived, at Spelthorne Borough Council's discretion, for charities and voluntary organisations.
Film Company dispensations and suspensions	Vehicles 3.5 tonnes and under, £15 for each bay occupied per vehicle per day. For HGVs and vehicles over 3.5 tonnes £25 for each bay occupied per vehicle per day. Maximum charge £1000	
Lost or replacement season tickets/cards, and contract permits	£14 per season ticket/card	This charge is also applicable should a season ticket holder change vehicles and require a new card or season ticket.
Lost ticket (use of Elmsleigh Surface car park)	£14 per ticket or card	Charge payable at the Pay on Foot machine.
Market trader vehicles (use of Elmsleigh Surface car park)	£7 per vehicle per day for vehicles up to 10 tonnes	This charge relates to vehicles used in connection to market days and special market based events.
Fishing permit for Thameside car park, Laleham	£15 per vehicle for 3 consecutive days between Friday and Monday	Permits are available via pay and display machines.

SPELTHORNE BOROUGH COUNCIL (OFF-STREET PARKING PLACES) ORDER 2020

SCHEDULE 11

List of all Car Parks

1. Abbey Drive, Laleham Park
2. Ashford Multi-storey Car Park, Ashford
3. Ashford Recreation Ground, Ashford
4. Bridge Street Car Park, Staines-upon-Thames
5. Cedars Recreation Ground, Sunbury on Thames
6. Charlton Village Hall, Shepperton
7. Dumsey Meadow, Shepperton
8. Elmsleigh Multi-storey Car Park, Staines-upon-Thames
9. Elmsleigh Road Car Park, Staines-upon-Thames
10. Elmsleigh Surface Car Park, Staines-upon-Thames
11. Fordbridge Recreation Ground, Ashford
12. Green Street, Sunbury
13. Groveley Road Recreation Ground, Sunbury
14. Hengrove Recreation Ground, Ashford
15. Kenyngton Manor Recreation Ground, Sunbury on Thames
16. Kingston Road Car Park, Staines-upon-Thames
17. Laleham Park Car Park, Laleham
18. Laleham Village Car Park (The Broadway), Laleham
19. Lammas Recreation Ground
20. Littleton Recreation Ground, Shepperton
21. Long Lane Recreation Ground, Stanwell
22. Manor Park, Shepperton
23. Mulberry Green, Stanwell
24. Old Bathing Station, Sunbury
25. Orchard Meadow, The Avenue, Sunbury
26. Riverside Surface Car Park, Staines-upon-Thames
27. Shepperton Recreation Ground, Shepperton
28. Shepperton Village Hall, Shepperton

29. South Street West Car Park, Staines-upon-Thames
30. Spelthorne Borough Council Car Park, Staines-upon-Thames
31. Spelthorne Leisure Centre, Staines-upon-Thames
32. Staines Park Commercial Road, Staines-upon-Thames
33. Thameside Car Park, Laleham
34. Thames Street, Sunbury
35. Tothill Multi-storey Car Park, Staines-upon-Thames
36. Walled Garden, Sunbury
37. Woodthorpe Open Space, Ashford
38. Bus Area, Elmsleigh Shopping Centre, South Street, Staines-upon-Thames
39. Bishop Duppa's Recreation Ground, Shepperton

SPELTHORNE BOROUGH COUNCIL (OFF-STREET PARKING PLACES) ORDER 2020

SCHEDULE 12

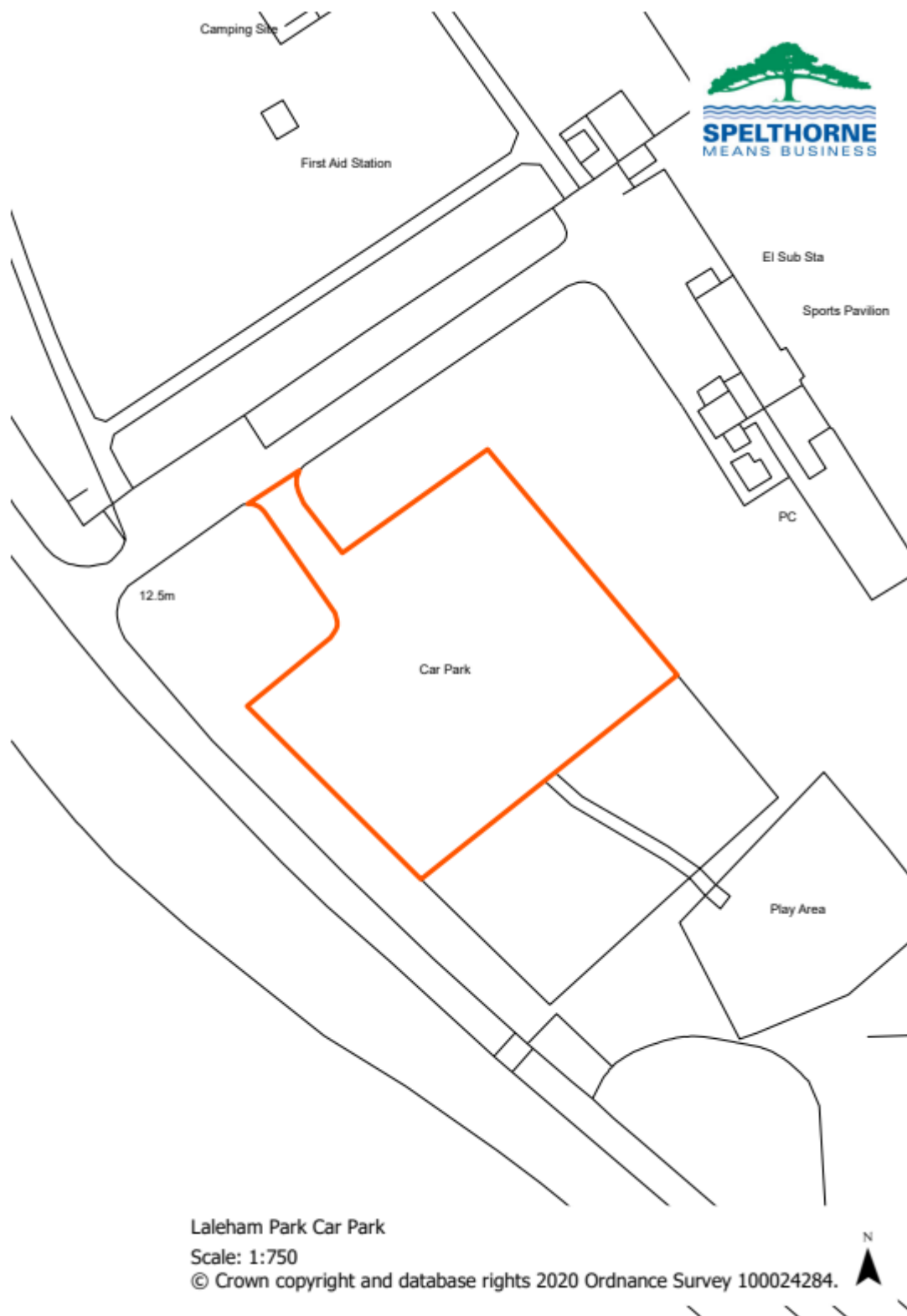
Site Plans for all Car Parks

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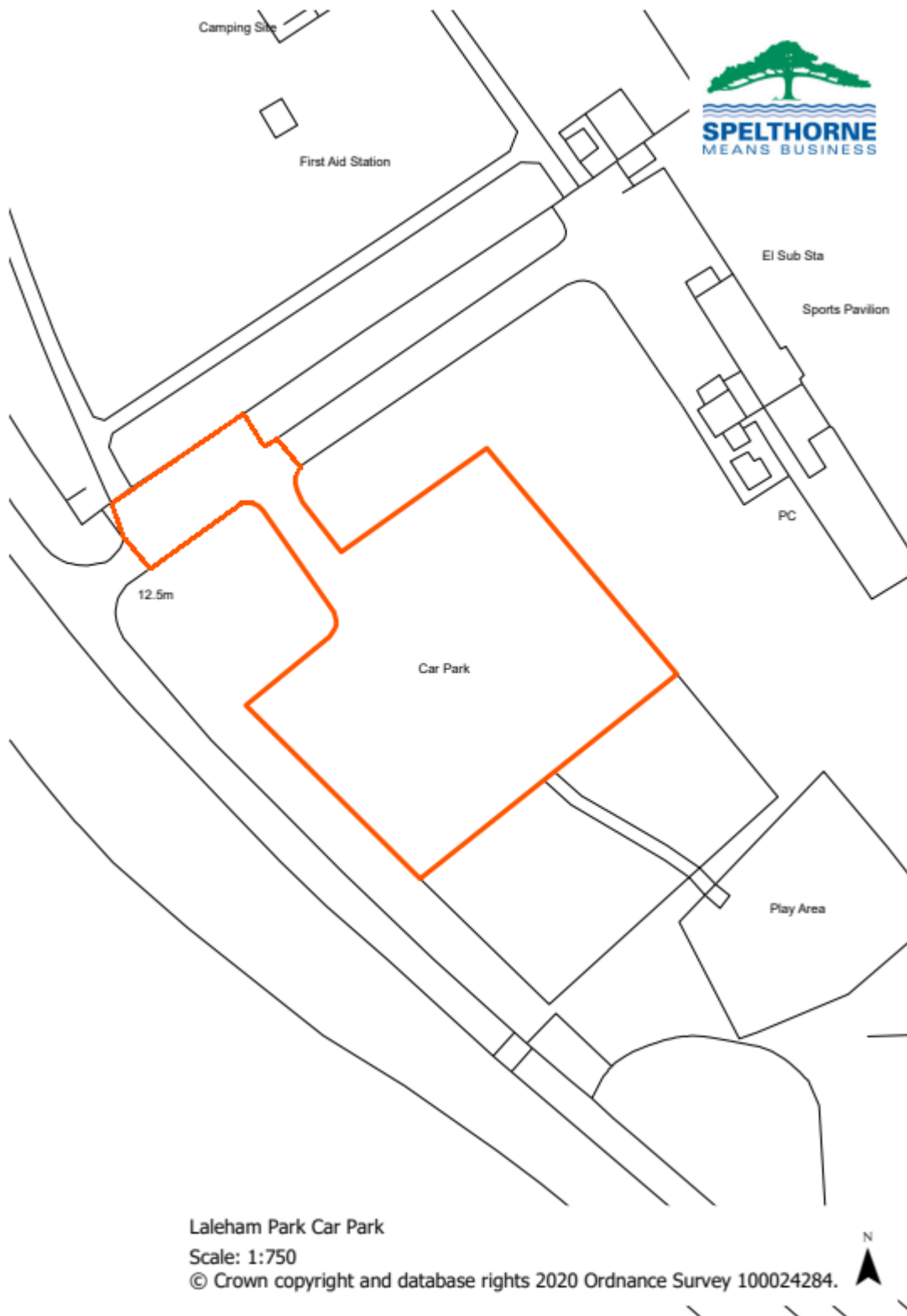
Car Park map changes proposed, as follows:



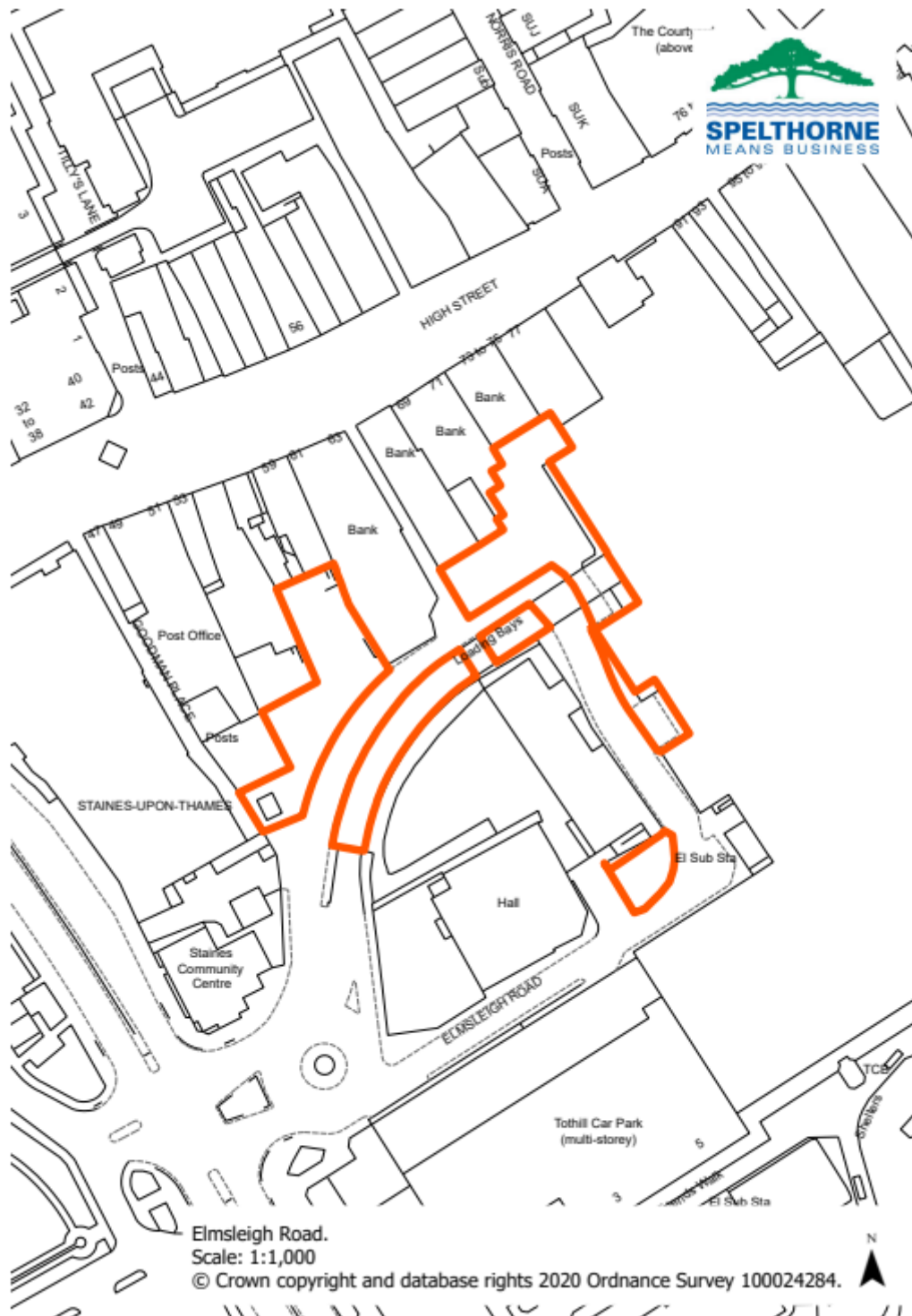
1) Laleham Park car park (current):



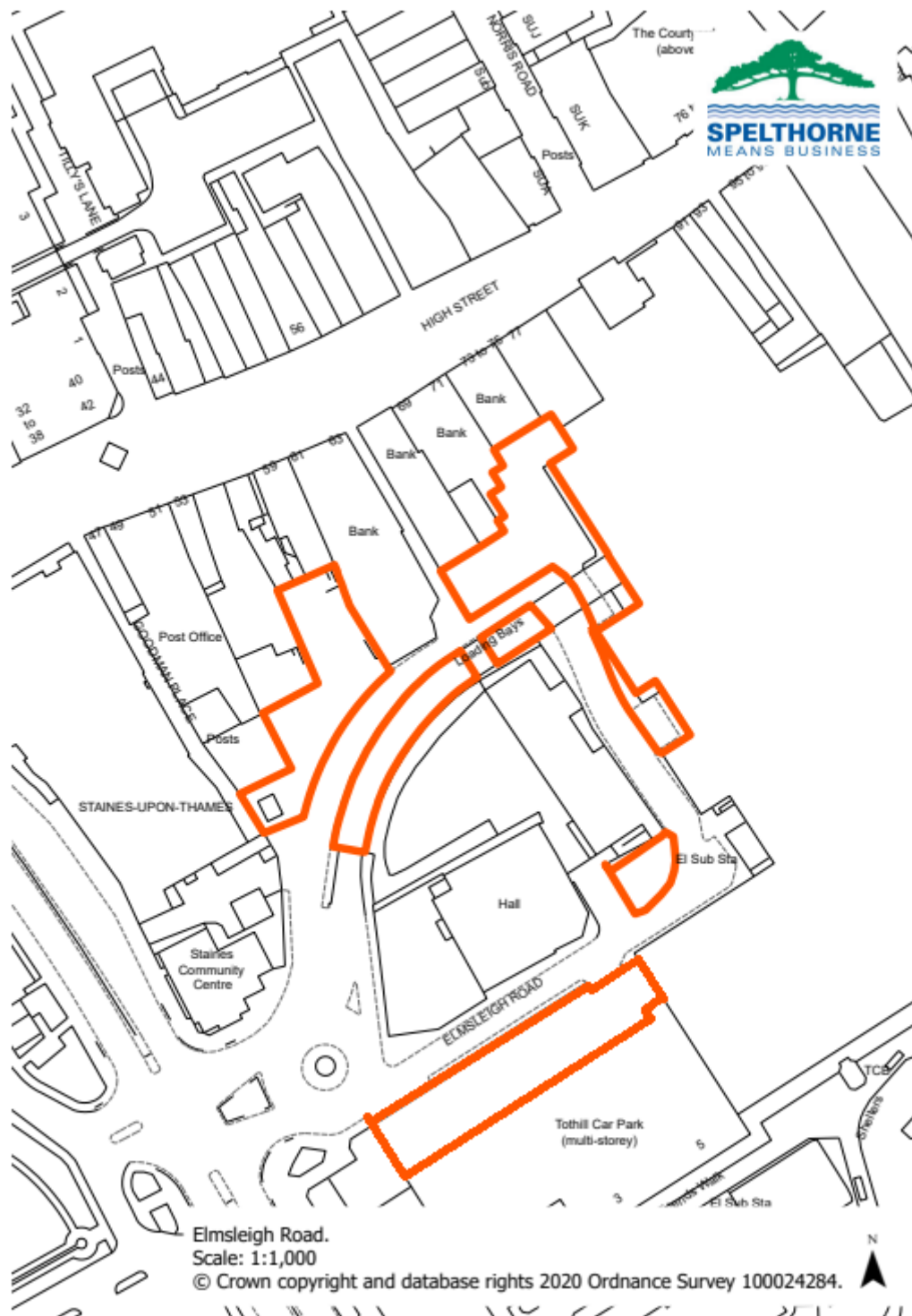
2) Laleham Park car park (ammended):



3) Elmsleigh Road car park (current):



4) Elmsleigh Road car park (ammended):



Corporate Policy & Resources Committee



19 February 2024

Title	Capital Strategy 2024/25
Purpose of the report	To recommend to Council that the Capital Strategy 2024/25 be approved
Report Author	Prithiva Janaka, Treasury Management and Capital Accountant
Ward(s) Affected	All Wards
Exempt	No
Corporate Priority	Community Addressing Housing Need Resilience Environment Service Delivery
Recommendations	<p>Committee is asked to recommend to Council that they approve the Capital Strategy 2024/25.</p> <ol style="list-style-type: none"> 1. the Capital Strategy as set out in this report. 2. that all development and investment projects, along with all significant projects follow the previously approved business case governance process as set out in section 11 of this report. 3. that no financing sources, unless stipulated in regulations or necessary agreements, are ring fenced. 4. the Council plans to continue its use of capital receipts to fund the costs of eligible proposals (subject to full business cases for each project). 5. the financing of the Capital Programme and revenue implications as set out in section 14 of this report. 6. the financing of the Capital Programme being delegated to the Corporate Policy & Resources Committee to provide sufficient flexibility to allow for the most effective use of Council resources.
Reason for Recommendation	The Council is required by law to approve before start of each financial year a Capital Strategy for the medium to long-term setting out its approach to identifying needs for capital expenditure, managing capital expenditure, financing it, and managing risks associated with delivering capital objectives.

	<p>When long term investment decisions are undertaken, decision makers can rely on clear and informed information. This would include:</p> <ul style="list-style-type: none"> • A long-term view of capital expenditure plans and any financial risks to which the Council is exposed. • Ensuring due regard to the long-term financing, affordability implications and potential risks. • A clear overview of the Council's asset management planning arrangements and any maintenance requirements that have resource and business planning implications. <p>The Capital Strategy will continue to help support informed decision making in the delivery of Spelthorne Borough Council's long-term plans and ambitions.</p>
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1. Summary of the report

What is the situation	Why we want to do something
<p>Councils have a statutory responsibility to refresh and approve a Capital Strategy each year before the start of the financial year.</p> <p>Moving forwards there continues to be a number of capital pressures on the Council including financing the leisure centre, mitigating climate change, investing in technology and transformation.</p> <p>In the last few years, it has become more challenging to finance capital expenditure as a result of the recent rises in interest rates</p>	<p>have a medium to long term strategy which identifies need to incur capital expenditure and how we will finance on a sustainable basis</p>
Approve the Strategy	Use the strategy to inform approach to Capital Programme and Treasury Management Strategy Review on an annual Basis
Approve the Strategy	se the strategy to inform approach to Capital Programme and Treasury Manual Basis

2. Executive Summary

- 2.1 The report sets out the Council's Capital Strategy for 2024/25 and subsequent years.
- 2.2 The proposed Capital Programme for period 2024-25 to 2027-28, as detailed in Appendix A, proposes a gross Capital budget of £36 m and a net budget of £32 m after funding for 2024/25 to 2027-28.
- 2.3 The Council's long term capital investment is underpinned by the objectives of the Corporate Plan which has recently been refreshed with a new plan approved for 2024 to 2028. Capital proposals are considered within the Council's overall medium to long-term priorities, and the preparation of the Capital strategy and Programme is an integral part of the financial planning process. This includes taking full account of the revenue implications of the projects as part of the revenue budget setting process.
- 2.4 In addition to the capital budgets and revenue implications, the report sets out the following:
 - Policy and contextual background
 - The Council's asset base
 - Delivery Strategies
 - Budget setting and prioritisation
 - Governance
 - Key projects and programmes
 - Capital funding.
 - Risk management

3. Policy and Contextual background

- 3.1 Spelthorne Borough Council's Corporate Plan 2024 to 2028 provides the starting point for this document, dealing with our five priorities:
 - Community
 - Accessible Housing
 - Resilience
 - Environment
 - Service Delivery
- 3.2 The Capital Strategy helps to underpin these plans.
- 3.3 During the period 2016 to 2018, the Council embarked on an ambitious capital programme with a plan to invest over £1bn in investment properties, to generate sufficient funds to:
 - Support Council services, especially discretionary services such as day centres and meals on wheels
 - Support the regeneration and transformation of the Borough.
 - Support the Delivery of much needed affordable housing for our younger residents and families in the Borough.

- The strategy was to invest for the future success and wellbeing of the population, and all its stakeholders in Spelthorne.

Since 2018/19 the focus of the Capital Strategy has been on a) Effectively managing investment assets already acquired but not purchasing anymore and b) delivering housing (affordable and key worker rental) programme and service capital schemes such as the new Leisure Centre. In October 2023 the Council took the decision to step back from directly funding housing and regeneration and as a result the scale of its Capital Programme has reduced by £380m in gross terms.

- 3.4 As at the 31 March 2023 the draft unaudited accounts show that the Council had total assets with a net book value as shown in the table below:

Asset type	£000
Land & Buildings - Municipal	85,003
Vehicles Plant & Equipment	2,023
Community Assets	188
Assets under Construction	61,059
Heritage Assets	209
Investment Property	756,206
Intangibles	365
Total	905,053

- 3.5 All the land and building acquisition costs together with all design and construction expenditure incurred prior to completion of the final premises are included in the above table and will move into the appropriate category once the project is completed.
- 3.6 As a result of the suspension of the Council's direct delivery programme for accessible housing, the Council will be exploring alternatives methods for delivering much needed homes for our younger and needy residents.
- 3.7 The Council has a planned maintenance budget for the property properties.

4. Key projects

- 4.1 There are several key projects and programmes that require future capital investments for the Council to achieve its strategic goals and these are shown below:

- A new leisure centre in Staines-upon-Thames being built in the UK to Passivhaus standards, to deliver a greener building, to protect the wellbeing of our residents over the coming years and making the building carbon neutral, with phase 1 on track to be completed in the late summer 2024.

Continued investment in municipal infrastructure, such as local parks supporting the river Thames flood scheme.

- An ongoing investment in digital transformation, where we aim to utilise technology to continue to deliver efficient, good quality services.

- 4.2 Our Capital Programme’s delivery objectives continue to take place against a background of financial challenges. The potential impact of the Fair Funding Review potentially in 2026-27 could have a significant negative impact on the Council and some difficult decisions lay ahead, as the Council looks to ensure that despite further funding pressures it may encounter it can continue to ensure balanced budgets across all four years of the Outline Budget period.
- 4.3 The Capital Strategy is intended to evolve each year, it is a dynamic plan that will respond to threats, opportunities and will change over time. For example, the need to invest in Climate Change mitigation and de-carbonisation measures will become increasingly important.
- 4.4 The strategy is set over 4 years but is updated annually and includes short-, medium- and long-term investment revenue streams, or delivers key strategic priorities.

5. Our delivery strategies

- 5.1 The Council’s capital programme is categorised into Five main areas, the net costs per area and detailed below.
- 1 Community Wellbeing & Housing- Disabled Facilities Grants (DFG) Nil net expenditure (Fully funded by Grant)
 - 2 Environment & Sustainability £3.3m
 - 3 Neighbourhood Services £0.35k
 - 4 Corporate Policy & Resources £27m
 - 5 Regulatory & Administration £1.3m

<p>Ongoing Investment Assets and Regeneration Assets Portfolios</p> <ul style="list-style-type: none"> • Support Council services • Invest in regeneration projects. • Provide for the future 	<p>Affordable and Keyworker Housing</p> <ul style="list-style-type: none"> • Regeneration of key strategic sites • Provide affordable housing for the residents of SBC
<p>Efficiency</p> <ul style="list-style-type: none"> • Produce ongoing revenue savings and additional income. • Digital transformation enabling residents to have better access services 	<p>Operational</p> <ul style="list-style-type: none"> • Reduce running costs • Greener outcomes • Rationalise property portfolio

6. Regeneration

For 2024/25 – 2027/28 the Council requires £32m to support the regeneration and transformation of the Borough. These are non-housing schemes to transform the built environment.

7. Asset Management Plan

The 2024/25- 2027/28 asset management plan for our current property portfolio will soon be available on the Spelthorne borough council's website <https://www.spelthorne.gov.uk/article/19655/asset-management-plan>

8. Property Acquisition

Following the Council's decision to seek alternative routes to delivering accessible housing, the Department for Levelling Up, Housing & Communities (DLUHC) established a Local Authorities Housing Fund (LAHF), which provides the Council with up to 40% funding to support the acquisition of 18 properties in the Borough but it might go up if the 3rd round is introduced in 2024-25

9. Knowle Green Estates Ltd (KGE)

- 9.1 KGE is a wholly owned subsidiary of Spelthorne Borough Council and following a restructure of its property portfolio in the year end 31 March 2020, effectively started from scratch.
- 9.2 The Company has been established to manage each property as mentioned in 7.2 above and is looking at a 50-year time horizon for its properties.
- 9.3 The initial 50-year projections indicated that KGE would be able to provide substantial revenue contributions to SBC over the period and given the profiling of our tenants, will be operating on a small cash surplus based on the properties being delivered to time and to the number of apartments specified. The decision by Council to suspend the direct development of accessible housing has had a significant impact on KGE and based on the report presented to Council in February 2023, the Council needs to provide short term financial assistance to ensure that KGE can continue to deliver its key priorities.
- 9.4 Once Council have established an updated strategy for KGE, officer will be able to update the Council's Capital Strategy. In the meantime, Officers are preparing revised cashflows for KGE, to ensure it remains financially viable and explore a range of different funding options, including issuing equity shares.

10. Efficiency

- 10.1 The £1.5m of schemes in this category include improved use of technology to support our car parks and improve the customer experience, as well as investing in IT network storage upgrades and new hardware for improved ways of working.

11. Operational

The Council's operational capital strategy amounting to £6.2m is centred on capital improvement works to the Council's operational asset portfolio. This falls into two main categories:

Land and Buildings, includes new community assets including toilet facilities, extensions to our day centres and new pavilions in our parks. Infrastructure,

this includes new flood defences along the river Thames, replacement refuse vehicles and improvements to the River Ash broad walk improvement.

- 11.1 The main objectives of the operational element of the Capital Strategy are to ensure assets meet health and safety standards, are fit for purpose in terms of statutory guidance and legislation, as well as helping the Council to reduce costs and reduce its environmental footprint.
- 11.2 Another key objective of the operational element is to ensure that the Council continues to invest in its current buildings and long-term assets to avoid incurring significant future costs. As well as our municipal buildings, we have other operational assets, including vehicles, plant, and equipment.
- 11.3 The Council has a scheduled programme of condition surveys which ensures the Council's operational estate is fit for purpose.
- 11.4 Every 5 years on a rolling basis, the Council will review its municipal and land and buildings to identify sites, where there are development opportunities for both the Council and others, such a small strip or parcels of land, as well as, looking to pass over the running of community assets, such as village halls, to the community.

12. Governance

- 12.1 The main forum for reviewing all financial aspects of the Capital Programme is the Corporate Policy & Resources Committee who will make recommendations to Council.
- 12.2 The Development Sub Committee looks after the Council's investment, development and regeneration properties and makes recommendations to the Corporate Policy & Resources Committee
- 12.3 The Corporate Policy & Resources Committee review the strategic direction of the Capital Programme, ensures outcomes are aligned with a viable Business Case and that Value for Money (VfM) is delivered for the Council. It also monitors the expenditure and funding requirements of the capital programme and subsequent revenue impacts.
- 12.4 All business cases will require approval by Corporate Policy & Resources Committee and although development projects may have a budget allocation in the capital programme the approval to draw down the budget will only be obtained via Corporate Policy & Resources Committee approval and will align to the business case stage the project is at.
- 12.5 Assessment of the business cases will ensure that all aspects of a potential schemes are analysed and the impact on all the Borough's stakeholders identified. Therefore, the Council will be able to gain a full understanding on how a specific scheme will comply with the current Corporate Plan, and how it will influence the Council's overall strategy, local business economy, residents, officers, and impact on the resources of the Council.

13. Capital Funding

- 13.1 The Council is required to have a funded capital programme that is affordable, i.e., all capital expenditure should have a source of funding and if that funding source is borrowing, the cost of the borrowing should be built into a balanced revenue budget without adversely impacting on the delivery of services.
- 13.2 The key sources of funding for the Council are:

- Grants, including Homes England and Local Authority Housing Fund
- Contributions
- S106/Community Infrastructure Levy
- Capital Receipts (including principal repayment of loans from KGE and SDS which are accounted for as capital receipts)
- Direct Revenue Funding
- Borrowing

13.3 **Grants**

These are predominantly government grants and are usually provided to the Council for the specific use of funding either revenue or capital expenditure for certain schemes and programmes, including Disabled Facilities Grant (DFG) can also include homes England grants and Local Authority Funding Grants (LAHF). In the future we will want to explore potential for grant funding to support carbon reduction programme. The Council will look to maximise any funding from Homes England and Local Authority Housing Fund (LAHF) to help funding the housing delivery programme, this will help reduce the amount of borrowing required to fund these schemes.

13.4 **Capital Contributions**

In comparison to grants, capital contributions are specific contributions received for projects and are normally provided by the government, external agencies, or private companies, who have a specific output or outcome they would like achieved through the capital works the Council is providing. Quite often, the scope of these projects is dependent on this external funding, without which the Council may decide to reduce the objectives and scope of a scheme.

13.5 **Community Infrastructure Levy/ Section 106 Receipts.**

Community Infrastructure Levy (CIL) is a planning charge introduced by the Planning Act 2008. The Council started charging CIL in May 2016. Developers must pay a levy linked to planning applications - this is based on a Council approved policy and charging schedule. The income from this levy is held corporately and the Council decides how to allocate these funds via a Council.

The majority of CIL funding is used to fund strategic infrastructure projects with Surrey County Council. Where practical Council should utilise this resource to fund the capital programme.

S106 differs from CIL, as it is essentially a contract between a developer and the Council and like capital contributions they must be used for specific projects and outcomes rather than a more general objective.

13.6 Capital Receipts

Capital receipts are generated from the sale of non-current assets (for example, strips of land), and apart from exceptional circumstances, can only be used to fund the capital programme.

The Council holds all capital receipts corporately, which ensures they can be used to fund the overall programme; therefore, individual services are not reliant on their ability to generate capital receipts.

Once the schemes in the current housing delivery programme are completed this will mean a more significant stream of capital receipts will be available in future years to help fund the Capital Programme going forward.

13.7 Direct Revenue Financing

1. The Council, can, if it chooses to, fund capital expenditure via its revenue budget. In Previous years council made Revenue Contributions to Capital of £750k per annum but from 2024/25 the contributions are nil. the Council will keep under review whether it feels this is the appropriate. This can be through in year underspends or via general or earmarked revenue reserves. Any funding of the capital programme via revenue resources would have to be considered considering the Council's overall revenue budget and the Medium-Term Financial Plan.

13.8 Borrowing

Borrowing can take the form of internal or external borrowing.

- 13.9 **Internal borrowing** is a temporary position where the Council uses its cash balances instead of externally borrowing at that point in time. If not used for internal borrowing, these cash balances would be invested on a medium to long term basis providing the Council with a return on investment. As such there is an opportunity cost associated with internal borrowing that is built into the revenue implications of the capital programme.

The Council's main objective when borrowing externally is to achieve an appropriate balance between securing low interest costs and achieving cost certainty over the period for which funds are required, particularly when dealing with assets under construction, which are funded via the short-term money market, as interest rates are currently cheaper.

- 13.10 **External borrowing** occurs when the Council borrows money from the open market, via financial institutions and investors or the government, via the Public Works Loan Board (PWLB). The current certainty rate on 26th January for 50-year maturity is 4.98.

In September 2021, the PWLB implemented new lending criteria so that councils focus on housing delivery, regeneration, and service delivery projects rather than invest for a return to support services. The Council intends to only undertake capital expenditure which relates to these categories. SBC must regularly assess how to finance its external borrowing needs and the financial viability of capital projects in their capital programme particularly following the recent increases in the cost of local authorities' borrowing.

The Council have built this into the interest cost as part of the revenue implications of the programme.

Although the Capital Programme may identify a need to borrow to fund capital expenditure, the timing and type of borrowing (internal/external) is dependent on cashflow modelling in line with the Council's Treasury Management Strategy, which is also being presented to Council at this meeting.

As a general principle, SBC will borrow from the short-term money market as the loan interest rates are cheaper than borrowing from PWLB. Although it must be noted that the short-term money market is geared to the bank of England base rate which can be volatile and quick to react to market changes. Whereas the PWLB interest rate is dependent on the more stable Gilts Rate.

The Council's total borrowing requirement based on capital expenditure incurred historically but to be financed is represented by the Capital Financing Requirement (CFR). This is published in the statement of accounts, and as at 31 March 2023 was £1,119.7m.

All capital financing costs, i.e., interest costs and minimum revenue provision must be treated as a revenue cost and built into the Council's MTFP. In essence, the more the Council borrows, the greater the call on the revenue budget which then requires further service savings to be identified to fund this in the longer term. For this reason, the Council monitors carefully its borrowing limits and prudential indicators.

14. Capital Programme Funding: 2024/25 to 2027/28

14.1 The table below summarises the Council's funding of the proposed Capital Programme as outlined in this report:

Type Of Funding	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Capital Receipts, CIL and S106 funding and Grants	4,252	250	250	173	4,925
Lease Funding for Refuse vehicles	850	850	850	0	2,550
Borrowing	21,894	2,268	479	0	24,638
Total Funding	26,993	3,368	1,579	173	32,113

14.2 As most of the Capital Programme except Spelthorne Leisure Centre has been suspended for 2024/25 Capital financing requirement has been reduced compared to 2023/24.

15. Revenue implications of the programme

15.1 A summary of the revenue implications of the Capital Programme is shown below:

	2024/25	2025/26	2026/27	2027/28	Total
	£000s	£000s	£000s	£000s	£000s
Planned New Borrowing	21,913	2,290	501	0	24,704
Capital Financing Costs - Existing Borrowing	39,496	39,587	39,669	39,740	158,492
Commercial Income	(50,959)	(51,395)	(53,852)	(55,755)	(211,961)
Financed by:					
Net revenue stream	(13,507)	(13,899)	(13,384)	(12,219)	(53,009)
Sinking fund net contributions	2,850	5,030	1,400	0	9,280
	(207)	(18,387)	(25,666)	(28,234)	(72,494)

- 15.2 The Council aims to maximise its Balance Sheet assets and as such can utilise cash balances derived from working capital (such items as the appeals provision, reserves, etc.) before it borrows externally to finance the net cost of the capital programme.
- 15.3 Over the four-year Capital Programme, it is currently estimated that the Council will cumulatively generate net financial income, through its revenue budget of £53 m. This is made up of £212 m of commercial income fewer financing costs (including Minimum Revenue Provision) of £158.4m.
- 15.4 The revenue costs of the Capital Programme are not uniform across the four years of the capital programme and are subject to significant fluctuations in line with the profiling of capital expenditure and funding (particularly capital receipts).

16. Minimum Revenue Provision (MRP)

16.1 MRP is applied where the Council must set aside a revenue allocation for provision of debt repayments (borrowing in the capital programme). The Council aligns the majority of its MRP with its annual principal repayments of debt to enable the MRP to be applied on an annual basis, i.e. the Council is paying its debt down on a year-by-year basis and applying the MRP to cover the repayment. MRP replaces, in line with local government accounting regulations, other capital charges (e.g., depreciation) in the statement of accounts and has an impact on the Council's bottom line.

MRP will increase in the next few decades as principal repayments increase and interest payments on existing debt falls MRP is sensitive to both expenditure and funding changes.

16.2 The Council will continue to balance the use of capital receipts, grants, internal borrowing, and external borrowing to ensure the most efficient use of resources, including the need to fund MRP. The Council will keep its MRP Policy under review in light of potential changes to the Regulations but does not anticipate that the MRP changes being consulted on will cause any issues for the Council.

17. Risk Management

17.1 Major capital projects require careful management to mitigate the potential risks that can arise. These risks include risk that construction and capital scheme costs will rise and prove higher than estimated and that financing costs are higher than expected. The effective monitoring, management and mitigation of these risks is a key part of managing the capital strategy.

17.2 General Risks

General risks are those that are faced because of the nature of the major projects being undertaken. Most of these risks are outside of the Council's control, but mitigations have been developed as part of the business planning and governance process.

These risks are set out below along with key mitigations:

17.3 Interest Rate Risk

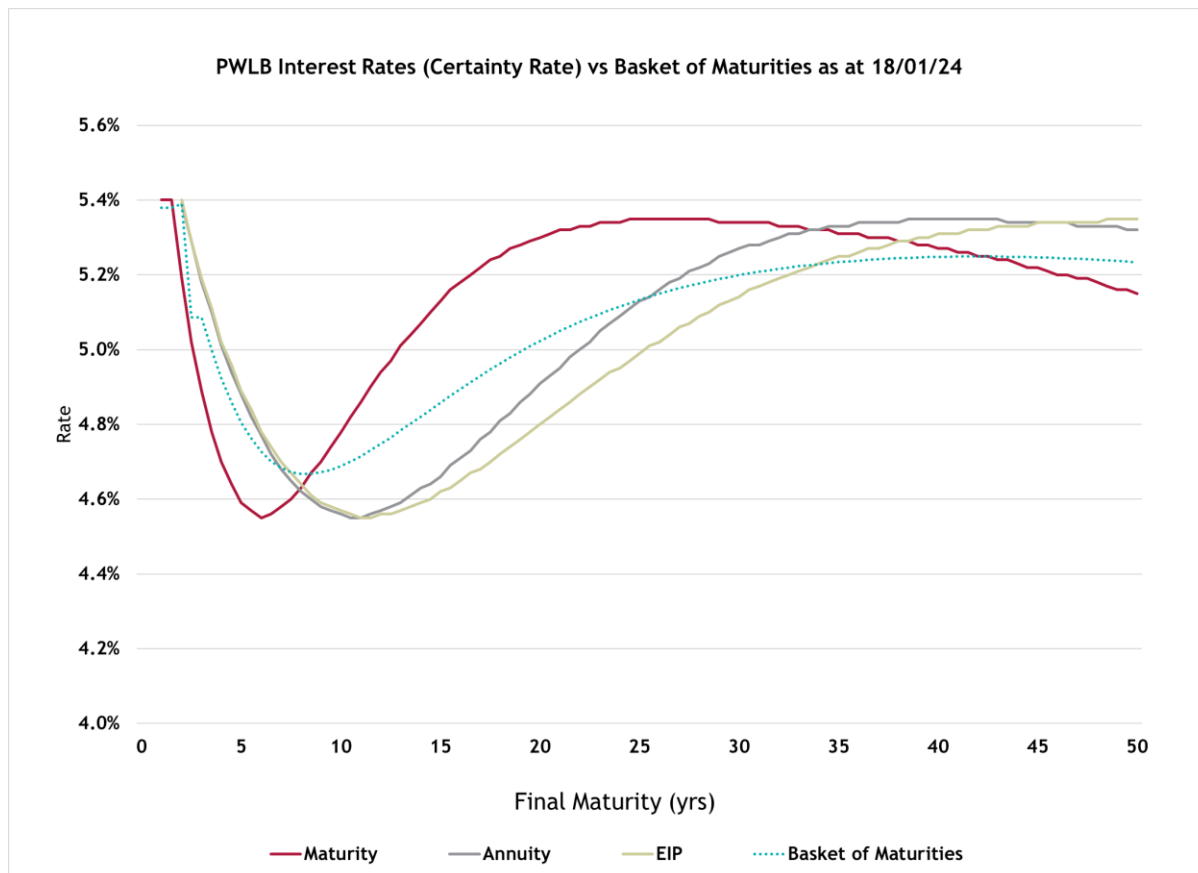
The Council is planning to externally borrow £25m less internal sources of finance, as set out in this Capital Strategy over the next four years.

The Council will opt for fixed interest borrowing that matches the useful life of the asset, for purchases of land and buildings, this is 50 years, and we are currently able to obtain a rate of 4.19% through PWLB.

17.4 The development aspect of each project is funded through the short-term money markets, where interest rates are currently around the 5% mark saving the Council significant sums.

17.5 The interest on development properties is capitalised, in accordance with the CIPFA Local Authority Accounting (capitalising borrowing costs) Code and rolled up into the total cost price of construction and on completion the short-term funds are repaid, and a fixed term loan is taken out with PWLB.

- 17.6 Officers will use the above principles to mitigate our interest risk and also, look at the best options available through PWLB, which could mean that we obtain a basket of loans, including a mixture of annuity and maturity loans over the fifty-year period, in order to mitigate interest rate risk.
- 17.7 In some cases, officers have been able to reduce the total interest charge by significant sums by carefully monitoring the options available at the time of requiring a loan and this is best demonstrated by the chart below.



- 17.8 The chart shows the PWLB rates for Annuity, Maturity and Equal Instalments of Principal (EIP) loans, compared to a basket of maturities.
- 17.9 In the early years a maturity loan is more expensive than an annuity loan in terms of interest charge and cashflow. Around year 33 the benefits change, and a maturity loan becomes cheaper than the annuity loan.
- 17.10 Officer, in consultation with our advisers, will look at each loan and compare the PWLB rates over the next 50 years, to agree the actual loan, which could include a mix (basket) of annuity and maturity loans over the fifty-year term, in order to reduce cash outflow and mitigate interest risk for the Council.

17.11 Inflation Risk

Construction inflation over and above that budgeted by the council's professionals and advisors, and built into project budgets, could impact on the affordability of the capital programme. A 1% rise in the cost of the affordable housing programme would increase the cost of the capital programme by approximately £2.8m.

17.12 **Legislative Risks**

Change in Law Risk – Capital schemes need to comply with the latest law and regulations, changes in which can impact construction costs and may be retrospective in their nature. This risk is mitigated by awareness of pipeline legislative changes and provision of contingencies.

17.13 **Commercial Risks**

The Council's capital programme relies on commercial activity as a key supporting strategy. This involves generation of income from property letting, sales receipts and other revenue/capital financial flows such as land deals with developers. In some cases, the Council commits to large projects, based on assumptions about future asset values and potential income streams. Should market movements mean that these assumptions are inaccurate, then the Council may suffer financially.

To mitigate this risk, the Council relies on expert advice on future asset values in making its decisions.

17.14 **Supplier Financial Stability**

Construction companies and developers contracting with the Council that experience financial instability pose a significant risk. They may not be able to raise funding to finance operations, and their potential insolvency could lead to a costly process of changing suppliers without any guarantee of remaining within the overall budget. The Council could suffer direct financial loss, and any defects or other issues may not be resolvable as anticipated.

To mitigate this risk, the Council carefully considers the financial robustness of any contractor and requests appropriate financial standing assurance and support wherever possible.

17.15 **Transfer Risk**

When the Council plans and delivers housing projects, it is important to consider the risks associated with the project and whether the Council (or its subsidiaries such as KGE) is the best placed to take on that risk.

A key consideration for major capital schemes is whether these will be developer led or whether the Council will self-develop. For a developer led scheme the developer will take on a significant proportion of the risks associated with the project. However, the developer will price this risk in, so it will come at a cost.

Considerations can include whether there is resource capacity and expertise to take on specific risks in the context of the overall capital programme. The housing subsidiaries are newly incorporated and there may be an initial set-up risk as the company gains experience and embeds its delivery plan.

17.16 **Project Risks**, relates to the delivery of capital projects, which in many cases can be controlled, influenced, or directly mitigated in ways other than making

contingencies available. These risks would mostly relate to unforeseen project delays and cost increases which could arise from a range of circumstances.

The effective management of these risks is mostly linked to the following strategies:

Projects are required to maintain a risk register, to ensure effective monitoring.

- **Highlight reporting** - development projects, as an example, create monthly highlight reports to ensure stakeholders are aware of progress and risks of projects on an on-going basis.
- **Appointment of professional teams** - the Development team has recruited and retained the services of experts to provide robust planning and review to advise on financial feasibility and to ensure timely delivery of projects.

Experts also cover key surveying and financial planning roles to give assurance on quality of work and assumptions.

- **Risk of Revenue Write Off** – the Council commits to feasibility studies on many of its significant capital schemes at the point where spend is revenue in nature or when capital spend may be written off, should the scheme in question not progress.

This is managed through careful consideration and approval of all expenditure potentially at risk of revenue write-off. There is a further risk that any projects funded may not yield the required ongoing revenue savings and therefore may need to be written off to revenue.

18. Financial implications

- 18.1 Financial implications are set out in the main body of this report.

19. Legal considerations

- 19.1 The legal implications for each individual scheme within the capital programme will be considered when approval is sought for that scheme. Each scheme within the capital programme will be approved in accordance with the council's constitution.

20. Equality and Diversity

- 20.1 The Capital strategy and programme impact on all residents across the Borough. In particular, the provision for new housing within the Borough will assist a substantial number of our 1800 residents, on our housing waiting lists, many of whom are key workers, the young and most vulnerable residents to benefit from our affordable house schemes. Before major new projects and programmes are undertaken, equality impact assessments are undertaken.

21. Sustainability/Climate Change Implications

- 21.1 Each project will be required to provide details of its impact on the sustainability for the Borough and climate. Noting that at present, we are investing over £5.5m into green initiatives and a further £3M on reducing our carbon footprint in our properties, notably, £44m to build the first Passivhaus Leisure Centre in the United Kingdom.

22. Timetable for implementation

- 22.1 The Capital Strategy will need to be approved by Council and can then be issued immediately thereafter.

Background papers: as presented at previous or current meeting(s)

2024/25 to 2027/28 Capital Programme
KGE 50-year projections

Corporate Policy & Resources Committee

19 February 2024



Title	Estimated 2024/25 to 2027/28 Capital Programme
Purpose of the report	To recommend to Council that they approve the Estimated 2024/25 to 2027/28 Capital Programme
Report Author	Prithiva Janaka Treasury Management and Capital Accountant
Ward(s) Affected	All Wards
Exempt	No
Corporate Priority	Community Affordable Housing Recovery Environment Service Delivery
Recommendations	The Committee is asked to recommend to Council that they approve the proposed Capital Programme for 2024/25 to 2027/28
Reason for Recommendation	As part of the 2024/25 budget setting process and to ensure that the Council has a planned approach to its Capital expenditure and that it is financially sustainable.

Summary of the report

What is the situation	Why we want to do something
<p>Councils have a statutory responsibility to refresh and approve a Capital programme each year before the start of the financial year.</p> <p>In the last few years, it has become more challenging to finance capital expenditure because of the recent rises in interest rates as a result number of Projects has been suspended with immediate effect</p>	<p>have a medium to long term strategy which identifies need to incur capital expenditure and how we will finance on a sustainable basis</p>
This is what we want to do about it	These are the next Steps
<p>Carry out the projects with minimum borrowing as possible by using the</p>	<p>Approve the current programme and revisit in few years to review the projects which are suspended.</p>

available capital receipts, capital financing and Grants	
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1. Key issues

- 1.1 The estimated Capital Programme forms an integral part of the Council's Capital Strategy.
- 1.2 The Council is being asked to approve a multi-year Capital Programme of £36m gross and £32m net of receipts and grants detailed in Appendix A. Included in the proposed schemes £7M is for new projects.
- 1.3 Also included are two estimated multiyear expenditure items for the leasing, and the purchase of, multiple waste vehicles for £400k. The new schemes are included to provide a holistic view of the Council's estimated Capital Programme, and to allow officers to plan their medium-term financial strategy. Also included is the River Thames Project, which has been approved in 2023/24 at £1.3m.
- 1.4 Due to the delays in developing the Council's projects caused by several factors, including, the moratorium, Brexit, supply chain challenges, construction price inflation and shortages of labour, all the Capital Projects have been reviewed by the Council and reprofiled to reflect the latest capital monitoring information and expectation of when budgeted expenditure will be incurred, as shown in appendix A.
- 1.5 The aggregate estimated Capital Programme attributable to each committee for 2024/25, before funding is applied, is shown in the table below.

	2024/25	2025/26	2026/27	2027/28	Total
	Estimated £000s	Estimated £000s	Estimated £000s	Estimated £000s	Estimated £000s
Community Wellbeing & Housing - DFG	1,085	1,003	1,003	1,003	4,092
Environment & Sustainability	2,330	1,165	0	0	3495
Neighbourhood Services	335.0	0.0	0.0	0.0	335.0
Corporate Policy and Resources	23,831	1,682	1,579	173	27,265
Regulatory & Administration	783	521	0	0	1,304
Total before funding	28,363	4,371	2,582	1,176	36,492

- 1.6 The largest element of the Capital Programme continues to be Spelthorne Leisure centre, which will be completed in the summer of 2024.
- 1.7 Other elements of the Council's Capital Programme include several smaller initiatives to reduce our carbon footprint and utilising the Green Initiatives Fund set aside by Council last year and various Information Technology (IT) projects such as, equipment refresh, upgrades to systems and improvements to ways of working which will help facilitate efficiencies.
- 1.8 The majority of our Capital Programme is and will continue to be funded by borrowing from the Public Works Loan Board (PWLB), in compliance with the Prudential and Treasury Management Codes and Government guidance and revenue contributions as the Council has very limited capital receipts or capital reserves.
- 1.9 Under the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code regime, councils have a requirement to set out how the financing of their Capital Programme is prudent and affordable and to publish prudential indicators. Any new borrowing would result in a charge to the General Fund for principal and interest on completion of schemes borrowing is not undertaken the programme would need to be financed from additional capital receipts through the selling of assets or a significant revenue contribution to Capital from the services proposing the capital works. The Council is not currently looking to dispose of any of its properties, which means that future capital receipts will be limited. There will still be a small amount of receipts from the Council's share of Right to Buy, as we come to the end of the contract to improve the resiliency of the Capital Programme.
- 1.10 Borrowing will be undertaken to fund acquisitions for residential and regeneration purposes and developments where future income streams or cashable savings are generated, for example reducing the office footprint.

2. Prudential Indicators (PI)

- 2.1 There are several key indicators to ensure that the Council operates its activities within defined boundaries, which can be seen in Appendix B.

Operational Boundary

- 2.2 The Operational Boundary for External Debt is not a limit and actual borrowing could vary around this boundary for short times during the year. It acts as an early warning indicator to ensure the authorised limit is not breached.
- 2.3 The Operational Boundary links directly to the Council's Capital finance Report (CFR) and estimates of other cashflow requirements. The Council intends to keep the Operational Boundary at £1,067m for 2024/25 through to 2026/27, as detailed in the Treasury Management Strategy Report.

Authorised Limit

- 2.4 Another key indicator is the Authorised Limit which represents the maximum level of borrowing beyond which further external debt is prohibited, without Council approval.
- 2.5 This is a statutory limit determined under Section 3 (1) of the Local Government Act 2003 and it has been set at £1,167m for 2024/25 through to 2026/27, as detailed in the Treasury Management Strategy Report.

- 2.6 Council will approve the Authorised Limit and Operational Boundary via the Treasury Management Strategy Report.

Estimates of financing costs to net revenue stream

- 2.7 This indicator compares the total principal and net interest payments on external debt to the revenue spending of the Council that is funded by government grants and local taxpayer. It is a measure of affordability of borrowing, and is shown in table 2 of Appendix B.
- 2.8 As the Council continues to repay its loans, the interest charge will start to reduce, and the capital repayment element will increase, and therefore the ratio will start to fall over the coming years and highlights the importance of the Council continuing with its policy to build its reserves as well as using the net investment income to support its service deliver and regeneration programme.

If our net investment income from our property portfolio were included (which was why Council took out the loans)

the ratios would be as follows:

	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m
Net Revenue Stream & Investment Portfolio Rent	14.0	13.90	13.4	12.00
Financing costs	36.6	36.69	39.9	40.04
Ratio	2.615	2.640	2.98	3.33

Commercial income, related costs, and net contributions to future costs

- 2.9 The Council's commercial income, as per the table below shows, a strong net income position after allowing for landlord costs, financing costs and net contributions to the reserves (sinking funds) from 24/25 onwards.

	2024/25	2025/26	2027/28	2028/29
	£m	£m	£m	£m
Commercial income	(50.947)	(51.395)	(53.852)	(55.755)
Landlord costs	6.823	9.417	8.281	8.678
Contribution to sinking funds	(2.016)	(4.257)	(0.754)	0.773
Financing costs	36.131	36.224	36.306	36.299
Net income after landlord & financing costs & net contributions to sinking fund	(10.009)	(10.011)	(10.019)	(10.006)

3. Financial implications

3.1 The planned financing of the 2024/25 proposed Capital Schemes is as follows in £000s

Type of Funding	2024/25 Estimated £000s	2025/26 Estimated £000s	2026/27 Estimated £000s	2027/28 Estimated £000s	Total
Capital Receipts, CIL and S106 funding	4,312	310	310	233	5,165
Lease Funding of Refuse Vehicles	850	850	850	0	2,550
Borrowing	21,891	2,268	479	0	24,638
Total	27,053	3,428	1,639	233	32,353

It can be noted that over the four-year period funding from non-borrowing sources will equate to approximately 21% of the planned expenditure.

4. Sustainability/Climate Change Implications

4.1 The Council will be investing more than £40m in the development of the first leisure centre in the United Kingdom to be built to the exacting Passivhaus standards (with £4m of the cost relating to achieving the Passivhaus standards), which will reduce our carbon footprint and fuel consumption up to 65 to 70% for this building.

5. Timetable for implementation

5.1 Schemes included in the Capital Programme are programmed to commence in 2024/25 and will be monitored monthly by officers to ensure that any slippage of schemes is identified at an early date and the programme is adjusted accordingly.

5.2 Bimonthly reports are also provided to the Development Subcommittee for discussion and review.

5.3 Any schemes incomplete at the end of March 2024 may be incorporated as part of the revised programme for 2024/25.

5.4 Quarterly reports are prepared by the Finance Team as part of the Capital monitoring process, to show the status of the schemes and presented to Committees and Council the expected variance from the approved budget., along with the appropriate narrative.

Appendices:

A - 2024/25 to 2027/28 Capital Programme.

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CAPITAL PROGRAMME 2024/25 TO 2027/28

Appendix A

	Revised Total Budget	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Total for 4 Years
	£000s	£000s	£000s	£000s	£000s	£000s
Spelthorne Capital Programme 2024-25 to 2027-28						
Disabled Facilities Mandatory	3,854	1,025	943	943	943	3,854
Disabled Facilities Discretion	238	60	60	60	60	238
Grants received from Central Government	-3,854	-1,025	-943	-943	-943	-3,854
Grants received from Central Government	0	0	0	0	0	0
Committee Total	238	60	60	60	60	238
Replacement refuse vehicle	80	80	0	0	0	80
Replacement refuse vehicle - external fund insurance claim	0		0	0	0	0
Procurement of new food waste vehicles	400	400	0	0	0	400
County Transit Site	127	127	0	0	0	127
Replacement Spelride Bus	100	100	0	0	0	100
Wheelie Bins (Growth)	110	55	55	0	0	110
Laleham Park- Portacabins	93	93	0	0	0	93
River Ash Boardwalk	150	150	0	0	0	150
River Ash Boardwalk - Bronzefield Reserve Funding	-150	-150	0	0	0	-150
River Thames Scheme	1,300	1,300	0	0	0	1,300
Air Quality	25	25	0	0	0	25
Electric Van for Jet(Growth)	110	0	110	0	0	110
New Market Stalls(Growth)	50	0	50	0	0	50
Replace 4 remaining Spelride buses for Electric(Growth)	500	0	500	0	0	500
Electric Power Supply enhancement(Growth)	450	0	450	0	0	450
Committee Total	3,345	2,180	1,165	0	0	3,345
Car Park Management System update in Elmsleigh Surface+MSCP	250	250	0	0	0	250
PCN/Permit/Season Ticket management and issuance management system	50	50	0	0	0	50
Supply of 5 new CCTV cameras in Shepperton	35	35	0	0	0	35
Committee Total	335	335	0	0	0	335

Spelthorne Capital Programme 2024-25 to 2027-28	Revised Total Budget	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Total for 4 Years
	£000s	£000s	£000s	£000s	£000s	£000s
Spelthorne Leisure Centre	18,845	18,845	0	0	0	18,845
Ashford MSCP Residential Scheme	0	0	0	0	0	0
Ashford MSCP Residential Scheme - Hones for England Gr	0	0	0	0	0	0
Whitehouse - Design Fees & Construction Phase B	97	97	0	0	0	97
Whitehouse - Design Fees & Construction Phase B - Home	-97	-97	0	0	0	-97
Decathlon Unit	150	150	0	0	0	150
Centros Upgrade - systems and processes	194	194	0	0	0	194
Elmsleigh Centre WCs	55	55	0	0	0	55
Elmsleigh Centre WCs	-40	-40	0	0	0	-40
Cedars Rec Toilet block	250	250	0	0	0	250
Greeno Rec	1,200	1,200	0	0	0	1,200
Manor Park Pavilion	750	750	0	0	0	750
Revelstoke	400	400	0	0	0	400
Sandhills Meadow Bridge - Contribution	200	200	0	0	0	200
Production of strategy to inform about disposal or redevelopment options(Growth)	50	50	0	0	0	50
Carbon reduction initiatives(Growth)	2,967	0	1,561	1,406	0	2,967
31 Hanworth Road – secure approval to enter into a land swap with owner occupier to acquire 31 HR in return for Air Source Heat Pump (Knowle Green; White House	1,000	1,000	0	0	0	1,000
Depot; Laleham Nursery; Shepperton Preschool;	467	0	121	173	173	467
Demolishing of Thameside House(Growth)	600	600	0	0	0	600
Demolishing of Kingston Road(Growth)	40	40	0	0	0	40
Committee Total	27,128	23,694	1,682	1,579	173	27,128
Centros Upgrade - systems and processes	126	126	0	0	0	126
Network Infrastructure	170	170	0	0	0	170
Customer Services Contact Cent	28	28	0	0	0	28
Capita API Webcapture integration (Growth)	70	70	0	0	0	70
SharePoint Upgrade	0	0	0	0	0	0
General Hardware, Software and Mobiles (Growth)	20	20	0	0	0	20
General Hardware - Homeworking Kit	46	46	0	0	0	46
General Hardware - Tablets/Mobile (Growth)	52	31	21	0	0	52
Service Delivery Hardware Printers	38	38	0	0	0	38
Service Delivery Hardware Infrastructure (Growth)	500	0	500	0	0	500
SharePoint redesign & Relaunch	155	155	0	0	0	155
Corporate EDMS Project	0	0	0	0	0	0
Acquisition of GovTech	20	20	0	0	0	20
Website upgrade	79	79	0	0	0	79
	1,304	783	521	0	0	1,304
Total for Other	32,351	27,051	3,428	1,639	233	32,351

Spelthorne Capital Programme 2024-25 to 2027-28	Revised	Budget	Budget	Budget	Budget	Total for 4 Years
	Total Budget	2024/25	2025/26	2026/27	2027/28	
	£000s	£000s	£000s	£000s	£000s	£000s
Net Programme By Committee						
Community Wellbeing & Housing- DFG	238	60	60	60	60	238
Environment & Sustainability	3,345	2,180	1,165	0	0	3,345
Neighbourhood Services	335	335	0	0	0	335
Corporate Policy & Resources	27,128	23,694	1,682	1,579	173	27,128
Regulatory & Administration	1,304	783	521	0	0	1,304
Total	32,351	27,052	3,428	1,639	233	32,351

Capital Financing Requirement	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000
Net Capital Programme 2024/25 till 2027/28	1,639	233	32,351	0
Capital Receipts, CIL , S106 funding and Grants	4,312	310	310	233
Capital funding	0	0	0	0
Lease Funding for Refuse vehicles	850	850	850	0
Revenue Contributions to capital outlay	0	0	0	0
Borrowing	21,891	2,268	479	0
CFR 2024/25	27,053	3,428	1,639	233

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Corporate Policy & Resource Committee



19 February 2024

Title	Treasury Management Strategy Statement 2024/25
Purpose of the report	The Council has statutory duty to approve an annual treasury management strategy. The Council may require amendments to the strategy but must ensure that an approved strategy is in place for each financial year.
Report Author	Prithiva Janaka, Treasury Management and Capital Accountant
Wards affected	All Wards
Exempt	No
Corporate Priority	Community Addressing Housing Need Resilience Environment Service delivery
Recommendations	<p>Committee is asked to:</p> <ol style="list-style-type: none"> 1. Review the Treasury Management Strategy for 2024/25 as set out in this report. 2. Recommend that council approve the Treasury Management Strategy for 2024/25 3. By recommending the council approves the report they will be agreeing to the Treasury Management Practices (TMP) MRP statement, Operational Boundary, and Authorised Limits.
Reason for Recommendation	The Treasury Management Strategy is a statutory requirement upon the Council, and it is important that the Council manages prudently and professionally its treasury management transactions

1. Introduction

Treasury management is the pro-active management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested 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 financial risk are therefore central to the Authority's prudent financial management.

Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> • CP&RC and Council have a statutory responsibility to review and approve the Treasury Management Strategy annually before the beginning of the new financial year. • The Council has both a significant debt portfolio (most of which is at fixed rates) of £1,072m and equally investment funds of £59.4m and cash balances currently averaging £10m. • This scale of activity creates risks which need to be proactively managed. • Council should review its liquidity and cashflow on a weekly basis. • The Council needs to seek to minimise financing costs whilst maximising returns on surplus funds 	<ul style="list-style-type: none"> • Treasury management is crucial to the councils' cash flow, investment and borrowing to mitigate the risk we should plan a head on • Operational Limit • Authority limit • Diversify investment. • Borrowing • To fund capital projects of higher value and invest excess cash to earn income through interest
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> • Mitigate risk by diversify Investment and borrowing. • Continuing to seek professional advice from our advisers 	<ul style="list-style-type: none"> • Review and approve Treasury management Strategy 2024/25 by Corporate Policy and Resource Committee and the Council.

- 1.1 The prime objective of the Council's investment strategy is to maintain capital security whilst ensuring that there is the necessary liquidity to carry out its business. Within these constraints, the strategy aims to maximise returns.
- 1.2 The borrowing strategy aims to minimise the revenue cost of debt whilst securing the council from revenue pressures in the event of interest rate volatility.
- 1.3 A key revenue consequence of borrowing is the statutory requirement to set aside an amount for repayment of debt, known as Minimum Revenue Provision (MRP). Regulations require the authority to determine annually a principle by which MRP will be determined.
- 1.4 The treasury management strategy aims to protect the council from market-related risks by monitoring interest rates, economic indicators, and UK and overseas government finances. A range of information sources is used to inform economic analysis and forecasts.

2. Operational Analysis and Proposals

- 2.1 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 2.2 This is a technical report providing necessarily detailed information that the Council is required to have due regard to, certain key information is appended for the sake of clarity. Appendix A provides recent benchmarking of the investment portfolio by the Council's treasury advisors, illustrating performance reporting used by the Council. Background to this report is given at Appendices B and C. The MRP Statement is given at Appendix D. The Treasury Management Practices (TMP) and Schedules, included at Appendix E, set out how this Council will seek to achieve its treasury management policies and objectives and how it will manage and control those activities.
- 2.3 The Council's short term investment portfolio has been reviewed by Arlingclose found to be generally compliant with the Council's ESG policy and a full report will be coming to this committee in March. Of the 3 funds that were just outside of this policy officers will review the situation once the Council has made the decision on how Leisure Centre Project will be funded as one of the options is to use the short term investments rather than the external borrowing to fund this project.
- 2.4 Option 1: The Council has a statutory duty under the *Local Government Act 2003* to approve and publish a treasury management strategy before the start of each financial year. Recommend this option.
- 2.5 Option 2: Committee may make recommendations to develop the strategy, as long as those recommendations comply with the Chartered Institute of Public Finance Treasury Management code and are consistent with the statutory regulatory framework, as stated above the Committee must ensure a strategy is in place each year to meet its statutory duty.
- 2.6 Option 3: Not approve a Strategy. The Council does not have the option to refuse to approve a strategy altogether.

Summary position

On 31 December 2023, the Council held £1,072.0m of borrowing, £59.0m of treasury investments and £756.2m of non-treasury investment property. Overall, the Council position is £256.8m net borrowing. This detailed in Table 1 below.

Table 1: Current Investment & Debt Portfolio Position

As at 31.12.2023	Actual Portfolio £m
External Borrowing:	
Public Works Loan Board	(1,072.0)
Local Authorities (short term)	0.0
Total Gross External Debt	(1,072.0)
Long-Term Investments:	
Pooled Fund Investments	33.1
Funding Circle	0.4
Short-Term Investments:	
Local Authorities	22.0
Fixed Rate Deposits	0.0
Money Market Funds	3.9
Total Investments	59.4
Net (borrowing)/ investments	(1,013.0)
Non-treasury investments:	
Investment property (as at 31Mar23)	756.2
Overall net negative Equity	(256.8)

- 2.7 Funding Circle is a peer-to-peer lending platform which provides an alternative borrowing mechanism for small businesses. This investment was made in April 2015 to help diversify the investment portfolio, and as an economic development opportunity enabling the Council to support local businesses where demand exists. Following general review by the Funding Circle fund manager over the COVID period, fund management has changed so that sums from repaid loans are not being reinvested, so the fund is being run down.
- 2.8 Officers do not anticipate any significant changes in the actual figures quoted above as at 31 December 2023 to estimated figures shown below as at 31 March 2024
- 2.9 **Minimum Revenue Provision (MRP):** Where the Council finances capital expenditure by debt, the Council is required to put aside resources to repay that debt. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), noting that there has been no statutory minimum since 2008. The Council's Annual MRP Statement is included at Appendix D. It should be noted that the Council repays borrowing

each year by applying the MRP, and that this is reflected in the MRP. The Government is currently circulating on some changes to the MRP regulations and guidance. The Council will have regard to any changes to the guidance but does not anticipate any of the proposed changes to present any difficulties.

- 2.10 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 Council's current strategy is to maintain borrowing and investments below their underlying levels, also known as internal borrowing. Forecast changes in the CFR, investments and borrowing are shown in Table 2 below.

Table 2: Capital Financing Requirement

	Actual	Estimate	Estimate	Estimate	Estimate
	31.03.2023	31.03.2024	31.03.2025	31.03.2026	31.03.2027
	£m	£m	£m	£m	
Opening CFR	1,117.7	1,170.0	1,191.7	1,184.9	1,175.4
In-year movement (below)	52.3	21.7	(6.8)	(9.5)	(12.2)
Closing CFR	1,170.0	1,191.7	1,184.9	1,175.4	1,163.2
Less: External borrowing	(1,096.5)	(1,072.0)	(1,065.2)	(1,055.7)	(1,043.5)
Internal borrowing	73.5	119.7	119.7	119.7	119.7
<i>Capital programme:</i>					
Housing & Regeneration	63.8	23.6	0.0	0.0	0.0
Other capital expenditure	3.4	4.4	4.4	2.6	1.0
Total Capital Expenditure	67.2	28.1	4.4	2.6	1.0
<i>Financing:</i>					
Capital Receipts	(0.7)	4.3	0.3	0.3	0.2
Capital Grants and Contributions	(1.0)	1.3	0.9	0.9	0.9
Revenue Contributions	0.0	0.9	0.9	0.9	0.0
Net Financing Need	65.5	34.5	6.4	4.6	2.1
Less: Minimum Revenue Provision (MRP)	(12.4)	(12.9)	(13.2)	(14.1)	(14.5)
In-year movement in CFR	53.1	21.6	(6.8)	(9.5)	(12.4)

- 2.11 The Council has an increasing CFR due to planned Capital Programme expenditure, in particular on the Council's housing delivery (Property acquisition for families) to top up the Local Authority Housing Fund grant) for the and regeneration programme and on service projects such as the new Leisure Centre.
- 2.12 The Authorised Borrowing Limit has been reduced from October 2023 from £1,450m to £1,167m and Operational Boundary from £1,350m to £1,067m for 2024/25, are considered appropriate for the above projections but will be reviewed and revised as needed to reflect borrowing requirements in future years. As can be seen in the above table the anticipated external borrowing figure falls below both limits.
- 2.13 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that an authority's total debt be lower than its highest forecast CFR over the next three years. Table 2 above shows that the Council expects to comply with this recommendation for 2024/25

Local context - Liability benchmark

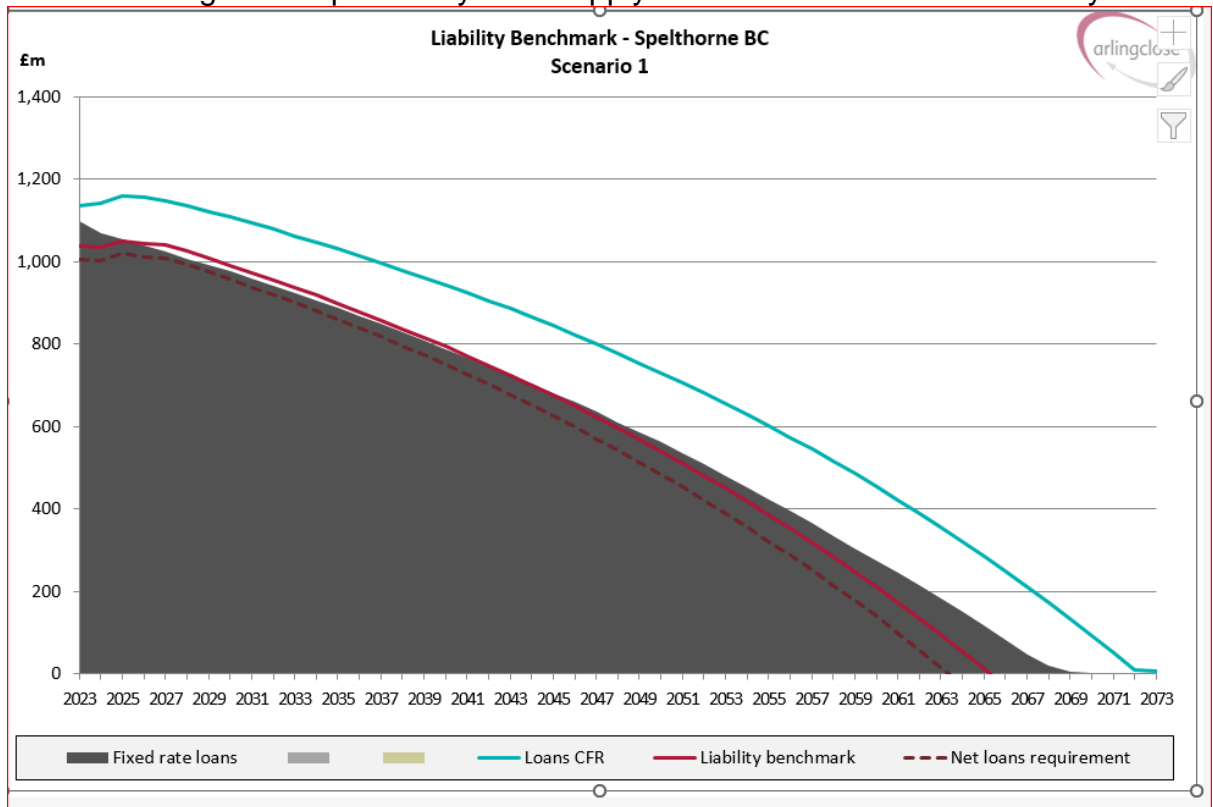
- 2.14 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark (a measure of risk outlined in the CIPFA TM Code and now required to be reported on for future years) has been calculated showing the lowest risk level of borrowing, as shown at Table 3. This assumes the same forecasts as Table 2 above, but that cash and investment balances are kept to a minimum level of £20m at each year-end to maintain sufficient liquidity but minimise credit risk.

Table 3: Liability benchmark

	Actual 31.03.2023	Estimate 31.03.2024	Estimate 31.03.2025	Estimate 31.03.2026	Estimate 31.03.2027
	£m	£m	£m	£m	£m
CFR	1,170.0	1,191.7	1,184.9	1,184.9	1,175.4
Balance Sheet resources	(111.0)	(113.0)	(119.0)	(113.0)	(113.0)
Minimum investment	20.0	20.0	20.0	20.0	20.0
Liability benchmark	1,079.0	1,098.7	1,085.9	1,091.9	1,082.4

- 2.15 The liability benchmark indicates that the required minimum level of borrowing is forecast to be £1,098.7m as at 31 March 2024 after taking into account other resources such as usable reserves and the minimum investment of £20.0m.
- 2.16 Following on from the medium-term forecasts in table 2 above, the longer-term liability benchmark given next shows the level of borrowing that will be required in future years – consistently low at around £0.1m to £0.2m (the gap under the top, green line). The Council will be working with Arlingclose to further develop

this modelling to help identify and apply internal resources effectively.



3. Borrowing and Investment Strategies

Borrowing Strategy

- 3.1 The Council currently holds £1,072.0m of loans, which it is paying off on an annual basis (Table 1) as part of its strategy for funding previous years' capital programmes. The Council was debt-free before 2016/17, when the decision was taken to make strategic property acquisitions based on the opportunities available. With the important caveat that Council has no intention to buy investment assets primarily for yield. This is as set out in the Council's Capital Strategy.
- 3.2 The forecast in Table 2 shows that the Council expects outstanding borrowing to be a maximum of £1,072m in 2024/25.
- 3.3 The revised draft Capital Programme budget for 2024/25 has been set at £27m, net of funding this is a reduction of almost 50% from 2023/24 mainly due to mostly all the programmes except Spelthorne Leisure Centre have been suspended. A proportion of rental income from existing investment property is set aside to increase sinking fund earmarked reserves, which contribute towards financing of future property-related costs. This is to help ensure, given the relatively illiquid nature of property assets, the Council does not get into a forced sale position on an asset if its income dips for a temporary period.
- 3.4 **Objectives:** The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty over those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

- 3.5 **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 3.6 With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term either to use internal resources, or to borrow short-term loans instead of long-term. By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.
- 3.7 The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis, the result of which will help determine whether the Council borrows additional sums at long-term fixed rates in 2024/25 with a view to keeping future interest costs low and gaining long term value for money even if costs are higher in the immediate to short term.
- 3.8 The Council has previously raised the majority of its long-term borrowing from the PWLB, which remains a relatively good option particularly as it was fixed at relatively low interest rates. Government guidance now prohibits authorities that have 'investments for yield' (which the Council does not intend to have) from accessing PWLB loans.
- 3.9 The Council may consider in the future long-term loans from other sources including banks, pensions, and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding, in line with the CIPFA TM Code. However, given the Council's current reduced borrowing intentions it is not currently actively seeking alternative sources of loan finance.
- 3.10 Specifically, the Council is working with Arlingclose to identify alternative funding options for potential acquisitions and future development projects, and at options for diversifying the Council's debt to build a portfolio from a number of sources.
- 3.11 The Council will also consider forward-starting loans, where the interest rate is fixed in advance and the cash is received in later periods. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. Forward starting loans would facilitate effective funding of major development projects such as those planned for the property portfolio.
- 3.12 In addition, the Council may borrow short-term when needed to cover unplanned cash-flow shortages.
- 3.13 **Sources of borrowing:** Approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
 - Works Loan Board (PWLB) and any successor body
 - any institution approved for investments (see below)
 - any other bank or building society authorised to operate in the UK
 - any other UK public sector body

- UK public and private sector pension funds (except Surrey Pension Fund)
 - capital market bond investors.
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues.
- 3.14 **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- leasing
 - hire purchase.
 - Private Finance Initiative
 - sale and leaseback.
- 3.15 **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. The Agency plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Council.
- 3.16 **LOBOs:** The Council does not hold and has not previously held, LOBO (Lender's Option Borrower's Option) loans, which expose borrowers to an element of refinancing risk. A LOBO lender has the option to propose an increase in the interest rate at set dates, following which the borrower has the option to either accept the new rate or to repay the loan at no additional cost. These loans do not represent value for money and will not form part of the Council's borrowing strategy.
- 3.17 **Short-term and variable rate loans:** These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk.
- 3.18 **Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount (currently the council would receive a discount on most of its loans as a result of prevailing rates being higher than when the council fixed the rates) according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.
- 3.19 **Investment Strategy**
- The Council holds significant levels of invested funds representing income received in advance of expenditure plus balances and reserves held. Total long-term investments are £33.5m as at the end of December 2023 (Table 1). This includes £33.1m pooled funds, there has been a slight increase after the COVID-19 crisis resulted in a reduction in the capital value of these holdings as they are primarily property funds. This reduction is expected to be temporary and has since partially recovered.

Invested funds may be increased further if there are significant additional capital receipts and if it is agreed that these are to be invested. Total investments are higher throughout the financial year and are monitored closely and maintained at appropriate levels as part of managing short-term cash-flow requirements of the Council.

- 3.20 **Objectives:** Both the CIPFA TM Code and the DHLUC Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest yield (rate of return). The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 3.21 The Council recognise that the bulk of its borrowing relates to financing of investment designed to deliver long term income streams and that in the event of a forced sales there would be liquidity challenges as assets take time to sale and sale prices will fluctuate. Being mindful of this risk is a key reason why the Council put in place the risk mitigation approach to have sinking funds reserves to ensure that if tenants vacate an investment asset the council can sustain a period of dip in rental income without being forced into a position of having to seek to sell the asset.
- 3.22 **Strategy:** The Council aims to maximise liquidity of funds to ensure availability for capital expenditure, in line with the Council's significant property and housing service plans.
- 3.23 **Business models:** Under the International Financial Reporting Standard (IFRS) 9 standard, accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 3.24 **Approved counterparties:** The Council may invest its surplus funds with any of the counterparty types in Table 4 below, subject to the cash limits (per counterparty) and the time limits shown. The cash limits shown have been agreed in conjunction with our treasury advisers, to enable the Council to have sufficient flexibility within the strategy being set to manage funds appropriately as they are received. This can sometimes include holding funds in advance of need in relation to making strategic acquisitions.

Table 4: Approved investment counterparties and limits

Credit Rating	Government	Banks Secured	Banks Unsecured	Corporates	Registered Providers
UK Gov	£ Unlimited 50 years	n/a	n/a	n/a	n/a
AAA	£10m 50 years	£10m 20 years	£10m 5 years	£5m 20 years	£5m 20 years
AA+	£10m 25 years	£10m 10 years	£10m 5 years	£5m 10 years	£5m 10 years
AA	£10m 15 years	£10m 5 years	£10m 4 years	£5m 5 years	£5m 10 years
AA-	£10m 10 years	£10m 4 years	£10m 3 years	£5m 4 years	£5m 10 years
A+	£5m 5 years	£10m 3 years	£10m 2 years	£5m 3 years	£5m 5 years
A	£5m 5 years	£10m 2 years	£10m 13 months	£5m 2 years	£5m 5 years
A-	£5m 5 years	£10m 13 months	£10m 6 months	£5m 13 months	£5m 5 years
None	£5m 25 years	n/a	£1m 6 months	£1m 5 years	£5m 5 years

Pooled funds and real estate investment trusts (REITs)	£10m per fund at point of investment
Money Market Funds	Unlimited per fund

This table must be read in conjunction with the notes below.

- 3.25 **Credit Rating:** Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used; otherwise, the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
- 3.26 **Government:** Loans, bonds, and bills issued or guaranteed by national governments, regional and local authorities, and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years
- 3.27 **Banks Secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment-specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

- 3.28 **Banks Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 3.29 **Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent. Loans to unrated companies would only be made either following a financial or credit assessment or as part of a diversified pool in order to spread the risk widely.
- 3.30 **Registered Providers:** Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing and Registered Social Landlords, formerly known as Housing Associations. These bodies are tightly regulated in England by the Regulator of Social Housing. As providers of public services, they retain the likelihood of receiving government support if needed.
- 3.31 **Money Market Funds:** These are pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 3.32 **Strategic Pooled Funds:** Bond, equity and property funds offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date and are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
- 3.33 **Real Estate Investment Trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.
- 3.34 **Operational Bank Accounts:** The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £500,000 per bank as far as practicably possible, and, where practical issues necessitate, no more than £5m as per Table 4. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.
- 3.35 **Risk Assessment and Credit Ratings:** Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings

as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria, then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

3.36 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

3.37 **Other information on the security of investments:** The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it might otherwise meet the above criteria.

3.38 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

3.39 **Investment Limits:** The maximum that will be lent to any one organisation (other than the UK Government) will be £5 million, to mitigate the risk in the case of a single default. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £500,000 in operational bank accounts count against the relevant investment limits.

Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as shown in Table 5 below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country since the risk is diversified over many countries.

Table 5: Investment limits

	Cash limit Per Counterparty
Any single organisation, except the UK Central Government	£10m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£25m per group
Any group of pooled funds under the same management	£25m per manager at point of investment
Negotiable instruments held in a broker's nominee account	£30m per broker
Foreign countries	£10m per country
Registered Providers	£25m in total
Unsecured investments with Building Societies	£10m in total
Loans to unrated corporates	£10m in total
Money Market Funds	£50m in total

- 3.40 **Liquidity management:** A four year forward cash flow forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. The Council has implemented a Treasury Management system and is currently developing the reporting available through that system, such as cash-flow forecasting, which will enable determination of the maximum period for which funds may prudently be committed.
- 3.41 The Council will spread its liquid cash over at least four providers (e.g. bank accounts and money market funds), where cash funds over £20 million are held, to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Indicators

- 3.42 The Council measures and manages its exposures to treasury management risks using the following indicators.
- 3.43 **Security:** The Council adopts a voluntary measure of its exposure to credit risk of its investment portfolio through regular rating advice from its treasury management adviser and through market information from contacts such as brokers and other councils.
- 3.44 **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing:

Liquidity risk indicator	Target
Total cash available within 3 months	£10m

- 3.45 **Interest Rate Exposures:** The Council is exposed principally to risk in terms of its exposure to interest rate movements on its borrowing and investments.

The Council is heavily reliant on investment income to support expenditure and has several strategies in place for managing such risk.

- 3.46 The Council’s treasury adviser provides analysis of market movements and assists in investment decisions based on their knowledge of current market conditions and interest rate forecasting.
- 3.47 The Council generally invests medium- to long-term at fixed rates. The Council currently has no variable rate investments.
- 3.48 Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classified as variable rate.
- 3.49 **Maturity Structure of Borrowing:** This indicator is set to control the Council’s exposure to refinancing risk. We calculate this as the amount of fixed rate borrowing, we can have maturing in each period as a percentage of total projected borrowing that is at a fixed rate. The calculation takes fixed rate to be whether the borrowing was taken out at a fixed rate for a fixed period of time, regardless of that length of time. The upper and lower limits on the maturity structure of borrowing are as shown in Table 6.

Table 6: Maturity Structure of Borrowing Upper Percentages are cumulative)

	Upper	Lower
Under 12 Months	10%	0%
1 – 2 Years	15%	0%
3 – 5 Years	20%	0%
6 – 10 Years	25%	0%
10 – 20 Years	50%	0%
20 – 30 Years	75%	0%
30 – 40 Years	90%	0%
40 – 50 Years	100%	0%

- 3.50 Time periods start on the first day of each financial year. The maturity of borrowing is the earliest date on which the lender can demand repayment. In the case of PWLB, this is the maturity date.
- 3.51 This indicator allows us to have the percentage of borrowing maturing in each time range shown above, considering our current debt profile and providing an allowance for new borrowing, while having consideration to the Capital Programme.
- 3.52 **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end are shown in Table 7 below.

Table 7: Principal Limits – Price risk indicator

	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m
Limit on principal invested beyond year end	70	70	70	70

- 3.53 **Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt). In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 8: Prudential Indicators - Authorised limit and operational boundary for external debt

	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m
Authorised borrowing limit	1,450	1,167	1,167	1,167
Operational boundary	1,350	1,067	1,067	1,067

- 3.54 **Estimates of financing costs to net revenue stream** shown in Table 9 is a measure of the affordability of borrowing. The Council’s financing costs relate substantially to borrowing when commercial property was acquired prior to March 2019. As the CIPFA TM Code notes, commercial investments are taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services. However, as commercial property was directly related to borrowing costs, Table 10 also shows the net income after costs and contributions to future costs. This illustrates the affordability of the commercial investments.

Table 9: Prudential Indicator - Financing costs to net revenue stream

	2024/25	2025/26	2026/27	2027/28
Net Revenue Stream, £m	14.007	13.899	13.384	12.006
Financing costs, £m	36.634	36.699	39.995	40.039
Ratio	2.615	2.640	2.988	3.335

Table 10: Commercial income, related costs and net contributions to

	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m
Commercial income *	(50.960)	(51.395)	(53.852)	(55.755)
Landlord costs *	6.912	9.417	8.281	8.678
Contribution to sinking funds	(2.800)	(5.030)	(1.400)	0.000
Financing costs	36.634	36.699	39.995	40.039
Net income after landlord & financing costs & net contributions to sinking fund	(10.214)	(10.309)	(6.976)	(7.038)

Related Matters

- 3.55 The CIPFA TM Code requires the Council to include the following in its treasury management strategy.
- 3.56 **Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
- 3.57 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward-starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 3.58 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
- 3.59 In line with the CIPFA TM Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.
- 3.60 **Markets in Financial Instruments Directive (MIFD):** The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

4. Financial implications

- 4.1 The budget for property investment income in 2024/25 is £51m (£44.1 after landlord costs, loan interest, minimum revenue provision), based on an investment portfolio of £912m (purchase cost). The budget for debt interest paid in 2024/25 is £25m, based on an average debt portfolio of £1,083m at an average interest rate of 2.3%. After financing costs, property costs and set asides, it is anticipated that the Council will have a net surplus of £9m.

5. Risk considerations

- 5.1 The DHLUC Guidance and the CIPFA TM Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. The strategy has been drawn up in consultation with the Council's independent treasury and investment advisers, to ensure a prudent and robust approach in the strategy.
- 5.2 Some alternative strategies, with their financial and risk management implications, are listed below in Table 11.

Table 11: Alternative strategies

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Lower investment sums resulting in less Interest income	Lower chance of losses from credit related defaults although such losses may be greater. Also, less diversity increases risk of losses.
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher with increased investment sums	Increased risk of losses from credit related defaults, but any such losses may be smaller. Increased diversity also decreases the risk of significant loss.
Borrow additional sums at long-term fixed interest rates (not in advance of need)	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default. However long-term interest costs may be more certain

Alternative	Impact on income and expenditure	Impact on risk management
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Reduced debt interest costs Less income for funding projects Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain Less resources available for the Capital Programme which would need to be reduced

6. Procurement considerations

Not applicable

7. Legal considerations

The Council has a statutory obligation, under The Local Government Act 2003 to approve and publish its Treasury Management Strategy. The Council has a statutory obligation to have regard to the Treasury Management and Prudential Codes

8. Other considerations

Not applicable.

9. Equality and Diversity

Not applicable

10. Sustainability/Climate Change Implications

The Corporate Policy and Resources Committee has agreed the parameters to be used in its Environmental, Social and Governance (ESG) strategy, the strategy has yet to be agreed. One of the intentions of developing and ESG strategy is to enable the Council to transition the investment portfolio to a more sustainable and environmentally sound approach.

11. Timetable for implementation

1st April 2024

12. Contact

Prithiva Janaka p.janaka@spelthorne.gov.uk

Background papers: None

Appendices:

Appx A - Arlingclose Benchmarking

Appx B - Context and Background v08 (5 pages)

Appx C - Arlingclose forecast (2 pages)

Appx D - Annual MRP Statement v03 (2 pages)

Appx E - TMP and Schedules (51 pages)



Investment Benchmarking
31 December 2023

Spelthorne
46 English Non-Met Districts Average
127 LAs Average

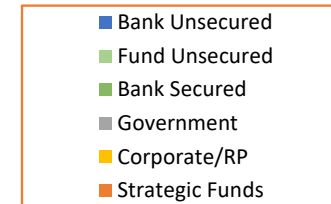
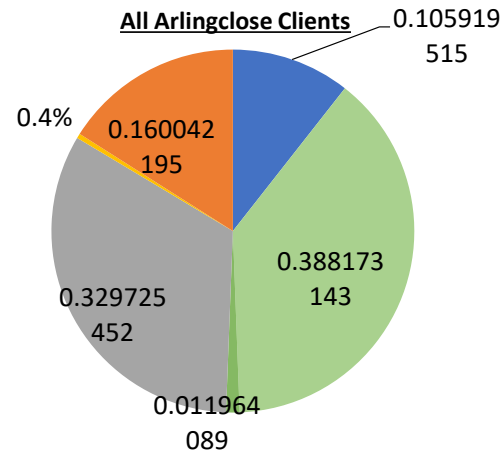
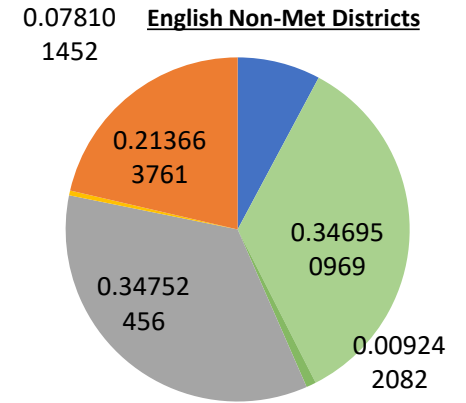
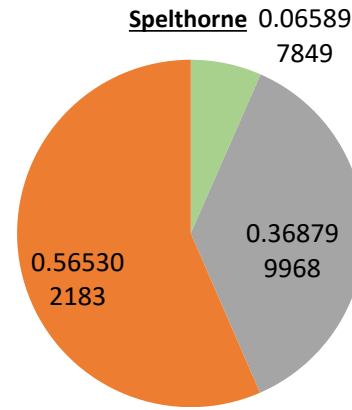
Internal Investments	£25.9m	£39.1m	£61.6m
Cash Plus & Short Bond Funds	£0.0m	£0.9m	£0.6m
Strategic Pooled Funds	£33.7m	£11.8m	£10.6m
TOTAL INVESTMENTS	£59.7m	£51.8m	£72.8m

Security			
Average Credit Score	5.39	4.81	4.80
Average Credit Rating	A+	A+	A+
Average Credit Score (time-weighted)	5.55	4.73	4.77
Average Credit Rating (time-weighted)	A	A+	A+
Number of Counterparties / Funds	17	14	13
Proportion Exposed to Bail-in	15%	57%	60%

Liquidity			
Proportion Available within 7 days	15%	44%	52%
Proportion Available within 100 days	43%	66%	72%
Average Days to Maturity	28	54	11

Market Risks			
Average Days to Next Rate Reset	36	73	51
Strategic Fund Volatility	8.4%	2.9%	3.7%

Yield			
Internal Investment Return	5.40%	5.09%	5.08%
Cash Plus Funds - Income Return	-	3.25%	3.41%
Strategic Funds - Income Return	4.85%	4.90%	4.86%
Total Investments - Income Return	5.09%	5.00%	5.04%
Cash Plus Funds - Capital Gain/Loss	-	1.69%	1.66%
Strategic Funds - Capital Gain/Loss	3.02%	-0.85%	-1.59%
Total Investments - Total Return	6.80%	5.12%	4.95%



Notes

- Unless otherwise stated, all measures relate to internally managed investments only, i.e. excluding external pooled funds.
- Averages within a portfolio are weighted by size of investment, but averages across authorities are not weighted.
- Pooled fund returns are 1-year to the end of the quarter.

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Context and Background

1. Spelthorne Borough Council's Context

- 1.1. Treasury Management in public services is defined as:
 - the management of the organisation's borrowing, investments, and cash flows, including its banking, money market and capital market transactions
 - the effective control of the risks associated with those activities.
 - the pursuit of optimum performance consistent with those risks.
- 1.2. The Council has borrowed and invested substantial sums of money and is consequently 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 financial risk are therefore central to the Council's prudent financial management.
- 1.3. Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA TM Code), which requires the Council to approve a treasury management strategy before the start of each financial year. The 2017 Edition of the CIPFA TM Code, which applies to the 2024/25 TM Strategy report, will be replaced for by the 2023 Edition in December 2023.
- 1.4. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA TM Code.
- 1.5. The Treasury Management Practices (TMP) and Schedules, included at Appendix E, set out how this Council will seek to achieve its treasury management policies and objectives and how it will manage and control those activities.
- 1.6. The following sections on external context are mainly provided by Arlingclose

2. External Context

External Context - Economic background

- 2.1. The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Authority's treasury management strategy for 2024/25
- 2.2. The Bank of England (BoE) increased Bank Rate by 0.5% to 4% in February 2023. This followed a 0.75% rise in November which was the largest single rate hike since 1989 and the ninth successive rise since December 2021. The December decision was voted for by a 6 3 majority of the Monetary Policy Committee (MPC), with two dissenters voting for a no-change at 3% and one for a larger rise of 0.75%.
- 2.3. The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

- 2.4. The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and the BoE forecasts Gross Domestic Product (GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.
- 2.5. CPI inflation is expected to have peaked at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets at the time of the November MPR (a peak of 5.25%). However, the BoE stated it considered this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR. Currently CPI is 4% (December 2023).
- 2.6. The labour market remains tight for now, with the most recent statistics showing the unemployment rate was 3.7%. Earnings were up strongly in nominal terms by 6.1% for both total pay and for regular pay but factoring in inflation means real pay for both measures was -2.7%. Looking forward, the November MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.
- 2.7. Interest rates have also been rising sharply in the US, with the Federal Reserve increasing the range on its key interest rate by 0.5% in December 2022 to 4.25%-4.5%. This rise follows four successive 0.75% rises in a pace of tightening that has seen rates increase from 0.25%-0.50% in March 2022. Annual inflation has been slowing in the US but remains above 7%. GDP grew at an annualised rate of 3.2% (revised up from 2.9%) between July and September 2022, but with official interest rates expected to rise even further in the coming months, a recession in the region is widely expected at some point during 2023.
- 2.8. Inflation rose consistently in the Euro Zone since the start of the year, hitting a peak annual rate of 9.2% in February 23, before declining to 5.2% in November 23. Even though inflation is declining from 2022, Economic growth has been weakening with an upwardly revised expansion of 0.6% (from 0.2%) in the three months to September 2022. As with the UK and US, the European Central Bank has been on an interest rate tightening cycle, pushing up its three key interest rates by 0.25% in June 2023

External Context - Credit Outlook

- 2.9. Credit default swap (CDS) prices have generally followed an upward trend throughout 2022 and 2023, indicating higher credit risk. CDS market is highly volatile and subject to various factors such as economic conditions, political events, and market sentiment.
- 2.10. CDS price volatility was higher in 2023 compared to 2022 and the divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities has emerged once again.
- 2.11. The weakening economic picture from 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them from to negative from stable.
- 2.12. There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability.

2.13. However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

2.14.

External Context – Interest Rate forecast The Authority's treasury management adviser Arlingclose forecasts that Bank Rate will continue to be at 5.25% at least for another year as the Bank of England attempts to subdue inflation which is significantly above its 2% target.

2.15. Yields are expected to remain broadly at current levels over the medium-term, with 5-, 10- and 20-year gilt yields expected to average around 3.79%, 3.88%, and 4.98% respectively over the 3-year period to December 2026. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

2.16. A more detailed economic and interest rate forecast provided by Arlingclose is in Appendix A

Revised PWLB Guidance

2.17. HM Treasury published further guidance on PWLB borrowing in August 2021 providing additional detail and clarifications predominantly around the definition of an 'investment asset primarily for yield'. The principal aspects of the new guidance are:

2.18. Capital expenditure incurred or committed to before 26th November 2020 is allowable even for an 'investment asset primarily for yield'.

2.19. Capital plans should be submitted by local authorities via a DELTA return. These open for the new financial year on 1st March and remain open all year. Returns must be updated if there is a change of more than 10%.

2.20. An asset held primarily to generate yield that serves no direct policy purpose should not be categorised as service delivery.

2.21. Further detail on how local authorities purchasing investment assets primarily for yield can access the PWLB for the purposes of refinancing existing loans or externalising internal borrowing.

2.22. Additional detail on the sanctions which can be imposed for inappropriate use of the PWLB loan. These can include a request to cancel projects, restrictions to accessing the PLWB and requests for information on further plans.

2.23. The Council will ensure it complies with the new PWLB guidance and will not be purchasing any assets primarily for yield.

3. Changes to PWLB Terms and Conditions from 8 September 2021

3.1. The settlement time for a PWLB loan has been extended from two working days (T+2) to five working days (T+5). In a move to protect the PWLB against negative interest rates, the minimum interest rate for PWLB loans has also been set at 0.01% and the interest charged on late repayments will be the higher of Bank of England Base Rate or 0.1%.

3.2. Municipal Bonds Agency (MBA): The MBA is working to deliver a new short-term loan solution, available in the first instance to principal local authorities in England, allowing them access to short-dated, low rate, flexible debt. The minimum loan size is expected to be £25 million. Importantly, local authorities will borrow in their own name and will not cross guarantee any other authorities.

- 3.3. If the Authority intends future borrowing through the MBA, it will first ensure that it has thoroughly scrutinised the legal terms and conditions of the arrangement and is satisfied with them.
- 3.4. UK Infrastructure Bank: £4bn has been earmarked for of lending to local authorities by the UK Infrastructure Bank which is wholly owned and backed by HM Treasury. The availability of this lending to local authorities, for which there will be a bidding process, is yet to commence. Loans will be available for qualifying projects at gilt yields plus 0.6%, which is 0.2% lower than the PWLB certainty rate.
- 3.5. Both the CIPFA TM Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

4. Treasury Investment

- 4.1. Ultra-low short-dated cash rates which have been a feature since March 2020 when Bank Rate was cut to 0.1% have resulted in the return on sterling low volatility net asset value money market funds (LVNAV MMFs) being close to zero even after some managers have temporarily waived or lowered their fees. At this stage net negative returns are not the central case of most MMF managers over the short-term, and fee cuts or waivers should result in MMF net yields having a floor of zero, but the possibility cannot be ruled out.
- 4.2. Deposit rates with the Debt Management Account Deposit Facility (DMADF) are also largely around zero.

5. Revisions to CIPFA Codes

- 5.1. In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These followed the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. In June, CIPFA provided feedback from this consultation, followed by further consultation from September.
- 5.2. In December 2021, CIPFA issued the revised Codes and Guidance Notes. The changes include:
- 5.3. Clarification that (a) local authorities must not borrow to invest primarily for financial return (b) it is not prudent for authorities to make any investment or spending decision that will increase the Capital Financing Requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority.
- 5.4. Categorising investments as those (a) for treasury management purposes, (b) for service purposes and (c) for commercial purposes.
- 5.5. Defining acceptable reasons to borrow money: (i) financing capital expenditure primarily related to delivering a local authority's functions, (ii) temporary management of cash flow within the context of a balanced budget, (iii) securing affordability by removing exposure to future interest rate rises and (iv) refinancing current borrowing, including replacing internal borrowing.

- 5.6. For service and commercial investments, in addition to assessments of affordability and prudence, an assessment of proportionality in respect of the authority's overall financial capacity (i.e. whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services).
- 5.7. **Prudential Indicators:** New indicator for net income from commercial and service investments to the budgeted net revenue stream.
- 5.8. Inclusion of the liability benchmark as a mandatory treasury management prudential indicator. CIPFA recommends this is presented as a chart of four balances – existing loan debt outstanding; loans CFR, net loans requirement, liability benchmark – over at least 10 years and ideally cover the authority's full debt maturity profile.
- 5.9. Excluding investment income from the definition of financing costs.
- 5.10. Incorporating ESG issues as a consideration within TMP 1 Risk Management.
- 5.11. Additional focus on the knowledge and skills of officers and elected members involved in decision making.

6. **DLUHC Improvements to the Capital Finance Framework**

- 6.1. The Government department DLUHC (Department for Levelling Up, Housing and Communities *formerly MHCLG*) published a brief policy paper in July outlining the ways it feels that the current framework is failing and potential changes that could be made. The paper found that "while many authorities are compliant with the framework, there remain some authorities that continue to engage in practices that push the bounds of compliance and expose themselves to excessive risk".
- 6.2. The actions announced include greater scrutiny of local authorities and particularly those engaged in commercial practices; an assessment of governance and training; a consideration of statutory caps on borrowing; further regulations around Minimum Revenue Provision (MRP) and ensuring that DLUHC regulations enforce guidance from CIPFA and the new PWLB lending arrangements.
- 6.3. DLUHC has opened a further consultation on these matters.

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Appendix A - Arlingclose Economic & Interest Rate Forecast - December 2023

Underlying assumptions:

- UK inflation and wage growth remain elevated but have eased over the past two months fuelling rate cuts expectations. Near-term rate cuts remain unlikely, although downside risks will increase as the UK economy likely slides into recession.
- The MPC's message remains unchanged as the Committee seeks to maintain tighter financial conditions. Monetary policy will remain tight as inflation is expected to moderate to target slowly, although some wage and inflation measures are below the Bank's last forecasts.
- Despite some deterioration in activity data, the UK economy remains resilient in the face of tighter monetary policy. Recent data has been soft but mixed; the more timely PMI figures suggest that the services sector is recovering from a weak Q3. Tighter policy will however bear down on domestic and external activity as interest rates bite.
- Employment demand is easing. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household and business spending will therefore be weak.
- Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC's attention will remain on underlying inflation measures and wage data. We believe policy rates will remain at the peak for another 10 months, or until the MPC is comfortable the risk of further 'second-round' effects has diminished.
- Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant loosening in the future to boost activity.
- Global bond yields will remain volatile. Markets are currently running with expectations of near-term US rate cuts, fuelled somewhat unexpectedly by US policymakers themselves. Term premia and bond yields have experienced a marked decline. It would not be a surprise to see a reversal if data points do not support the narrative, but the current 10-year yield appears broadly reflective of a lower medium-term level for Bank Rate.
- There is a heightened risk of fiscal policy and/or geo-political events causing substantial volatility in yields.

Forecast:

- The MPC held Bank Rate at 5.25% in December. We believe this is the peak for Bank Rate.
- The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. We see rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.
- The immediate risks around Bank Rate have become more balanced, due to the weakening UK economy and dampening effects on inflation. This shifts to the downside in the short term as the economy weakens.
- Long-term gilt yields are now substantially lower. Arlingclose expects yields to be flat from here over the short-term reflecting medium term Bank Rate forecasts. Periodic volatility is likely.

	Current	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.25	5.25	5.25	5.25	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.00	3.00
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-month money market rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.40	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.05	3.05
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
5yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.77	3.75	3.75	3.75	3.70	3.60	3.50	3.50	3.40	3.30	3.30	3.30	3.35
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
10yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.72	3.75	3.80	3.80	3.80	3.80	3.80	3.80	3.75	3.65	3.60	3.65	3.70
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
20yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.16	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.25
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
50yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.76	3.80	3.85	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.95	3.95	3.95
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

PWLB Standard Rate = Gilt yield + 1.00%
 PWLB Certainty Rate = Gilt yield + 0.80%
 PWLB HRA Rate = Gilt yield + 0.40%

Minimum Revenue Provision (MRP) Statement 2024/25

Annual MRP Statement

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the former Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year and recommends options for calculating a prudent amount of MRP. The following incorporates options recommended in the Guidance.

- For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate equal to the average PWLB rate for the year of expenditure, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
- Where former operating leases have been brought onto the balance sheet on 1st April 2022 due to the adoption of the *IFRS 16 Leases* accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or discounts, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.
- For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, and will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become

operational. While this is not one of the options in the MHCLG Guidance, it is thought to be a prudent approach since it ensures that the capital expenditure incurred on the loan is fully funded over the life of the assets.

The Council was debt-free before 2016/17, and MRP was not applied until 2017/18. MRP has been determined using finance models for specific major property acquisitions for which PWLB loans were obtained, with principal repayments calculated over 50 years based on the annuity rate applicable at the time of the loan. Capital expenditure incurred will not be subject to an MRP charge until the asset is brought into use.

Spelthorne Borough Council

Treasury Management Practices and Schedules

Contents

Treasury Management Practices, Principles and Schedules (TMPs) set out how this Council will seek to achieve its treasury management policies and objectives, and how it will manage and control those activities.

Practice	Title	Page
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Treasury Management Practices

1. Risk management

General Statement

The Chief Finance Officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, and will report at least annually on the adequacy and suitability of these arrangements. The Chief Finance Officer will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's objectives in this respect in accordance with the procedures set out in **TMP6 Reporting requirements and management information arrangements**. For each of the following risks, the arrangements will seek to ensure compliance with these objectives as set out in the schedules below:

The following paragraphs cover the main areas of risk:

1. Credit and Counterparty Risk Management
2. Liquidity Risk Management
3. Interest Rate Risk Management
4. Exchange Rate Risk Management
5. Inflation risk management
6. Refinancing Risk Management
7. Legal and Regulatory Risk Management
8. Operational risk including Fraud, Error and Corruption
9. Price risk management
10. ESG considerations

Where this document refers to the Government, this refers to the Department for Housing, Levelling Up and Communities (DHLC), previously called Ministry for Housing, Communities and Local Government (MHCLG).

c. Credit and counterparty risk management

The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques set out in TMP4 *Approved investments, methods and techniques*. The Council also recognises the need to have, and will therefore maintain, a formal counterparty policy on those organisations which it may borrow from, or which it may enter into other financing arrangements with.

Schedule:

Credit and counterparty risk is the risk of failure by a third party to meet its contractual obligations to the Council under an investment, borrowing, capital, project or partnership financing, particularly as a result of the third party's diminished creditworthiness, and the resulting detrimental effect on the Council's capital and revenue resources.

<p>1.1 Criteria to be used for creating/managing approved counterparty lists/limits</p>	<p>The Chief Finance Officer is responsible for setting prudent criteria and the Council's treasury advisors will provide guidance and assistance in setting these criteria.</p> <p>The Council's treasury management advisors will advise on credit policy and creditworthiness related issues. The Council will maintain a counterparty list based on its criteria and will monitor and update the credit standing of the institutions on a regular basis. The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties.</p> <p>The current criteria, set out in the Council's Annual Treasury Management Strategy, are agreed by CP&R Committee and approved by Council.</p>
<p>1.2 Approved methodology for changing limits and adding/removing counterparties</p>	<p>The Chief Finance Officer has delegated responsibility to add or delete counterparties and to review limits within the parameters of the criteria detailed above.</p>
<p>1.3 Counterparty list and limits</p>	<p>A full individual listing of counterparties based on the criteria will be maintained. As credit ratings etc. are subject to change without notice, an up-to-date lending list will be maintained on an ongoing basis within the <u>Operations Manual</u>.</p>
<p>1.4 Country, sector and group listings of counterparties and overall limits applied to each, where appropriate</p>	<p>Investments will be displayed so as to show total group exposure, total country exposure and total sector exposure. Group limits have been set for the above, in terms of monetary value, where appropriate.</p>

<p>1.5 Details of credit rating agencies' services and their application</p>	<p>The Council considers the ratings of all 3 main ratings agencies (Standard & Poor's, Moody's and Fitch) when making investment decisions. Credit rating agency information is just one of a range of instruments used to assess creditworthiness of institutions.</p>
<p>1.6 Description of the general approach to collecting/using information other than credit ratings for counterparty risk assessment</p>	<p>The Council's Treasury Advisor, currently Arlingclose, provides timely information on counterparties, in terms of credit rating updates and economic summaries. In addition, members of the treasury team read quality financial press for information on counterparties.</p>

2. Liquidity risk management

The Chief Finance Officer will ensure the Council has adequate though not excessive cash reserves, borrowing arrangements, and overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business and service objectives.

The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current Capital Programme or to fund future debt maturities, and will do so within approved borrowing limits set by Council.

Schedule:

Liquidity risk is the risk that cash is not available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Council's business and service objectives will therefore be compromised.

<p>2.1 Cash flow and cash Balances</p>	<p>The Council will aim for effective cash flow forecasting and monitoring of cash balances, will maintain a rolling 3-month cash flow forecast and is developing longer forecast through the TM CSL system.</p> <p>The Treasury Team shall seek to optimise the balance held in the Council's main bank accounts at the close of each working day in order to minimise the amount of bank overdraft interest payable or maximise the amount of interest that can be earned.</p> <p>In order to achieve the maximum return from investments, the target for the Council's bank account daily cash balance is up to £50,000 in, with a maximum limit of a £500,000 credit balance.</p>
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<p>2.2 Short term investments</p>	<p>The balance on the Council's General bank account is used to deal with day to day cash flow fluctuations.</p> <p>The Council also uses various other deposit/ notice accounts and Money Market Funds to manage liquidity requirements. These account/ fund counterparties are named on the Council's approved counterparty list. The maximum balance on each of these counterparties is reviewed and set as part of the Council's Treasury Management strategy.</p>
<p>2.3 Temporary Borrowing</p>	<p>Temporary borrowing up to 364 days through the money market is available to cover cash flow deficits at any point during the year.</p> <p>At no time will the outstanding total of temporary and long-term borrowing together with any bank overdraft exceed the Prudential Indicator for the Authorised Borrowing Limit agreed by the Council before the start of each financial year.</p>
<p>2.4 Bank Overdraft and standby facilities</p>	<p>The Council has an authorised overdraft limit with its bankers, Lloyds Bank, of £50,000 at an agreed rate of 1% over base rate. The facility is used as a contingency when temporary borrowing is difficult or more expensive</p>

3. Interest rate risk management

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements in accordance with *TMP6 Reporting requirements and management information arrangements*.

Schedule

Interest rate risk is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately.

<p>3.1 Minimum/ maximum proportions of fixed/variable rate debt/interest</p>	<p>Borrowing/investments may be at a fixed or variable rate.</p> <p>When funding asset acquisitions on a long-term funding basis, the Council will normally seek to borrow on a fixed rate basis to ensure certainty of financing commitments.</p> <p>In setting its forward Treasury Strategy on an annual basis, the Council will determine the necessary degree of certainty required for its plans and budgets but will, at the same time, allow sufficient flexibility to enable it to benefit from potentially advantageous changes in market conditions and levels of interest rates and also to mitigate the effects of potentially disadvantageous changes.</p> <p>The Council will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility.</p>
<p>3.2 Managing changes to interest rate levels</p>	<p>The main impact of changes in interest rate levels is to monies borrowed and invested at variable rates of interest.</p> <p>The Council will consider matching borrowing at variable rates with investments similarly exposed to changes in interest rates as a way of mitigating any adverse budgetary impact.</p> <p>Interest rate forecasts are provided by the Council's advisors and are closely monitored by the Chief Finance Officer. Variations from original estimates and their impact on the Council's debt and investments are notified to the Corporate Policy & Resources Committee as necessary.</p> <p>For its investments, the Council also considers dealing on forward periods depending on market conditions and options available in the market place.</p>
<p>3.3 Details of approved interest rate exposure limits</p>	<p>The upper limit for variable interest rate investments as a proportion of total investments is 100%. In terms of long-term borrowing, the Council can have no more than 100% in variable interest rate borrowings.</p>

4. Exchange rate risk management

The Council will ensure that it protects itself adequately against the risk of fluctuations in foreign exchange rates creating an unexpected or unbudgeted burden on the Council's finances. It will manage any exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income and expenditure levels.

Schedule

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Council’s finances against which the Council has failed to protect itself adequately.

<p>4.1 Exchange rate risk management</p>	<p>This Council does not, on a day to day basis, have foreign currency transactions or receipts. Unexpected receipt of foreign currency will be converted to sterling at the earliest opportunity.</p> <p>If the Council has a contractual obligation to make a payment in a currency other than sterling, then forward foreign exchange transactions will be considered, with professional advice.</p> <p>At the present time, statute prevents the Council borrowing in currencies other than Sterling. The Council has also determined that all its investments will be in Sterling.</p>
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5. Inflation risk management

The Council will keep under review the sensitivity of its treasury assets and liabilities to inflation and will seek to manage the risk accordingly in the context of the whole organisation’s inflation exposures.

6. Refinancing risk management

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal and refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

Schedule

The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

<p>6.1 Projected capital investment requirements</p>	<p>Four-year projections are in place for capital expenditure and related financing or funding. Longer term projections will be undertaken for significant capital developments or asset acquisitions. Financing will be from capital receipts, grants or contributions, revenue resources or reserves. Funding will be from internal or external borrowing, as decided.</p> <p>As required by the Prudential Code, the Council will undertake Options Appraisal to evaluate the best capital expenditure financing route.</p> <p>The Council’s projected long-term borrowing requirement will be linked to the projected Capital Financing Requirement.</p>
<p>6.2 Debt profiling, policies and practices</p>	<p>Any longer-term borrowing will be undertaken in accordance with the Prudential Code and will comply with the Council’s Prudential Indicators and the Annual Treasury Management Strategy.</p> <p>The Council will maintain through its own treasury system spreadsheets reliable records of the terms and maturities of its borrowings, capital, project and partnership funding and, where appropriate, plan and successfully negotiate terms for refinancing.</p> <p>Where the lender to the Council is a commercial body the Council will aim for diversification in order to spread risk and avoid over-reliance on a small number of counterparties.</p>
<p>6.3 Policy concerning limits on revenue consequences of capital financings</p>	<p>The revenue consequences of financing the capital programme are included in cash flow models, annual revenue estimates and medium-term forecasts.</p>

7. Legal and regulatory risk management

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under *TMP 1 (1) Credit and counterparty risk management*, it will ensure that there is evidence of counterparties’ powers, authority and compliance in respect of the transactions they may effect with the Council, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

Schedule

The risk that the Council itself, or a third party with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the Council suffers losses accordingly.

<p>7.1 References to relevant statutes and regulations</p>	<p>The treasury management activities of the Council shall comply fully with legal statute and the regulations of the Council. These are:</p> <ul style="list-style-type: none"> ▪ CIPFA’s Treasury Management Code of Practice 2021 and subsequent amendments ▪ CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities ▪ CIPFA Prudential Code for Capital Finance in Local Authorities 2021 and subsequent amendments ▪ CIPFA Standard of Professional Practice on Treasury Management ▪ The Local Government Act 2003 ▪ The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 SI 2003 No 3146, and subsequent amendments ▪ The Government’s statutory Guidance on Minimum Revenue Provision (MRP) updated 2018 ▪ The Government’s Guidance on Local Government Investments in England issued March 2004 and amended 2018 ▪ HM Treasury’s Guidance Regarding PWLB Lending and the PWLB’s new Operating Circular numbered 162 (Nov 2020) ▪ The Local Authorities (Contracting out of Investment Functions) Order 1996 SI 1996 No 1883 ▪ LAAP Bulletins ▪ Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards (from 2017/18 onwards) ▪ Accounts and Audit Regulations 2017, as amended together with THE GOVERNMENT’s Guidance ▪ The Non-Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets ▪ Council’s Constitution including:- <ul style="list-style-type: none"> ○ Standing Order relating to Contracts ○ Financial Regulations ○ Scheme of Delegation
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<p>7.2 Procedures for evidencing the organisation's powers/ authorities to counterparties</p>	<p>The Council's Financial Regulations contain evidence of the power/ authority to act as required by section 151 of the Local Government Act 1972, under the general direction of the Corporate Policy & Resources Committee.</p> <p>The Council will confirm, if requested to do so by counterparties, the powers and authorities under which the Council effects transactions with them.</p> <p>Where required, the Council will also establish the powers of those with whom they enter into transactions, including any compliance requirements in respect of a duty of care and best practice.</p>
<p>7.3 Required information from counterparties concerning their powers/ authorities</p>	<p>Lending shall only be made to institutions as defined by the Council's TM strategy.</p> <p>The Council will only undertake borrowing from approved sources such as the PWLB, organisations such as the European Investment Bank and from commercial banks who are on the Council's list of authorised institutions, thereby minimising legal and regulatory risk. The list of approved sources of borrowing is contained in TMP 4, 1.2.</p>
<p>7.4 Statement on political risks and management of the same</p>	<p>Political risk is managed by:</p> <ul style="list-style-type: none"> • adoption of the CIPFA Treasury Management Code of Practice • adherence to Local Code of Corporate Governance and as set out in <i>TMP 12 – Corporate Governance</i> • adherence to the Statement of Professional Practice by the Chief Finance Officer. • the role of the Corporate Policy & Resources Corporate Policy & Resources Committee.

8. Operational risk including fraud, error and corruption, and contingency management

The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

Schedule

This is the risk that the Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk referred to as operational risk.

<p>8.1 Details of systems and procedures to be followed, including Internet services</p>	<p>Segregation of duties minimises the possibility of fraud and loss due to error, and is detailed in <i>TMP5 Organisation, clarity and segregation of responsibilities, and dealing arrangements.</i></p> <p>c. <u>Electronic Banking and Dealing</u> <i>Banking:</i> The Council's online banking service is provided by Lloyds Bank and is subject to separate log-on and password control allowing varying levels of access. Details of transactions and balances are available as required, and the system also holds historic data. Officers with access to the bank's online system are as follows:</p> <ul style="list-style-type: none"> • Deputy Chief Executive (CFO, s151 officer) – Terry Collier • Chief Accountant – Paul Taylor • Treasury Management and Capital Accountant – Prithiva Janaka • Accounting Assistant – John Bradley-Turner • Systems Accountant – Jodie Hawkes • <p>For the purposes of covering for absence:</p> <ul style="list-style-type: none"> • Accountant – Shelley Johnson • Accountant – Ben Hanger <p>Officer access is reviewed at least 6-monthly or as necessary.</p> <p>Procedure notes covering the day-to-day operation of the online banking system and treasury management procedures are documented and included in the Treasury Management system folder.</p> <p>2. <u>Standard Settlement Instructions (SSI)</u> list: a list is maintained of named officers who have the authority to transact loans and investments</p> <ul style="list-style-type: none"> • Brokers and counterparties with whom the Council deals direct are provided a copy of the SSI list. • A list of named officers with authority to borrow from the PWLB and invest with the Debt Management Agency Deposit Facility is also maintained with the PWLB/DMADF. <p>3. <u>Payment Authorisation:</u></p> <ul style="list-style-type: none"> • Payments can only be minimised by the approved signatories of the Council. The list of signatories has been previously agreed with the Council's bankers. • Inflow and outflow of monies borrowed and invested will only be from the counterparty's bank accounts. • Separate officers will carry out (a) dealing and (b) recording of transactions and disbursements wherever possible. However, this will not always be possible due to staff numbers.
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<p>8.2 Verification</p>	<p>Details of loans and investments will be maintained in treasury management spreadsheet which will include fees and brokerage paid.</p> <p>Transactions will be cross-checked against broker notes, counterparty confirmations and PWLB loan schedules by verifying dates, amounts, interest rates, maturity, interest payment dates etc.</p>
<p>8.3 Substantiation</p>	<ol style="list-style-type: none"> 1. The Treasury Management system balances are reconciled with financial ledger codes at the end of each month and at the financial year end. 2. Working papers are retained for audit inspection. 3. The bank reconciliation is carried out monthly from the bank statement to the general ledger system, Integra.
<p>8.4 Internal Audit</p>	<p>Internal Audit carry out an annual regulatory review of the treasury management function including probity testing. See <i>TMP7 Budgeting_accounting and audit arrangements</i>.</p>
<p>8.5 Contingency Management</p>	<ol style="list-style-type: none"> 1. Treasury files are kept on the Council's network. Daily back-ups are maintained corporately by the ICT service. Network backups can be used to restore files and if necessary can be accessed from sites remote from the Council offices. 2. The Council has access to a Treasury Management system on a secure site managed by the Council's TM advisers, Arlingclose. This system is due to be set up during January to March 2020 so that the system's TM tools can be used to facilitate the Council's treasury management. Arlingclose is responsible for integrity and security of that system. As part of implementation of that system, the Council will determine backup measures that can be taken. 3. Electronic Banking System Failure: Daily bank balances for calculating cash flow requirements can be obtained by telephone from the Lloyds Corporate Banking Online (CBO) helpline on 0808 202 1390 by 12inimize12d users, who have security information that will be requested by the bank before sensitive information is provided. 4. CHAPs, Faster Payments, other transfers, stop cheque requests, and so on, can be done directly by the bank. 5. The Accountancy Team maintains an up-to-date Business Continuity Plan

<p>8.6 Insurance cover details</p>	<p>The Council has Fidelity, Professional Indemnity and Business Interruption cover. Details of the provider and cover are held by the Insurance Officer.</p>
<p>8.7 TM system</p>	<p>The TM 'CS Lucas' system was implemented during 2020 and has been incorporated into the TM function. This is an online facility provided by company CS Lucas, which provides support including system procedure notes. The system will be used to support accounting and management of the council's TM function, but is not, and currently will not, be used for trades or financial transactions.</p>

8. Market risk and price risk management

The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests and will accordingly seek to protect itself from the effects of such fluctuations.

Schedule

This is the risk that, through adverse market fluctuations in the value of the principal sums the Council borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

<p>8.1 Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (gilts, CDs etc)</p>	<p>Investment instruments used by external fund managers, where applicable, may be subject to fluctuation in capital movements and exposed to interest rate risk. To minimise these risks, capital preservation is set as the primary objective and pursuit of investment performance should be commensurate with this objective.</p> <p>Additionally, the following risk control guidelines are set for each fund as part of the fund management agreement to control market risk:</p> <ul style="list-style-type: none"> (a) Maximum weighted average duration of the fund; (b) Maximum permitted exposure to gilts/bonds; (c) Maximum maturity of any instrument.

<p>8.2 Accounting for unrealised gains and losses</p>	<p>The method of accounting for unrealised gains or losses on the valuation of financial assets complies with the Accounting Code of Practice.</p> <p>The Council has made irrevocable election to present changes in the fair values of Pooled Funds equity instruments in other comprehensive income, and not in the surplus or deficit on provision of services. This is because such instruments are long-term strategic investments held by the Council primarily to receive regular dividend income rather than for capital growth or to sell.</p>
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8. ESG considerations

The Council is keen to pursue Economic, Social and Governance (ESG) issues to help move funds to those that are acceptable and aligned to the Council’s ethical and green objectives. The Council is currently doing this through a cross-party working group including councillors and with reference to advice and research by Arlingclose. This area of work is a medium to long term project, to ensure the security of funds held, noting that the funds held by the council contribute to the financial health of the Council.

Treasury Management Practices

2. Performance measurement

The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its Treasury Management Policy Statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council’s stated business and service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out below.

Schedule

<p>1.1 Policy concerning methods for testing value for money</p>	<p>Best value reviews will include the production of plans to review the way services are provided by</p> <ul style="list-style-type: none"> • Challenging • Comparing performance • Consulting with other users and interested parties • Applying competition principles <p>in order to pursue continuous improvement in the way the Council’s functions are exercised, having regard to a combination of value for money, efficiency and effectiveness.</p>
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<p>1.2 Policy concerning methods for performance measurement</p>	<ul style="list-style-type: none"> • Performance measurement at this Council is intended to calculate the effectiveness of treasury activity in delivering the strategic objectives set through the Treasury Management Strategy and the Council’s Prudential Indicators and to enhance accountability. • Prudential Indicators are local to the Council and are not intended as a comparator between authorities. • The performance review will be made in the light of general trends in interest rates during the year and how the decisions made corresponded with these trends and the Council’s agreed strategy, i.e. the Council will avoid hindsight analysis. <p>Any comparison of the Council’s treasury portfolio against recognised industry standards, market indices and other portfolios is intended to</p> <ul style="list-style-type: none"> (i) allow the Council the opportunity to assess the potential to add value through changes to the existing ways in which its portfolio is managed and (ii) permit an informed judgement about the merits or otherwise of using new treasury management techniques or instruments. <p>In drawing any conclusions, the Council will bear in mind that the characteristics of its treasury operations may differ from those of other councils, particularly with regard to the position on risk.</p>
<p>1.3 Methodology to be applied for evaluating the impact of treasury management decisions</p>	<p>Monitoring of the outcome of treasury management activity against Prudential Indicators approved by the Council will be carried out as part of the budget monitoring reports to the Corporate Policy & Resources Committee on an annual basis.</p> <p>The year-end Annual Treasury Report will also include, as a matter of course, the outturn against the PIs set prior to the commencement of the financial year and any in-year amendments.</p> <p>The Council’s Treasury Management advisers review the existing investment portfolio quarterly and all transactions that have occurred in the interim in order to ensure that best practice has been achieved.</p> <p>The Council’s Treasury Management advisers compare the performance of the Council’s in-house funds against 3-month LIBID cash benchmark, performance by other local authorities and the performance of the externally managed funds is compared. Performance is also compared with funds managed on a similar basis in the local authority fund manager peer group.</p>

<p>1.4 Methodology to be employed for measuring the performance of the Council's treasury management activities</p>	<p>Treasury management activity is reviewed annually against strategy and prevailing economic and market conditions through the Annual Treasury Report to Corporate Policy & Resources Committee.</p> <p>The report will include:</p> <ol style="list-style-type: none"> a) Total debt including average rate and maturity profile b) The effect of new borrowing and/or maturities on the above c) The effect of any debt restructuring on the debt portfolio d) An analysis of any risks inherent within the debt portfolio (e.g. exposure to variable rate; LOBOs in their call period) e) Total investments including average rate, credit and maturity profile f) The effect of new investments/redemptions/maturities on the above g) The rate of return on investments against their indices for internally and externally managed funds h) An analysis of any risks inherent within the investment portfolio (e.g. exposure to market movements in the value of CDs, gilts/bonds, callable deposits in their call period) i) A statement whether the treasury management activity resulted in a breach of the Prudential Indicators and other limits set within treasury strategy. j) Daily bank balances: any major deviations from the target bank balances
<p>1.5 Benchmarks and calculation methodology with regard to risk and return</p>	<p>Treasury Management Costs Costs are compared with other Councils within the Surrey Benchmarking statistics.</p> <p>Investment returns are compared to the 3-month LIBID.</p> <ul style="list-style-type: none"> • Internally Managed Investment Returns - total interest accruing during the month or year on average daily balances invested during the calendar month. • Externally Managed Investment Returns - the growth (i.e. increase in value of the fund) in respect of the monthly average value of the fund. <p>Debt Management</p> <ul style="list-style-type: none"> ▪ Average Rate on all external debt ▪ Average Rate on external debt borrowed in financial year ▪ Average Rate on internal borrowing ▪ Average period to maturity of external debt ▪ Average period to maturity of new loans in financial year ▪ Ratio of PWLB and market debt (beginning and end of period) ▪ Ratio of fixed and variable rate debt (beginning and end of period)

<p>1.6 Best value</p>	<p>The treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated corporate and service objectives.</p> <p>When tendering for treasury-related or banking services, the Council adheres to its Standing Orders and Financial Regulations. These require that:</p> <ul style="list-style-type: none"> a) for placing a contract with a value below £75,000, at least 3 quotes and service delivery proposals are generally obtained. b) when placing a contract with a value in excess of £181,302 a tendering process that meets the requirements of the EU procurement procedures (OJEU) is undertaken. c) If necessary, the Council will also consult with other users of similar services as well as with interested parties. d) The Council will also evaluate alternative methods of the availability of fiscal, grant or subsidy initiatives, and service delivery.
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Treasury Management Practices

3. Decision making and analysis

The Council will maintain full records of its treasury management decisions, and of processes and practices applied in reaching those decisions, both for the purpose of learning from the past and for demonstrating that all reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at that time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed below.

Schedule

<p>1.1 Major treasury decisions</p>	<p>As a public service organisation, there is a requirement to demonstrate openness and accountability in treasury management activities. Accordingly, the Council will create and maintain an audit trail of major treasury management decisions which comprise either:</p> <ul style="list-style-type: none"> a) Changes to Prudential Indicators during the course of the financial year b) Options Appraisal to determine a funding decision c) raising a new long-term loan / long-term source of finance d) prematurely restructuring/redeeming an existing long-term loan d) investing longer-term (that is, more than 1 year) f) utilisation of investment instruments which constitute capital expenditure (i.e. loan/share capital in a body corporate) g) leasing h) change in banking arrangements i) appointing/replacing a treasury advisor j) appointing/replacing a fund manager k) any other determined by the Council
<p>1.2 Process</p>	<p>The Council's strategy for the application of its treasury policy is set out in the annual Treasury Management Strategy.</p> <p>Based on the Annual Treasury Management Strategy, the Deputy Chief Accountant will prepare monthly for the financing, borrowing and surplus cash requirements of the Council, for the purpose of:</p> <ul style="list-style-type: none"> • applying the strategy on a day to day basis • monitoring the results of the strategy • Recommending amendments to the strategy to the Corporate Policy & Resources Committee where applicable during the course of the year.

<p>1.3 Delegated powers for treasury management</p>	<p>The Chief Finance Officer has delegated powers to carry out the Council's strategy for debt management, capital finance and borrowing, depositing surplus funds and managing the cash flows of the Council.</p>
<p>1.4 Issues to be addressed, evaluation, authorisation</p>	<p>In exercising these powers, the Chief Finance Officer and those to whom the treasury activity has been delegated will:</p> <ul style="list-style-type: none"> • have regard to the nature and extent of any associated risks to which the Council may become exposed; • be certain about the legality of the decision reached and that the necessary authority to proceed has been obtained; • be satisfied that the documentation is adequate to deliver the Council's objectives, protect the Council's interests, and to maintain an effective audit trail; • ensure that the perceived credit risk associated with the approved counterparties parties is judged satisfactory and is within agreed limits; • be satisfied that the terms of any transactions have been fully checked against the market, and have been found to be competitive; • follow best practice in implementing the treasury transaction. <p>In exercising Borrowing and Funding decisions, the Chief Finance Officer will:</p> <ul style="list-style-type: none"> • evaluate economic and market factors that may influence the manner and timing of any decision to fund; • consider alternative forms of funding, including use of revenue resources, leasing, joint ventures and private partnerships; • consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles; • consider ongoing revenue liabilities created. <p>In exercising investment decisions, the Chief Finance Officer will:</p> <ul style="list-style-type: none"> • Determine that the investment is within the Council's strategy and pre-determined instruments and criteria; • consider the optimum period, in the light of core balances and reserves, cash flow availability and prevailing market conditions; • consider the alternative investment products and techniques available if appropriate.
<p>1.5 Processes to be followed</p>	<p>The processes to be followed will be in keeping with <i>TMP 4: Approved, Instruments, Methods and Techniques</i>.</p>

<p>1.6 Evidence and records to be kept</p>	<p>The Council will maintain a record of all major treasury management decisions, the processes undertaken and the rationale for reaching the decision made. These will allow for an historical assessment of decisions made and verification that any checks and safeguards are indeed in place and operating correctly.</p> <p>Records and working papers will be maintained by the Council both electronically and in relevant files.</p>
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Treasury Management Practices

4. Approved instruments, methods and techniques

The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in **TMP1 Risk Management**.

Schedule

<p>1.1 Approved treasury management activities</p>	<p>The Council is permitted to undertake the following activities:</p> <ul style="list-style-type: none"> ▪ Managing cash-flow ▪ Capital financing ▪ Borrowing including debt restructuring and debt repayment ▪ Lending including redemption of investments ▪ Banking ▪ Leasing ▪ Managing the underlying risk associated with the Council's capital financing and surplus funds activities. <p>The above list is not finite and the Council would, from time to time, consider and determine new financial instruments and treasury management techniques. However, the Council will consider carefully whether the officers have the skills and experience to identify and manage the advantages and risks associated with using the instruments/techniques before undertaking them, more so as some risks may not be wholly or immediately transparent.</p>
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<p>1.2 Approved capital financing methods and types/sources of funding</p>	<p><u>On balance sheet</u></p> <ul style="list-style-type: none">• Public Works Loans Board (PWLB) loans• long term money market loans• temporary money market loans (up to 364 days).• bank overdraft• loans from bodies such as the European Investment Bank (EIB)• Finance Leases• Government and EU Capital Grants• Lottery monies• Other Capital Grants and Contributions• Community Infrastructure Levy• S106 funds <p><u>Internal Resources</u></p> <ul style="list-style-type: none">• Capital Receipts• Revenue Balances• Use of Reserves <p><u>Off balance sheet</u></p> <ul style="list-style-type: none">▪ Operating Leases▪ Structured Finance <p>The level of debt will be consistent with the Treasury Management Strategy and the Prudential Indicators.</p>
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<p>1.4 Approved investment instruments</p>	<p>The Council will determine through its Annual Investment Strategy (AIS) which instruments it will use, giving priority to the security and liquidity (in that order) of its invested monies. The investments will be categorised as ‘Specified’ or ‘Non-Specified’ based on the criteria set out by Government in its Investment Guidance February 2018 (as amended).</p> <p>The Council will determine through the AIS which instruments will be used in-house and which will be used by the appointed external fund manager (where applicable) including the maximum exposure for each category of non-specified investments. Where applicable, the Council’s credit criteria will also apply.</p> <ul style="list-style-type: none"> ▪ Deposits with the UK government, the Debt Management Agency Deposit Facility (DMADF), and UK local authorities ▪ Term deposits with banks and building societies ▪ Certificates of deposit ▪ Callable deposits ▪ Investments in Money Market Funds , i.e. ‘AAA’ liquidity funds with a 60-day Weighted Average Maturity (WAM) ▪ Gilts ▪ Bonds issued by multilateral development banks ▪ Bonds issued by financial institutions guaranteed by the UK government ▪ Sterling denominated bonds by non-UK sovereign governments ▪ Pooled funds, i.e. Collective Investment schemes as defined in SI 2004 No 534 <p>The use of the above instruments by the Council’s external fund managers (where applicable) will be by reference to the fund guidelines contained in the agreement between the Council and the manager.</p>
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Treasury Management Practices

5. Organisation, clarity and segregation of responsibilities, and dealing arrangements

The Council considers it essential, for the purposes of effective control and monitoring of its treasury management activities, and for the reduction of risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner and that there is at all times clarity of treasury management responsibilities.

The principles on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the Council intends, as a result of a lack of resources or other circumstances, to depart from these principles, the Chief Finance Officer will ensure that the reasons are properly reported in accordance with TMP6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.

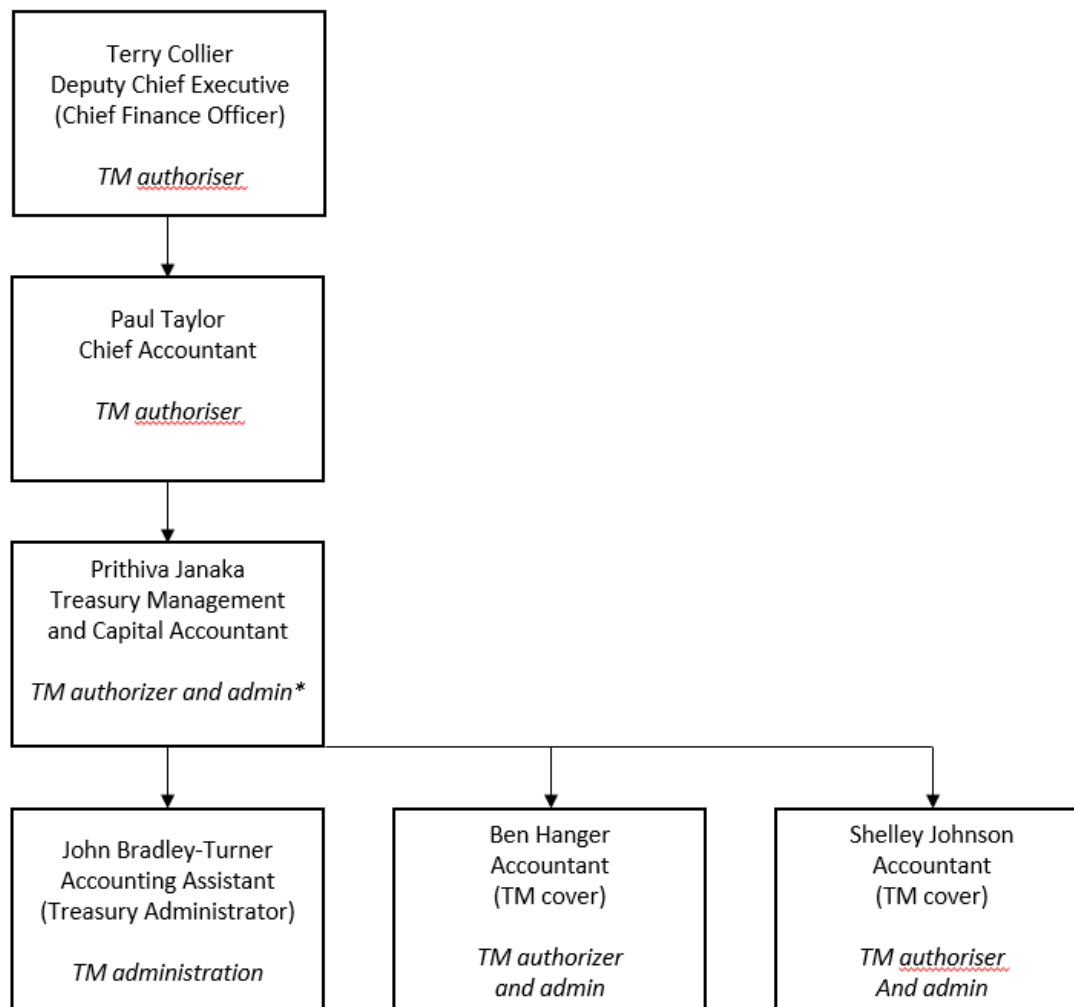
The Chief Finance Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Deputy Chief Executive will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule below.

The Chief Finance Officer will ensure that there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule below.

The delegations to the Chief Finance Officer in respect of treasury management are set out in the schedule below. The Chief Finance Officer will fulfill all such responsibilities in accordance with the Council's policy statement and TMPs and, if a CIPFA member, the Standards of Professional Practice on Treasury Management.

Schedule

Organisational chart of the Treasury Management function:



<p>1.1 Limits to responsibilities at Executive levels</p>	<p>Full Council:</p> <ul style="list-style-type: none"> receiving and reviewing Prudential Indicators as part of the budget setting process (following receipt by Corporate Policy & Resources Committee) receiving and reviewing reports on treasury management policies, practices and activities (following receipt by Corporate Policy & Resources Committee) <p>The Corporate Policy & Resources Committee:</p> <ul style="list-style-type: none"> approval of amendments to adopted clauses, treasury management policy statement and treasury management practices budget consideration and approval receiving and reviewing external audit reports and acting on recommendations approving the selection of external service providers and agreeing terms of appointment
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<p>1.2 Principles and practices concerning segregation of duties</p>	<p>The segregation of duties will be determined by Chief Finance Officer. Segregation of duties exists in that:</p> <ul style="list-style-type: none"> • the officer responsible for negotiating and closing treasury management deals are completely separate from the officer with responsibility for recording the transactions in the cash book and completing cheque and bank reconciliations. • the officer responsible for negotiating and closing treasury management deals is separate from the officer authorising payments • all borrowing/investments decisions must be authorised by the Chief Finance Officer. <p>Additionally, The Council receives bank statements on a daily basis. These are posted independent of the treasury function in order to maintain an adequate separation of duties.</p>
<p>1.3 Statement of duties/ responsibilities of each treasury post</p>	<p>The Chief Finance Officer:</p> <ul style="list-style-type: none"> • submitting budgets and budget variations • recommending clauses, treasury management policy, practices for approval, reviewing the same regularly and monitoring compliance • determining Prudential Indicators and Treasury Management Strategy including the Annual Investment Strategy • submitting regular treasury management policy reports • receiving and reviewing management information reports • reviewing the performance of the treasury management function and promoting best value reviews • ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function • ensuring the adequacy of internal audit and liaising with external audit • recommending the appointment of external service providers • determining long-term capital financing and investment decisions. • The Chief Finance Officer has delegated powers to determine and undertake the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments. • The Chief Finance Officer may delegate their power to borrow and invest to the Chief Accountant, Deputy Chief Accountant, Technical Accountant, Accountants and Accountancy Assistants.

TMP 5: Organisation, clarity and segregation of responsibilities, and dealing arrangements

	<p>The Deputy Chief Accountant:</p> <ul style="list-style-type: none"> • execution of transactions • adherence to agreed policies and practices on a day to day basis • maintaining relationships with third parties and external service providers • monitoring performance on a day to day basis • submitting management information reports to the responsible officer • identifying and recommending opportunities for improved practices. <p>The Accounting Assistants:</p> <ul style="list-style-type: none"> • execution of transactions • adherence to agreed policies and practices on a day to day basis • maintaining relationships with third parties and external service providers • recording treasury management transactions, • reconciling treasury management transactions with the financial ledger • recording/ reconciling counterparty documentation.
<p>1.4 Absence cover arrangements</p>	<p>Cover in the absence of the relevant treasury management officer is provided by:</p> <ul style="list-style-type: none"> • Chief Accountant • Deputy Chief Accountant • Accountants as noted in the TM chart above <p>Cover is reviewed at least every 6 months, or as necessary. Full procedure notes are available, detailing the processes required to enable the day to day operation of the treasury management function.</p>

Dealing

<p>1.5 Authorised officers</p>	<p>Responsible officer for borrowing/ investment decisions: Mainly Chief Accountant – Paul Taylor Treasury Management and Capital Accountant – Prithiva Janaka</p> <p>Also Accounting Assistant – John Bradley-Turner Accountant – Shelley Johnson Accountant – Ben Hanger</p> <p>Authorising payments for borrowing/lending: Deputy Chief Executive – Terry Collier Chief Accountant – Paul Taylor Any other Council first signatory</p> <p>Bank payment and ICD portal trade authoriser*: Deputy Chief Executive – Terry Collier Chief Accountant – Paul Taylor Treasury Management and Capital Accountant – Prithiva Janaka Accountant – Shelley Johnson Accountant – Ben Hanger (ICD not bank) Accounting Assistants – John Bradley-Turner</p> <p>Transaction recording*: Accounting Assistants – John Bradley-Turner Treasury Management and Capital Accountant – Prithiva Janaka Accountant – Shelley Johnson Accountant – Ben Hanger</p> <p>* as part of segregation of duties, the authoriser must be separate from the person who sets up the transaction.</p>
<p>1.6 Dealing limits</p>	<p>Internally Managed Investments:</p> <ul style="list-style-type: none"> • The maximum for any one investment deal is subject to the lending limits detailed in the Council’s Treasury Management Strategy. <p>Externally Managed Investments (where applicable):</p> <ul style="list-style-type: none"> • The maximum amount placed with any single financial institution is determined and formalised through the guidelines contained in the Agreement between the Council and the Manager(s).
<p>1.7 List of approved brokers</p>	<p>Brokers used by the Council are named in <i>TMP 11: External Service Providers</i></p>

TMP 5: Organisation, clarity and segregation of responsibilities, and dealing arrangements

<p>1.8 Policy on brokers' services</p>	<p>It is the Council's policy to utilise the services between at least two brokers. Tradition is usually used because they meet the Council's exact borrowing and lending requirements. However, each Tradition deal is judged against money market rates provided by other brokers to ensure competitiveness is maintained and that the best deal achieved for the Council.</p>
<p>1.9 Policy on taping of conversations</p>	<p>The Council does not tape conversations with brokers but brokers tape conversations with officers of the Council.</p>
<p>1.10 Direct dealing practices</p>	<p>Direct dealing is carried out with institutions subject to counterparty and maturity limits and dealing limits. Prior to undertaking direct dealing, the Council will ensure that each counterparty meets the Council creditworthiness criteria and has been provided with the Council's Standard Settlement Procedures.</p>
<p>1.11 Settlement transmission procedures</p>	<ul style="list-style-type: none"> • settlements are made by CHAPS. • all CHAPS payments relating to settlement transactions (PL3 payment form) require authorisation by 1 authorised signatory. • the details are transmitted by electronic CHAPs to the Council's bankers. • all CHAPS payments made electronically via the bank require 2 authorised signatories
<p>1.12 Documentation requirements</p>	<p>For each deal undertaken a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payments date and broker.</p> <p>Investments:</p> <ul style="list-style-type: none"> • deal ticket authorising the investment • confirmation from the broker • confirmation from the counterparty • Chaps payment transmission document <p>Loans:</p> <ul style="list-style-type: none"> • deal ticket with signature to agree loan • confirmation from the broker • confirmation from PWLB/market counterparty • Chaps payment transmission document for repayment of loan.
<p>1.13 Arrangements concerning the management of counterparty funds</p>	<p>The Council holds several trust funds. The cash in respect of these funds is held in the Council's bank account but transactions are separately coded. Interest is paid on credit balances and calculated on a daily basis at Bank Rate plus 0.50%</p>

Treasury Management Practices

6. Reporting requirements and management information arrangements

The Council will ensure that regular reports are prepared and considered on the implementation of the treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from the regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum the Corporate Policy & Resources Committee will receive:

- An annual report on the strategy and plan to be pursued in the coming year
- A mid-year review
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the Council's Treasury Management Policy Statement and TMPs.

The Corporate Policy & Resources Committee will receive regular monitoring reports on treasury management activities and risks and the Corporate Policy & Resources Committee will have responsibility for the scrutiny of treasury management policies and practices.

The present arrangements and the form of these reports are outlined below.

Schedule

<p>1.1 Frequency of executive reporting requirements</p>	<p>The Chief Finance Officer will annually submit budgets and will report on budget variations as appropriate.</p> <p>The Chief Finance Officer will submit the Prudential Indicators and the Treasury Management Strategy and report on the projected borrowing and investment strategy and activity for the forthcoming financial year to the Corporate Policy & Resources Committee and the Council before the start of the year.</p> <p>The Annual Treasury Report will be prepared as soon as practicable after the financial year end and, in all cases, before the end of September.</p> <p>A Mid-Year Treasury Report will be prepared by the Chief Finance Officer which will report on treasury management activities for the first part of the financial year. The report will also provide a forecast for the current year. The Mid-Year Report will be submitted to Corporate Policy & Resources Committee during the year.</p> <p>Corporate Policy & Resources Committee</p>
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<p>1.2 Content of Reporting: 1. Prudential Indicators</p>	<p>The Council will set the following Prudential Indicators, revise if necessary, and following the year end publish actual (where appropriate) in respect of:</p> <ul style="list-style-type: none"> ▪ Financing costs as a proportion of net revenue stream (estimate; actual) ▪ Capital expenditure (estimate; actual) ▪ Incremental impact of capital financing decisions (estimate) ▪ Capital Financing Requirement (estimates; actual) ▪ Authorised limit for external debt ▪ Operational boundary for external debt ▪ Actual external debt ▪ Upper limits on fixed and variable rate interest exposures ▪ Upper and lower limits to maturity structure of fixed rate borrowing ▪ Upper limit to total of principal sums invested longer than 364 days. ▪ Minimum Revenue Provision statement <p>The Prudential Indicators are approved and revised by Corporate Policy & Resources Committee and are integrated into the Council's overall financial planning and budget process.</p> <p>The Corporate Policy & Resources Committee will also receive a copy of this report to carry out its scrutiny role of treasury management.</p>
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<p>2. Treasury Management Strategy Statement</p>	<p>The Treasury Management Strategy will include the following:</p> <ul style="list-style-type: none"> • Link to Capital Financing and Treasury Management Prudential Indicators for the current and ensuing 3 years • Strategy for financing new borrowing requirements (if any) and refinancing maturing borrowing (if any) over the next 3 years and for restructuring of debt • the extent to which surplus funds are earmarked for short term requirements • the investment strategy* for the forthcoming year • the minimum to be held in short term/specified investment during the coming year • the interest rate outlook against which the treasury activities are likely to be undertaken. <p>* <i>Investment strategy</i>: Based on the Government’s Guidance on Investments, the report will set out</p> <ul style="list-style-type: none"> ▪ the objectives, policies and strategy for managing its investments; ▪ the determination of which Specified and Non-Specified Investments the Council will utilise during the forthcoming financial year based on the Council’s economic and investment outlook and the expected level of investment balances; ▪ the limits for the use of Non-Specified Investments. <p>The Corporate Policy & Resources Committee will also receive a copy of this report to carry out its scrutiny role of treasury management.</p>
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TMP 6: Reporting requirements and management information arrangements

<p>3. Annual Treasury Report</p>	<p>The Chief Finance Officer will produce an annual report for the Corporate Policy & Resources Committee on all activities of the treasury management function, including the performance of fund managers where applicable, as soon as practicable after year end and in all cases no later than 30 September of the succeeding financial year.</p> <p>The main contents of the report will comprise:</p> <ul style="list-style-type: none"> ▪ confirmation that the Council calculated its budget requirements and set a balanced budget for the financial year; ▪ the prevailing economic environment ▪ a commentary on treasury operations for the year, including their revenue effects; ▪ commentary on the risk implications of treasury activities; undertaken and the future impact on treasury activities of the Council; ▪ compliance with agreed policies/practices and statutory/regulatory requirements; ▪ compliance with Prudential Indicators; ▪ performance measures. <p>The Corporate Policy & Resources Committee will also receive a copy of this report to carry out its scrutiny role of treasury management.</p>
<p>4. Mid-Year Treasury Report</p>	<p>The Chief Finance Officer will produce a mid-year report for Corporate Policy & Resources Committee on the borrowing and investment activities of the treasury management function, including performance of fund managers where applicable, for the first six months of the financial year.</p> <p>The main contents of the report will comprise:</p> <ul style="list-style-type: none"> • Economic background • Economic forecast, including interest rates forecast • Treasury Management Strategy Statement update • Performance versus benchmarks • Borrowing information, including premature repayment, new loans information • Information on investments, including current lending list • Prudential indicators relating to treasury management • Governance framework and scrutiny arrangements <p>The Corporate Policy & Resources Committee will also receive a copy of this report to carry out its scrutiny role of treasury management.</p>

TMP 6: Reporting requirements and management information arrangements

<p>1.3 Content and frequency of management information reports</p>	<p>The Deputy Chief Accountant produces a monthly monitoring report for the Chief Accountant and the Deputy Chief Executive. The Chief Accountant includes this information in quarterly budget monitoring statements for Corporate Policy & Resources Committee Corporate Policy & Resources Committee.</p> <p>Members also receive monthly monitoring reports</p> <p>These report includes details of:</p> <ul style="list-style-type: none">• borrowing and investment activity undertaken including forward deals• performance of internal and external investments against benchmark• interest rates and forecasts• extent of compliance with the treasury strategy and reasons for variance (if any)• Prudential Indicator monitoring and compliance
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Treasury Management Practices

7. Budgeting, accounting and audit arrangements

The Deputy Chief Executive will prepare, and the Council will approve and, if necessary, from time to time amend, an annual budget for treasury management, which will bring together all the costs involved in running the treasury management function, together with associated income. The matter to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with **TMP1 Risk management, TMP2 Performance management, and TMP4 Approved instruments, methods and techniques**. The form that the Council's budget will take is set out in the schedule below.

The Deputy Chief Executive will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with **TMP6 Reporting requirements and management information arrangements**.

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being. The present form of the Council's accounts is set out in the schedule.

The Council will ensure that its auditors and those charged with regulatory review, have access to all the information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles, and that such information and papers will demonstrate compliance with external and internal policies and approved practices. The information made available under present arrangements is detailed below.

Schedule

<p>1.1 Statutory/regulatory requirements</p>	<p>Balanced Budget Requirement</p> <p>The provisions of S32 and S43 of the Local Government Finance Act 1992 require this Council to calculate its budget requirement for each financial year including, among other aspects:</p> <ul style="list-style-type: none"> (a) the expenditure which is estimated to be incurred in the year in performing its functions and which will be charged to a revenue account and (b) revenue costs which flow from capital financing decisions. <p>S33 of the Act requires the Council to set a council tax sufficient to meet expenditure after taking into account other sources of income.</p>
<p>1.2 Proper accounting practice</p>	<p>CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (the local authority SORP) constitutes "proper accounting practice under the terms of S21 (2) of the Local Government Act 2003".</p>

<p>1.3 Financial Statements</p>	<p>The Financial Statements comprise:</p> <ul style="list-style-type: none"> ▪ An explanatory foreword ▪ Accounting policies, changes in accounting estimates and errors ▪ Presentation of financial statements ▪ Movement in reserves statement ▪ Comprehensive income and expenditure statement ▪ Balance sheet ▪ Cash flow statement ▪ Collection Fund (England) ▪ Statement of Responsibilities ▪ The Accounting Statements ▪ Additional Financial Statements (Collection Fund) ▪ Notes to the financial statements ▪ Statements reporting reviews of internal controls or internal financial controls ▪ Events after the reporting period ▪ Related party disclosures ▪ Annual Governance Statement
<p>1.4 Format of the Council's accounts</p>	<p>The current form of the Council's accounts is available within the Finance Department, Accountancy Section.</p>
<p>1.5 Disclosures relating to treasury management</p>	<p>Due regard will be given to the disclosure requirements under CIPFA's Code of Practice on Local Authority Accounting.</p>

<p>1.6 Treasury-related information requirements of external auditors</p>	<p>The following information is specifically requested by the external auditor and should be considered an initial request for information. It is usually followed by more detailed audit testing work which often requires further information and/or explanations from the Council's officers.</p> <p>Information in this context includes internally generated documents including those from the Council's spreadsheets, externally generated documents, observation of treasury management practices which support and explain the operation and activities of the treasury management function.</p> <ul style="list-style-type: none"> ▪ Determination of Affordable Borrowing Limit under Section 3 of the Local Government Act 2003. ▪ Prudential Indicators. ▪ Treasury Management Strategy including Annual Investment Strategy. <p><u>External borrowing:</u></p> <ul style="list-style-type: none"> • New loans borrowed during the year: PWLB certificates / documentation in relation to market loans borrowed (including copy of agreements, schedule of commitments) • Loan maturities. • Compliance with proper accounting practice, regulations and determinations for the amortisation of premiums and discounts arising on loans restructured during the year and previous years. • Analysis of loans outstanding at year end including maturity analysis. • Analysis of borrowing between long- and short-term • Debt management and financing costs <ul style="list-style-type: none"> ▪ calculation of interest paid ▪ actual interest paid ▪ accrued interest • MRP calculation and analysis of movement in the CFR. • Bank overdraft position. • Brokerage/commissions/transaction related costs.
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	<p><u>Investments:</u></p> <ul style="list-style-type: none"> • Investment transactions during the year including any transaction-related costs • cash and bank balances at year end • Short-term investments at year end • Long-term investments at year end by asset type, including unrealised gains or losses at year end • calculation of interest received and accrued interest • actual interest received • External fund manager valuations, where applicable, including investment income schedule and movement in capital values, transaction confirmations received • Basis of valuation of investments • Evidence of existence and title to investments
	<p><u>Cash Flow</u></p> <ul style="list-style-type: none"> ▪ Reconciliation of the movement in cash to the movement in net debt ▪ Cash inflows and outflows in respect of long-term financing ▪ Cash inflows and outflows in respect of purchase/sale of long-term investments ▪ Net increase/decrease in short-term loans, short-term deposits and other liquid resources <p><u>Other</u></p> <ul style="list-style-type: none"> ▪ Details of treasury-related material events after balance sheet date not reflected in the financial statements. ▪ External advisors'/consultants' charges
<p>1.7 Internal Audit</p>	<p>Internal Audit generally conducts an annual review of the treasury management function and probity testing. The internal auditors will be given access to treasury management information/documentation as required by them.</p>
<p>1.8 Compliance with CIPFA Treasury Management and Prudential Codes</p>	<p>Auditors may require evidence/demonstration of compliance with external and internal treasury management policies and strategy.</p> <p>Any serious breach of the CIPFA Treasury Management Code of Practice recommendations or Prudential Indicators should be brought to the attention of the external auditor.</p>
<p>1.9 Costs for treasury management</p>	<p>The budget for treasury management forms part of the Corporate Services budget.</p>

Treasury Management Practices

8. Cash and cash flow management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under control of the Deputy Chief Executive and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Deputy Chief Executive will ensure that they are adequate for the purposes of monitoring compliance with TMP1 (2) Liquidity *Risk management*. The present arrangements for preparing cash flow projections, and their form, are set out in the schedule to this document.

Schedule

<p>1.1 Arrangements for preparing /submitting cash flow statements</p>	<p>Cash flow forecasts are over three time-horizons and are used to inform the Council’s borrowing and investment strategy by identifying periods of surplus or shortfall of cash balances. The CS Lucas TM system is being used with a view to replacing spreadsheet forecasting from April 2022.</p> <p>The cash flow forecasts and statements are held at operational level. The accuracy and effectiveness of the cash flows depend on the accuracy of estimating expenditure, income and corresponding time periods.</p> <p>An outline medium-term cash flow model is prepared as part of the budget process, with projections for 3 further years. It is highly summarised and looks mainly at cash flows arising from the capital programme, the in-year capital financing requirement, scheduled loan repayments and long-term investment maturities, and anticipated movements in reserves.</p> <p>A detailed annual cash flow, prepared for the financial year once the budget for the ensuing year has been agreed, identifies major inflows and outflows and is monitored and updated monthly. It is compiled with reference: to the agreed revenue budget and capital programme; to knowledge obtained from the Council’s various services that incur the expenditure/ receive the income; as well as to information from previous years.</p> <p>Daily cash flows show forecast and planned movements of cash daily, including the matching of known inflows and payments. This is used as part of the decision-making process for daily cash management.</p>
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<p>1.2 Content and frequency of cash flow projections</p>	<p>The detailed annual cash flow model includes the following:</p> <ul style="list-style-type: none"> • Budgeted revenue income and expenditure • Budgeted profiled capital income and expenditure <p>Revenue activities:</p> <p><u>Inflows:</u></p> <ul style="list-style-type: none"> ▪ Revenue Support Grant if applicable ▪ Precepts received ▪ Non-domestic rates receipts ▪ Council tax receipts ▪ Other government grants ▪ Cash for goods and services ▪ Other operating cash receipts <p><u>Outflows:</u></p> <ul style="list-style-type: none"> ▪ Salaries and payments on behalf of employees ▪ Operating cash payments ▪ Housing Benefit paid ▪ Precepts paid ▪ NNDR payments <p>Capital activities including financing</p> <p><u>Inflows:</u></p> <ul style="list-style-type: none"> ▪ Capital grants received ▪ Sale of fixed assets ▪ Other capital cash receipts <p><u>Outflows:</u></p> <ul style="list-style-type: none"> ▪ Purchase of fixed assets ▪ Purchase of long-term investments ▪ Other capital cash payments <p>Financing, Servicing of Finance>Returns on Investments</p> <p><u>Inflows:</u></p> <ul style="list-style-type: none"> ▪ New long-term loans raised ▪ New short-term loans raised ▪ Interest received ▪ Discount on premature repayment of loan <p><u>Outflows:</u></p> <ul style="list-style-type: none"> ▪ Loan repayments ▪ Premiums on premature repayment of loan ▪ Short-term investments ▪ Capital element of finance lease rental payments ▪ Interest paid ▪ Interest element of finance lease rental payments
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<p>1.3 Monitoring, frequency of cash flow updates</p>	<p>The annual cash flow statement is updated quarterly with the actual cash inflows and outflows after taking account of any revisions including those relating to grant income and capital expenditure and will be reconciled with:</p> <ul style="list-style-type: none"> • net RSG and NNDR payments as notified; • county council and police authority precepts as notified; • actual salaries and other employee costs paid from account bank statements; • actual payments to Inland Revenue from general account bank statements; • actual council tax received • actual rent allowances paid • actual housing benefit and grant received from MHCLG; • actual capital programme expenditure and receipts.
<p>1.4 Bank statements procedures</p>	<p>The Council receives bank statements on a daily basis and a daily download of data from its bank. All amounts on the statements are analysed on the bank statement analysis (BSA) and check to source data for example payroll, creditor payment runs. Income transactions are posted independently of the treasury function and are reconciled to the AIM system on a daily basis by the income team.</p>
<p>1.5 Payment scheduling</p>	<p>The Council has a policy of paying suppliers in line with agreed terms of trade and aims to pay suppliers within 28 days of the invoice date. Certificated payments to sub-contractors must be made within 28 days.</p>
<p>1.6 Monitoring debtor/ creditor levels</p>	<p>The Creditors and Income Manager is responsible for monitoring levels of debtors and creditors. Details are passed to the treasury team where necessary to assist in updating the cash flow models.</p>
<p>1.7 Banking of funds</p>	<p>Instructions for the banking of income are set out in Financial Regulations. All monies received will be passed to the cashier and be banked without delay.</p>
<p>1.8 Practices concerning prepayments to obtain benefits</p>	<p>The Council has no formal arrangements in place. Where such opportunities arise, the prepayment would be sought and authorised by the Chief Finance Officer.</p>

Treasury Management Practices

9. Money laundering

Background

The Proceeds of Crime Act (POCA) 2002 consolidated, updated and reformed criminal law in the UK in relation to money laundering. The principal offences relating to money laundering are:

Concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland

Being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention use or control of criminal property

Acquiring, using or possessing criminal property.

Other offences include failure to disclose money laundering offences, tipping off a suspect either directly or indirectly, and doing something that might prejudice an investigation.

Organisations pursuing relevant businesses were required to appoint a nominated officer and implement internal reporting procedures; train relevant staff in the subject; establish internal procedures with respect to money laundering; obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken and report their suspicions.

In December 2007, the UK Government published the Money Laundering Regulations 2007, which replaced the 2003 Regulations. CIPFA believes that public sector organisations should “embrace the underlying principles behind the money laundering legislation and regulations and put in place anti money laundering policies, procedures and reporting arrangements appropriate and proportionate to their activities”.

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the schedule below.

Schedule

<p>1.1 Anti-money laundering policy</p>	<p>This Council’s policy is to prevent, wherever possible, the organisation and its staff being exposed to money laundering, to identify the potential areas where it may occur and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.</p> <p>The Council has accepted responsibility to ensure that those of its staff who are most likely to be exposed to money laundering can make themselves fully aware of the law and, where necessary, are suitably trained.</p>
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<p>1.2 Nomination of Responsible Officer</p>	<p>(a) The Council has nominated Head of Corporate Governance to be the responsible officer to whom any suspicions relating to transactions involving the Council will be communicated.</p> <p>(b) The responsible officer will be conversant with the requirements of the Proceeds of Crime Act 2002 and will ensure relevant staff are appropriately trained and informed so they are alert for suspicious transactions.</p> <p>(c) The responsible officer will make arrangements to receive and manage the concerns of staff about money laundering and their suspicion of it, to make internal enquiries and to make reports, where necessary, to National Criminal Intelligence Services (NCIS).</p>
<p>1.3 Procedures for establishing the Identity of Lenders and Borrowers</p>	<p>(a) In the course of its treasury activities, the Council will only borrow from permitted sources identified in <i>TMP 4 Approved instruments, methods and techniques</i>.</p> <p>(b) The Council will not generally accept loans from individuals.</p> <p>(c) In the course of its treasury activities, the Council will only invest with those counterparties which are on its approved lending list.</p> <p>(d) The identity and authenticity of commercial institutions (banks, building societies and other financial institutions) authorised to carry out borrowing and lending activity in the UK will be checked via the Financial Services Authority's website www.fsa.gov.uk.</p> <p>(e) All receipts/disbursements of funds will be undertaken by BACS or CHAPS settlement.</p> <p>(f) Direct Dealing mandates: The Council will provide (in the case of lending) and obtain (in the case of borrowing) and maintain on file dealing mandates with any new money market counterparty. The mandates should be on letter-headed paper, dated and signed.</p> <p>(g) All banking transactions will only be undertaken by the personnel authorised to operate the Council's banks accounts.</p>

Treasury Management Practices

10. Training and qualifications

The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Deputy Chief Executive will recommend and implement the necessary arrangements.

The Deputy Chief Executive will ensure that Council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities. Those charged with governance are required to recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in the schedule below.

Schedule

<p>1.1 Qualifications/ experience for treasury staff</p>	<p>Members of the Treasury Team are required to have suitable experience and qualifications for them to carry out their duties competently and appropriate training is provided where necessary.</p>
<p>1.2 Details of approved training courses</p>	<p>The courses/events the Council would expect its treasury personnel to consider are:</p> <ul style="list-style-type: none"> ▪ Certificate in International Treasury Management – Public Finance, a treasury management qualification offered by the <i>Association of Corporate Treasurers</i> ▪ Training courses for Accounting, Auditing, Best Value/Competition, Budgeting, Capital Finance & Borrowing, Financial Management and Treasury Management run by CIPFA and IPF ▪ Any courses/seminars run by Treasury Management Consultants. ▪ Attending CIPFA Conference ▪ Training attended by those responsible for scrutiny of the treasury function
<p>1.3 Records of training received by treasury staff</p>	<p>Treasury-related training records are maintained by staff with their CPD support, with staff appraisal records by the Chief Accountant and with Human Resources.</p>

<p>1.4 Records of training received by those charged with governance</p>	<p>Training records are maintained of those people/committees responsible for governance of treasury management. Committee Services provide details of this.</p>
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Treasury Management Practices

11. Use of external service providers

The Council recognises that responsibility for the treasury management decisions remains with the organisation at all times. It recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and reviewed regular. The Council will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Deputy Chief Executive. Details of the current arrangements are set out in the schedule below.

Schedule

<p>1.1 Contract threshold</p>	<p>The Council’s Financial Regulations require that a formal contract is in place with external service providers. The contract will clearly state the services to be provided and the terms on which they will be provided.</p>
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<p>1.2 Details of service providers and procedures and frequency for tendering services</p>	<p>(a) Bankers to the Council Lloyds Bank 25 Gresham Street, London EC2V 7HN Telephone 0808 202 1390 Contract period: From March 2015 Formal agreement in place: Yes</p> <p>(b) Treasury advisor Arlingclose Limited 35 Chiswell Street, London EC1Y 4SE Telephone 08448 808 200 Contract period: Aug 2017 to July 2020 Formal agreement in place: Yes This service may be re-tendered every 3 years</p> <p>(c) Brokers It is considered good practice for the Council to have at least two brokers and to spread business between them.</p> <p>Tradition (UK) Limited Beaufort house, 15 St. Botolph St, London, EC3A 7QX Telephone 0207 422 3500 Contract period: no formal contract Formal agreement in place: No</p> <p>Sterling/ BGC Brokers LP 1 Churchill Place, London, E14 5RD Telephone 020 7894 7742 Contract period: no formal contract Formal agreement in place: No</p>
<p>1.3 Regulatory status of services provided</p>	<p>The Council's external service providers are regulated by the Financial Services Authority (FSA) and Bank of England.</p>

<p>1.4 Details of service provided by Treasury Advisor</p>	<p>The Service provided by the Council’s treasury advisors is:</p> <p>Financial Strategy and Investment Policy</p> <ul style="list-style-type: none"> • Attend 4 strategy meetings per year and review the Council’s financial position in respect of its objectives, strategy, current financial circumstances, assets and liabilities. • Advise on suitable investment strategies to support the Council’s financial objectives in the short, medium and longer term. <p>Market Updates and Interest Rate Forecasting</p> <ul style="list-style-type: none"> • Provide regular interest rate forecasts. • Provide regular updates on economic and political changes that may impact the Council’s investment strategy. <p>Monitoring and Reporting</p> <ul style="list-style-type: none"> • Provide data on the performance of external fund managers for comparison purposes. • Monitor and report on performance of in-house investments against external fund managers on a quarterly basis. <p>Counterparty Creditworthiness</p> <ul style="list-style-type: none"> • Advise on investment counterparty creditworthiness, including provision of prudent parameters, based on information obtained from leading credit rating agencies (Fitch, Standard and Poors, Moody’s). • Provide regular alerts of changes in creditworthiness, monthly reports and analyses. • Check compliance with counterparty creditworthiness policy on a quarterly basis. <p>Training and Documentation</p> <ul style="list-style-type: none"> • Provide training to treasury management staff where necessary, including access to a technical support helpline. • Provide template documents and advice on: <ul style="list-style-type: none"> • Treasury management strategy report • Annual review report • Annual investment strategy <p><i>Future investment of capital receipts</i></p> <p><i>The Council may decide to place funds with external fund managers to provide an element of diversity to the investment portfolio. Part of the service required from our appointed advisor will be to assist and advise on the selection and appointment process and to provide ongoing performance monitoring.</i></p>
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Treasury Management Practices

12. Corporate governance

The Council is committed to the pursuit of proper corporate governance throughout its business and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and implemented the key recommendations of the CIPFA Treasury Management Code of Practice (Revised 2009). This, together with the other arrangements detailed in the schedule to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the Deputy Chief Executive will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Schedule

<p>1.1 Stewardship responsibilities</p>	<p>The Chief Finance Officer ensures that systems exist to deliver proper financial administration and control and maintaining a framework for overseeing and reviewing the treasury management function.</p>
<p>1.2 List of documents to be made available for public inspection.</p>	<p>The following documents are freely available for public inspection:</p> <ul style="list-style-type: none"> ▪ Annual Statement of Accounts ▪ Budget Book ▪ 4 Year Capital Plan ▪ Treasury Management Policy ▪ Treasury Management Strategy ▪ Budget Monitoring Reports ▪ Annual Treasury Report (Outturn)
<p>1.3 Council's website.</p>	<p>Financial information is additionally available on the Council's website.</p>
<p>1.4 Procedures for consultation with stakeholders.</p>	<p>Members and senior officers of the Council are consulted via reports to the Corporate Policy & Resources Committee and officer/member briefing and training sessions.</p>
<p>1.5 Externally managed funds.</p>	<p>The Council currently has no external fund managers.</p>

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Provisional subject to the outcome of the local Unison ballot process.

Corporate Policy and Resources Committee



19 February 2024

Title	Pay Award 2024/25 and Pay Award 2025/26
Purpose of the report	To make a recommendation to Council
Report Author	Debbie O’Sullivan/Angela Tooth, Human Resources Managers
Ward(s) Affected	Not applicable
Exempt	No
Exemption Reason	Not applicable
Corporate Priority	This item is not in the current list of Corporate Priorities but still requires a Committee/Council decision.
Recommendations	<p>The Corporate Policy and Resources Committee is asked to recommend to Council a two year pay award for 2024/25 and 2025/26 is approved as follows:</p> <p><u>Pay Award 2024/25</u></p> <p>A consolidated award of 2.8% on all spinal points and personal salaries (across the board increase).</p> <p>An additional 2 days’ special paid leave (pro rata for part time staff) to cover the Christmas closure period 2024. This is in addition to the 1 day’s special paid leave already in place for 2024. Front-line operational staff who are required to work to provide vital services to residents over the Christmas week will be compensated and paid for this time.</p> <p><u>Pay Award 2025/26</u></p> <p>A consolidated award of 2.8% on all spinal points and personal salaries (across the board increase)</p> <p>An additional 3 days’ special paid leave (pro rata for part time staff) to cover the Christmas closure 2025. Front-line operational staff who are required to work to provide vital services to residents over the Christmas week will be compensated and paid for this time.</p>

	With compounding across the two years this equates to an aggregate consolidated increase of 5.7% over the period.
Reason for Recommendation	<p>As a result of moving to local pay on 1 April 2019, the pay award for 2024/25 and 2025/26 is to be decided by full Council.</p> <p>The pay award is made to help attract and retain staff and is in recognition of their ongoing hard work and dedication in supporting the Council's services.</p>

1. Summary of the report

What is the situation	Why we want to do something
A two year pay deal is proposed as this will provide certainty and clarity to both staff and Spelthorne at this challenging time.	<ul style="list-style-type: none"> To recruit and retain staff by awarding an annual increase to all salary points. Ongoing cost of living issues
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> To award a 2 year pay deal to be awarded for 2024/2025 and 2025/2026 of 2.8% for both years Additional 2 days paid special leave to be granted for Christmas 2024 to cover Christmas closure 2024. Additional 3 days paid special leave to be granted for Christmas 2025 to cover Christmas closure 2025 	<ul style="list-style-type: none"> To consider pay award options and for Council to make a decision.

- 1.1 This report seeks the Corporate Policy and Resources Committee agreement to recommend a 2 year pay deal to Council that the 2024/25 and 2025/26 pay award of 2.8% for both years' respectively is consolidated (built into the base pay) and applied to all pay scales and personal salaries.

2. Key issues

- 2.1 With effect from 1 April 2019 Spelthorne Borough Council (Spelthorne) became a local pay and local terms and conditions employer. Pay awards are to be decided by full Council and the Corporate Policy and Resources

Committee are asked to recommend to Council the pay award for 2024/25 and 2025/26.

- 2.2 The Chief Finance Officer presented at a Budget Briefing for all councillors in November 2023, which included a proposal for the pay award which will take into consideration pay review data from other councils within Surrey and any available information from the national pay award negotiations. Since then, in response to discussions with Unison, we have moved away from the original proposal of a one year award with two percent consolidated and one percent non-consolidated (ie does not carry forward into future years), to a two year award with consolidated uplifts of 2.8% in each year. In order to remain competitive and retain staff a consolidated increase of 2.8% to all pay scales and personal salaries is recommended. Sufficient provision will be built into the 2024/25 and 2025/2026 budget.
- 2.3 Spelthorne, along with many other local authorities faces significant financial challenges over the next few financial years. A substantial saving still has to be delivered within the next year and this has been factored into the recommended pay award of 2.8% whilst acknowledging that Spelthorne needs to recruit and retain staff in a competitive market.
- 2.4 In order to continue to deliver high quality services, Spelthorne's focus is on retaining the breadth and depth of skills, technical knowledge and managerial experience we have together with the ability to attract suitable and qualified candidates for vacant posts. Recruitment and attracting the right candidate continues to be challenging.
- 2.5 At the end of 2023, the Office for National Statistics (ONS) reported "average regular pay growth for the private sector was 7.2% annually in the 3 three months to November 2023, and 3.3% for the public sector; outside of the height of the pandemic period, this is the fastest growth rate since 2001 seen for the private sector and is among the largest differences between the private sector and public sector growth rates we have seen." This will still be impacting all staff who will be continuing to experience significant cost of living increases.
- 2.6 The proposal has been subject to consultation and negotiation, within the limits of the Collective Agreement, between the Chief Executive, Deputy Chief Executive, Human Resources and UNISON as further detailed below.
- 2.7 UNISON made a pay submission to the Chief Executive on 25 August 2023. Consultation meetings were held. The last meeting was held on 19 December 2023 and UNISON responded on 22 December 2023 to advise they accept Spelthorne is experiencing unprecedented financial pressures but 'the ongoing cost of living crises places a greater responsibility on management to ensure that staff are not forced into further hardship.' Following a ballot of the membership, they indicated that the two-year offer has been accepted (subject to Council agreement). Should this position change, they will present directly to Corporate Policy and Resources Committee.
- 2.8 Clause 1.4 of the Collective Agreement, Mechanism and timetable for deciding pay awards states:
"UNISON may make representations to Corporate Policy and Resources Committee when they consider the budget for the following year. The

Corporate Policy and Resources Committee will consider any pay submission/representation from UNISON before they make a recommendation to Council for the Local Pay Award for the following year.”

2.9 UNISON may choose to make their own submission/representation to Corporate Policy and Resources Committee.

2.10 This explains the main criteria upon which the decision is to be based.

3. Options analysis and proposal

3.1 To approve the 2 year pay offer to cover the period 2024/25 and 2025/26 pay award as detailed in this report. This is required to remain competitive with our comparators and will demonstrate a commitment to all staff. **Preferred option.**

3.2 To not approve the pay award or award a one year pay award or lower pay award which will impact on morale and motivation.

4. Financial implications

4.1 The budget for 2024/25 has built in sufficient provision to cover the proposed additional percentage increase and will add approximately £596,100 (inclusive of national insurance and superannuation) to the base budget for 2024/25. The further additional amount for 2025/26 will be approximately £615,000, subject to any necessary adjustments.

5. Risk considerations

5.1 The well-publicised cost of living rises may impact retention and recruitment of staff where other organisations may offer higher salaries and benefits. A fair and equitable pay review will go towards mitigating this risk.

6. Procurement considerations

6.1. There are none

7. Legal considerations

7.1 Consultation with UNISON has followed the process detailed in the Collective Agreement.

8. Other considerations

8.1 If agreed, the pay award as detailed above, is applicable to all staff including those on protected salaries, personal salaries and apprentices.

8.2 If agreed, the percentage increase will be applied to certain allowances that are increased annually in line with any pay award.

8.3 Under clause 1.1 of the Collective Agreement, Section 1: Arrangement for agreeing the Spelthorne Local Pay Award it states the following:

“Spelthorne will give due regard to the NJC, JNC and JNC for Chief Executives National Pay Award.”

There has been no indication of any proposals for the 2024/25 National Pay Award. Should the 2024/25 National Pay Award be higher than the Spelthorne Local Pay Award, due consideration will be given to proposing to Council that the Local Pay Award meets the National Pay Award, subject to affordability. The same will apply to the 2025/26 National Pay Award.

9. Equality and Diversity

The pay award is across all pay scales and personal salaries and all staff are included.

10. Sustainability/Climate Change Implication

10.1 There will be no impact on climate change issues.

11. Timetable for implementation

11.1 The pay award for 2024/2025 will be effective from 1 April 2024.

11.2 The pay award for 2025/2026 will be effective from 1 April 2025.

12. Contact

12.1 Angela Tooth, Human Resources Manager, a.tooth@spelthorne.gov.uk

Debbie O’Sullivan, Human Resources Manager,
d.o’sullivan@spelthorne.gov.uk

Background papers:

There are none

Appendices:

There are none

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Corporate Policy and Resources Committee



19 February 2024

Title	Pay Policy Statement 2024/25
Purpose of the report	To make a recommendation to Council
Report Author	Debbie O’Sullivan/Angela Tooth, Human Resources Manager
Ward(s) Affected	Not applicable
Exempt	No
Exemption Reason	Not applicable
Corporate Priority	This item is not in the current list of Corporate Priorities but still requires a Committee/Council decision
Recommendations	Committee is asked to: Recommend to Council that the Pay Policy Statement is approved.
Reason for Recommendation	The Pay Policy Statement must be agreed by full Council and be published by 31 March each year.

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> Annual Pay Policy to be published to enable payments to be made for the next financial year 2024/2025. 	<ul style="list-style-type: none"> It is a statutory requirement to publish the Pay Policy by 31 March each year
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> Recommend to Council that the Pay Policy Statement is approved 	<ul style="list-style-type: none"> Full Council to consider and approve so the Pay Policy can be published in line with requirements.

2. Key issues

2.1 Local authorities are required to publish an annual pay policy statement to increase transparency regarding the use of public funds to pay council staff. This requirement was set out in the Localism Act 2011 with guidance on items to be included issued by the Secretary of State for Communities and Local Government.

- 2.2 Pay Policy Statements must be agreed by full Council and be published by 31 March each year to apply to pay decisions during the next financial year.
- 2.3 The Pay Policy Statement must set out the Council's policies on a range of issues relating to the pay of its workforce, particularly its senior staff and the lowest paid employees. The statement must set out the policies for the financial year relating to:
- Remuneration of its Chief Officers
 - Remuneration of its lowest paid employees
 - The relationship between the remuneration of its Chief Officers and the remuneration of those employees who are not Chief Officers
 - The publication of and access to information relating to remuneration of Chief Officers.
- 2.4 The term 'Chief Officer' in this context is as set out in the Local Government and Housing Act 1989 ('the Act') and includes
- The Head of Paid Service (the Chief Executive)
 - The Monitoring Officer
 - Statutory and non-statutory Chief Officers under section 2 of the Act
 - A deputy Chief Officer mentioned in section 2 of the Act
- This is a wider definition than is usually understood by the term: in other contexts, the term Chief Officer at Spelthorne is used to mean posts on Management Team (Chief Executive and Deputy Chief Executives only).
- 2.5 It is up to the Council to determine who its lowest paid employees are, but they must give reasons as to why they have defined them as such. At Spelthorne the lowest paid employees are those in jobs paid at the lowest grade and apprentices.
- 2.6 The term 'remuneration' is defined as follows:
- The Chief Officer's salary
 - Any bonuses payable
 - Any charges, fees or allowances payable by the Council to the Chief Officer
 - Any benefits in kind to which the Chief Officer is entitled as a result of their office or employment
 - Any increase in or enhancement of the Chief Officer's pension entitlement where the increase or enhancement is as a result of the resolution of the Council
 - Any amounts payable by the Council to the Chief Officer on the Chief Officer ceasing to hold office under or be employed by the Council other than amounts that may be payable by virtue of any enactment.
- 2.7 The statement must be approved by a resolution of Council before it comes into force. It can be amended by resolution after the financial year is underway but, if it is amended, it must be published on the Council's website.

- 2.8 There has been no further guidance from the Secretary of State this financial year.
- 2.9 This explains the main criteria upon which the decision is to be based.
- 2.10 Employing authorities are also required to publish a policy on how they propose to exercise certain discretions under the Local Government Pension Scheme, Local Government Compensation Regulations and the Local Government Injury Regulations. As a minimum, an employing authority is required to publish a policy on the mandatory discretions within these regulations.
- 2.11 The Discretions Policy is an Appendix of the Pay Policy Statement and is attached as **Appendix 2**. The Policy includes the mandatory discretions for Award of Additional Pension and Inward Transfer of Pension Rights which are useful to be included.

3. Options analysis and proposal

- 3.1 The draft Pay Policy Statement for 2024/25 is in the **Appendix 1**. It is proposed that the Council resolves to approve the Pay Policy Statement for 2024/25.
- 3.2 There are no options as it is a statutory requirement that the Pay Policy Statement for 2024/25 is published by 31 March 2024.

4. Financial implications

- 4.1 No direct financial implications to the Pay Policy Statement 2024/25. All pay decisions in the year must be in accordance with the published pay policy statement.

5. Other considerations

- 5.1 Spelthorne is required to approve and publish a Pay Policy Statement annually. The Council is an individual employer in its own right and has autonomy on pay elements that are appropriate to local circumstances. The provisions in the Localism Act and the guidance do not seek to change this or to determine what decisions on pay should be taken or what policies individual employing authorities should have in place. Rather, the provisions require that authorities are more open about their own local policies and how their local decisions are made.
- 5.2 Arrangements for pay and employment must comply with relevant employment legislation, the Council's Standing Orders, Scheme of Delegation, policies, procedures and arrangements, staff terms and conditions of employment and the regulations of the Local Government Pension Scheme. Arrangements for compensation for loss of office must comply with the Council's Discretionary Policy.
- 5.3 The matters contained in the Pay Policy Statement include arrangements which are part of the contractual terms and conditions of employment, which cannot be changed without prior consultation.
- 5.4 Since February 2015 there is also a requirement to publish other information on senior salaries/posts following the government's publication of the Local Government Transparency Code 2014. This information is published on the Council's website alongside the Pay Policy Statement and is updated annually.

6. Equality and Diversity

- 6.1 The Pay Policy Statement is in relation to all staff and will be accessible by all staff.
- 6.2 Arrangements for pay will take into account the full scope of the job including the complexity of work, range of responsibilities and the skills and experience required to undertake them, having regard to the need for equal pay for work of equal value.
- 6.3 In accordance with the Equality Act 2010, reasonable adjustments are made to ensure safe working and to remove, prevent or reduce any obstacles there may be in carrying out a role.

7. Sustainability/Climate Change Implications

- 7.1 None.

8. Timetable for implementation

- 8.1 The Pay Policy Statement for the 2024/25 financial year must be agreed by Council by 31 March 2024 and be published on the website. All pay decisions in the year will be in accordance with the published pay policy statement and any agreed amendments.

Background papers: There are none.

Appendices:

Appendix 1: Pay Policy Statement 2024/25

Appendix 2: Discretions Policy

Pay Policy Statement for 2024-25

Spelthorne Borough Council

Pay Policy Statement 2024-25

1 **Purpose**

This Pay Policy Statement is the annual statement as required by the Section 38(1) of the Localism Act 2011 and applies for the financial year 2024-25. The purpose is to provide transparency about how Spelthorne Borough Council uses public funds to pay staff.

The statement sets out Spelthorne Borough Council's policies relating to the remuneration of chief officers, the remuneration of its lowest paid employees, and the relationship between the remuneration of Spelthorne Chief Officers and other employees.

2 **Definitions**

For the purposes of this Pay Policy Statement, the following definitions will apply:

2.1 **Chief Officers**

The following Spelthorne Borough Council posts are included in the definition of chief officers:

- a) The Head of Paid Service designated under section 4(1) of the Local Government and Housing Act 1989.

This is the Chief Executive

- b) The Monitoring Officer designated under section 5(1) of that Act.

This is the Group Head Corporate Governance

- c) A statutory chief officer mentioned in section 2(6) of that Act.

This is the Deputy Chief Executive who acts as the Chief Finance Officer.

- d) Non statutory chief officers mentioned in section 2(7) of that Act.

This is the other Deputy Chief Executive post.

Pay Policy Statement for 2024-25

- e) For the purposes of this Pay Policy Statement the definition of deputy chief officers is wider than the definition contained within section 2(8) of that Act. In this Pay Policy Statement, deputy chief officers are those posts, including those considered in the nature of support services, reporting directly to the statutory and non-statutory chief officers i.e. Head of Paid Service, the Monitoring Officer, the Chief Finance Officer and the other Deputy Chief Executive:

Reporting to the Chief Executive

Deputy Chief Executive (Chief Finance Officer, Section 151)
Deputy Chief Executive
Group Head Corporate Governance
Head of Communications and Customer Experience

Reporting to the Group Head Corporate Governance (monitoring officer)

Legal Services Manager (Deputy Monitoring Officer)

Reporting to the Deputy Chief Executive (Chief Finance Officer) and the other Deputy Chief Executive

Chief Accountant
Group Head Commissioning and Transformation
Group Head Neighbourhood Services
Group Head Community Wellbeing
Group Head Place, Protection and Prosperity
Group Head for Assets
Head of Family Support (this post is shared with Elmbridge Borough Council and Epsom & Ewell Borough Council)

Any restructures during the year or secondments to cover short-term requirements may alter reporting relationships which could change the roles reporting to specific Chief Officer posts.

One post is shared with other councils, as noted above.

2.2 Management Team

Spelthorne Borough Council's Management Team is the Chief Executive and the two Deputy Chief Executive posts.

2.3 Pay

In addition to salary, remuneration includes fees, allowances, benefits in kind and termination payments.

Pay Policy Statement for 2024-25

2.4 Lowest paid employees

Refers to those staff employed within grade Scale 1 of the Council's pay framework, which is the lowest grade on the Council's pay framework. Currently there are 61 posts, 13.5% of the Council's filled establishment, at this level.

2.5 Employees who are not a chief officer

Refers to all staff who are not covered under the 'Chief Officer' group above, including the lowest paid employees.

3 Pay framework – general principles applying to all staff

3.1 General approach

Remuneration at all levels needs to be adequate to recruit, retain and develop a skilled and flexible workforce to deliver services to the community and fulfil the Council's business objectives. Remuneration must be fair and reasonable in the circumstances and not unnecessarily excessive. Each Council has responsibility for balancing these factors in the light of the unique challenges locally and retaining flexibility to deal with circumstances that might arise. Pay arrangements must comply with relevant legislation. Salary payments for individual postholders are pro-rated where they are employed for less than full time. Salary and other payments are pensionable payments in accordance with the Pensions Regulations., Terms and conditions of employment are local Spelthorne terms and conditions as amended by Spelthorne.

3.2 Responsibility for decisions on remuneration

Decisions on pay are made in line with Spelthorne Borough Council's Scheme of Delegation and in accordance with employment policies, procedures and arrangements in place, as well as staff terms and conditions of employment.

Approval for any change to the Chief Executive's salary is by the Leader of the Council if within the salary scale and existing policies or otherwise by the Corporate Policy and Resources Committee/Council. Approval for any changes to the salary range for Management Team posts below Chief Executive is by the Head of Paid Service (Chief Executive) in consultation with the Leader. Approval for changes for posts below Management Team are the responsibility of the Head of Paid Service and Management Team or Group Head within the budget, council policy framework and delegations.

Pay awards are considered annually for staff. Spelthorne Borough Council operates local arrangements for deciding pay awards in consultation and negotiation with the Spelthorne Branch of UNISON ("UNISON"), within the limits of the Collective Agreement between

Pay Policy Statement for 2024-25

UNISON and Spelthorne. The Pay award is decided by full Council as part of the annual budget process. Retention, affordability and local circumstances will be taken into consideration as part of this decision.

3.3 Salary grades and grading framework

Grades are determined by taking account of the full scope of the job including the complexity of work, range of responsibilities and the skills and experience required to undertake them, having regard to the need for equal pay for work of equal value. Each grade consists of a number of points from the Spelthorne pay spine, from the bottom to the top of the grade. The top of grade is considered to be the rate of pay for a fully experienced, qualified and competent post holder. Incremental progression is subject to satisfactory performance. Accelerated increments can be awarded in exceptional circumstances within the grade but not beyond the top of the grade. Incremental progression for the two Deputy Chief Executives is subject to performance and achievement of targets.

3.4 New starters joining the Council

Appointments are made at the bottom of the salary scale, or at an appropriate point taking into account relevant skills and experience, and staff progress through the scale to the maximum of the grade over a number of years as experience is gained, subject to satisfactory performance.

3.5 Allowances and additional payments

Additional payments may be approved by the Chief Executive, Deputy Chief Executives and Management Team in the case of a member of staff undertaking additional duties for an extended period of time outside the normal responsibilities of their post or to complete specific tasks. For example, to cover the duties of a vacant post which is at a higher grade, to undertake additional work in relation to a time-limited project, or where a formal partnership/secondment arrangement is in place with another local authority resulting in additional duties, responsibilities, complexity and working hours and it is not appropriate to otherwise change the grade of the post.

Spelthorne Borough Council will consider paying a recruitment, retention or market supplement allowance in order to maintain service provision where it has been difficult to recruit to a vacant post or to retain staff in a particular service and specific criteria are met. Recruitment, retention and market payments are a separate payment, not consolidated into salary, and are subject to review and removed when no longer justified. The payments are pensionable, subject to the rules of the LGPS and the Pensions Regulations.

Pay Policy Statement for 2024-25

Essential user and casual user car allowances are payable where staff are required to use their own vehicles for council business. A non-pensionable car allowance is applied to the Chief Executive and Deputy Chief Executive posts. A non-pensionable car allowance is applied to Group Head posts on Chief Officer local terms and conditions of employment. Committee Allowance payments are payable where staff are required to attend Council meetings outside normal working hours (except for Management Team and Chief Officer posts who do not receive additional payment).

3.6 Pay awards

Pay awards are considered annually for staff. Spelthorne Borough Council operates local arrangements for deciding pay awards in consultation and negotiation with UNISON, within the limits of the Collective Agreement between UNISON and Spelthorne. Pay awards are decided by full Council as part of the annual budget process. Retention, affordability and local circumstances will be taken into consideration as part of this decision.

3.7 Pension scheme

All Spelthorne staff including Chief Officers are eligible to join the Local Government Pension Scheme with employee contributions tiered according to salary band. Employee contributions range from 5.5% for pensionable pay up to £16,500 to 12.5% for pensionable pay above £187,201 (the top rate does not apply to any Spelthorne posts).

The Council's pension current service contribution as employer is currently 17.3. Additionally, there is a past service deficit contribution paid as a single lump sum by the Council. The figure for this was £1,000,000 in 2022-23). The past service contribution in 2023-24 to £1,544,000; this then rises to £1,602,000 in 2024-25 and to £1,662,000 in 2025-26. Employer contribution rates are reviewed every 3 years following a revaluation of the pension fund and pension liabilities in relation to current and past members. The next revaluation is due as at 31 March 2025 and will impact on employers' contribution from 2026/27.

3.8 Policy on employing someone who has taken redundancy from another authority

An individual who has been made redundant from another council may apply to work at Spelthorne Borough Council and would be considered against the required criteria for the post. If they accept an offer of employment with Spelthorne before the end of their employment with the other council to take effect within 4 weeks of leaving, then they will

Pay Policy Statement for 2024-25

not be due a redundancy payment from the previous employer and will retain continuity of service. If the gap is longer than 4 weeks their continuous service is broken, which means that they would have no eligibility for redundancy payments until they have 2 years further service.

3.9 Policy on employing someone who is also drawing a pension

In line with the Pension Regulations Spelthorne Borough Council has a flexible retirement policy and will consider requests from staff who wish to draw their pension and continue working in a reduced capacity. Requests will only be agreed where there is a salary saving through either reduced hours or responsibility.

An individual who is drawing a pension in relation to a previous employment may apply to work at Spelthorne and would be considered against the criteria for the post. If they are appointed, the salary will be in accordance with the grade for the job, with abatement of their pension subject to the rules of the appropriate pension scheme of the pension in payment, as apply at the time.

3.10 Policy on increase in or enhancement to pension entitlements

Pension entitlements are in line with the Local Government Pension Scheme Regulations and Spelthorne Pensions Policy in operation at the time.

Spelthorne's Pension Policy was agreed by the Council on 27 February 2020. It applies to all Spelthorne employees including Chief Officers. The Pension Policy is attached as Appendix 2 (to the Pay Policy Statement).

3.11 Payment arrangements

Employees, including chief officers, are paid through payroll and subject to appropriate income tax, pension and national insurance deductions.

4 Level and elements of remuneration for chief officers

4.1 Salaries for chief officers

Spelthorne policy is to pay chief officers according to the Spelthorne salary grade appropriate for the duties and responsibilities of the job. Each grade consists of a number of points from the Spelthorne pay spine, from the bottom to the top of the grade.

Pay Policy Statement for 2024-25

The salary paid to Group Head posts depends upon the range of responsibilities and consists of a salary range of a number of increments taken from a 4-point Group Head Salary band.

The current full time salary scales for chief officer posts listed in Paragraph 2.1 above are set out in the table below. Where posts are filled on a part-time basis the post holders are paid pro-rata to their contractual hours.

Post	Bottom of salary range	Top of salary range
Chief Executive	£118,131	£132,943
Deputy Chief Executives	£94,888	£106,737
Group Head Corporate Governance	£78,482	£85,297
Legal Services Manager and Deputy Monitoring Officer	£52,281	£66,103
Chief Accountant	£78,482	£78,482
Group Heads	£78,482	£85,297
Head of Family Support	£67,497	£67,497
Head of Communications and Customer Experience	£57,834	£61,646

Any restructures during the year or secondments to cover short-term requirements may alter reporting relationships and could change the roles reporting to specific Chief Officer posts, with the appropriate salary range from Spelthorne grades applying.

4.2 Other pay elements for chief officers

A non-pensionable car allowance is applied to the Chief Executive, Deputy Chief Executives and Group Head posts as part of the total remuneration package. Current car allowance values are £6953 for the Chief Executive and £5408 for the Deputy Chief Executives and Group Heads.

The salaries for chief officer and Chief Executives / Chief Officers (the Chief Executive, Deputy Chief Executives, Group Heads (and certain professional posts) are inclusive salaries with no additional recompense for additional hours worked, for attendance at Council or other meetings outside of normal working hours, for expenses, for telephone use or for business mileage, except for journeys of 100 miles or more. A mileage rate equivalent to the HMRC rate for company cars applies (13p per mile for most vehicles) for journeys of 100 miles or more.

Professional fees required for the post are paid (for example membership of CIPFA for the Chief Finance Officer and legal practising certificate for the monitoring officer).

Pay Policy Statement for 2024-25

A separate allowance is paid for the statutory monitoring officer and Section 151 officer duties.

Election fees are paid separately for additional duties and responsibilities undertaken as elections fall. The Chief Executive acts as Returning Officer at elections and other chief officers may receive payments for any additional work undertaken during a national or local election as deputy returning officers, presiding officers or poll clerks at polling stations or for working at the election counts. Election fees are set as elections are called taking account of guidance issued by the Ministry of Justice.

4.3 Remuneration of chief officers on recruitment

Starting salaries are at the bottom of the salary scale, or at an appropriate point taking into account relevant skills and experience.

Chief Executive and Management Team or Group Head approval is required before recruitment to any post below management team level. Approval to fill posts at Management Team level and for Group Heads requires the agreement of the Leader of the Council, with selection decisions made by a member Appointments Committee and ratified by Council if required (for Chief Executive). New appointments may be eligible for removal expenses under the Council's Home Relocation Policy.

4.4 Increases and additions to remuneration for each chief officer

Pay awards are considered annually for staff including Chief Officer. Spelthorne operate local arrangements for deciding pay awards in consultation and negotiation UNISON, within the limits of the Collective Agreement between UNISON and Spelthorne. Pay awards are decided by full Council as part of the annual budget process. Retention, affordability and local circumstances will be taken into consideration as part of this decision.

Changes to salary ranges and other pay elements must be agreed by the Leader/Appointments Committee/Council for the Chief Executive, by the Chief Executive in conjunction with the Leader for Deputy Chief Executive posts and by the Chief Executive and Management Team for all other posts.

4.5 Performance related pay for chief officers

There is no additional performance related pay for Spelthorne chief officers or any other staff. Progression through increments is subject to satisfactory performance. Incremental progression for Deputy Chief Executives is subject to performance and achievement of targets. Once

Pay Policy Statement for 2024-25

an employee reaches the top of their salary scale there is no opportunity to earn more.

4.6 Bonuses for chief officers

There are no bonuses available for chief officers or for other staff.

4.7 The approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority

Spelthorne's Discretionary Compensation Policy agreed by the Executive on 6 February 2007 and confirmed by Cabinet in January 2020, sets out the approach for payments in the event of termination on the grounds of redundancy and efficiency of the service. There is a consistent method of calculating redundancy pay which is applied to all redundant employees, including chief officers, with the level of redundancy pay calculated using the statutory matrix with a multiplier of 2 and at actual weekly earnings (to a maximum of 60 weeks' pay for staff with over 20 years local government service). The redundancy payment is intended to recompense employees for the loss of their livelihood and provide financial support whilst they seek alternative employment and applies when a post is deleted. In the case of termination on efficiency grounds payments would depend on the circumstances of the case and would exceed the amount due for redundancy only in exceptional circumstances, to a maximum of 104 weeks.

The taxation of termination payments is in accordance with statutory provisions.

4.8 Additional payments for chief officers

Additional payments may be approved in the case of a chief officer undertaking additional duties for an extended period of time outside the normal responsibilities of their post. For example, to undertake additional responsibilities, to cover the duties of a vacant post which is at a higher grade, to undertake additional work in relation to a time-limited project, or where a formal partnership/secondment arrangement is in place with another local authority resulting in additional duties, responsibilities, complexity and working hours and it is not appropriate to otherwise change the grade of the post.

5. The remuneration of the lowest paid employees

The lowest paid employees are those in posts graded at Scale 1, which has a current salary range from £22,099 to £23,001 per annum (to be uplifted with 2024/2025 local pay award from April 2024 when agreed).

The pay rate at the bottom of scale 1 is £11.77 per hour compared to the national minimum wage of £10.18 per hour (National Minimum

Pay Policy Statement for 2024-25

Wage rate from 1 April 2023 for workers aged 21 to 22 years) and the National Living Wage of £10.42 per hour for workers aged 23 and over. This rate will be uplifted from April 2024 to £11.44 per hour for workers aged 21 and over, £8.60 per hour for workers aged 18-20. The Living Wage Foundation's non-statutory UK Living Wage for 2023/2024 is £12 per hour.

Young people employed as Apprentices for the temporary period of their apprenticeship training are paid on an appropriate pay rate taking into account the level of work and level of qualifications to be obtained with a minimum of the appropriate statutory minimum wage rates. The National Minimum Wage rate from April 2024 will be £6.40 per hour for apprentices aged under 21 years.

6. **The relationship between the lowest and highest paid staff**

The ratio between the lowest and highest paid salaries is less than 1:7
The lowest salary rate is £22,099, the top of the Chief Executive's salary scale is £132,943 which is a pay multiple of 1:6.01

7. **The relationship between the highest paid employee and employees who are not chief officers**

The ratio between the median earnings across the organisation and the taxable pay of the highest paid employee (the Chief Executive) is 1:4.19 (last year's figure)

The ratio between the mean average earnings across the organisation and the taxable pay of the highest paid employee (the Chief Executive) is 1:4.06 (last year's figure)

8. **Salary and severance payments over £100,000**

8.1 Spelthorne has three posts with a salary package above £100,000, the Chief Executive and Deputy Chief Executives. The appointment of a new Chief Executive is made in accordance with the council's Constitution and statutory provisions. There would be a report to members on the arrangements for an appointment, including the salary level, and the appointment would be made by a member Appointments Committee and confirmed after ratification by full Council.

8.2 Severance payments are made in accordance with the Council's Discretionary Compensation Policy. Redundancy payments are based on the statutory matrix and Spelthorne multiplier to a maximum of 60 weeks' pay. Severance payments on the grounds of efficiency will exceed that level only in exceptional circumstances.

Pay Policy Statement for 2024-25

9. The publication of and access to information relating to remuneration of chief officers

The annual pay policy statement is published on the Spelthorne Borough Council website where it can be easily accessed by tax payers and external organisations.

Appendix 1 Pay Policy Statement effective from April 2024

Appendix 2 Discretions Policy

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Appendix 2

Discretions Policy

The Exit Cap Regulations which came into force on 4 November 2020 have been revoked.

Further exit pay and pension reforms are expected to be re-introduced (timing not known). Any exit payments will be in line with any regulations and caps in force at the time.

No.	Area	Regulation	Discretion	Policy Summary	Explanation
1	Whether to vary an employee's contribution band	Regulations 9 and 10 Pensions Regulations	Members must pay pension contributions at the appropriate rate set on 1st April or the first day of active membership, if later. The employer may vary the contribution rate if there is a change in employment or a material change that affects the member's pensionable pay.	Spelthorne Borough Council may vary the employee's contribution rate if there is a material change and each case will be considered on its merits	Contribution bands are set on 1st April but the employer may change them if a member changes jobs or has a material pay increase / decrease.
2	Whether to increase assumed pensionable pay in certain specific circumstances	Regulation 21(5), 21(5A) and 21(5B) Pension Regulations	If a member is absent as a result of illness, child related leave or reserve forces leave their pension benefits may be based on assumed pensionable pay (APP). If, in the employer's opinion, the member's APP is materially lower than their pay in the twelve months preceding the absence they can either include (1) a "regular" lump sum received during that period or (2) substitute a higher pensionable pay having regard for their earnings in that period.	Spelthorne Borough Council may increase assumed pensionable pay and each case will be considered on its merits.	If a member's APP is lower than their regular pensionable pay the employer can either substitute a higher rate of pay, based on the pay they received in the year before the absence began, or include regular lump sums received during that period.
3	Funding of Additional Pension Contributions	Regulations 16(2)(e) and 16(4)(d) Pension Regulations	Whether to fund, in whole or in part, a shared cost additional pension contributions (SCAPC) on behalf of an active member by regular contributions (Regulation 16 (2)(e)) or by lump sum (Regulation 16(4)(d)). NOTE: The amount of additional pension that may be credited to an active member's pension accounts may not exceed the overall additional pension limit of £7316 (April 2021/22 and uplifted annually).	Spelthorne Borough Council will only contribute towards APCs in exceptional circumstances.	The employing authority can choose to pay additional pension contributions on behalf of active employees.
4	Shared Cost Additional Voluntary Contributions (SCAVCs)	Regulation 17(1) and Schedule 1 (definition of SCAVC) Pension Regulations	Whether to contribute towards a Shared Cost Additional Contribution arrangement. Pre2014 SCAVCs also fall under Regulation 17 by virtue of Regulation 15(2A) Transitional Regulations.	Spelthorne Borough Council will pay SCAVC contributions where an employee has elected to pay AVCs by salary sacrifice. The amount of these employer SCAVC contributions will not exceed the amount of salary sacrificed by the employee. This discretion is subject to the employee meeting the conditions for acceptance into the salary sacrifice shared cost AVC scheme and may be withdrawn at any time	An employer can choose to contribute towards a SCAVC.
5	Whether to grant early payment of pension on compassionate grounds (pre-1st April 1998 leavers)	Regulation D11(2)(c) of 1995 Regulations	Whether to agree to early payment of pension benefits from age 50 on compassionate grounds. The employer should note that pension benefits paid before age 55 may attract an unauthorised payments surcharge and they may have to pay a strain cost because the pension benefits cannot be reduced.	Spelthorne Borough Council will only contribute to early payment of pension in exceptional circumstances.	The employer may agree to payment from age 50, but they may incur an unauthorised payments surcharge and/or a capital cost.

No.	Area	Regulation	Discretion	Policy Summary	Explanation
6	Flexible Retirement	Regulation 30(6), Pensions Regulations. Regulations 11(2) and (3) of Transitional Regulations	<p>Whether to agree to an employee aged 55 or over reducing their hours of work or their grade so that they may receive all or some of their retirement pension while still employed.</p> <p>Whether, in addition to any pre -1st April 2008 pension benefits which the member must draw, to permit the member to draw; (a) all, part or none of benefits accrued between 1st April 2008 and 31st March 2014 and (b) all, part or none of the pension benefits built up after 31st March 2014</p>	<p>Spelthorne Borough Council will only award flexible retirement in exceptional circumstances.</p> <p>Decisions are delegated to Management Team for cases up to Group Head and to Corporate Policy and Resources Committee for members of Management Team.</p>	<p>The employing authority can agree to an employee aged 55 or over drawing all or some of their pension and continuing to work in the same employment on reduced hours, pay or grade.</p> <p>The employer should note that granting consent would trigger the 85-year rule and may require a capital payment.</p>
7	Switching on the 85-year rule	Schedule 2 of the Transitional Regulations	Whether to switch on the 85-year rule under Regulation 1(2) and 1(3) of Schedule 2 of the Transitional Regulations.	Spelthorne Borough Council will only switch on the 85-year rule in exceptional circumstances.	The employer can agree to switch on the 85 -year rule, which may mitigate reductions that would, otherwise, apply but the employer may have to make a capital payment.
8	Waiving of Actuarial Reduction to Pensions	Regulation 30(8), Pensions Regulations. Schedule 2 of Transitional Regulations	<p>(Post 2014) Whether to agree to waive, in whole or in part, any actuarial reduction that would otherwise apply to the pension paid to a former employee aged 55 or over under 30(5) or 30(6) [flexible retirement] using regulation 30(8) of the Pension Regulations.</p> <p>(Pre 2014) Whether to waive actuarial reductions entirely under 30(5) or 30A(5) [deferred pensioner members] of the Benefits Regulations and Regulation 2(1), of Schedule 2 of the Transitional Regulations.</p>	<p>Spelthorne Borough Council will only waive actuarial reductions in exceptional circumstances.</p> <p>Decisions are delegated to the Chief Executive in consultation with the Leader for cases below Management Team and to Corporate Policy and Resources Committee for cases at Management Team.</p>	The employing authority can agree to waive reductions to the pension of a member aged 55 or over who has left employment or been granted flexible retirement. The employer may be required to make a capital payment if they do so.
9	Award of Additional Pension	Regulation 31, Pensions Regulations	<p>To award additional pension at full cost to the employer:</p> <p>(1)an active member; or</p> <p>(2)a former active member who was dismissed by reason of redundancy, business efficiency or mutual consent on grounds of business efficiency.</p> <p>NOTE: Any additional pension awarded (including any additional pension purchased by the employer or the member under Regulation 16 of the Pensions Regulations) may not exceed the overall additional pension limit of £7316 (April 2021/22 and uplifted annually).</p> <p>Additionally, in the case of a member falling within (2) above, the resolution to award additional pension must be made within 6 months from the date on which the employment ended.</p>	<p>Spelthorne Borough Council will only award additional pension in exceptional circumstances.</p> <p>Decisions are delegated to the Chief Executive in consultation with the Leader for cases below Management Team and to Corporate Policy and Resources Committee for cases at Management Team.</p>	<p>This means the employing authority has the power to award additional pension to an active member.</p> <p>The employer can also award additional pension to members who leave on the grounds of redundancy, business efficiency or mutual consent on grounds to business efficiency - up to six months after termination.</p> <p>The employer would be required to make a capital payment (in addition to the cost of purchase) if the member retired early on any grounds apart from permanent ill-health.</p>

No.	Area	Regulation	Discretion	Policy Summary	Explanation
10	Aggregation of Benefits: Concurrent Employments	Regulation 22 (7)(b), Pensions Regulations	Whether to allow an active member with concurrent employments, who ceases an employment with an entitlement to a deferred pension, more than 12 months to elect not to have their deferred pension aggregated with their active member's pension account.	Spelthorne Borough Council will only extend the deadline in exceptional circumstances.	The employing authority can allow a member who leaves one of two (or more) employments - held at the same time - longer than 12 months to elect not to combine the deferred pension with the ongoing active pension.
11	Aggregation of Benefits: Deferred Member becoming Active Member	Regulation 22 (8)(b), Pensions Regulations	Whether to allow a deferred member who becomes an active member longer than 12 months in which to elect not to have their deferred benefits aggregated with the benefits in their active member's pension account.	Spelthorne Borough Council will only extend the deadline in exceptional circumstances.	The benefits are usually aggregated (joined-up) unless the member elects to keep them separate. The employing authority can agree to a former member having longer than 12 months to choose not to combine their pensions.
12	Aggregation of Benefits: Deferred Member becoming Active Member (pre-2014 membership)	Regulation 10(6)(b) Transitional Regulations	Whether to allow a deferred member who becomes an active member longer than 12 months in which to elect for their pre-2014 deferred benefits to be aggregated with their active member's pension account (but, technically, they would lose the final salary link if they have not made an election under 5(5) Transitional Regulations within twelve months of becoming an active member of 2013 scheme).	Spelthorne Borough Council will only extend the deadline in exceptional circumstances.	The pre-2014 preserved benefits will be kept separate unless the member makes a positive election to aggregate them. The employing authority can agree to a former member having longer than 12 months to choose to combine their pensions.
13	inward Transfer of Pension Rights	Regulation 100, Pensions Regulations	Whether to allow an employee who has been an active member in their current employment for more than 12 months to ask for the transfer of certain accrued pension rights to be considered. NOTE: Regulation 100(6) of the Pensions Regulations requires that a request must be made within 12 months beginning with the date on which the member first became an active member in an employment or such longer period as the employer and the Administering Authority may allow. The discretion is, therefore, only exercisable if both the Employing Authority and the Administering Authority agree.	Spelthorne Borough Council will only extend the deadline in exceptional circumstances.	Members who have been in the pension scheme for more than twelve months can ask for a transfer -in to be considered - but it will only be investigated if both the employing authority and the administering authority agreed.
14	Redundancy Payments.	Regulation 5, Compensation Regulations 2006	Whether to base redundancy pay on actual pay where actual pay exceeds the statutory maximum under the Employment Rights Act 1996 (£643 from April 2023).	Spelthorne Borough Council may pay statutory improved redundancy payments and each case will be considered on its merits and any limits under Regulations.	The employer can base the calculation of a week's pay for redundancy on actual pay if it is higher than the statutory limit (currently £643 from 6 April 2023). Any calculation will be subject to the new and potential Regulations detailed in Regulation 6 and may be reduced accordingly.

No.	Area	Regulation	Discretion	Policy Summary	Explanation
15	Compensation for loss of Employment.	Regulation 6, Compensation Regulations 2006	<p>Whether to pay compensation to a person whose employment ceases</p> <ul style="list-style-type: none"> - by reason of redundancy; - in the interests of the efficient exercise of the employing authority's functions; or <p>in the case of a joint appointment, because the other holder of the appointment leaves.</p> <p>NOTE: Compensation may not be paid under this Regulation if: - a person's period of membership of the Pension Scheme has been increased under Regulation 12 of the Benefits Regulations 2007 (see above); or - a person has been awarded an additional pension under Regulation 13 of the Benefits Regulations 2007 (see above).</p> <p>In all cases the amount of compensation paid under this Regulation may not exceed 104 week's pay less any redundancy payment payable.</p> <p>In all cases the decision to pay compensation under this Regulation must be made no later than 6 months after the date of termination of the person's employment.</p>	<p>Spelthorne Borough Council will only award compensation for loss of employment in exceptional circumstances.</p> <p>Payments to be agreed by the Chief Executive in consultation with the Leader or the Chief Financial Officer in consultation with the Leader as appropriate.</p> <p>Payments to be agreed by Council for the Chief Executive, Management Team and Statutory Officers.</p> <p>Redundancy payments to be at twice statutory minimum using Government redundancy calculator (to maximum of 60 weeks). To be inclusive of statutory redundancy payments. The policy will be kept under review. The Council retains the right to change the policy at any time. No added years.</p> <p>All redundancy payments to be calculated on the employee's actual week's pay (not including allowances unless agreed as detailed above).</p> <p>Redundancy payments as a result of the Transfer of Undertakings Protection of Employment Regulations (TUPE)</p> <p>Other redundancy payments may apply as a result of a TUPE transfer.</p> <p>Efficiency of the Service a one off lump sum payment, based on the merits of each individual case, up to the maximum of 104 weeks' pay. No added years</p> <p>The Exit Cap Regulations which came into force on 4 November 2020 have been revoked.</p> <p>Further exit pay and pension reforms are expected to be re-introduced (timing not known). Any exit payments with be in line with any regulations and caps in force at the time.</p>	<p>The employing authority can make an award of up to 104 weeks' pay (less any statutory redundancy payment payable). Subject to the maximum regulatory statutory maximum.</p> <p>The Exit Cap Regulations which came into force on 4 November 2020 have been revoked.</p> <p>Further exit pay and pension reforms are expected to be re-introduced (timing not known). Any exit payments with be in line with any regulations and caps in force at the time.</p>

No.	Area	Regulation	Discretion	Policy Summary	Explanation
16	Injury Allowances	14(1) of the Compensation Regulations 2011	<p>Scheme employers (LGPS employers), apart from admission bodies, must formulate, publish and keep under review a policy on:</p> <p>1. whether to make an injury award to those who sustain an injury or contract a disease as a result of anything they were required to do in performing the duties of their job and in consequence of which they:</p> <ul style="list-style-type: none"> - suffer a reduction in remuneration, or - cease to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease, or - die leaving a surviving spouse, civil partner or dependent, and <p>2. if the Scheme employer has a policy to make such payments, how it will determine the amount of injury allowance to be paid?</p>	Spelthorne Borough Council will only pay injury allowances in exceptional circumstances	An employing authority may award an injury allowance to employees who contract an injury or illness related to their employment.

This Policy is effective from 27 February 2020. The Policy will be kept under review. Any future changes to the policy will come into effect one month after the amended policy is agreed and published. The Council retains the right to change the Policy at any time.

Reviewed by Council 22 February 2024

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Corporate Policy & Resources Committee



19 February 2024

Title	<i>Proposed Fees and Charges for 2024-25</i>
Purpose of the report	To make a decision
Report Author	<i>Paul Taylor Chief Accountant</i>
Ward(s) Affected	All Wards
Exempt	No
Corporate Priority	Community Addressing housing needs Resilience Environment Services
Recommendations	Committee is asked to approve the proposed Fees and Charges for 2024-25 for all Committees.
Reason for Recommendation	<i>Fees & Charges are an important source of income for the authority each year and are of key importance in balancing the Budget.</i> <i>The 2024-25 Fees & Charges must be approved by this Committee and published on the Council website by 1 April 2024.</i>

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> The Council has a legal obligation to set the Fees and charges for 2024-25 and publish them on the Council’s website by 1 April 2024. The Committee is asked to review, approve the proposed Fees and Charges for 2024-25 as set out in Appendix A to F for all Committees. In 2023-24, the Cost-of-Living crisis was impacting on residents and the Committee decided to limit the discretionary price increase to 5%, well below the 12% level of inflation. This year, the proposals is 	<ul style="list-style-type: none"> As part of producing a balance budget the Fees & Charges raised from services provided are an important element of the Council’s budget account for approximately 22.5% of its total annual Committee Services level Revenue income. To fulfil the Council’s statutory obligation to publish a schedule of its 2024-25 Fees & Charges on the Council website by 1 April 2024.

<p>still to limit the discretionary Fees & Charges increase to 5%, except in exceptional circumstances, which is slightly above the predicted level of inflation, and allows the Council to partially recover the shortfall from 2023-24.</p> <ul style="list-style-type: none"> • During the 2024-25 Budget Setting process, this Committee instructed Officers to round up to the nearest whole pound, all discretionary fees, and charges above £25.00. • During the Fees and Charges setting process, the Community Wellbeing & Housing Committee agreed to freeze the Fees and Charges for the Meals on Wheels, OPAL services, with the costs for the hire of the day centres increased to recover the shortfall in income. • Please note that whilst this Committee has the ultimate approval for fees & charges, the proposed changes to Car Parks are subject to a public order notice and taxi licensing fees, need to be ratified by the Licensing Committee. 	
<p>This is what we want to do about it</p>	<p>These are the next steps</p>
<ul style="list-style-type: none"> • Take a view of the proposed Fees and Charges, which are based upon the guidance provided by this committee, i.e., all discretionary fees & charges are increased by at least 5% and all statutory fees & charges are increased to the maximum charge permissible. • Scrutinise the decisions of other Committees in setting their fees and charges. about their recommendations, particularly where the proposed increase does not comply this committee's directive. 	<ul style="list-style-type: none"> • That this Committee review the proposed fees and charges for 2024-25 for each Committee. • Approve the proposed fees and charges for 2024-25

<ul style="list-style-type: none"> • The Committees have focused on the Fees and Charges that yield substantial fees & charges, i.e., over £10,000. • Consider alternative options for the proposed fee & charges. • To ensure that all discretionary services breakeven or are fully subsidised. • Consider strategies for increasing demand for the Council's services and getting residents to use the Council's services more frequently. • Seek to maximise the Council's income from Fees & Charges. 	
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2. Important note

- 2.1 A few days prior to preparing this report a new statutory fee and charge effective from 1 January 2024 came into effect and this has not been reflected in the appendices below.
- 2.2 This information will be available shortly and will be covered by an addendum report from the relevant Budget Manager.

3. Appendices explained.

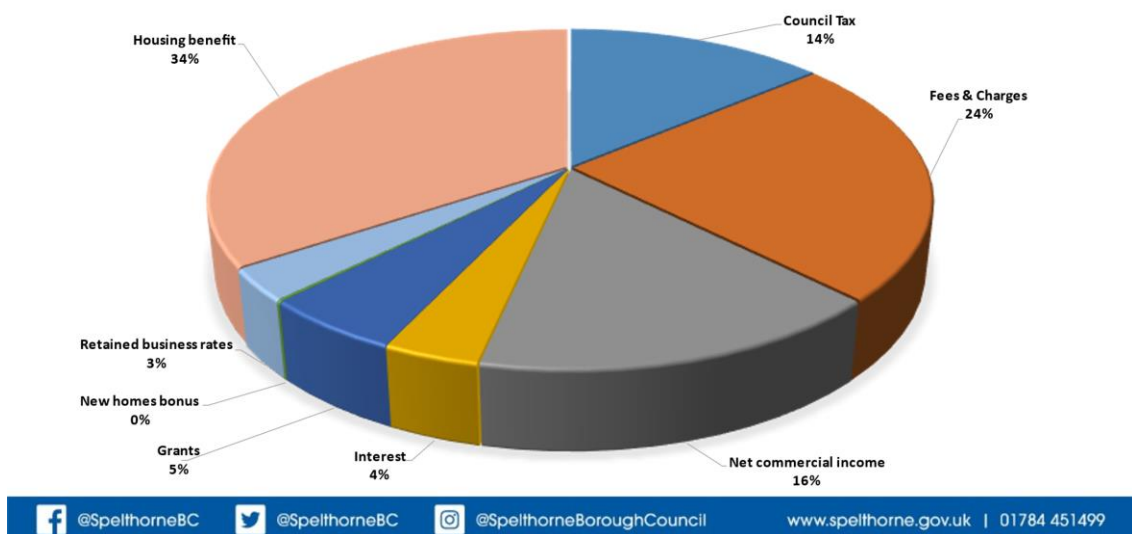
- 3.1 There are six appendices with this report, and they show by Committee the list of proposed statutory and discretionary fees and charges for 2024-25.
- 3.2 The following is then shown for each fee and charge:
- (a) Record number – this is for internal control purposes only.
 - (b) 2023-24 charge – the approved charge for the current financial year
 - (c) 2024-25 charge - the proposed charge for 2024-25.
 - (d) VAT status
 - i) S indicates the standard rate of VAT, currently 20% will be applied to the proposed fee or charge.
 - ii) O indicates zero rate for VAT, i.e., 0%, i.e., no VAT will be applied to the proposed fee or charge.
 - iii) E indicates exempt from VAT, i.e., it is outside the scope of VAT and will not incur any VAT charge.
 - (e) Statute – indicates if the charge is either:
 - i) Discretionary, i.e., this Committee has full control over the amount proposed to be charged.
 - ii) Statutory, i.e., the range of proposed fees and charges are set by a third party, usually a central Government department, who provide

a range of charge, i.e., a lower and upper limit. It is for this Committee to decide where the charge is set, with the proposed recommendation from Corporate Policy & Resources Committee that the council charges the maximum amount permitted by the third part.

4. Key issues

- 4.1 The Council generates £14.9m in fees and charges, which represents 24.0% of the Council's budgeted income for 2024-25 and is an important part of balancing the budget, as shown in the chart below.

2024-25 Revenue Budget – How Gross £62.9m is funded



- 4.2 Corporate Policy & Resources Committee (CPRC) requested that the following minimum increases in Fees and Charges be applied for 2024-25:

- (a) Five percent increase on discretionary fees and charges.
- (b) Maximum charged for all statutory fees and charges.

Further, at their meeting on 22 January 2024, the Committee instructed officers to increase all discretionary fees and charges over £25.00 to be rounded up to the nearest whole pound.

- 4.3 The Committee must perform a balancing act between maximising additional income that can be generated through fees and charges and setting fee levels which are sustainable whilst not adversely impacting on volume of transactions with our residents and local businesses in the Borough.
- 4.4 All 2024-25 fees and charges proposed by Budget Managers were reviewed by the Senior Management Team and Group Heads in the context of the services concerned and the mandate received from Council.
- 4.5 The Cost-of-Living Crisis has impacted on the Council's fees and charges income in real terms. The funding provided by the Government to assist during the pandemic, was withdrawn and last year (2023-24) Council proposed a 5% increase in discretionary fees, knowing that inflation would be more than this figure.

- 4.6 This was a deliberate decision to aid the residents of the Borough and soften the impact of the Cost-of-Living crisis.
- 4.7 It should be noted that in exceptional circumstances discounted pricing may be considered where an activity supports a strategic priority of the Council to the benefit of a particular community group. Please refer to our new Corporate Plan <https://www.spelthorne.gov.uk/corporateplan>
- 4.8 In presenting the proposed fees and charges for 2024-25 the Committee is acknowledging another challenging year for the Council as it strives to balance the 2024-25 budget.
- 4.9 Individual Committees have discussed and reviewed the proposed fees and charges relating to the services under their remit and have made their recommendations to this committee.
- (a) Community Wellbeing & Housing – are proposing that the fees and charges for Meals on wheels and OPAL services are held at 2023-24 levels, and that the shortfall in income is recovered by increasing the day centre hire charges accordingly.

Noting that whilst Corporate Policy & Resources committee will confirm the proposed 2024-25 fees and charges to council, some fees, and charges, namely, car parks and licensing for taxis will need to go before the relevant Committee for approval and a Public Notice will need to be issued confirming the increases. (This has been noted by Officers and a change in timetable will be made for the 2025-26 Budget Setting Process, so that these proposed charges can come before the relevant Committee in October).

5. Options analysis and proposal

- 5.1 Following guidance from Corporate Policy & Resources Committee in September, every Committee has reviewed and considered each fee and charge and apart from the items in 3.9(a) above, has increased the discretionary fees by a minimum of 5% for the discretionary and to charge the maximum for statutory fees and charges, as the only option.
- 5.2 Further, at this Committee's meeting on 19 January, the Committee approved the rounding of all discretionary fees over £25.00 to the nearest whole pound.

6. Risk management comments

- 6.1 If this Committee does not approve the Fees and Charges for 2024-25 by 31 March 2024, at the latest, the Council will not be able to impose the Fees and Charges on the users of our service.
- 6.2 Reduced fee income combined with other financial pressures facing the Council could have an impact on the Council's ability to deliver services to its residents and communities.
- 6.3 The ongoing impact of the Cost-of-Living Crisis may present challenges for residents and local communities in paying for the Council's (fee paying) services. It is acknowledged earlier in this report that the Committee must perform a balancing act between maximising additional income that can be generated through fees and charges during financially challenging times and setting fee levels which are sustainable whilst not adversely impacting on volume of transactions with our residents and local businesses in the Borough. Budget monitoring processes provide a mechanism to ascertain actual levels of fee income being received into the Council's accounts.

7. Procurement comments

7.1 There are none.

8. Legal comments

8.1 Please note that for Statutory Fees and Charges, the price is set centrally by third parties, usually central Government.

9. Other considerations

9.1 There are none.

10. Equality and Diversity

10.1 The Fees and Charges list, levy a reasonable charge on the people who use the services, where this Committee becomes aware that a proposed increase in a fee or charge will have an impact on a particular cohort of residents, it will consider undertaking a quality impact assessment before implementing a proposed increase.

11. Sustainability/Climate Change Implications

11.1 There are none.

12. Timetable for implementation

12.1 Once agreed by this Committee, the fees and charges proposed are to be implemented from 1 April 2024.

13. Contact

13.1 Paul Taylor Chief Accountant – p.taylor@spelthorne.gov.uk

Background papers: There are none.

Appendices:

Appendix A – 2024-25 Fees & Charges for Corporate Policy & Resources Committee

Appendix B – 2024-25 Fees & Charges for Administration Committee

Appendix C – 2024-25 Fees & Charges for Community Wellbeing & Housing Committee

Appendix D – 2024-25 Fees & Charges for Economic Development Committee

Appendix E – 2024-25 Fees & Charges for Environment & Sustainability Committee

Appendix F – 2024-25 Fees & Charges for Neighbourhood Services & Enforcement Committee

Fees and Charges

2024/25



Printed Date: 29/01/2024

Last modified: 29/01/2024

A full schedule of the fees and charges for all Council services for the coming year

Corporate Policy and Resources

Asset Management

Property Fees

Work charges (general fees)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Consent under Lease (assignment, alterations etc.)	1,493	442.05	464.00	S	Discretionary
Disposal of Council land (at third party's request)	1,496	829.50	871.00	S	Discretionary
Entering into a new Lease	1,487	829.50	871.00	S	Discretionary
Entering into a new Licence	1,488	442.05	464.00	S	Discretionary
Lease Renewal (substantially new terms)	1,489	663.60	697.00	S	Discretionary
Lease Renewal (substantially same terms as before)	1,490	497.70	523.00	S	Discretionary
Licence Renewal (substantially new terms)	1,491	359.10	377.00	S	Discretionary
Licence Renewal (substantially same terms as before)	1,492	276.15	290.00	S	Discretionary
New Wayleave, Easement etc.	1,494	553.35	581.00	S	Discretionary
Regularisation of encroachment	1,495	553.35	581.00	S	Discretionary

Work charges (third sector fees)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Consent under Lease (assignment, alterations etc.)	1,503	221.57	233.00	S	Discretionary
Disposal of Council land (at third party's request)	1,506	829.50	871.00	S	Discretionary
Entering into a new Lease	1,497	414.75	435.00	S	Discretionary
Entering into a new Licence	1,498	221.55	233.00	S	Discretionary
Lease Renewal (substantially new terms)	1,499	331.80	348.00	S	Discretionary
Lease Renewal (substantially same terms as before)	1,500	248.85	261.00	S	Discretionary

Fees and Charges

Printed Date: 29/01/2024 Last modified: 29/01/2024

Licence Renewal (substantially new terms)	1,501	176.40	185.00	S	Discretionary
Licence Renewal (substantially same terms as before)	1,502	137.55	144.00	S	Discretionary
New Wayleave, Easement etc.	1,504	276.15	290.00	S	Discretionary
Regularisation of encroachment	1,505	276.15	290.00	S	Discretionary

Fees and Charges

2024/25



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A full schedule of the fees and charges for all Council services for the coming year

Regulatory Administrative Comm

Electoral Registration

Electoral Registration

Statutory Fees

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Certificate Of Residence	34	25.00	25.00	O	Statutory
Register Of Electors And Marked Copies Of Polling Station Registers Per Sale (Statutory Fixed Charge) - Data Copy	33	20.00	20.00	O	Statutory
Register Of Electors And Marked Copies Of Polling Station Registers Per Sale (Statutory Fixed Charge) - Hard Copy	32	10.00	10.00	O	Statutory
Register Of Electors And Marked Copies Of Polling Station Registers Per Thousand Names (Statutory Fixed Charge) - Data Copy	31	1.50	1.50	O	Statutory
Register Of Electors And Marked Copies Of Polling Station Registers Per Thousand Names (Statutory Fixed Charge) - Hard Copy	30	5.00	5.00	O	Statutory
Return Of Election Expenses - Per Copy	35	0.20	0.20	O	Statutory

Land Charges

Land Charges

Copying Charges

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Copy Of Duplicate Search	620	8.64	9.10	S	statutory
Copy of Tree Preservation Order	1,447	18.00	35.40	S	statutory
Each Agreement - Each Following Sheet	619	0.90	1.20	S	statutory
Each Agreement - First Sheet	618	3.48	3.96	S	statutory

Fees and Charges

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Service Fees

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) Con29R Enhanced (New service - provision of additional documentation)	1,682	210.00	210.00	S	statutory
b) Con29R Surrey County Council Search Fee (payable in addition to the fees above on all full searches completed)	611	54.60	60.60	S	statutory
c) Additional Parcel (Con29)	613	23.40	23.40	S	statutory
d) Each Con 29 'O' Optional Enquiry	614	23.40	25.50	S	statutory
e) Each Additional Enquiry/Solicitors Question	615	24.60	24.60	S	statutory
f) Personal Search Con29 Component data per question	1,247	2.04	2.15	S	statutory
g) Full Search Fees	1,248	264.60	270.60	s	statutory
g) Full Search Fees	1,248	0.00	264.10	S	Statutory

Legal Fees

Legal Fees (where £nil charge shown, no equivalent in that year)

Commercial Organisations

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
A. Lettings and renewals (£0-£50,000 yearly rental income)	1,545	1,940.00	2,050.00	S	Discretionary
B. Lettings and renewals (£50,000 - £300,000 yearly rental income)	1,546	2,770.00	2,900.00	S	Discretionary
C. Lettings and renewals (£300,000 - £750,000 yearly rental income)	1,547	4,430.00	4,650.00	S	Discretionary
D. Lettings and renewals (> £750,000 yearly rental income)	1,548	6,640.00	7,000.00	S	Discretionary
E. Rent Deposit Agreement	1,549	1,385.00	1,450.00	S	Discretionary
F. Deed of Variation	1,550	1,660.00	1,750.00	S	Discretionary
G. Licence to Assign	1,551	1,660.00	1,750.00	S	Discretionary
H. Licence to Alter	1,552	1,940.00	2,050.00	S	Discretionary
I. Licence to Sublet	1,553	2,215.00	2,300.00	S	Discretionary
J. Tenancy at Will	1,554	390.00	500.00	S	Discretionary
K. Easement or Wayleave	1,555	1,940.00	2,050.00	S	Discretionary
L. Licences	1,556	830.00	900.00	S	Discretionary
M. Surrender	1,557	1,940.00	2,050.00	S	Discretionary

Fees and Charges

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Commercial Organisations - Hourly rates

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
A. Solicitor/ Legal Executive with over 8 years experience	1,291	370.00	390.00	S	Discretionary
B. Solicitor/ Legal Executive with between 4 to 8 years experience	1,290	295.00	300.00	S	Discretionary
C. Solicitor/ Legal Executive with less than 4 years experience	1,289	260.00	270.00	S	Discretionary
D. Trainee/ Paralegal	1,287	200.00	210.00	S	Discretionary

Community Groups

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
A. Lettings and renewals	1,558	580.00	615.00	S	Discretionary
B. Rent Deposit Agreement	1,559	280.00	300.00	S	Discretionary
C. Deed of Variation	1,560	390.00	410.00	S	Discretionary
D. Licence to Assign	1,561	390.00	410.00	S	Discretionary
E. Licence to Alter	1,562	390.00	410.00	S	Discretionary
F. Licence to Sublet	1,563	390.00	410.00	S	Discretionary
G. Tenancy at Will	1,564	165.00	200.00	S	Discretionary
H. Easement or Wayleave	1,565	580.00	600.00	S	Discretionary
I. Licences	1,566	250.00	265.00	S	Discretionary
J. Grazing Licences (grants and renewals)	1,567	165.00	175.00	S	Discretionary
K. Surrender	1,568	390.00	410.00	S	Discretionary

Community Groups - Hourly rates

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
A. Solicitor/ Legal Executive with over 8 years experience	1,300	160.00	170.00	S	Discretionary
B. Solicitor/ Legal Executive with between 4 to 8 years experience	1,299	140.00	145.00	S	Discretionary
C. Solicitor/ Legal Executive with less than 4 years experience	1,298	115.00	120.00	S	Discretionary
D. Trainee/ Paralegal	1,296	95.00	100.00	S	Discretionary

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Fees and Charges

2024/25



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A full schedule of the fees and charges for all Council services for the coming year

Community Wellbeing & Housing

Day Centres

Greeno & Fordbridge Centres (Community Use)

Committee/Meeting Rooms

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Mon-Fri Evening (per hour)	558	14.90	17.50	E	Discretionary
Saturday (per hour)	561	17.10	19.70	E	Discretionary

Large Hall

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Mon-Fri Evening (per hour)	551	22.60	26.00	E	Discretionary
Saturday Day Time Rates before 6.00 PM (per hour)	553	27.00	30.00	E	Discretionary
Saturday Evening after 6.00 PM (per hour)	554	45.20	48.00	E	Discretionary
Sunday (per hour)	555	45.20	48.00	E	Discretionary

Quiet Lounge

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Mon-Fri Evening (per hour)	562	14.90	17.50	E	Discretionary
Saturday Day Time Rates before 6.00 PM (per hour)	564	23.00	26.00	E	Discretionary
Saturday Evening after 6.00 PM (per hour)	565	28.10	31.00	E	Discretionary

Greeno & Fordbridge Centres (Semi Commercial Use e.g. Weight Watchers and Dance Classes)

Large Hall

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Mon - Fri Evening (per hour)	1,222	31.40	34.00	E	Discretionary

Fees and Charges

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Saturday Day Time Rates before 6.00 PM (per hour)	1,223	34.30	37.00	E	Discretionary
Saturday Evening after 6.00 PM (per hour)	1,224	59.00	62.00	E	Discretionary
Sunday (per hour)	1,225	59.60	63.00	E	Discretionary

Older Peoples Services

Membership Fees

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Joint Day Centre/Spelride	959	26.30	28.00	S	Discretionary
Non SBC Resident	604	26.30	28.00	S	Discretionary
SBC Resident	603	17.30	18.20	S	Discretionary

OPAL Group (High Needs)

Attendance Fees (Daily Charge)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Fordbridge Day Centre	1,691	42.00	42.00	O	Discretionary
Greeno Day Centre	1,692	42.00	42.00	O	Discretionary

Staines Community Centres (Community Use)

Upstairs meeting room

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Mon-Fri Evening (per hour)	1,435	14.90	17.50	E	Discretionary
Saturday Daytime (per hour)	1,436	17.10	19.70	E	Discretionary
Saturday Evening (per hour)	1,437	28.10	31.00	E	Discretionary
Sunday all day (per hour)	1,438	28.10	31.00	E	Discretionary

Upstairs or downstairs area

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Mon-Fri Evening (per hour)	1,431	18.70	21.30	E	Discretionary
Saturday Daytime (per hour)	1,432	24.80	28.00	E	Discretionary
Saturday Evening (per hour)	1,433	39.70	43.00	E	Discretionary
Sunday all day (per hour)	1,434	39.70	43.00	E	Discretionary

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Staines Community Centres (Semi-Commercial Use)

Upstairs meeting room

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Mon-Fri Evening (per hour)	1,443	20.40	23.00	E	Discretionary
Saturday Daytime (per hour)	1,444	23.00	26.00	E	Discretionary
Saturday Evening (per hour)	1,445	39.10	42.00	E	Discretionary
Sunday all day (per hour)	1,446	39.10	42.00	E	Discretionary

Upstairs or downstairs area

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Mon-Fri Evening (per hour)	1,439	24.80	28.00	E	Discretionary
Saturday Daytime (per hour)	1,440	28.10	31.00	E	Discretionary
Saturday Evening (per hour)	1,441	50.10	53.00	E	Discretionary
Sunday all day (per hour)	1,442	50.10	53.00	E	Discretionary

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Health and Safety

Health and Safety

Health And Safety At Work Act 1974

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Officer Statement Of Facts - hourly rate	314	70.00	74.00	O	Discretionary

Homelessness

Homelessness

Bed & Breakfast

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Charge Is Maximum Eligible For Housing Benefit (2 Bed Rate, Per Week, Per Individual)	550	288.46	288.46	O	Statutory
Charge Is Maximum Eligible For Housing Benefit (4 Bed Rate, Per Week, Per Individual)	1,320	413.01	413.01	O	Statutory

Meals On Wheels

Fees and Charges

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Luncheon Clubs

Service Fees

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Charge Per Meal	609	4.20	4.20	0	Discretionary

Meals on Wheels

Service Fees

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Charge for Sandwich	1,683	1.80	1.80	0	Discretionary
Charge Per Meal	608	4.00	4.00	0	Discretionary

Public Health

Water Testing Charges

Private water supply

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) Private water supply sample (each visit)= officer hourly rate plus PLUS all associated external sampling, laboratory and reporting costs	1,027	100.00	100.00	0	Statutory
Analysing a sample taken during monitoring of Group B parameters and monitoring under regulation 11,= office hourly rate PLUS all associated external sampling, laboratory and reporting costs	1,034	63.50	63.50	0	Statutory
b) Risk Assessment (each assessment) = officer hourly rate, PLUS all associated costs for commissioning appropriately trained and competent specialists	1,028	63.50	63.50	0	Statutory
c) Investigation (per investigation) = officer hourly rate, PLUS all associated costs for commissioning competent specialists (including sampling, laboratory analysis, risk assessment and engineering	1,029	63.50	63.50	0	Statutory
d) Granting an Authorisation (per authorisation) = officer hourly rate, PLUS all associated external costs	1,030	63.50	63.50	0	Statutory
e) Analysing a Sample Taken Under Regulation 10 (for parameters referred to in paragraph (1)(a) to (e) of that regulation) = officer hourly rate, PLUS all associated external sampling, laboratory and reporting costs	1,032	63.50	63.50	0	Statutory
f) Analysing a Sample Taken during monitoring of Group A parameters = officer hourly rate, PLUS all associated external sampling, laboratory and reporting costs	1,033	63.50	63.50	0	Statutory

Fees and Charges

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A full schedule of the fees and charges for all Council services for the coming year

Economic Development

Staines Market

Markets

Staines High Street

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Ad Hoc Rentals (Price on Application)	1,425			S	Discretionary
Casual Pitch (Friday)	1,252	50.00	52.00	S	Discretionary
Casual Pitch (Saturday)	109	57.00	59.00	S	Discretionary
Causal Pitch (Wednesday)	108	50.00	52.00	S	Discretionary
Permanent Pitch (Friday)	111	45.00	47.00	S	Discretionary
Permanent Pitch (Saturday)	110	50.00	52.00	S	Discretionary
Permanent Pitch (Wednesday)	1,253	45.00	47.00	S	Discretionary

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Fees and Charges

2024/25



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A full schedule of the fees and charges for all Council services for the coming year

Environment & Sustainability

Planning Development Control

A) Pre-Application Charges

a) Householder Applications - Advice (Written)

Householder advice on acceptability of a proposal

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,249	100.00	105.00	S	Discretionary

b) Householder Applications - Other

Site Visit and advice on historic buildings

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,251	189.00	199.00	S	Discretionary

bb) Trees

Site visit and advice on trees - development site

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,673	368.00	386.00	S	Discretionary

Site visit and advice on trees - householder

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,250	116.00	122.00	S	Discretionary

c) Planning Investigation/Research - Commercial Organisations Only

Investigation/ Research Requiring Both Office And Site Based Work Per Hr

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
667	315.00	331.00	S	Discretionary

Investigation/ Research Requiring Office Based Work Only Per Hr

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
666	252.00	265.00	S	Discretionary

d) Planning Investigation/Research - Service Fees

High Hedge Legislation

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
665	685.00	725.00	S	Discretionary

e) Written Advice (Initial advice plus one additional response)

01) Single New Dwelling/Replacement Dwelling

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,303	326.00	342.00	S	Discretionary

02) Minor Proposals - 2 - 3 dwellings)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
780	498.00	523.00	S	Discretionary

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02b) Larger Minor Proposal (4-9 dwellings) or up to 1000 sq m commercial/other new build	1,672	995.00	1,045.00	S	Discretionary
05) Dropped kerbs - confirmation whether planning permission required	1,322	72.00	76.00	S	Discretionary
06) Advertisements, per advertisement	1,422	142.00	149.00	S	Discretionary
07) Other Miscellaneous developments (as agreed by the Planning Development Management)	1,423	160.00	168.00	S	Discretionary

f) Meetings (charge per meeting)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01) Single New Dwelling/Replacement Dwelling	1,304	398.00	418.00	S	Discretionary
02) Minor Proposal (2-3 dwellings)	777	682.00	716.00	S	Discretionary
02b) Large Minor Proposal (4-9 dwellings) or up to 1000 sq m commercial/other new build	1,671	1,328.00	1,394.00	S	Discretionary
03) Major Proposal 10 - 24 dwellings or 1,000 - 2,000 sq m commercial floor space	776	2,430.00	2,552.00	S	Discretionary
05) Strategic Proposals (25 -49 dwellings or 2,000- 10,000sq m commercial floor space)	774	3,720.00	3,906.00	S	Discretionary
06) Strategic Proposals (+50 dwellings or +10,000 sq m commercial)	775	5,720.00	6,006.00	S	Discretionary
07) Advertisements	1,424	395.00	415.00	S	Discretionary
08) Planning Performance Agreements for major/complex proposals (Terms to be agreed)	1,454			S	Discretionary

B) Planning Application Fees

a) Household Development

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Alteration/Addition To Existing Dwelling	669	206.00	258.00	S	Statutory
Alteration/Addition To Two Or More Existing Dwellings	670	407.00	509.00	S	Statutory
Erection Of Outbuildings, Fences Etc Within Curtilage Of A Dwelling	671	206.00	258.00	S	Statutory

b) Outline Applications

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
The site area does not exceed 0.5 hectares: fee for each 0.1 hectare (or part thereof)	1,726		578.00	s	Statutory
The site area does not exceed 2.5 hectares: for each 0.1 hectare of the site area	673	462.00	624.00	S	Statutory
The site area exceeds 2.5 hectares (and an additional £115 for each 0.1 hectare in excess of 2.5 hectares, subject to a maximum in total of £125,000;)	672	11,432.00	15,433.00	S	Statutory

c) Full Applications And Reserved Matters

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Erection Of Dwellings Per Dwelling Created Up To A Max of 50 Dwellings	674	462.00	624.00	S	Statutory
Where the number of dwellinghouses to be created by the development exceeds 50 (and an additional £115 for each dwellinghouse in excess of 50 up to a maximum total fee of £250,000)	675	22,859.00	30,860.00	S	Statutory

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d) Erection Of Buildings Other Than Dwellings, Agricultural Buildings, Glasshouses Or Plant And Machinery

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
No new floor space	680	234.00	293.00	S	Statutory
Where floor space does not exceed 40m ²	678	234.00	293.00	S	Statutory
Where the floor space created is between 40m ² and 75m ²	679	462.00	578.00	S	Statutory
Where the floor space created is between 75m ² and 3750m ²	677	462.00	624.00	S	Statutory
Where the floor space created is more than 3750m ² (with £115 for each additional 75m ² in excess of 3750m ² subject to a maximum fee of £250,000)	676	22,859.00	30,860.00	S	Statutory

e) Erection Of Other Agricultural Buildings On Land Used For Purposes Of Agriculture (Other Than Glasshouses)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Where the gross floor space does not exceed 465m ²	686	96.00	120.00	S	Statutory
Where the gross floor space exceeds 540m ² but does not exceed 4215m ² £385 for the first 540m ² and an additional £385 for each 75m ² in excess of 540m ²	685	462.00	578.00	S	Statutory
Where the gross floor space exceeds 4215m ² £19,049 (and an additional £115 for each 75m ² in excess of 4215 up to a maximum fee of £250,000)	683	22,859.00	30,860.00	S	Statutory
Where the gross floor space exceeds 465m ² but does not exceed 540m ²	684	462.00	624.00	S	Statutory

f) Erection Of Glasshouses Used For Purposes In Agriculture

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Where the gross floor space does not exceed 465m ²	681	96.00	120.00	S	Statutory
Where the gross floor space exceeds 465m ²	682	2,580.00	3,225.00	S	Statutory

g) Erection Of Glasshouses Used For Purposes In Agriculture

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Where the gross floor space exceeds 1000m ²	1,731		3,483.00	s	Statutory

g) Erection, Alteration Or Replacement Of Plant And Machinery

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Where the site area does not exceed 5 hectares, £385 for each 0.1 hectare of the site area	688	462.00	578.00	S	Statutory
Where the site area exceeds 5 hectares £19,049 (an additional £115 for each 0.1 hectares in excess of 5 hectares subject to a maximum of £250,000)	687	22,859.00	30,860.00	S	Statutory

h) Applications other than Building Works

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Car Parks, Service Roads Or Other Accesses (Existing Uses Only)	704	234.00	293.00	S	Statutory

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h) Erection, Alteration Or Replacement Of Plant And Machinery

Where the site area is mote than 1 hectare but does not exceed 5 hectares: fee for each 0.1 hectare (or part thereof)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,735		624.00	s	Statutory

i) Exploratory Drilling For Oil Or Natural Gas

where the site area does not exceed 7.5 hectares, £423 for each 0.1 hectare of site area

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
699	508.00	686.00	S	Statutory

where the site area exceeds 7.5 hectares, £31,725 (with an additional £126 for each 0.1 hectares in excess of 7 hectares up to a maximum fee of £250,000)

1,273	38,070.00	51,395.00	S	Statutory
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j) Operations For Winning And Working Of Minerals

where the site area does not exceed 15 hectares, £195 for each 0.1 hectare of the site area

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
701	234.00	316.00	S	Statutory

where the site area exceed 15 hectares, £29,112 (and an additional £115 for each 0.1 hectares in excess of 15 hectares up to a maximum of £65,000)

1,274	34,934.00	47,161.00	S	Statutory
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k) Operations (other than exploratory drilling) for the winning And working Of Minerals of oil or natural gas

Where the site area does not exceed 15 hectares: fee for each 0.1 hectare (or part thereof)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,736		347.00	s	Statutory

Where the site area exceeds 15 hectares (and additional £204 for each 0.1 hectare in excess of 15 hectares up to a maximum fee of £105,300)

1,737		52,002.00	s	Statutory
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k) The carrying out of any operations not coming within any of the above categories

£195 for each 0.1 hectare of the site area, subject to a maximum of £1,690

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
703	234.00	293.00	S	Statutory

For Non-Compliance With Conditions , Including Retention Of Temporary Building (If Not As A Revision)

705	234.00	293.00	S	Statutory
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l) Change Of Use Of Building To Use As One Or More Separate Dwellings - change of use is from a previous use as a single dwelling house to use as two or more single dwelling houses:

Where the change of use is to use as 50 or fewer dwelling houses £385 per new dwelling

1,275	462.00	624.00	S	Statutory
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where the change of use is to use as more than 50 dwelling houses, £19,049 (and an additional £115 for each dwelling house in excess of 50, up to a maximum fee of £250,000)

1,276	22,859.00	30,860.00	S	Statutory
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m) Change Of Use Of Building To Use As One Or More Separate Dwellings - In all other cases:

Where the change of use is to use as 50 or fewer dwelling houses £385 per new dwelling

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,277	462.00	624.00	S	Statutory

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where the change of use is to use as more than 50 dwelling houses, £19,049 (and an additional £115 for each dwelling house in excess of 50, up to a maximum fee of £250,000) 1,278 22,859.00 30,860.00 S Statutory

n) Change Of Use Of Building To Use As One Or More Separate Dwellings - change of use is from a previous use as a single dwelling house to use as two or more single dwelling houses:

Not more than 10 dwellinghouses: fee for each dwellinghouse 1,733 578.00 s Statutory

n) The use of land for: a) the disposal of refuse or waste materials; b) the deposit of material remaining after minerals have been extracted from land; or c) the storage of minerals in the open

Where the site area does not exceed 15 hectares, £195 for each 0.1 hectares of the site area 1,279 234.00 316.00 S Statutory

Where the site area exceeds 15 hectares, £29,112 (and an additional £115 for each 0.1 hectare in excess of 15 hectares, subject to a maximum fee of £65,000) 1,280 34,934.00 47,161.00 S Statutory

o) Change Of Use Of Building To Use As One Or More Separate Dwellings - In all other cases:

Erection Of Dwellings (1 To 9 Dwellings) 1,734 578.00 s Statutory

o) Other Changes Of Use

Other Changes Of Use (Except Waste Or Minerals) 710 462.00 578.00 S Statutory

p) Concessionary Fees and Exemptions

01) Works To Improve The Disabled Person Access To A Public House, Or To Improve His Access, Safety, Health Or Comfort At His Dwelling House 689 0.00 0.00 S Statutory

02) Applications By Parish etc. Councils (Advertisement Applications Also) - Half the normal fee 690 0.00 0.00 S Statutory

03) Applications Required Because Of The Removal Of Permitted Development Rights By A Condition Or By Article 4 Direction 691 0.00 0.00 S Statutory

04) Playing Fields (For Sports Clubs) 692 462.00 578.00 S Statutory

05) Revised Or Fresh Application For Development Of The Same Character Or Description Within 12 Months C Receiving Permission 694 0.00 0.00 S Statutory

06) Exemptions For Applications Following A Refusal, Withdrawn Application etc., Are Available On The Same Basis As For Planning Applications 723 0.00 0.00 S Statutory

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07) Revised / Fresh Application For Development (Or Advertisement_ Of Same Character Or Description Within 12 Months Of Expiry Of Statutory 8 Weeks Period Where Applicant Has Appealed To Secretary Of State On The Grounds Of Non-Determination	693	0.00	0.00	S	Statutory
08) Duplicate Applications Made By The Same Applicant Within 28 Days - Normal fee for both applications	695	0.00	0.00	S	Statutory
09) Alternative Applications For One Site. Highest Of Fees Applicable For Each Alternative And A Sum Equal To Half The Rest.	696	0.00	0.00	S	Statutory
10) Development Crossing Planning Authority Boundaries, Requiring Several Applications - Only 1 Fee Is Paid The Authority Having The Larger Site, But Calculated For The Whole Scheme And Subject To Special Ceiling.	697	0.00	0.00	S	Statutory
11) Reserved Matters Where The Applicants Earlier Reserved Matters Applications Have Incurred Total Fees Equalling That For A Full Application For Entire Scheme	698	462.00	578.00	S	Statutory

q) Applications In Relation To Permission In Principle

£402 for each 0.1 hectare of the site area

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,219	402.00	503.00	S	Statutory

r) Advertisements

Advance Signs Directing The Public To A Business

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
718	132.00	165.00	S	Statutory

Advertisements Relating To The Business On The Premises

717	132.00	165.00	S	Statutory
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Other Advertisements

719	462.00	578.00	S	Statutory
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s) Fees For Applications For Certificates Of Lawful Use Or Development

For Existing Use Or Development - The Amount That Would Be Payable In Respect Of An Application For Planning Permission

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
720			S	Statutory

For Proposed Use or Development - Half The Amount That Would Be Payable In Respect Of An Application For Planning Permission

722			S	Statutory
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Lawful not to comply with any condition

1,428	234.00	293.00	S	Statutory
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t) Miscellaneous Applications

Notification of Agricultural Or Forestry Development Or Demolition Under The General Development Order

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
712	96.00	120.00	S	Statutory

Notification of Demolition under the General Development Order

1,281	96.00	120.00	S	Statutory
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Notification of Telecommunication Development Under The General Development Order

713	462.00	578.00	S	Statutory
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u) Confirmation of Compliance with planning condition attached to Planning Permission

Application or removal or variation of a condition following grant of planning permission

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,429	234.00	293.00	S	Statutory

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Per Condition for a householder application	978	34.00	43.00	S	Statutory
Per condition for all other types of application	979	116.00	145.00	S	Statutory

v) Requests for Non Material Amendments

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Householder	783	34.00	43.00	S	Statutory
Others	782	234.00	293.00	S	Statutory

w) Hazardous Substances Consent

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Applications For Removal Of Conditions And Continuation Of An Existing Consent	716	200.00	250.00	S	Statutory
Applications Where Twice The Controlled Quantity Of Substance Is Not Exceeded	714	250.00	313.00	S	Statutory
Applications Where Twice The Controlled Quantity Of Substances Will Be Exceeded	715	400.00	500.00	S	Statutory

x) Fees For Certain Applications Under The General Permitted Development Order

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01) Part 4 Class CA (Provision of a temporary state-funded school on "vacant commercial land")	1,509	96.00	120.00	S	Statutory
02) Part 4 Class E (temporary use of land or building for the purposes of "commercial film making")	1,510	96.00	120.00	S	Statutory
03) Part 7 Class C (erection of a "collection facility" within the curtilage of a shop)	1,511	96.00	120.00	S	Statutory
04) Part 14 Class J (Installation of solar panels on a non-domestic building)	1,512	96.00	120.00	S	Statutory

z) Fees For Certain Applications Under The General Permitted Development Order

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
05) Larger Home Extensions	1,738		120.00	s	Statutory
06) Additional storeys on a home	1,739		120.00	s	Statutory
07) Change of Use from Commercial/Business/Service (Class E) or Betting Office or Pay Day Loan Shop to mixed use including two flats (C3)	1,740		120.00	s	Statutory
08) Change of Use of a building or land from Commercial/Business/Service (Class E), Hotels (C1), Residential Institutions (C2), Secure Residential Institutions (C2A) to a State Funded School	1,741		120.00	s	Statutory
09) Change of Use of a building or land within its curtilage from an Agricultural Building to a State Funded School	1,742		120.00	s	Statutory
10) Change of Use of a building and any land within its curtilage from an Agricultural Building to a flexible commercial use within Commercial/Business/Service (E3), Storage or Distribution (B8) or Hotels (C1)	1,743		120.00	s	Statutory
11) Change of Use of a building or land within its curtilage from Commercial/Business/Service (Class E) to dwellinghouses (C3): fee for each dwellinghouse	1,744		125.00	s	Statutory
12) Change of Use of a building or land within its curtilage from an Agricultural Building to Dwellinghouses (C3): fee for change of use or £258 if it includes building operations in connection with the change of use)	1,745		120.00	s	Statutory

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13) Change of Use of a building from Betting Office, Pay Day Loan Shop, Launderette, a mixed use combining one of these uses and use as dwellinghouse(s);or Hot Food Takeaways to Dwellinghouses (C3): fee for change use or £258 it it invcludes building operations in connection with the change of us	1,746	120.00	s	Statutory
14) Change of Use of a building or land within its curtilage from Amusement Arcades/Centres and Casinos to Dwellinghouses (C3): fee for change of use or £258 it it includes building operations in connection with the chan of use)	1,747	120.00	s	Statutory
15) Moveable structure within the curtilage of a historic visitor attraction or listwed pub/restaurant/etc.	1,748	120.00	s	Statutory
16) Construction of not more than 10 new dwellinghouses: fee for each dwellinghouse	1,749	418.00	s	Statutory
17) Construction of between 10 and 50 new dwellinghouses: fee for each dwellinghouse	1,750	451.00	s	Statutory
18) Construction of more than 50 new dwellinghouses: fee plus £135 for each dwellinghouse in excess of 50 up a maximum fee of £405,000	1,751	22,309.00	s	Statutory

C) Planning Miscellaneous Fees

a) Photocopying Charges For Current Applications

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01) A4 - First Sheet	654	3.80	4.00	S	Discretionary
02) A4 - Each Subsequent Sheet	655	1.15	1.20	S	Discretionary
03) A3 - First Sheet	656	4.85	5.10	S	Discretionary
04) A3 - Each Subsequent Sheet	657	1.37	1.40	S	Discretionary
05) A2 - First Sheet	658	22.13	23.20	S	Discretionary
06) A2 - Each Subsequent Sheet	659	3.30	3.50	S	Discretionary
07) A1 - First Sheet	660	22.13	23.20	S	Discretionary
08) A1 - Each Subsequent Sheet	661	4.40	4.60	S	Discretionary
09) A0 - First Sheet	662	22.13	23.20	S	Discretionary
10) A0 - Each Subsequent Sheet	663	6.00	6.30	S	Discretionary

b) Service Fees

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Planning Decision Notice and copies of TPO's (Each)	651	33.70	36.00	S	Discretionary

c) Publicity Schedule Of Planning Proposals

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
By email	1,282	0.00	0.00	S	Discretionary
Paper Copy	664	116.00	122.00	S	Discretionary

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Fees and Charges

2024/25



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A full schedule of the fees and charges for all Council services for the coming year

Neighbourhood Services

Abandoned Vehicles

Abandoned Vehicles

Collection Fee

Collection And Disposal From Private Property

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
106	136.50	143.00	O	Discretionary

Miscellaneous

Collection Fee

Supermarket Trolleys - Collection Charge Per Trolley

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
750	84.00	88.00	S	Discretionary

Allotments

Allotments

Rental

Gate Key Deposit

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
39	23.30	24.50	O	Discretionary

With Piped Water (Per 25.29Sq Meter Per Annum)

37	17.00	17.90	O	Discretionary
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Without Piped Water (Per 25.29Sq Meter Per Annum)

38	13.40	14.10	O	Discretionary
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Building Control

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Building Control

Building Control

Sale Of Approval Notices

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
357	26.00	28.00	S	Discretionary

Building Control Research

Additional Copies of Documents/Notices

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
360	32.00	34.00	S	Discretionary

Historical Research Per Hr (Inc 4 Copies)

359	80.00	84.00	S	Discretionary
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Charges For Certain Small Buildings And Extensions - Additional Charge (Non Part P Electrician)

01 Extensions Under 10m2 (single storey)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,074	323.00	340.00	S	Discretionary

02 Extensions 10m2 - 40m2 (single storey)

1,075	323.00	340.00	S	Discretionary
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03 Extensions 40m2 - 100m2 (single storey)

1,076	323.00	340.00	S	Discretionary
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04 Two storey extension not exceeding 40m2

1,077	323.00	340.00	S	Discretionary
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05 Two storey extension 40m2 - 100m2

1,078	323.00	340.00	S	Discretionary
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06 Two storey extension 100m2 to 200m2

1,080	323.00	340.00	S	Discretionary
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07 Loft conversion without dormers (max 60m2)

1,081	323.00	340.00	S	Discretionary
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08 Loft conversion that includes a dormer or changes to roof line (max 60m2)

1,082	323.00	340.00	S	Discretionary
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09 Erection or extension of a non exempt domestic detached garage or carport up to 100m2

1,083	323.00	340.00	S	Discretionary
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10 Erection of a single storey domestic garage extension or carport up to 100m2

1,084	323.00	340.00	S	Discretionary
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11 Conversion of a domestic garage to habitable rooms (max 40m2)

1,085	323.00	340.00	S	Discretionary
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12 Alterations to extend or create a basement up to 100m2

1,086	323.00	340.00	S	Discretionary
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Charges For Certain Small Buildings And Extensions - Building Notice Charge (Note 1)

00 No Fee Required i.e. Cavity Wall

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
227	0.00	0.00	S	Discretionary

01 Extensions Under 10m2 (single storey)

228	757.00	795.00	S	Discretionary
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02 Extensions 10m2 - 40m2 (single storey)

229	1,095.00	1,150.00	S	Discretionary
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03 Extensions 40m2 - 100m2 (single storey)

230	1,287.00	1,351.00	S	Discretionary
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04 Two storey extension not exceeding 40m2

231	1,287.00	1,351.00	S	Discretionary
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05 Two storey extension 40m2 - 100m2

232	1,629.00	1,710.00	S	Discretionary
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06 Two storey extension 100m2 to 200m2	1,046	1,931.00	2,028.00	S	Discretionary
07 Loft conversion without dormers (max 60m2)	1,047	904.00	949.00	S	Discretionary
08 Loft conversion that includes a dormer or changes to roof line (max 60m2)	1,048	1,072.00	1,126.00	S	Discretionary
09 Erection or extension of a non exempt domestic detached garage or carport up to 100m2	1,049	600.00	630.00	S	Discretionary
10 Erection of a single storey domestic garage extension or carport up to 100m2	1,050	712.00	748.00	S	Discretionary
11 Conversion of a domestic garage to habitable rooms (max 40m2)	1,051	843.00	885.00	S	Discretionary
12 Alterations to extend or create a basement up to 100m2	1,052	1,650.00	1,733.00	S	Discretionary

Charges For Certain Small Buildings And Extensions - Inspection Charge

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
00 No Fee Required i.e. Cavity Wall	220	0.00	0.00	S	Discretionary
01 Extensions Under 10m2 (single storey)	221	557.00	595.00	S	Discretionary
02 Extensions 10m2 - 40m2 (single storey)	222	795.00	850.00	S	Discretionary
03 Extensions 40m2 - 100m2 (single storey)	223	987.00	1,051.00	S	Discretionary
04 Two storey extension not exceeding 40m2	224	987.00	1,051.00	S	Discretionary
05 Two storey extension 40m2 - 100m2	225	1,329.00	1,410.00	S	Discretionary
06 Two storey extension 100m2 to 200m2	1,053	1,631.00	1,728.00	S	Discretionary
07 Loft conversion without dormers (max 60m2)	1,054	604.00	649.00	S	Discretionary
08 Loft conversion that includes a dormer or changes to roof line (max 60m2)	1,055	772.00	826.00	S	Discretionary
09 Erection or extension of a non exempt domestic detached garage or carport up to 100m2	1,056	400.00	430.00	S	Discretionary
10 Erection of a single storey domestic garage extension or carport up to 100m2	1,057	512.00	548.00	S	Discretionary
11 Conversion of a domestic garage to habitable rooms (max 40m2)	1,058	543.00	585.00	S	Discretionary
12 Alterations to extend or create a basement up to 100m2	1,059	1,350.00	1,433.00	S	Discretionary

Charges For Certain Small Buildings And Extensions - Plan Charge

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
00 No Fee Required i.e. Cavity Wall	213	0.00	0.00	S	Discretionary
01 Extensions Under 10m2 (single storey)	214	200.00	200.00	S	Discretionary
02 Extensions 10m2 - 40m2 (single storey)	215	300.00	300.00	S	Discretionary
03 Extensions 40m2 - 100m2 (single storey)	216	300.00	300.00	S	Discretionary
04 Two storey extension not exceeding 40m2	217	300.00	300.00	S	Discretionary
05 Two storey extension 40m2 - 100m2	218	300.00	300.00	S	Discretionary

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06 Two storey extension 100m2 to 200m2	1,060	300.00	300.00	S	Discretionary
07 Loft conversion without dormers (max 60m2)	1,061	300.00	300.00	S	Discretionary
08 Loft conversion that includes a dormer or changes to roof line (max 60m2)	1,062	300.00	300.00	S	Discretionary
09 Erection or extension of a non exempt domestic detached garage or carport up to 100m2	1,063	200.00	200.00	S	Discretionary
10 Erection of a single storey domestic garage extension or carport up to 100m2	1,064	200.00	200.00	S	Discretionary
11 Conversion of a domestic garage to habitable rooms (max 40m2)	1,065	200.00	300.00	S	Discretionary
12 Alterations to extend or create a basement up to 100m2	1,066	300.00	300.00	S	Discretionary

Charges For Certain Small Buildings And Extensions - Regularisations (Note 2)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
00 No Fee Required i.e. Cavity Wall	234	0.00	0.00	O	Discretionary
01 Extensions Under 10m2 (single Storey)	235	946.00	994.00	O	Discretionary
02 Extensions 10m2 - 40m2 (single Storey)	236	1,370.00	1,437.00	O	Discretionary
03 Extensions 40m2 - 100m2 (single storey)	237	1,609.00	1,689.00	O	Discretionary
04 Two storey extension not exceeding 40m2	238	1,609.00	1,689.00	O	Discretionary
05 Two storey extension 40m2 - 100m2	239	2,035.00	2,138.00	O	Discretionary
06 Two storey extension 100m2 to 200m2	1,067	2,413.00	2,535.00	O	Discretionary
07 Loft conversion without dormers (max 60m2)	1,068	1,131.00	1,186.00	O	Discretionary
08 Loft conversion that includes a dormer or changes to roof line (max 60m2)	1,069	1,339.00	1,407.00	O	Discretionary
09 Erection or extension of a non exempt domestic detached garage or carport up to 100m2	1,070	749.00	788.00	O	Discretionary
10 Erection of a single storey domestic garage extension or carport up to 100m2	1,071	889.00	935.00	O	Discretionary
11 Conversion of a domestic garage to habitable rooms (max 40m2)	1,072	1,054.00	1,106.00	O	Discretionary
12 Alterations to extend or create a basement up to 100m2	1,073	2,062.00	2,166.00	O	Discretionary

Street Numbering & Re-Numbering

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) Renaming Property Per Property	367	68.00	72.00	O	Discretionary
b) Single Property	363	110.00	116.00	O	Discretionary
c) 2-5 Properties	364	155.00	163.00	O	Discretionary
d) 6-10 Properties	365	218.00	229.00	O	Discretionary
e) 11 Plus Properties (£100 plus an additional £2 per property up to a max of £300)	366	218.00	229.00	O	Discretionary

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Domestic Alterations to a Single Building - Building Notice Charge

Electrical work (non competent persons scheme)

Any electrical work

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,115	455.00	478.00	S	Discretionary

Internal alterations, installation of fittings (not electrical) and/or structural alterations

01 Estimated cost less than £5,000

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,109	490.00	515.00	S	Discretionary

02 Estimated cost exceeding £5,000 and up to £25,000

1,110	771.00	810.00	S	Discretionary
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03 Estimated cost exceeding £25,001 and up to £50,000

1,111	1,009.00	1,059.00	S	Discretionary
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04 Estimated cost exceeding £50,001 and up to £75,000

1,112	1,568.00	1,646.00	S	Discretionary
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Renovation of thermal element

Renovation of thermal element to a single dwelling

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,108	490.00	515.00	S	Discretionary

Underpinning

Underpinning (POA)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,107	0.00	0.00	S	Discretionary

Window replacement (non competent persons scheme)

Per installation over 20 windows

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,114	407.00	427.00	S	Discretionary

Per installation up to 20 windows

1,113	278.00	292.00	S	Discretionary
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Domestic Alterations to a Single Building - Inspection Charge

Electrical work (non competent persons scheme)

Any electrical work (Inc in Plan Charge)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,105	0.00	0.00	S	Discretionary

Internal alterations, installation of fittings (not electrical) and/or structural alterations

01 Estimated cost less than £5,000 (Inc in Plan Charge)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,099	0.00	0.00	S	Discretionary

02 Estimated cost exceeding £5,000 and up to £25,000 (Inc in Plan Charge)

1,100	471.00	510.00	S	Discretionary
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03 Estimated cost exceeding £25,001 and up to £50,000

1,101	709.00	759.00	S	Discretionary
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04 Estimated cost exceeding £50,001 and up to £75,000

1,102	1,268.00	1,346.00	S	Discretionary
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Renovation of thermal element

Renovation of thermal element to a single dwelling (Inc in Plan Charge)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,098	0.00	0.00	S	Discretionary

Underpinning

Underpinning (Price on Application)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,097	0.00	0.00	S	Discretionary

Window replacement (non competent persons scheme)

Per installation over 20 windows (Inc in Plan Charge)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,104	0.00	0.00	S	Discretionary

Per installation up to 20 windows (Inc in Plan Charge)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,103	0.00	0.00	S	Discretionary

Domestic Alterations to a Single Building - Plan Charge

Electrical work (non competent persons scheme)

Any electrical work

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,095	455.00	478.00	S	Discretionary

Internal alterations, installation of fittings (not electrical) and/or structural alterations

01 Estimated cost less than £5,000

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,089	490.00	515.00	S	Discretionary

02 Estimated cost exceeding £5,000 and up to £25,000

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,090	300.00	300.00	S	Discretionary

03 Estimated cost exceeding £25,001 and up to £50,000

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,091	300.00	300.00	S	Discretionary

04 Estimated cost exceeding £50,001 and up to £75,000

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,092	300.00	300.00	S	Discretionary

Renovation of thermal element

Renovation of thermal element to a single dwelling

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,088	490.00	515.00	S	Discretionary

Underpinning

Underpinning (POA)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,087	0.00	0.00	S	Discretionary

Window replacement (non competent persons scheme)

Per installation over 20 windows

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,094	407.00	427.00	S	Discretionary

Per installation up to 20 windows

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,093	278.00	292.00	S	Discretionary

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Domestic Alterations to a Single Building - Regularisation Charge

Electrical work (non competent persons scheme)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Any electrical work	1,125	568.00	597.00	O	Discretionary

Internal alterations, installation of fittings (not electrical) and/or structural alterations

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01 Estimated cost less than £5,000	1,119	613.00	644.00	O	Discretionary
02 Estimated cost exceeding £5,000 and up to £25,000	1,120	963.00	1,013.00	O	Discretionary
03 Estimated cost exceeding £25,001 and up to £50,000	1,121	1,262.00	1,324.00	O	Discretionary
04 Estimated cost exceeding £50,001 and up to £75,000	1,122	1,960.00	2,058.00	O	Discretionary

Renovation of thermal element

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Renovation of thermal element to a single dwelling	1,118	613.00	644.00	O	Discretionary

Underpinning

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Underpinning (POA)	1,117	0.00	0.00	O	Discretionary

Window replacement (non competent persons scheme)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Per installation over 20 windows	1,124	510.00	534.00	O	Discretionary
Per installation up to 20 windows	1,123	349.00	365.00	O	Discretionary

Non Domestic Alterations - Inspection Charge

Alterations not described elsewhere including structural alterations and installation of controlled fittings

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01 Estimated cost up to £5,000 (Included in Plan Charge)	1,194	0.00	0.00	S	Discretionary
02 Estimated cost exceeding £5,000 and up to £25,000	1,195	526.00	567.00	S	Discretionary
03 Estimated cost exceeding £25,000 and up to £50,000	1,196	941.00	1,003.00	S	Discretionary
04 Estimated cost exceeding £50,000 and up to £100,000	1,197	1,231.00	1,310.00	S	Discretionary
05 Estimated cost exceeding £100,000 and up to £150,000	1,198	1,456.00	1,546.00	S	Discretionary
06 Installation of a Mezzanine floor up to 500m2	1,199	977.00	1,041.00	S	Discretionary

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Office / Shop fit out

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01 Floor area up to 500m2	1,200	600.00	645.00	S	Discretionary
02 Floor area 500m2 to1000m2	1,201	977.00	1,041.00	S	Discretionary
03 Change of use of a Building (charged in addition to the above works)(Included in Plan Charge)	1,202	0.00	0.00	S	Discretionary

Renovation of thermal element

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01 Estimated cost up to £50,000 (Included in Plan Charge)	1,191	0.00	0.00	S	Discretionary
02 Estimated cost exceeding £50,001 and up to £100,000	1,192	413.00	413.00	S	Discretionary
03 Estimated cost exceeding £100,001 and up to £250,000	1,193	526.00	567.00	S	Discretionary

Window replacement (non competent persons scheme).

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Per installation over 20 windows (Included in Plan Charge)	1,190	0.00	0.00	S	Discretionary
Per installation up to 20 windows (Included in Plan Charge)	1,189	0.00	0.00	S	Discretionary

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Non Domestic Alterations - Plan Charge

Alterations not described elsewhere including structural alterations and installation of controlled fittings

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01 Estimated cost up to £5,000	1,180	550.00	578.00	S	Discretionary
02 Estimated cost exceeding £5,000 and up to £25,000	1,181	300.00	300.00	S	Discretionary
03 Estimated cost exceeding £25,000 and up to £50,000	1,182	300.00	300.00	S	Discretionary
04 Estimated cost exceeding £50,000 and up to £100,000	1,183	350.00	350.00	S	Discretionary
05 Estimated cost exceeding £100,000 and up to £150,000	1,184	350.00	350.00	S	Discretionary
06 Installation of a Mezzanine floor up to 500m2	1,185	300.00	300.00	S	Discretionary

Office / Shop fit out

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01 Floor area up to 500m2	1,186	300.00	300.00	S	Discretionary
02 Floor area 500m2 to1000m2	1,187	300.00	300.00	S	Discretionary
03 Change of use of a Building (charged in addition to the above works)	1,188	300.00	300.00	S	Discretionary

Renovation of thermal element

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
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01 Estimated cost up to £50,000	1,177	530.00	557.00	S	Discretionary
02 Estimated cost exceeding £50,001 and up to £100,000	1,178	300.00	300.00	S	Discretionary
03 Estimated cost exceeding £100,001 and up to £250,000	1,179	300.00	300.00	S	Discretionary

Window replacement (non competent persons scheme).

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Per installation over 20 windows	1,176	407.00	427.00	S	Discretionary
Per installation up to 20 windows	1,175	278.00	292.00	S	Discretionary

Non Domestic Alterations - Regularisation Charge

Alterations not described elsewhere including structural alterations and installation of controlled fittings

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01 Estimated cost up to £5,000	1,208	713.00	723.00	O	Discretionary
02 Estimated cost exceeding £5,000 and up to £25,000	1,209	1,032.00	1,084.00	O	Discretionary
03 Estimated cost exceeding £25,000 and up to £50,000	1,210	1,551.00	1,629.00	O	Discretionary
04 Estimated cost exceeding £50,000 and up to £100,000	1,211	1,977.00	2,075.00	O	Discretionary
05 Estimated cost exceeding £100,000 and up to £150,000	1,212	2,258.00	2,370.00	O	Discretionary
06 Installation of a Mezzanine floor up to 500m2	1,213	1,596.00	1,676.00	O	Discretionary

Office / Shop fit out

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01 Floor area up to 500m2	1,214	1,124.00	1,181.00	O	Discretionary
02 Floor area 500m2 to1000m2	1,215	1,596.00	1,676.00	O	Discretionary
03 Change of use of a Building (charged in addition to the above works)	1,216	325.00	325.00	O	Discretionary

Renovation of thermal element

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01 Estimated cost up to £50,000	1,205	663.00	696.00	O	Discretionary
02 Estimated cost exceeding £50,001 and up to £100,000	1,206	890.00	936.00	O	Discretionary
03 Estimated cost exceeding £100,001 and up to £250,000	1,207	1,032.00	1,084.00	O	Discretionary

Window replacement (non competent persons scheme).

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Per installation over 20 windows	1,204	510.00	534.00	O	Discretionary

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Per installation up to 20 windows	1,203	349.00	365.00	O	Discretionary
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Non Domestic Extensions and New Build - Inspection Charge

All Other Use Classes

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01 Floor Area not exceeding 10m2	1,167	723.00	774.00	S	Discretionary
02 Floor area exceeding 10m2 but not exceeding 40m2	1,168	884.00	946.00	S	Discretionary
03 Floor area exceeding 40m2 but not exceeding 100m2	1,169	1,165.00	1,241.00	S	Discretionary
04 Floor area exceeding 100m2 but not exceeding 200m2	1,170	1,542.00	1,637.00	S	Discretionary

Assembly and Recreational Use & Other Residential (Institution and Other)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01 Floor Area not exceeding 10m2	1,143	758.00	811.00	S	Discretionary
02 Floor area exceeding 10m2 but not exceeding 40m2	1,144	1,165.00	1,241.00	S	Discretionary
03 Floor area exceeding 40m2 but not exceeding 100m2	1,145	1,694.00	1,796.00	S	Discretionary
04 Floor area exceeding 100m2 but not exceeding 200m2	1,146	2,224.00	2,353.00	S	Discretionary

Industrial and Storage Use

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01 Floor Area not exceeding 10m2 (Inc in Plan Charge)	1,155	377.00	411.00	S	Discretionary
02 Floor area exceeding 10m2 but not exceeding 40m2	1,156	483.00	525.00	S	Discretionary
03 Floor area exceeding 40m2 but not exceeding 100m2	1,157	783.00	840.00	S	Discretionary
04 Floor area exceeding 100m2 but not exceeding 200m2	1,158	937.00	1,001.00	S	Discretionary

Non Domestic Extensions and New Build - Plan Charge

All Other Use Classes

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01 Floor Area not exceeding 10m2	1,163	300.00	300.00	S	Discretionary
02 Floor area exceeding 10m2 but not exceeding 40m2	1,164	350.00	350.00	S	Discretionary
03 Floor area exceeding 40m2 but not exceeding 100m2	1,165	350.00	350.00	S	Discretionary
04 Floor area exceeding 100m2 but not exceeding 200m2	1,166	350.00	350.00	S	Discretionary

Assembly and Recreational Use & Other Residential (Institution and Other)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
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01 Floor Area not exceeding 10m2	1,139	300.00	300.00	S	Discretionary
02 Floor area exceeding 10m2 but not exceeding 40m2	1,140	350.00	350.00	S	Discretionary
03 Floor area exceeding 40m2 but not exceeding 100m2	1,141	350.00	350.00	S	Discretionary
04 Floor area exceeding 100m2 but not exceeding 200m2	1,142	350.00	350.00	S	Discretionary

Industrial and Storage Use

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01 Floor Area not exceeding 10m2	1,151	300.00	300.00	S	Discretionary
02 Floor area exceeding 10m2 but not exceeding 40m2	1,152	350.00	350.00	S	Discretionary
03 Floor area exceeding 40m2 but not exceeding 100m2	1,153	350.00	350.00	S	Discretionary
04 Floor area exceeding 100m2 but not exceeding 200m2	1,154	350.00	350.00	S	Discretionary

Non Domestic Extensions and New Build - Regularisation Charge

All Other Use Classes

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01 Floor Area not exceeding 10m2	1,171	1,279.00	1,343.00	O	Discretionary
02 Floor area exceeding 10m2 but not exceeding 40m2	1,172	1,542.00	1,620.00	O	Discretionary
03 Floor area exceeding 40m2 but not exceeding 100m2	1,173	1,893.00	1,989.00	O	Discretionary
04 Floor area exceeding 100m2 but not exceeding 200m2	1,174	2,365.00	2,484.00	O	Discretionary

Assembly and Recreational Use & Other Residential (Institution and Other)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01 Floor Area not exceeding 10m2	1,147	1,322.00	1,389.00	O	Discretionary
02 Floor area exceeding 10m2 but not exceeding 40m2	1,148	1,893.00	1,989.00	O	Discretionary
03 Floor area exceeding 40m2 but not exceeding 100m2	1,149	2,555.00	2,682.00	O	Discretionary
04 Floor area exceeding 100m2 but not exceeding 200m2	1,150	3,216.00	3,379.00	O	Discretionary

Industrial and Storage Use

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
01 Floor Area not exceeding 10m2	1,159	847.00	889.00	O	Discretionary
02 Floor area exceeding 10m2 but not exceeding 40m2	1,160	1,042.00	1,094.00	O	Discretionary
03 Floor area exceeding 40m2 but not exceeding 100m2	1,161	1,417.00	1,487.00	O	Discretionary
04 Floor area exceeding 100m2 but not exceeding 200m2	1,162	1,609.00	1,689.00	O	Discretionary

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Small Domestic Buildings - Building Notices (New Dwellings Up To 300M2 Each)

Number Of Dwellings

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) 1	191	1,630.00	1,712.00	S	Discretionary
b) 2	192	2,194.00	2,304.00	S	Discretionary
c) 3	193	2,574.00	2,703.00	S	Discretionary
d) 4	194	2,953.00	3,101.00	S	Discretionary
e) 5	195	3,444.00	3,616.00	S	Discretionary
f) 6	196	3,936.00	4,133.00	S	Discretionary
g) 7	197	4,352.00	4,570.00	S	Discretionary
h) 8	198	4,770.00	5,009.00	S	Discretionary
i) 9	199	5,185.00	5,444.00	S	Discretionary
j) 10	200	5,600.00	5,880.00	S	Discretionary
k) exceeding 10 - Price on Application	201	0.00	0.00	S	Discretionary

Small Domestic Buildings - Inspection Charge (New Dwellings Up To 300M2 Each)

Number Of Dwellings

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) 1	169	1,330.00	1,412.00	S	Discretionary
b) 2	170	1,894.00	2,004.00	S	Discretionary
c) 3	171	2,274.00	2,403.00	S	Discretionary
d) 4	172	2,453.00	2,601.00	S	Discretionary
e) 5	173	2,944.00	3,116.00	S	Discretionary
f) 6	174	2,936.00	3,133.00	S	Discretionary
g) 7	175	3,352.00	3,570.00	S	Discretionary
h) 8	176	3,770.00	4,009.00	S	Discretionary
i) 9	177	4,185.00	4,444.00	S	Discretionary
j) 10	178	4,600.00	4,880.00	S	Discretionary
k) exceeding 10 - Price on Application	179	0.00	0.00	S	Discretionary

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Small Domestic Buildings - Plan Charge (New Dwellings Up To 300M2 Each)

Number Of Dwellings

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) 1	147	300.00	300.00	S	Discretionary
b) 2	148	300.00	300.00	S	Discretionary
c) 3	149	300.00	300.00	S	Discretionary
d) 4	150	500.00	500.00	S	Discretionary
e) 5	151	500.00	500.00	S	Discretionary
f) 6	152	1,000.00	1,000.00	S	Discretionary
g) 7	153	1,000.00	1,000.00	S	Discretionary
h) 8	154	1,000.00	1,000.00	S	Discretionary
i) 9	155	1,000.00	1,000.00	S	Discretionary
j) 10	156	1,000.00	1,000.00	S	Discretionary
k) exceeding 10 - Price on Application	157	0.00	0.00	S	Discretionary

Small Domestic Buildings - Regularisation Charge (New Dwellings Up To 300M2 Each)

Number Of Dwellings

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) 1	1,035	2,036.00	2,140.00	O	Discretionary
b) 2	1,036	2,742.00	2,880.00	O	Discretionary
c) 3	1,037	3,216.00	3,379.00	O	Discretionary
d) 4	1,038	3,690.00	3,876.00	O	Discretionary
e) 5	1,039	4,305.00	4,520.00	O	Discretionary
f) 6	1,040	4,918.00	5,166.00	O	Discretionary
g) 7	1,041	5,440.00	5,712.00	O	Discretionary
h) 8	1,042	5,962.00	6,261.00	O	Discretionary
i) 9	1,043	6,481.00	6,805.00	O	Discretionary
j) 10	1,044	7,000.00	7,350.00	O	Discretionary
k) exceeding 10 (POA)	1,045	0.00	0.00	O	Discretionary

Fees and Charges

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Car Parks

Dumsey Meadow, Abbey Drive, The Broadway Laleham

Pay And Display

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) Up to 1 hour	88	0.00	0.50	S	Discretionary
b) Up to 2 hours	89	1.50	2.00	S	Discretionary
c) Over 2 hours	90	2.00	4.00	S	Discretionary

Green Street & Old Bathing Station, Sunbury

Pay And Display

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) Up to 1 hour	1,466	0.00	0.50	S	Discretionary
b) Up to 2 hours	1,467	1.50	2.00	S	Discretionary
c) Over 2 hours	1,468	2.00	4.00	S	Discretionary

Laleham Park/Thameside Car Parks

Pay And Display

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) Up to 1 hour	1,229	0.50	0.50	S	Discretionary
b) Up to 2 hours	1,228	2.00	2.00	S	Discretionary
c) Up to 4 hours	1,230	3.00	4.00	S	Discretionary
d) Over 4 hours	1,231	7.00	8.00	S	Discretionary
e) 3 consecutive days	1,465	15.00	15.00	S	Discretionary

Lammas Park

Pay And Display

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) Up to 1 hour	72	0.50	0.50	S	Discretionary
b) Up to 2 hours	71	2.00	2.00	S	Discretionary
c) Up to 4 hours	73	3.00	4.00	S	Discretionary
d) Over 4 hours	74	7.00	8.00	S	Discretionary

Fees and Charges

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Manor Park

Local Season Tickets

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) 3 Months	953	65.00	100.00	S	Discretionary
b) 6 months	954	80.00	150.00	S	Discretionary
c) 12 months	955	100.00	200.00	S	Discretionary

Pay and Display

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) Up to 1 hour	947	0.00	0.50	S	Discretionary
b) Up to 2 hours	948	1.50	2.00	S	Discretionary
c) Over 2 hours	949	2.00	4.00	S	Discretionary

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Orchard Meadow, Walled Garden & Thames Street Sunbury

Local Season Tickets

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) 3 Months	85	65.00	100.00	S	Discretionary
b) 6 Months	86	85.00	150.00	S	Discretionary
c) 12 Months	87	110.00	200.00	S	Discretionary

Pay And Display

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) Up to 1 hour	79	0.00	0.50	S	Discretionary
b) Up to 2 hours	80	1.50	2.00	S	Discretionary
c) Over 2 hours	81	2.00	4.00	S	Discretionary

Other

Off Street Suspensions

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Suspensions - reserved parking (one off admin fee)	98	30.00	30.00	S	Discretionary
Suspensions - Vehicle Charge Per Day	1,426	15.00	15.00	S	Discretionary

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Other

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Film Concessions (£15-£25 per vehicle per day - Price on application)	99	15.00	15.00	S	Discretionary
Lost Or Replacement Tickets & Entry/Exit Cards	100	14.00	14.00	S	Discretionary

Penalties

Penalty Bands

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Full Band 1	56	70.00	70.00	S	Discretionary
Full Band 2	57	50.00	50.00	S	Discretionary
Mitigated Band 1	58	35.00	35.00	S	Discretionary
Mitigated Band 2	59	25.00	25.00	S	Discretionary

Shepperton Village Hall

Local Season Tickets

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) 3 Months	1,471	65.00	100.00	S	Discretionary
b) 6 Months	1,472	85.00	150.00	S	Discretionary
c) 12 Months	1,473	110.00	200.00	S	Discretionary

Pay and Display

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) Up to 1 hour	950	0.00	0.50	S	Discretionary
b) Up to 2 hours	951	1.00	2.00	S	Discretionary
c) Over 2 hours	952	3.00	4.00	S	Discretionary

Staines Long-Stay - Monday to Sunday 8am to 7pm

Pay And Display

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) Up to 1 hour	46	1.30	1.50	S	Discretionary
b) Up to 2 hours	47	2.30	2.50	S	Discretionary
c) Up to 3 hours	48	2.70	3.50	S	Discretionary
d) Up to 4 hours	1,427	3.50	4.50	S	Discretionary

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e) Up to 5 Hours	49	3.70	5.50	S	Discretionary
f) Over 5 Hours	50	7.30	8.00	S	Discretionary
g) 7pm to 12 midnight	1,753	2.00	2.00	S	Discretionary

Staines Long-Stay - Monday to Sunday Evening Charge

Staines - Town centre car parks

Sunday Charge (excludes Lammas Park)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,311	2.00	2.00	S	Discretionary

Staines Pay and Display

Contract Parking - Elmsleigh Road, South Street West & Bridge Street

Up to 12 Months

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
991	830.00	950.00	S	Discretionary

Season Tickets - Kingston Road CP only - Railway Users

a) 3 Months

b) 12 Months

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
993	230.00	275.00	S	Discretionary
994	800.00	900.00	S	Discretionary

Season Tickets - Staines (working in Staines)

a) 3 Months

b) 6 Months

c) 12 Months

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
52	205.00	250.00	S	Discretionary
53	380.00	450.00	S	Discretionary
54	715.00	850.00	S	Discretionary

Staines Short-Stay

Pay And Display

a) Up to 1 hour

b) Up to 2 hours

c) Up to 3 hours

d) Up to 4 hours

e) Up to 5 Hours

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
40	1.30	1.20	S	Discretionary
41	2.30	2.40	S	Discretionary
42	2.70	3.60	S	Discretionary
43	3.80	4.80	S	Discretionary
44	7.00	6.00	S	Discretionary

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f) Over 5 Hours	45	12.20	12.00	S	Discretionary
g) 7pm to 12 midnight	1,005	1.20	2.00	S	Discretionary

The Broadway, Laleham Village

Local Season Tickets

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) 3 Months	94	65.00	100.00	S	Discretionary
b) 6 Months	95	85.00	150.00	S	Discretionary
c) 12 Months	96	110.00	200.00	S	Discretionary

Cemeteries

Miscellaneous Fees

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Late Arrival for Service (TBC -depends on circumstances)	1,680			E	Discretionary

Interment

Adult Grave

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Adult Grave 24 Hour Burial for one only (5 foot)	1,245	2,246.00	2,358.00	O	Discretionary
Adult Grave For 1 Interment	725	1,599.00	1,679.00	O	Discretionary
Adult Grave For 1 Interment - Casket	726	1,779.00	1,868.00	O	Discretionary
Adult Grave For 2 Interments	727	1,663.00	1,746.00	O	Discretionary
Adult Grave For 2 Interments - Casket	728	1,901.00	1,996.00	O	Discretionary
Brick Vault (Inter only) Include brick vault fee and loss of 1 x grave space	1,305	3,326.00	3,492.00	O	Discretionary

Advance Purchase

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Cremated Remains PIA*	1,684	1,760.00	1,848.00	o	Discretionary
Cremated Remains PIA* Ashford Old Section GOR	1,685	2,027.00	2,128.00	O	Discretionary
Purchase in advance of additional earthen grave	785	4,095.00	4,300.00	O	Discretionary

Fees and Charges

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Child Grave

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Child Grave For 1 Interment	729	499.00	549.00	O	Discretionary
Child Interment within 24 hours	1,414	639.00	671.00	O	Discretionary
Child plot within 24 hours	1,413	733.00	770.00	O	Discretionary
Stillborn Interment	731	406.00	447.00	O	Discretionary

Cremated Remains

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Cremated Remains	732	570.00	599.00	O	Discretionary
Secondary Interment	1,722		87.00	O	Discretionary

Non Residents/Parishioners Charge

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Treble Fees For Residents out of Borough (Price on Application)	744			O	Discretionary

Memorial Garden

Ashford

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Plot Fee - Cremated remains (old garden of remembrance - Ashford) only	1,001	1,068.00	1,121.00	E	Discretionary

Miscellaneous Fees

Exclusive Right - Purchase of

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Issue of duplicate deed of grant (Transfer of ownership)	1,321	121.00	127.00	E	Discretionary

Other

Exclusive Right - Purchase of

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Burial in a Vault	1,416	2,337.00	2,454.00	E	Discretionary
Child Grave	735	570.00	627.00	E	Discretionary
Cremated Remains	734	901.00	991.00	E	Discretionary
Earthen Grave	733	2,134.00	2,241.00	E	Discretionary
Earthen Grave within 24 hours (Adult)	1,301	2,597.00	2,727.00	E	Discretionary

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Exhumation

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Exhumation of ashes (Price on Application)	784			E	Discretionary
Exhumation of body (Price on Application)	1,246			E	Discretionary

Miscellaneous Fees

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Late Arrival for Service -TBC, Depending on circumstances	1,686				Discretionary
Registration Of Assignment (Transfer of ownership)	749	166.00	174.00	O	Discretionary

Right to Erect Memorial Bench

Memorial Bench

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Supply & Installation of Memorial Bench	967	1,613.00	1,694.00	S	Discretionary

Right to Erect Memorial Plaque

Memorial Tower Plaque

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
10 Yrs	998	394.00	414.00	E	Discretionary
15 Yrs	999	555.00	583.00	E	Discretionary
25 Yrs	1,000	740.00	777.00	E	Discretionary

Right To Erect Monument

1. Traditional Graves

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Additional Inscription	742	217.00	228.00	E	Discretionary
Headstone	739	419.00	440.00	E	Discretionary
Headstones And Kerbstones	736	610.00	671.00	E	Discretionary
Kerbs Only	741	405.00	425.00	E	Discretionary
Monument Over 91.5cm (3')	737	1,110.00	1,166.00	E	Discretionary
Tablet Or New (New & Additional)	738	284.00	298.00	E	Discretionary

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2. Garden Of Remembrance Tablet

Garden of Remembrance Tablet

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
743	223.00	245.00	E	Discretionary

Right to erect Monuments

Installation of Memorials

Service Permit (Repair, Clean, Replace)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,723		60.00	E	Discretionary

Temporary wooden cross for one year

1,613	0.00	90.00	S	Discretionary
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Use Of Chapel

Location

Ashford And Staines

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
724	332.00	349.00	E	Discretionary

Environmental Health

Licensing

Street Trading

New Application Submission Fee - Deducted From Licence Fee If Application Is Approved

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,243	96.00	101.00	S	Discretionary

Street Trading - Per Annum

a) Consent For Mobile Shops, Ice Cream Vans And The Like For Not More Than 30 Minutes In Any One Place:

All Residential Areas Where Streets Are Not Classified Roads

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
101	987.00	1,036.00	S	Discretionary

b) Consent For Mobile Shops, Ice Cream Vans And The Like For Not More Than 30 Minutes In Any One Place:

Sites In Classified Roads Which Are Not Prohibited Streets

102	987.00	1,036.00	S	Discretionary
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c) Consent For Sites Adjacent To The Public Highway (Static Sites), for Specified Periods From Identified Sites

During Street Trading Hours

103	987.00	1,036.00	S	Discretionary
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Environmental Protection Act

Fees and Charges

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Environmental Information Regulations 2004

Contaminated Land Enquiries

General Enquiries - Hourly Rate

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
324	63.00	67.00	S	Discretionary

Pollution Prevention & Control Act

Additional fee for operating mobile plant without a permit

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,609	1,188.00	1,188.00	O	Statutory

Additional fee where Operation subject to reporting obligation of the EC Regulation

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,608	104.00	104.00	O	Statutory

LAPPC & LAIPPC subsistence charges

Where paid quarterly the total amount payable will be increased by

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
908	38.00	38.00	O	Statutory

LAPPC Annual Subsistence Charge

1.a) Standard process Low

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
807	772.00	772.00	O	Statutory

1.a) Standard process Low (where permit is for a combined Part B and waste installation)

1,235	876.00	876.00	O	Statutory
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1.b) Standard process Medium

809	1,161.00	1,161.00	O	Statutory
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1.b) Standard process Medium (where permit is for a combined Part B and waste installation)

1,236	1,317.00	1,317.00	O	Statutory
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1.c) Standard process High

811	1,747.00	1,747.00	O	Statutory
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1.c) Standard process High (where permit is for a combined Part B and waste installation)

1,237	1,954.00	1,954.00	O	Statutory
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2.a) Reduced fee activities (Low)

813	79.00	79.00	O	Statutory
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2.b) Reduced fee activities (Med)

814	158.00	158.00	O	Statutory
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2.c) Reduced fee activities (High)

815	237.00	237.00	O	Statutory
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3.a) PVR I & II combined (Low)

1,234	113.00	113.00	O	Statutory
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3.b) PVR I & II combined (High)

821	341.00	341.00	O	Statutory
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3.c) PVR I & II combined (Med)

820	226.00	226.00	O	Statutory
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4.a) Other reduced fee activities (Low)

825	228.00	228.00	O	Statutory
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4.b) Other reduced fee activities (Med)

826	365.00	365.00	O	Statutory
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4.c) Other reduced fee activities (High)

827	548.00	548.00	O	Statutory
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6.a) Standard mobile plant, for first and second permits (Low)	837	626.00	626.00	○	Statutory
6.b) Standard mobile plant, for first and second permits (Medium)	838	1,034.00	1,034.00	○	Statutory
6.c) Standard mobile plant, for first and second permits (High)	839	1,551.00	1,551.00	○	Statutory
7.a) For the third to seventh permits (Low)	843	385.00	385.00	○	Statutory
7.b) For the third to seventh permits (Medium)	844	617.00	617.00	○	Statutory
7.c) For the third to seventh permits (High)	845	924.00	924.00	○	Statutory
8.a) Eighth and subsequent permits (Low)	849	198.00	198.00	○	Statutory
8.b) Eighth and subsequent permits (Medium)	850	314.00	314.00	○	Statutory
8.c) Eighth and subsequent permits (High)	851	473.00	473.00	○	Statutory

LAPPC charges - Application Fee

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Additional fee for operating without a permit	1,217	1,188.00	1,188.00	○	Statutory
Additional fee where a LAPPC application for any of the above is for a combined Part B and waste application	806	279.00	279.00	○	Statutory
Other Reduced Fee Activities	801	362.00	362.00	○	Statutory
PVR I & II combined	800	257.00	257.00	○	Statutory
PVRI, SWOBs, and Dry Cleaners Reduced Fee Activities	799	155.00	155.00	○	Statutory
Reduced fee activities: Additional fee for operating without a permit	802	0.00	0.00	○	Statutory

LAPPC mobile plant charges - Application fees

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Number of permits = 1	867	1,650.00	1,650.00	○	Statutory
Number of permits = 2	868	1,650.00	1,650.00	○	Statutory
Number of permits = 3 through to 8	869	985.00	985.00	○	Statutory
Number of permits = 8 and over	874	498.00	498.00	○	Statutory

LAPPC subsistence fees

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Late Payment Fees	1,233	52.00	52.00	○	Statutory

LAPPC Substantial change

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Reduced fee activities	866	102.00	102.00	○	Statutory
Standard process	864	1,050.00	1,050.00	○	Statutory
Standard process where the substantial change results in a new PPC activity	865	1,650.00	1,650.00	○	Statutory

Fees and Charges

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LAPPC Temporary transfer for mobiles

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
First transfer	861	53.00	53.00	O	Statutory
Repeat following enforcement or warning	863	53.00	53.00	O	Statutory

LAPPC Transfer and Surrender

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
New operator at low risk reduced fee activity	857	0.00	0.00	O	Statutory
Reduced fee activities: partial transfer	860	47.00	47.00	O	Statutory
Reduced fee activities: transfer - Price on application	859	0.00	0.00	O	Statutory
Standard process partial transfer	856	497.00	497.00	O	Statutory
Standard process transfer	855	169.00	169.00	O	Statutory
Surrender: all Part B activities	858	0.00	0.00	O	Statutory

Reduced fee activity(low)change of operator. additional inspection fee

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
	1,607	78.00	78.00	o	Statutory

Food Safety

Food Safety

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Voluntary Surrender Of Foodstuffs Certificate	308	82.00	87.00	S	Discretionary

Food Hygiene Rating Scheme

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Request for re-inspection under the Food Hygiene Rating Scheme	1,592	230.00	240.00	S	Discretionary

Foodstuffs For Export

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Per Certificate (If Visit Needed)	307	176.00	185.00	O	Discretionary
Per Certificate (If Visit Not Needed)	306	88.00	93.00	O	Discretionary

Fees and Charges

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Funerals

Welfare Funerals

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Recovery of officer time - hourly rate £70.00	1,453			S	Discretionary

Grounds Maintenance

Spelthorne In Bloom

Spelthorne In Bloom

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) Hanging Basket - Winter	962	42.00	44.00	O	Discretionary
b) Window Box - Winter	966	64.00	67.00	O	Discretionary
c) Hanging Basket - Summer	961	68.00	71.00	O	Discretionary
d) Window Box - Summer	965	106.00	111.00	O	Discretionary
e) Round Basket - Winter	1,507	50.00	52.00	O	Discretionary
f) Round Basket - Summer	1,508	76.00	79.00	O	Discretionary

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Housing

Housing Enforcement

Housing Act 1985 - Section 265 Demolition order

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Hourly Rate	1,628	70.00	74.00	O	Discretionary

Housing Act 2004 - Section 11,12,20,21,28,29,40 & 43 - Enforcement Notices

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Hourly Rate	356	70.00	74.00	O	Discretionary

Immigration Housing Inspection

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Cancellation of booked appointment (no fee applies if notification of cancellation is given more that 24 hours in advance)	1,486	29.00	31.00	S	Discretionary

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Housing Inspection	915	187.00	197.00	O	Discretionary
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Licensing

Animal Welfare

New or renewal application (Plus all associated vet fees and charges)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Arranging for the Provision of Boarding (Application Fee 427.40, Grant Fee 119.7)	1,585	521.00	548.00	O	Discretionary
Boarding for cats (Application Fee 427.40, Grant Fee 119.7)	1,577	521.00	548.00	O	Discretionary
Boarding in dogs in kennels - (Application Fee 427.40, Grant Fee 119.7)	1,575	521.00	548.00	O	Discretionary
Dog Breeders - (Application Fee 427.40, Grant Fee 119.7)	1,569	521.00	548.00	O	Discretionary
Dog Day Care (Application Fee 427.40, Grant Fee 119.7)	1,579	521.00	548.00	O	Discretionary
Each additional licensable activity/inspection	1,588	114.00	120.00	O	Discretionary
Each additional site visit to hosts as part of the arrangers licence application/ renewal	1,610	111.00	117.00	O	Discretionary
Hiring out horses (Application Fee 427.40, Grant Fee 119.7)	1,571	521.00	548.00	O	Discretionary
Home boarders (dogs only) (Application Fee 427.40, Grant Fee 119.7)	1,573	521.00	548.00	O	Discretionary
Keeping or training animals for exhibition (Application Fee 427.40, Grant Fee 119.7)	1,583	521.00	548.00	O	Discretionary
Replacement Licence	1,591	58.00	61.00	O	Discretionary
Re-rating Inspection 260.00	1,587	260.00	273.00	O	Discretionary
Selling Animals as Pets (Application Fee 427.40, Grant Fee 119.7)	1,581	521.00	548.00	O	Discretionary

Animals

Variation to any Animal Licence

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Variation to Licence with no visit required	1,024	96.00	101.00	O	Discretionary
Variation to Licence with visit	1,025	259.00	272.00	O	Discretionary

Zoo and Dangerous Wild Animal Licences

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Dangerous Wild Animals (Plus all associated vet fees and Charges)	1,611	521.00	548.00	O	Discretionary
Initial zoo applications (plus all associated vet fees and charges)	1,023	521.00	548.00	O	Discretionary

Fees and Charges

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Gambling Act 2005

Gambling Act Fees

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Adult Gaming Centres: a) New Applications	488	2,000.00	2,000.00	0	Statutory
Adult Gaming Centres: b) Annual Fees	489	1,000.00	1,000.00	0	Statutory
Adult Gaming Centres: c) Variations	490	1,000.00	1,000.00	0	Statutory
Adult Gaming Centres: d) Transfers	491	1,200.00	1,200.00	0	Statutory
Adult Gaming Centres: e) Reinstatements	492	1,200.00	1,200.00	0	Statutory
Adult Gaming Centres: f) Provisionals Statements	493	2,000.00	2,000.00	0	Statutory
Adult Gaming Centres: g) Licence Application (Provisional Statement Holders)	494	1,200.00	1,200.00	0	Statutory
Adult Gaming Centres: h) Copy of licence	927	25.00	25.00	0	Statutory
Adult Gaming Centres: i) Notification of change	926	50.00	50.00	0	Statutory
Betting Premises (Excluding Tracks): a) New Applications	467	2,700.00	2,700.00	0	Statutory
Betting Premises (Excluding Tracks): b) Annual Fees	468	600.00	600.00	0	Statutory
Betting Premises (Excluding Tracks): c) Variations	469	1,500.00	1,500.00	0	Statutory
Betting Premises (Excluding Tracks): d) Transfers	470	1,200.00	1,200.00	0	Statutory
Betting Premises (Excluding Tracks): e) Reinstatements	471	1,200.00	1,200.00	0	Statutory
Betting Premises (Excluding Tracks): f) Provisionals Statements	472	3,000.00	3,000.00	0	Statutory
Betting Premises (Excluding Tracks): g) Licence Application (Provisional Statement Holders)	473	1,200.00	1,200.00	0	Statutory
Betting premises (Excluding Tracks): h) Copy of licence	921	25.00	25.00	0	Statutory
Betting premises (Excluding Tracks): i) Notification of change	920	50.00	50.00	0	Statutory
Bingo Clubs: a) New Applications	460	3,500.00	3,500.00	0	Statutory
Bingo Clubs: b) Annual Fees	461	1,000.00	1,000.00	0	Statutory
Bingo Clubs: c) Variations	462	1,750.00	1,750.00	0	Statutory
Bingo Clubs: d) Transfers	463	1,200.00	1,200.00	0	Statutory
Bingo Clubs: e) Reinstatements	464	1,200.00	1,200.00	0	Statutory
Bingo Clubs: f) Provisionals Statements	465	3,500.00	3,500.00	0	Statutory
Bingo Clubs: g) Licence Application (Provisional Statement Holders)	466	1,200.00	1,200.00	0	Statutory
Bingo Clubs: h) Notification of change	918	50.00	50.00	0	Statutory
Bingo Clubs: i) Copy of licence	919	25.00	25.00	0	Statutory

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Club Gaming Permit (Where The Applicant Holds A Club Premises Certificate Under The Licensing Act 2003): a Application Fee (New Permit)	519	100.00	100.00	0	Statutory
Club Gaming Permit (Where The Applicant Holds A Club Premises Certificate Under The Licensing Act 2003): b Application Fee (Conversion Of Part 2 / Part 3 Registration)	520	100.00	100.00	0	Statutory
Club Gaming Permit (Where The Applicant Holds A Club Premises Certificate Under The Licensing Act 2003): c Annual Fee	521	50.00	50.00	0	Statutory
Club Gaming Permit (Where The Applicant Holds A Club Premises Certificate Under The Licensing Act 2003): c Renewal Fee	522	100.00	100.00	0	Statutory
Club Gaming Permit (Where The Applicant Holds A Club Premises Certificate Under The Licensing Act 2003): e Variation Fee	523	100.00	100.00	0	Statutory
Club Gaming Permit (Where The Applicant Holds A Club Premises Certificate Under The Licensing Act 2003): f Copy Of Permit	524	15.00	15.00	0	Statutory
Club Gaming Permit: a) Application Fee (New Permit)	513	200.00	200.00	0	Statutory
Club Gaming Permit: b) Application Fee (Conversion Of Part 2 / Part 3 Registration)	514	100.00	100.00	0	Statutory
Club Gaming Permit: c) Annual Fee	515	50.00	50.00	0	Statutory
Club Gaming Permit: d) Renewal Fee	516	200.00	200.00	0	Statutory
Club Gaming Permit: e) Variation Fee	517	100.00	100.00	0	Statutory
Club Gaming Permit: f) Copy Of Permit	518	15.00	15.00	0	Statutory
Family Entertainment Centre: a) New Applications	481	2,000.00	2,000.00	0	Statutory
Family Entertainment Centre: b) Annual Fees	482	750.00	750.00	0	Statutory
Family Entertainment Centre: c) Variations	483	1,000.00	1,000.00	0	Statutory
Family Entertainment Centre: d) Transfers	484	950.00	950.00	0	Statutory
Family Entertainment Centre: e) Reinstatements	485	950.00	950.00	0	Statutory
Family Entertainment Centre: f) Provisionals Statements	486	2,000.00	2,000.00	0	Statutory
Family Entertainment Centre: g) Licence Application (Provisional Statement Holders)	487	950.00	950.00	0	Statutory
Family Entertainment Centre: h) Copy of licence	925	25.00	25.00	0	Statutory
Family Entertainment Centre: i) Notification of change	924	50.00	50.00	0	Statutory
Licensed Premises - Notification Of Intent To Use Automatic Entitlement (1-2 Machines)	495	50.00	50.00	0	Statutory
Licensed Premises Gaming Machine Permit (3+ Machines): a) Application Fee (New Permit)	496	150.00	150.00	0	Statutory
Licensed Premises Gaming Machine Permit (3+ Machines): b) Application Fee (Conversion Of S34 Permit)	497	100.00	100.00	0	Statutory
Licensed Premises Gaming Machine Permit (3+ Machines): c) Annual Fee	498	50.00	50.00	0	Statutory
Licensed Premises Gaming Machine Permit (3+ Machines): d) Variation Fee	499	100.00	100.00	0	Statutory

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Licensed Premises Gaming Machine Permit (3+ Machines): e) Transfer Fee	500	25.00	25.00	O	Statutory
Licensed Premises Gaming Machine Permit (3+ Machines): f) Change Of Name	501	25.00	25.00	O	Statutory
Licensed Premises Gaming Machine Permit (3+ Machines): g) Copy Of Permit	502	15.00	15.00	O	Statutory
Prize Gaming Permit: a) Application Fee (New Permit)	508	300.00	300.00	O	Statutory
Prize Gaming Permit: b) Application Fee (Conversion Of S34 Permit)	509	100.00	100.00	O	Statutory
Prize Gaming Permit: c) Renewal Fee	510	300.00	300.00	O	Statutory
Prize Gaming Permit: d) Change Of Name	511	25.00	25.00	O	Statutory
Prize Gaming Permit: e) Copy Of Permit	512	15.00	15.00	O	Statutory
Small Society Lotteries: a) New Registration	525	40.00	40.00	O	Statutory
Small Society Lotteries: b) Annual Fee	526	20.00	20.00	O	Statutory
Tracks: a) New Applications	474	2,500.00	2,500.00	O	Statutory
Tracks: b) Annual Fees	475	1,000.00	1,000.00	O	Statutory
Tracks: c) Variations	476	1,250.00	1,250.00	O	Statutory
Tracks: d) Transfers	477	950.00	950.00	O	Statutory
Tracks: e) Reinstatements	478	950.00	950.00	O	Statutory
Tracks: f) Provisionals Statements	479	2,500.00	2,500.00	O	Statutory
Tracks: g) Licence Application (Provisional Statement Holders)	480	950.00	950.00	O	Statutory
Tracks: h) Copy of licence	923	25.00	25.00	O	Statutory
Tracks: i) Notification of change	922	50.00	50.00	O	Statutory
Unlicensed Family Entertainment Centre Gaming Machine Permit: a) Application Fee (New Permit)	503	300.00	300.00	O	Statutory
Unlicensed Family Entertainment Centre Gaming Machine Permit: b) Application Fee (Conversion Of S34 Perm	504	100.00	100.00	O	Statutory
Unlicensed Family Entertainment Centre Gaming Machine Permit: c) Renewal Fee	505	300.00	300.00	O	Statutory
Unlicensed Family Entertainment Centre Gaming Machine Permit: d) Change Of Name	506	25.00	25.00	O	Statutory
Unlicensed Family Entertainment Centre Gaming Machine Permit: e) Copy Of Permit	507	15.00	15.00	O	Statutory

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HMO Licensing Scheme

HMO Licence

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
e) Penalty for late or incomplete applications	1,012	152.00	166.00	O	Discretionary
h) Cancelled licence application (to cover aborted work on processing the application)	1,695	158.00	166.00	O	Discretionary

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HMO Licence:- 5% discount of licence fee given for membership of professional landlord association;10% discount of licence fee given for landlord accreditation with recognised scheme

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) Application for a new licence (of which processing fee £545; maintenance fee £770)	1,724		1,315.00	O	Discretionary
Application for a licence renewal (of which processing fee £545; maintenance fee £770)	1,725		1,315.00	O	Discretionary

Licensing Act 2003

Licensing Fees

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Application For Provisional Statement Where Premises Are Being Built etc (Sec 29)	444	315.00	315.00	O	Statutory
Application For Transfer Of A Premises Licence (Section 42)	447	23.00	23.00	O	Statutory
Application To Vary Licence To Specify Individual As Premises Supervisor (Section37)	446	23.00	23.00	O	Statutory
Change Of Relevant Registered Address Of Club (Section 83,(1) Or (2)	451	10.50	10.50	O	Statutory
Duty To Notify Change Of Name Or Address (Section 127)	454	10.50	10.50	O	Statutory
Interim Authority Notice Following Death Etc Of Licence Holder (Section 47)	448	23.00	23.00	O	Statutory
Notification Of Change Of Name And Address (Section 33)	445	10.50	10.50	O	Statutory
Notification Of Change Of Name Or Alteration Of Rules Of The Club (Section 82)	450	10.50	10.50	O	Statutory
Personal Licence	423	37.00	37.00	O	Statutory
Personal Licence Grant Or Renewal (Section 117)	442	37.00	37.00	O	Statutory
Right Of Freeholder Etc To Be Notified Of Licensing Matters (Section 178)	455	21.00	21.00	O	Statutory
Temporary Events Notice	422	21.00	21.00	O	Statutory
Temporary Events Notice (Section100)	441	21.00	21.00	O	Statutory
Theft, Loss etc Of Certificate Or Summary (Section 79)	449	21.00	21.00	O	Statutory
Theft, Loss etc Of Personal Licence (Section 126)	453	10.50	10.50	O	Statutory
Theft, Loss etc Of Premises Licence Or Summary (Section 25)	443	10.50	10.50	O	Statutory
Theft, Loss etc Of Temporary Event Notice (Section 110)	452	10.50	10.50	O	Statutory

Licensing Register Entries

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
For All Entries (If Plans Are Required)	440	3,000.00	3,000.00	O	Statutory
For All Entries (No Plans Are Required)	439	1,000.00	1,000.00	O	Statutory

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Per Individual Copy	438	26.00	26.00	O	Statutory
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Premises Licence

Minor Variation	Record 917	2023/24 Charge 89.00	2024/25 Charge 89.00	VAT O	Statute Statutory
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Premises Licence - Annual Fee

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
A	431	70.00	70.00	O	Statutory
B	432	180.00	180.00	O	Statutory
C	433	295.00	295.00	O	Statutory
D	434	320.00	320.00	O	Statutory
E	435	350.00	350.00	O	Statutory

Premises Licence - Annual Fee (For Town Centre Pubs Only)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
D X 2	436	640.00	640.00	O	Statutory
E X 3	437	1,050.00	1,050.00	O	Statutory

Premises Licence - New And Full Variation Applications

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
A	424	100.00	100.00	O	Statutory
B	425	190.00	190.00	O	Statutory
C	426	315.00	315.00	O	Statutory
D	427	450.00	450.00	O	Statutory
D X 2	429	900.00	900.00	O	Statutory
E	428	635.00	635.00	O	Statutory
E X 3	430	1,905.00	1,905.00	O	Statutory

Mobile Home Site Licensing Scheme

Mobile Home Site Licence

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) Application for a new site licence - 1 to 5 pitches	1,336	551.00	579.00	O	Discretionary
b) Application for a new site licence - 6 to 24 pitches	1,337	643.00	676.00	O	Discretionary
c) Application for a new site licence - 25 to 99 pitches	1,338	711.00	747.00	O	Discretionary

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d) Application for a new site licence - 100+ pitches	1,339	846.00	889.00	O	Discretionary
e) Application to alter conditions to a site licence - 1 to 5 pitches	1,340	263.00	277.00	O	Discretionary
f) Application to alter conditions to a site licence - 6 to 24 pitches	1,341	274.00	288.00	O	Discretionary
g) Application to alter conditions to a site licence - 25 to 99 pitches	1,342	287.00	302.00	O	Discretionary
h) Application to alter conditions to a site licence - 100+ pitches	1,343	310.00	326.00	O	Discretionary
i) Application to transfer a site licence	1,344	148.00	156.00	O	Discretionary
j) Annual fee - 1 to 5 pitches	1,345	209.00	220.00	O	Discretionary
k) Annual fee - 6 to 24 pitches	1,346	258.00	271.00	O	Discretionary
l) Annual fee - 25 to 99 pitches	1,347	291.00	306.00	O	Discretionary
m) Annual fee - 100+ pitches	1,348	361.00	380.00	O	Discretionary
n) Recover of cost of enforcement - hourly rate	1,415	70.00	74.00	O	Discretionary
o) Fit and proper person register application fee	1,693	397.00	417.00	O	Discretionary

Pollution

Scrap Metal Dealers

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Scrap Metal collector fee	1,307	378.00	397.00	O	Discretionary
Scrap Metal dealer site license fee	1,308	599.00	629.00	O	Discretionary
Scrap Metal Licence Variation	1,315	68.00	71.00	O	Discretionary
Scrap Metal replacement of Licence	1,316	29.00	30.00	O	Discretionary

Retail

Registration for skin piercing treatments: acupuncture, tattooing, skin piercing, electrolysis, semi-permanent skin colouring

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Practitioner registration	458	255.00	265.00	O	Discretionary
Registration of premises	459	255.00	265.00	O	Discretionary
Replacement certificate	935	58.00	61.00	O	Discretionary
Variation of registration	1,430	67.00	71.00	O	Discretionary

Sex establishment licence fee

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
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Change of licence details	1,269	184.00	193.00	O	Discretionary
New, Renewal, Intermediate, Temporary	1,268	3,686.00	3,870.00	O	Discretionary

Sex Shop Registration

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
New, Renewal, Intermediate, Temporary	456	3,686.00	3,870.00	O	Discretionary
Transfer Of Licence	457	3,686.00	3,870.00	O	Discretionary

Parks Strategy

All Recreation Grounds

Filming Rights

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Still Photography Per Hour (Price on Application)	142			S	Discretionary
TV or Films (Per Day Or Part Of) (Price on Application)	141			S	Discretionary

Fitness & Personal Training Fees & Licences

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Details of fees & charges available at www.spelthorne.gov.uk/fitnesstrainingfees	1,417			S	Discretionary

Football

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Adult booking (per 1/2 season)	1,479	1,173.10	1,250.00	E	Discretionary
Adult booking (per season, payable in 3 instalments)	1,478	2,347.30	2,500.00	E	Discretionary
Adult Booking without pavilion (casual)	1,721		100.00	E	Discretionary
Adult individual bookings	621	110.70	118.00	S	Discretionary
Junior booking (per 1/2 season) No pavilion	1,483	379.00	392.00	E	Discretionary
Junior booking (per 1/2 season) with pavilion use	1,481	530.25	550.00	E	Discretionary
Junior booking (per season, payable in 3 instalments) No pavilion	1,482	757.50	784.00	E	Discretionary
Junior booking (per season, payable in 3 instalments) with pavilion use	1,480	1,060.50	1,110.00	E	Discretionary
Junior individual bookings No pavilion	639	35.00	37.00	S	Discretionary
Junior individual bookings with pavilion use	638	51.00	55.00	S	Discretionary

Funfairs

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
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Daily Hire Charge	145	836.00	880.00	E	Discretionary
Deposit Against Damage	144	1,670.00	1,760.00	O	Discretionary

Tennis (Price on Application)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Hire of court for private coaching (per hour per court)	792			S	Discretionary

Usage of Parks

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Hire of park for non-charity events	1,329	633.00	665.00	E	Discretionary

Pavement Licensing

Pavement Licensing

Pavement Licensing

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Street Pavement License	1,679	100.00	100.00	O	Discretionary

Public Halls

Shepperton Hall

Community Use (9am to Midnight) (Hire to local groups)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Mon-Fri 9am to 5pm per hour	641	22.20	24.00	E	Discretionary
Mon-Fri After 5pm per hour	642	23.80	26.00	E	Discretionary
Sat 9am to 6pm per hour	643	27.90	30.00	E	Discretionary
Sat After 6pm per hour	644	47.60	52.00	E	Discretionary
Sunday 9am to 10.30pm per hour	645	47.60	52.00	E	Discretionary

Semi Commercial Use (9am to Midnight) (Commercial firms providing a community benefit)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Mon-Fri 9am to 5pm per hour	1,006	29.95	33.00	E	Discretionary
Mon-Fri After 5pm per hour	1,016	33.10	36.00	E	Discretionary

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Sat 9am to 6pm per hour	1,021	35.90	39.00	E	Discretionary
Sat After 6pm per hour	1,031	61.30	66.00	E	Discretionary
Sunday 9am to 10.30pm per hour	1,221	61.30	66.00	E	Discretionary

Refuse Collection

Collection of Contaminated bins

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Initial charge	1,675	226.00	237.00	O	Discretionary
Per Bin lift	1,676	22.00	23.10	O	Discretionary

Collection of contaminated waste bins

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Excess waste per bin lift	1,677	22.00	23.10	O	Discretionary

Collection of contaminated communal 140 ltr food textile WEEE bins

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Initial charge	1,689	31.50	33.00	O	Discretionary

Collection of contaminated communal 140ltr food textile WEEE bins

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Per Bin lift	1,690	10.50	11.00	O	Discretionary

Domestic

Purchase of Bins for New Development

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1100L - Plastic Recycle With Aperture	1,687	364.00	382.00	O	Discretionary
140L- Food Waste	1,674	67.00	70.00	O	Discretionary

Purchase of bins for New Developments

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) 140L - Plastic	793	67.00	70.00	O	Discretionary

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b) 240L - Plastic	794	69.00	73.00	O	Discretionary
c) 660L - Plastic	795	299.00	314.00	O	Discretionary
d) 1100L - Plastic	796	356.00	374.00	O	Discretionary
e) 1100L - Metal	1,455	477.00	501.00	O	Discretionary

Service Fees

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Annual Charge for 240 ltr Green Waste Bin	756	64.00	67.00	O	Discretionary
Annual Charge for 660 ltr Green Waste Bin	1,314	167.00	175.00	O	Discretionary
Annual charge for emptying of 2nd & 3rd 240L garden bin	1,513	36.00	38.00	O	Discretionary
Annual Charge for Green Waste Sack	757	44.00	46.00	O	Discretionary
Bulky Items (Excess) And Other Items By Arrangement	755	195.00	205.00	O	Discretionary
Provision of a waste skip - on private land	1,312	288.00	302.00	S	Discretionary
Replacement AWC Bin	751	67.00	70.00	O	Discretionary
Sale of new 240 ltr Green Waste Bin to new scheme members	1,309	28.00	29.00	O	Discretionary
Sale of second hand 240 ltr Green waste bin (if available)	1,457	17.00	17.90	O	Discretionary

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Non - Domestic

Non - Domestic Properties only, not commercial waste (charge for the emptying of each individual bin per occasion)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) Rubbish 240 ltr bin	787	12.60	13.20	O	Discretionary
b) Rubbish 660 ltr bin	788	15.30	16.10	O	Discretionary
c) Rubbish - Large 1100 ltr bin	937	15.30	16.10	O	Discretionary
d) Recycling 240 ltr bin	938	4.70	4.90	O	Discretionary
e) Recycling 660 ltr bin	939	5.85	6.10	O	Discretionary
f) Recycling - Large 1100 ltr bin	940	7.00	7.40	O	Discretionary
g) Food Waste - up to 240 ltr bin	1,306	4.75	5.00	O	Discretionary

Non - Domestic Properties only, not commercial waste (disposal cost of each individual bin per occasion)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
a) Rubbish 240 ltr bin	1,458	1.80	1.90	O	Discretionary

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b) Rubbish 660 ltr bin	1,459	4.70	4.90	O	Discretionary
c) Rubbish - Large 1100 ltr bin	1,460	8.15	8.60	O	Discretionary
d) Recycling 240 ltr bin	1,461	1.30	1.40	O	Discretionary
e) Recycling 660 ltr bin	1,462	3.50	3.70	O	Discretionary
f) Recycling - Large 1100 ltr bin	1,463	5.85	6.10	O	Discretionary
g) Food Waste - up to 140 ltr bin	1,464	3.55	3.70	O	Discretionary

Rodent & Pest Control

Rodent and Pest Control

Pest Control

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Bedbugs (based on a 3 bedroom property, more than 3 bedrooms subject to survey)	1,260	122.00	128.00	S	Discretionary
Fleas, Cockroaches etc. (based on a 3 bedroom property, more than 3 bedrooms subject to survey)	327	95.00	100.00	S	Discretionary
Mice (Up to 3 visits)	326	72.00	76.00	S	Discretionary
Rats (Up to 3 visits)	325	55.00	58.00	S	Discretionary
Wasps (per visit)	1,629	70.00	74.00	S	Discretionary

Stray Dogs

Stray Dogs - Collection Fee (comprising of £25 statutory fee, contractor collection fee £187)

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Plus Kennelling of £30/day, if the owner wants their dog delivered back to them £35, and any vet fees incurred charged in addition	295	212.00	223.00	O	Discretionary

SAT

Spelride Accessible Transport (S A T)

Membership

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Annual	758	22.30	23.40	Z	Discretionary

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Spelride

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
Per Single Trip	759	4.50	4.70	Z	Discretionary
Return Trip	760	7.90	8.30	Z	Discretionary

Taxi Licensing

Taxi Licensing fee structure

Cancellation of booked appointment fee

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
	1,718	40.00	42.00	O	Discretionary

Change of Vehicle

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
	1,707	167.00	175.00	O	Discretionary

DBS

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
	1,717		47.00	O	Discretionary

Discounted HC vehicle with wheelchair accessibility

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
	1,709	121.00	127.00	O	Discretionary

Discounted PH vehicle with wheelchair accessibility

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
	1,708	119.00	125.00	O	Discretionary

English & Numeracy Test & Retest

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
	1,716	30.00	31.00	O	Discretionary

Hackney Carriage Conditions Test & Retest

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
	1,713	50.00	52.00	O	Discretionary

Hackney Carriage Geographic Test & Retest

	Record	2023/24 Charge	2024/25 Charge	VAT	Statute
	1,712	70.00	73.00	O	Discretionary

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New Driver Hackney Carriage (1 year)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,696	231.00	242.00	0	Discretionary

New Driver Hackney Carriage (3 year)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,697	376.00	395.00	0	Discretionary

New Driver Private Hire (1 year)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,698	231.00	242.00	0	Discretionary

New Driver Private Hire (3 year)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,699	376.00	395.00	0	Discretionary

Operators 1 year

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,710	349.00	366.00	0	Discretionary

Operators 5 year

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,711	978.00	1,027.00	0	Discretionary

Private Hire Conditions Test & Retest

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,714	50.00	52.00	0	Discretionary

Private Hire Geographic Test & Retest

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,715	50.00	52.00	0	Discretionary

Reissue of PH/HC driver or vehicle licence due to any other reason

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,719	25.00	26.00	0	Discretionary

Renewal Driver Hackney Carriage (1 year)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,700	193.00	210.00	0	Discretionary

Renewal Driver Hackney Carriage (3 year)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,701	431.00	452.00		Discretionary

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Renewal Driver Private Hire (1 year)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,703	188.00	204.00	O	Discretionary

Renewal Driver Private Hire (3 year)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,704	391.00	431.00	O	Discretionary

Replacement of plates

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,720	23.00	24.00		Discretionary

Upgrade Private Hire Driver to Hackney Carriage Driver (Includes 1 attempt at conditions test, 1 attempt at geographic test, vehicle check & processing & issuing driver and vehicle licence)

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,702	202.00	212.00	O	Discretionary

Vehicle Hackney Carriage

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,705	242.00	254.00	O	Discretionary

Vehicle Private Hire

Record	2023/24 Charge	2024/25 Charge	VAT	Statute
1,706	239.00	251.00	O	Discretionary

Corporate Policy & Resources Committee



19 February 2024

Title	<i>Capital & Revenue Reserves Strategy</i>
Purpose of the report	To note the Strategy for the Council’s reserves for the four years from 1 April 2024 to 31 March 2028 and the use of £703.8k from the Social Housing Initiatives Fund (included in the Prevent Homelessness Reserve) to fund the 2024-25 budget deficit.
Report Author	<i>Paul Taylor Chief Accountant</i>
Ward(s) Affected	All Wards
Exempt	No
Corporate Priority	Community Addressing housing needs Resilience Environment Services
Recommendations	Committee is asked to note the forward forecast Estimated Council Reserves for the four years ended 31 March 2028 and the use of £703.8k from the Social Housing Initiatives Fund (Reserve), to cover the £703.8k budget deficit for 2024-25, to deliver a balance budget.
Reason for Recommendation	<p><i>Effective and sustainable use of reserves is a key element of the Council’s Medium Term Financial Strategy and ensuring the Council’s financial sustainability.</i></p> <p><i>The 2024-25 Budget Deficit has been caused in large part by a substantial growth bid of £907.6k in respect of the Council’s statutory services, homelessness which significantly exceeds the amount of additional grant support being provided by Government.</i></p> <p><i>Therefore, the Detailed Budget report going to the Committee and then to Council, will be recommending the use of £703.8k from the Social Housing Initiatives Fund Reserve is used cover the net budget deficit and balance the budget.</i></p>

What is the situation	Why we want to do something
<ul style="list-style-type: none"> The use of Council’s Earmarked Revenue Reserves can only be authorised by Council. 	<ul style="list-style-type: none"> As part of producing a balance budget, the Council’s Earmarked Revenue Reserves, form an

<ul style="list-style-type: none"> • Future funding bids to support the planned activity in each cost centre has been sent to each Committee for their acceptance and approval, and has been collated in the appendices below, based on the outline budget report. • The Sinking Fund reserve is also an earmarked revenue reserve, that is used to retain surplus cash, when the investment property and regeneration portfolio net rental income exceeds £10m, and increase the net rental contribution to £10m, when net rental income falls below this figure, so that the contribution to support Council’s frontline services is maintained. • For 2024-25, Council will be asked to approve a growth bid of £907.6k for additional homelessness costs in order for the Council to discharge its statutory duties, and after the savings plans, which have been approved by the relevant Committee, this left a budget deficit of £703.8k, which is to be funded from the Social Housing Initiative Fund (Revenue Grants Unapplied Reserve). • The Council does not hold any significant capital reserves, as any monies received in year are used to internally borrow against the Council’s Capital Financing Requirement and reduce the need external borrowings. Currently this amounts to less than £2m per annum. 	<p>important part of the funding for the Council’s Service Delivery.</p> <ul style="list-style-type: none"> • Use of reserves need to be carefully planned as reserves can only be spent once. It is important that sufficient funds are held in reserves for the periods when the support from those reserves will be required. Noting that Revenue Grants Unapplied like Earmarked Revenue Reserves can only be used for the purposes they were intended. • The use of the reserves for 2024-25 cover three areas: Funding of growth bids, which have been presented to and approved by the relevant Committees; Use of the Sinking Funds to maintain the Council’s £10m annual contribution from net investment and regeneration rental income or to receive surplus funds from the net investment and regeneration rental income exceeds the annual £10m contribution: To use £703.8k of the Social Housing Initiative Fund, to cover the budget deficit caused by the £907.6k growth bid for additional homelessness support, one of the Council’s statutory services.
<p>This is what we want to do about it</p>	<p>These are the next steps</p>
<ul style="list-style-type: none"> • Note that the red figures with a negative number in Appendix A 	<ul style="list-style-type: none"> • The Committee reviews the Council’s projected Estimated Future

<p>represent the credit balances of the Council’s reserves and should be recognised as a good position, increasing reserve balances, whereas the black figures which are a positive number, reflect the debit entries and a reduction to the Council’s Earmarked Revenue Reserves.</p> <ul style="list-style-type: none"> • Review the notes on reserves in section 13 of this report to develop your understanding of the principles of reserves. • Take a view of the Estimated future Earmarked Revenue Reserves for the four years to 31 March 2028 (Appendix A). • Question Budget Managers about their future use of the relevant reserves. • Consider alternative options to fund the current budget deficit of £703,800. • Seek to maintain the Council’s future Earmarked Revenue Reserves at a level that will ensure the Council has sufficient cash backed reserves to fund the Council’s cash flow requirements. 	<p>Earmarked Revenue Reserves for the four years to 31 March 2028.</p> <ul style="list-style-type: none"> • The Committee note the Council’s projected Earmarked Reserves for the four years ended 31 March 2028 and the use of the £703,800 from Earmarked Revenue Reserves in order to balance the 2024-25 budget.
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1. Important Information

1.1 This report is subject to two items:

- (a) the 2023-24 Revenue Outturn Report, which will focus on the year just gone, i.e., it is backward looking, will come before this Committee in June. At present, the estimated closing balances on the reserves has been based on the Quarter 3 Revenue Monitoring Report (to be submitted to this Committee next month).

The final 2023-24 Revenue Outturn Report, with any recommendations that impact on reserves will be presented to this Committee in June, for discussion and approval of the actual amounts to be sent to and received from reserves during 2023-24, based on the Quarter 3 Revenue Monitoring Report and subject to Council approval, Officers are expecting to see a considerable reduction in the need to obtain

funding from the Sinking Fund, due to reduced refurbishment costs at two of the Council's premises.

- (b) the 2024-25 Budget process, which involves a review of budgets and approval by Committees, noting that the Administration Committee is meeting on 8 February 2024, and any actions to be agreed at this meeting have not been reflected in this report.
- 1.2 Following individual committees' reviews, each Committee budget must be approved by Corporate Policy & Resources Committee, who will also recommend for approval the below the line items including sinking funds movements, interest and earnings budget and movements into and out of reserves, before the 2024-25 Budget is sent to Council for approval at their meeting on 22 February 2024.
- 1.3 Any changes to the budget between the Committees and ultimate Council approval on 22 February could have an impact on this report and result in updates being issued.
- 1.4 With regard to the opening balances on reserves for 2024-25, i.e., 1 April 2024, see Appendix A, as mentioned in 1.1(a) above, Officers have estimated the situation in January 2024, and the figures will be liable to change, particularly as a result of Revenue Outturn for 2023-24 and Grants received in the year not fully utilised. A detailed report will be provided to this Committee on the final reserve's situation at 31 March 2024 in June.
- 1.5 Please note that the Administration Committee meets on 8 February and any decisions made there could impact on this report. Officers will issue an addendum report if required or provide a verbal update at the meeting.
- 1.6 The Revenue Grants unapplied can only be used for the intention that the grant was made in the first instance, i.e., they cannot be repurposed.
- 1.7 At this stage, there is no need to consider repurposing any of the Council's other current Earmarked Revenue Reserves.

2. Key issues

Earmarked Reserves	2024-25	2025-26	2026-27	2027-28
	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>
08/02/2024	<u>c/fwd</u>	<u>c/fwd</u>	<u>c/fwd</u>	<u>c/fwd</u>
Capital Grants Unapplied	£0	£0	£0	£0
<u>Earmarked Revenue Reserves</u>				
Revenue Grants Unapplied	-4,570,875	-4,570,875	-4,570,875	-4,570,875
Capital Fund	-1,442,593	-1,442,593	-1,442,593	-1,442,593
Insurance Reserve	-50,041	-50,041	-50,041	-50,041
Planned Spending Funds	-13,131,365	-13,078,165	-13,024,965	-12,971,765
Sinking Fund	-25,767,970	-21,512,808	-20,759,992	-21,534,591
Youth Council Bal B/fwd	-19,814	-19,814	-19,814	-19,814
Environmental Impact Reserve Bal B/fwd	-154,176	-154,176	-154,176	-154,176
Contributions from Developers	-9,829,972	-9,783,772	-9,737,572	-9,691,372
General Fund Balance Bal B/fwd	-2,482,140	-2,482,140	-2,482,140	-2,482,140
Total Earmarked Reserves at 31 March	-£57,448,946	-£53,094,384	-£52,242,168	-£52,917,367

- 2.1 The Summary table above is taken from Appendix A below and shows the closing balance at 31 March each year.
- 2.2 Please note that the red negative figures represents the credit balance in the general ledger and is a good figure.
- 2.3 The Council receives on average £1.5m per annum in capital grants and receipts. These funds are fully utilised in the year to internally borrow and reduce the need for external borrowing.
- 2.4 Full details can be seen in the appendix below or by reviewing the Capital Financing Requirement in the 2024-25 Treasury Management Strategy Report, being discussed at this Committee meeting.
- 2.5 The Council's Earmarked Revenue Reserves have been assigned by Council and can only be used for the purpose they were intended, for example, it is not possible to use the Sinking Fund Reserves to fund an FTE role within the Council. However, through the process of review and revision of the Reserves Strategy it is possible to repurpose the reasons reserves are held or to combine reserves. However, as mentioned above, there is currently no need for Council to conduct this operation.
- 2.6 On 27 November 2023, Corporate Policy & Resources Committee gave approval for officers to use up to £1.1m from reserves to cover the 2024-25 Budget deficit, to present a balanced budget to Council.
- 2.7 Since the single largest growth bid impacting on the Council's budget was £907.6k in respect of anticipated additional homelessness costs, it is suggested that the social housing Initiative Reserve would be utilised to cover the final deficit.
- 2.8 All other reserves, apart from those specified in the funding of growth bids for 2024-25, are unaffected and will not be repurposed.
- 2.9 The table below, (source LG Futures) shows the current reserves levels, and the movement in those reserves over 3 years, for all Districts and Boroughs in Surrey, (excluding Woking) together with Surrey County Council

Usable Revenue Reserves Analysis

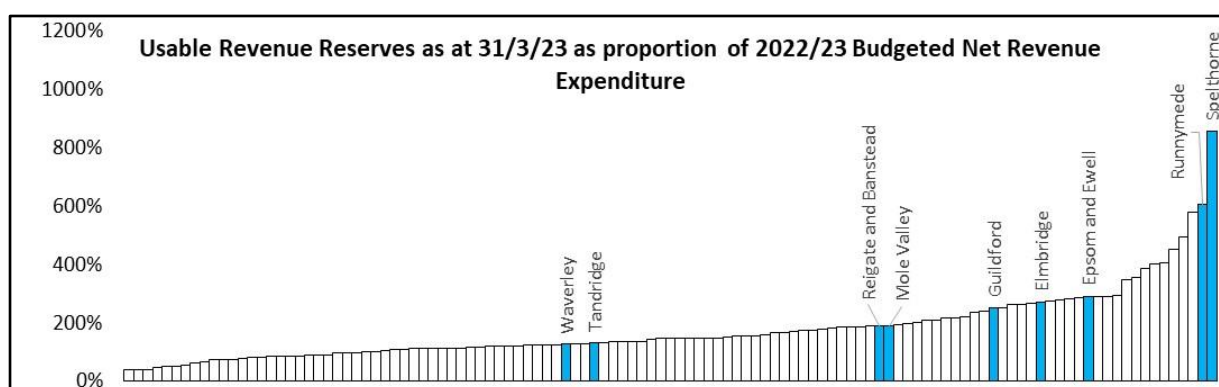
From accounts or templates completed by authorities with unpublished accounts.
Mole Valley adjusted subsequent to accounts publication.

Authority	2019/20	2022/23	Change (£'000s)	Change (%)	22/23 as a % of NRE
Elmbridge	39,014	47,216	8,202	21%	279%
Epsom and Ewell	18,374	27,789	9,415	51%	289%
Guildford	47,645	32,704	-14,941	-31%	250%
Mole Valley	10,337	11,890	1,553	15%	111%
Reigate and Banstead	41,591	33,156	-8,435	-20%	191%
Runnymede	26,548	51,319	24,771	93%	606%
Spelthorne	44,227	71,253	27,026	61%	857%
Surrey Heath	34,593	47,847	13,254	38%	345%
Tandridge	4,000	9,624	5,624	141%	130%
Waverley	14,728	20,640	5,912	40%	127%
Woking	28,751		no data		
Surrey Districts Total	281,057	353,438	72,381	26%	290%
District Average				28%	166%
Surrey	275,190	529,563	254,373	92%	59%
DSG Deficit	-48,632	-150,099	-101,467	209%	
URR less DSG deficit	226,558	379,464	152,906	67%	42%
					41%

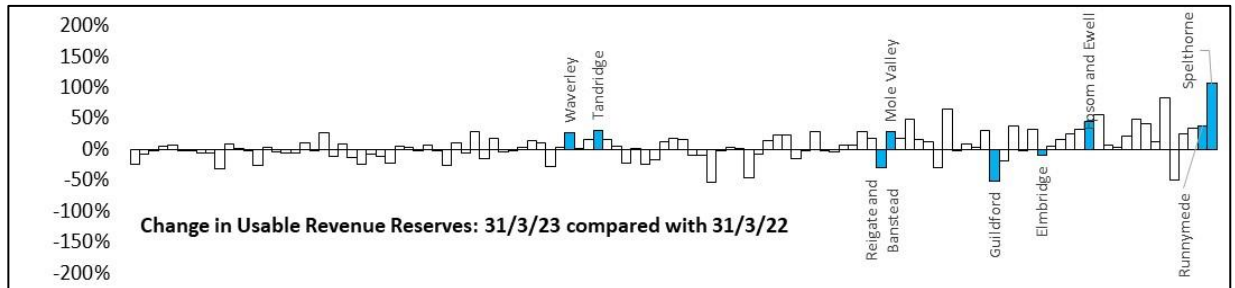
† Average (taking account of DSG deficits)

2.10 From the chart Spelthorne has the highest aggregate reserves of £71,253,000 of all the District & Boroughs.

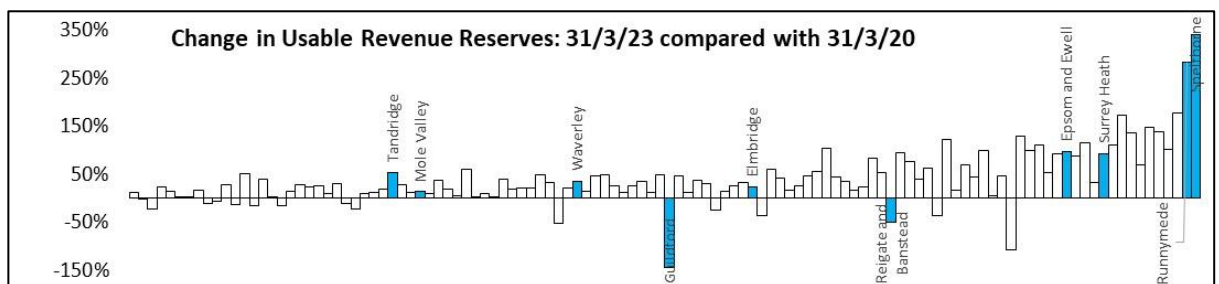
Whilst the percentage of Net Revenue Expenditure (Net Revenue Expenditure (NRE) is defined as Revenue Income, less Revenue expenditure) at 857%, is of interest, because each Council provides different levels of discretionary services, it is difficult to draw a direct comparison with other District & Boroughs.



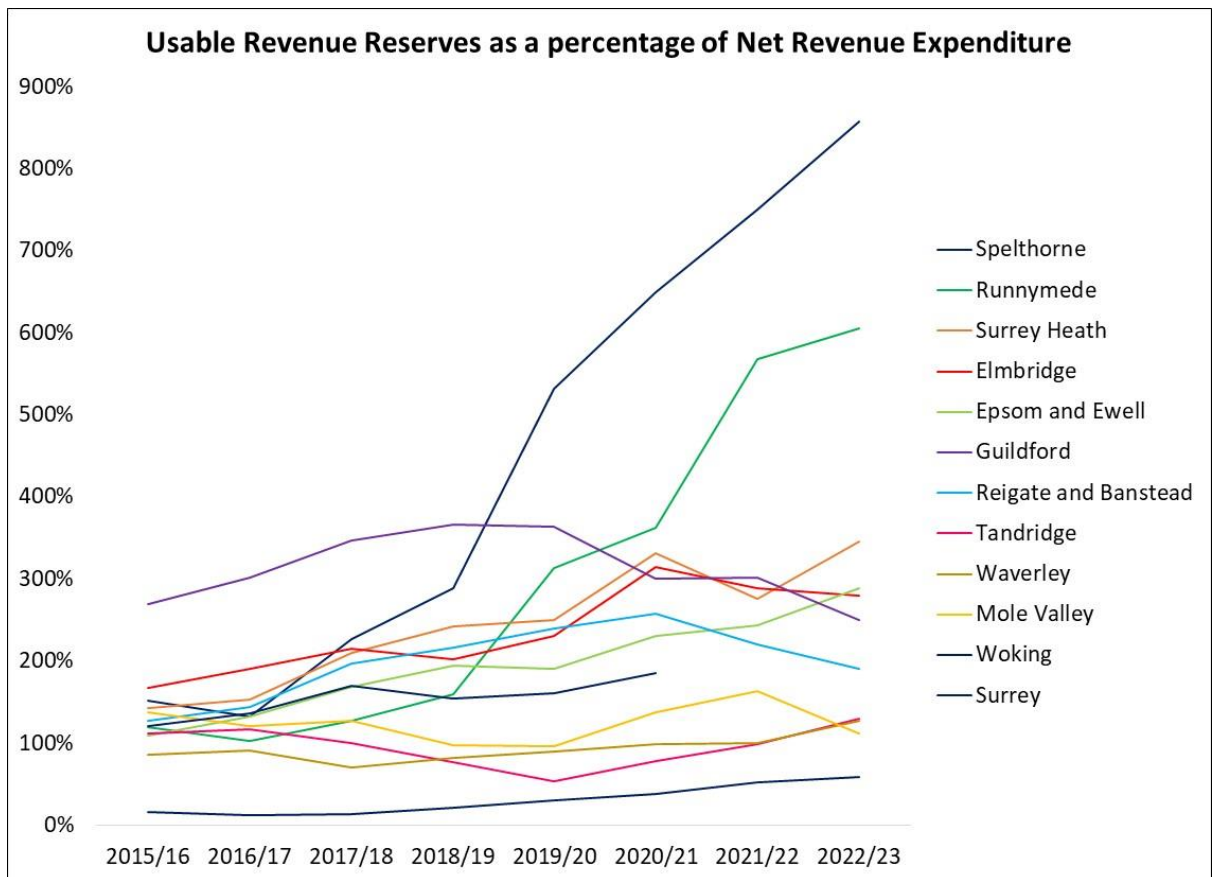
- 2.11 The chart above shows the usable revenue reserves at 31 March 2023 as a portion of Net Revenue Expenditure. For the Surrey District & Boroughs, with all the similar English District & Boroughs, which once again show that Spelthorne has the highest percentage of reserves.
- 2.12 The next chart takes the information in the table in 3.3 above and shows the change in usable revenue reserves for all District & Boroughs in England, which highlights that based on Council's decisions, Spelthorne Borough Council has the highest percentage increase in reserves.



- 2.13 This is also reflected in the chart below, which shows the positive change (increase) in reserves since 31 March 2020.



- 2.14 In response to the austerity programme and significant reductions in funding to Council, with the Council losing its general Revenue Support Grant and at one stage facing the prospect of having to pay negative grant to Government, the Council during the period 2016-2018 acquired an investment portfolio to generate long term income streams to offset loss of grant income. The Council recognised that managing investment assets and relying on tenant rental streams has risks and a key element of mitigating this risk was to build up a safety net of funds in the form of sinking fund reserves to be available to offset dips in rental income when tenants end leases. The growth of the sinking funds reserves has had a strong impact on the reserves of this Council and the chart below shows that change in the Councils usable Revenue Reserves as a percentage of Net Relevant Expenditure.



2.15 Investment and Regeneration Property Sinking Funds

- (a) Council have been advised of a challenging three years ahead (2023-24 and 2025-26) for the Sinking Funds based on the five-year planning cycle, which was why Council approved a £2.5m one off payment into the Sinking Funds as part of the 2021/22 Outturn Report.
- (b) As previously reported, the Ukraine War has impacted on our Sinking Funds by just over £4.1m over 2022/23 and 2023/24, in respect of Roundwood Avenue, for lost rent and unplanned refurbishment work conducted, as a result of the premises being empty.
- (c) As part of the Revenue Budget Rollover for 2023-24 into 2024-25, Council approved the budget rollover of £4.1m of refurbishment costs (£3.3m Roundwood Avenue and £0.8m for the Charter Building) via the Sinking Fund, i.e., an increase in funding into the Sinking Fund.
- (d) When combined with a couple of tenants turnover, Officers are forecasting a net funding situation of up to £7.0m from the Sinking Fund between 2024-25 and 2026-27, i.e., a reduction in the Sinking Fund Balance
- (e) From 2027-28 onwards the Council will be making net contributions into the Sinking Funds to start replenishing them.

- 2.16 The current depressed property market makes it difficult for Council to consider selling its investment assets, as any shortfall between the purchase price and sale price would crystallise a substantial capital loss that would negatively impact on the Revenue budget, and this would need to be funded

from Council's existing General Fund & Earmarked Revenue Reserves (ERR).

- 2.17 The reduction in heights of buildings, adverse interest rate movements and increased constructions costs has resulted in Knowle Green Estates Ltd (KGE) business model changing dramatically, so much so, that they are unable to contribute a net £1.25m per annum to the Council (for the next 50 years), further, the decision by Council at their meeting on 19 October 2023, to suspend the direct accessible housing delivery projects has had a significant impact on KGEs finances. Until Council implements a revised strategy and transfers a substantial number of housing units for KGE to manage, KGE may need support from the Council's Earmarked Revenue Reserves (ERR), as Council will have to cover the shortfall, which in turn, will cause significant issues for our Medium-Term Financial Plan (MTFP) and long term future viability.
- 2.18 Approved ERR can only be utilised for the purposes they were established for, for example, revenue grants unapplied, relates to monies received from Central Government and other third parties that must be spent on a specific project, usually with a deadline and after the deadline any unapplied grants for that purpose are returned to the provider and cannot be used, for example, to fund a new Full Time Equivalent (FTE) post.
- 2.19 A strong performance from Council's investment property strategy over the last five years, which has generated over £10m per annum to support Council services and assist with the regeneration of communities, is only part of the picture. Whilst the Council has been put into a strong position, there is no room from complacency over the next five years and Council still needs to have a strong and clear medium term reserves strategy, together with regular monitoring of Council's reserves, as without one, Spelthorne Borough Council could potentially see its reserves, reduce to critical levels in a relatively short number of years, based on the current MTFP projections.
- 2.20 This is further compounded by a £1.25m reduction in MTFP forecast Council income from its subsidiary Knowle Green Estates LTD (KGE), caused by delays in obtaining planning permission, height restrictions, rising interest rates, and building materials and labour inflation. Without any plans to replace this lost income, Council will have to face up to some extremely difficult decisions around what essential services to cut, reduce or mothball, It will need to provide continuing cashflow support of up to £400k per annum to KGE for the next five years or acquire additional properties to build a critical mass of housing stock for KGE, that supports its current overhead cost base. Please note that the Board of Directors are reducing the annual budget deficit and the funding structure (subject to Council approval) both of which will reduce the amount of annual cash flow support from the Council.

3. Options analysis and proposal

- 3.1 The 2024-25 Budget setting process has proved very challenging for the Council, particularly with a £907,600 growth bid from one of the Council's statutory services, Homelessness, particularly with respect to the need to provide additional temporary accommodation for families in housing need.
- 3.2 There has been limited additional central funding to offset these external pressures and it is having a serious impact on all Districts & Boroughs in

England, some of whom believe that this will move them closer to issuing a S114 Notice.

- 3.3 It would appear that the unusual decision by Department of Levelling Up Housing and Communities (DLUHC) and Chartered Institute of Public Finance and Accountancy (CIPFA) to guide all Councils to credit the Covid Grants received in February 2022 to be paid between 1 April to 30 April 2022, to Earmarked Revenue Reserves rather than short term liabilities, led to all Council's artificially inflating d Earmarked Revenue Reserves at 31 March 2022. In Spelthorne Borough Council's case this amounted to £26.9m, which is allowing DLUHC to erroneously conclude that all councils have sufficient reserves to cover this additional and unexpected expenditure.
- 3.4 Whilst Spelthorne Borough Council has £71.3m of Earmarked Revenue Reserves at 31 March 2023, they have been earmarked for specific purposes and can only be use with the approval of Council.
- 3.5 Officers have reviewed the growth bids for each Committee as set out in the Service Plans submitted and discussed by each Committee between October and November and set out in Appendix A is a summary of the movement on Earmarked Revenue Reserves for the next four years.
- 3.6 In respect of 2024-25:
- (a) £395.1k of reserves as detailed in the outline budget report are being used to fund some of the growth bids and have been approved by the relevant Committees, as set out in the approved Growth bids.
 - (b) A net £2,016k of reserves are being used from the Sinking fund to maintain the £10m contribution to front line services.

(Appendix A below shows the full movement on the Sinking fund for the four years to 2027-28).
 - (c) £703.8k of funding is being used to cover the budget deficit and balance the budget.
- 3.7 Officers have reviewed the other alternatives, to avoid using the Council Earmarked Revenue Reserves, which included:
- (a) Increase Fees and Charges – due to the ongoing Cost-of-Living crisis Officers it is believed that in most cases this would be counterproductive, as many of the discretionary service provided are available to residents elsewhere or like our car parks, there was a major shift in demand away from using our Car Parks following the pandemic.
 - (b) Reduce expenditure – Officers have implemented several savings initiatives, which has included the following cashable savings:
 - i) £2.1m one off service savings
 - ii) £120k p.a. of cashable savings
 - iii) £85k p.a. of business improvement savings
 - iv) £50k p.a. of green initiative savings
 - v) £100k p.a. of procurement savings
- The performance against budgets for items (ii) to (v) above will be incorporated into the quarterly budget monitoring report to provide

Council and Committees with an update on progress, in delivering these savings.

- (c) Stop delivering some discretionary services – any such decision will be subject to Committee and or Council approval.
- (d) Sell selected Council assets – There are currently no plans to sell off any Council asset(s), particularly our investment portfolio assets, which have been discussed in detail with the Development Subcommittee, as the property valuations have fallen below cost. Therefore, if the asset is sold at a loss, a capital loss will crystallise and this will impact on the revenue budget and will need to be funded, by either Council approving the cutting of services, or from the General Fund or Earmarked Revenue Reserves.

Currently rental yields are being maintained and by having the Sinking Fund available, the £10m contribution towards frontline services is being delivered, therefore there is no need to consider selling off any of these assets.

This then leaves small municipal assets or parcels of land that could be sold, however, the sales processed realised would be extremely small.

- (e) Sell Knowle Green Estates Ltd (KGE) – An option could be for the Council to consider selling off this subsidiary, and generate a capital gain, which could be offset against any future capital losses.

Please note, that the Board of KGE have implemented robust cost control, and with additional units becoming available to assist the housing challenges in the Borough, this is having a positive impact on cashflow, which will assist in the short term to reduce the annual cash flow support provided by the Council.

4. Financial management comments

- 4.1 Officers in the Planning teams are indicating that there may be additional costs of up to:
 - (a) £45,000 in respect of proceeding to restart the Local Plan Examination, subject to the agreement of Council.
 - (b) £72,000 for additional legal fees for planning and enforcement appeals
 - (c) £45,000 for use of consultant
- 4.2 However, there is a great deal of uncertainty as to the likelihood of this expenditure being incurred and of the actual amount of costs on item (b) as future appeals may or may not materialise on certain sites.
- 4.3 As there is a high degree of speculation regarding the outcome and value of additional costs, officers are recommending that for the 2024-25 Outline Budget these costs are ignored.
- 4.4 In the event that these cost or the event comes to fruition, then this should be treated as an in-year growth bid and should be funded from the relevant Earmarked Revenue Reserves, which would maintain a balanced budget.

5. Risk management comments

- 5.1 The report refers to several risks and issues. As there has been limited additional central government funding to offset external pressures, this presents implications for the Council's financial planning and budgetary management. It is having a serious impact on all Districts & Boroughs in England, some of whom believe that this will move them closer to issuing a S114 Notice.
- 5.2 The report refers to the challenges relating to the 2024-25 budget process, including a substantial growth bid from one of the Council's statutory services. In producing a balanced budget for 2024-25, this report outlines how the Council's Earmarked Revenue Reserves form an important part of the funding for the Council's Service Delivery.
- 5.3 The report already refers under section 1 to a key risk consideration, 'Use of reserves need to be carefully planned as reserves can only be spent once. It is important that sufficient funds are held in reserves for the periods when the support from those reserves will be required.' The Council's Earmarked Revenue Reserves have been assigned by Council and can only be used for the purpose they were intended. Whilst Spelthorne Borough Council has £71.3m of Earmarked Revenue Reserves at 31 March 2023, they have been earmarked for specific purposes and can only be used with the approval of Council.
- 5.4 The Sinking Fund reserves are also earmarked revenue reserves, to support and maintain Council's frontline services. The report highlights the period when there is expected to be a dip in the sinking fund balance which will need to be carefully managed. From 2027-28 onwards the Council will be making net contributions into the Sinking Funds.
- 5.5 Analysis of other Surrey Borough's and districts use of reserves/levels is included in the report to provide comparative data with Spelthorne.
- 5.6 The report refers to alternative options at para 3.7 to avoid using the Council's earmarked reserves. Risk evaluations/considerations for each of those options are not part of this report.

6. Procurement comments

- 6.1 There are none.

7. Legal comments

- 7.1 There are none.

8. Other considerations

- 8.1 There are none.

9. Equality and Diversity

- 9.1 Use of reserves in a judicious, planned way can help secure time for efficiency savings to be delivered and thereby avoid the need for more immediate cuts which would require equality impact assessments.

10. Sustainability/Climate Change Implications

- 10.1 There are none.

11. Timetable for implementation

11.1 Implemented as part of the 2024-25 budget setting process and the ongoing medium term financial strategy.

12. Contact

12.1 Paul Taylor P.taylor@spelthorne.gov.uk

Background papers:

Outline Budget Report 2024-25 and the MTFS Forecasts

Note below.

1 - Introduction to reserves

1.12 - Background and purpose to Spelthorne Borough Council's reserves.

1.18 - Management of reserves

Appendices:

Appendix A – Estimated Forecast Earmarked Revenue Reserves as at 31 March 2024 and 2025, 2026 and 2027.

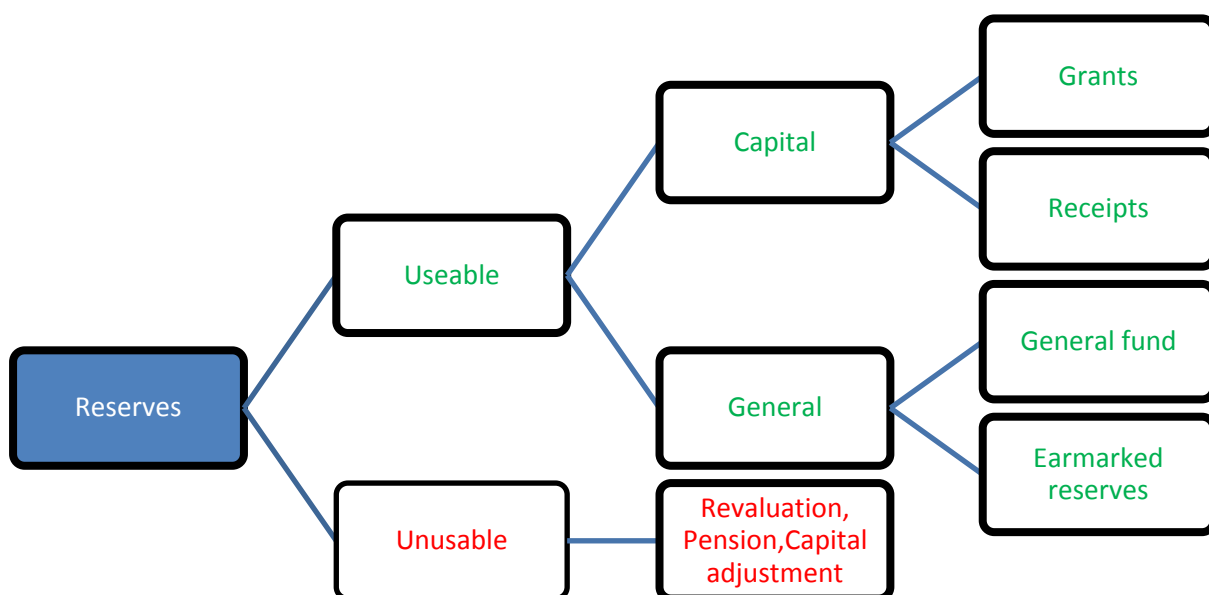
Notes to the report

13. Introduction to Reserves

13.1 The Council manages its money by dividing it between two types of reserves - useable reserves and unusable reserves (an explanation of these terms can be found below).

13.2 Managing our money in this way means that we can budget successfully for what we need to deliver services now whilst building up funds that will grow over time for a specific purpose or to protect services in the future.

13.3 The chart and explanations below illustrate how those reserves are split.



- 13.4 **Useable reserves:** This is money that each council has set aside to provide services such as rubbish collection and for its day to day running. Useable reserves are made up of two further pots known as the 'general fund' and 'capital reserves'. These two useable reserves are in turn made up of other pots of money.
- (a) **General Fund balance:** funds held without any specific purpose, serving as a financial safety net for unforeseen expenses, emergencies, or fluctuations in revenue. These reserves help maintain stable finances and ensure the council can continue to deliver essential services during challenging circumstances. Over time the Council, given the increasingly uncertain times we are operating in has been seeking to gradual build up the size of the General Fund.
 - (b) **Earmarked reserves:** Earmarked reserves are funds set aside by councils for specific projects, initiatives, or expenditures. They are allocated based on council priorities and can be used for both capital and revenue spending.
 - (c) **Capital receipts:** This is the name given to the income received when assets are sold (such as land or buildings) in Spelthorne BC, these receipts will include the monies received from KGE. Capital receipts can only be used to buy or fund capital expenditure. Capital expenditure is the money spent on buying assets that have a lasting value. These assets could be land, buildings, or large pieces of equipment such as refuse vehicles.
 - (d) **Capital grants:** Capital grants are sums of money given to councils by the government or other public sector bodies. This money can only be used to fund capital expenditure, in other words this money can only be used to buy assets of lasting value.
- 13.5 **Unusable reserves:** The unusable reserves contain funds that cannot be used to provide services or used for day to day running costs. These reserves are required by the accounting and statutory regulations the Council follows and enable proper accounting practice to be applied and then reversed out to ensure no impact on council tax bottom line. The unusable reserves hold funds that have 'unrealised gains or losses'. This means that we have assets such as buildings whose value changes over time. There may also be commitments linked to these assets such as loans or maintenance needs. The funds held in the unusable reserves fund can only be unlocked and turned into usable money if the assets are sold.
- 13.6 Reserves play an important part in the Council's medium-term financial strategy and are held to create long-term budgetary stability. They enable the Council to manage change without undue impact on the Council Tax, as set out in the November 2023 Outline Budget report, and are a key element of its strong financial standing and resilience.
- 13.7 The Council holds reserves to mitigate future risks, such as increased demand and costs; to help absorb the costs of future liabilities; and to enable the Council to resource policy developments and initiatives without a disruptive impact on Council Tax.

- 13.8 Capital reserves play a crucial role in funding the Council's Capital Strategy. The Capital Receipts Reserve are used to create capacity to meet future capital investment.
- 13.9 The Council relies on interest earned through holding reserves to support its general revenue spending plans.
- 13.10 Reserves are one-off money. The Council aims to avoid using reserves to meet ongoing financial commitments other than as part of a sustainable budget plan.
- 13.11 The Council must balance the opportunity cost of holding reserves in terms of Council Tax against the importance of interest earning and long-term future planning.
- 13.12 **Background and purpose to Spelthorne Borough Council's reserves.**
- (a) Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to consider the level of reserves when setting a Budget Requirement. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (Section 151 Officer) to report formally on the adequacy of proposed reserves when setting the Budget Requirement each February.
 - (b) Reserves are an important part of the Council's financial strategy and are held to create long-term budgetary stability. They enable the Council to manage change without undue impact on the Council Tax and are a key element of its strong financial standing and resilience. The Chartered Institute of Public Finance and Accountancy (CIPFA) monitors trends in movements in reserves as part of its Resilience Index. In recent years, the Council has been steadily increasing the level of its reserves, particularly its Sinking Funds. The Council's key sources of funding face an uncertain future and the Council therefore holds earmarked reserves and a working balance to mitigate future financial risks.
 - (c) Earmarked reserves are reviewed annually as part of the budget process, to determine whether the original purpose for the creation of the reserve still exists and whether the reserves should be released in full or in part. Particular attention is paid in the annual review to those reserves whose balances have not moved over a three-year period.
 - (d) The Council's overall approach to reserves will be defined by the system of internal control. The system of internal control is set out, and its effectiveness reviewed, in the Annual Governance Statement. Key elements of the internal control environment are objective setting and monitoring, policy and decision-making, compliance with statute and procedure rules, risk management, achieving value for money, financial management and performance management.
 - (e) The Council currently maintains:
 - i) · a General Fund general reserve.
 - ii) · various earmarked general reserves.
 - iii) · a Capital Grants reserve; and
 - iv) · a Capital Receipts reserve.

- (f) Additionally, the Council is required to maintain unusable reserves to comply with accounting requirements although, as the term suggests, these reserves are not available to fund expenditure.

The level of the general reserve is a matter for the Council to determine having had regard to the advice of the Chief Finance (S151) Officer. The level of the reserve will be a matter of judgement which will take account of the specific risks identified through the various corporate processes. It will also take account of the extent to which specific risks are supported through earmarked reserves.

- (g) In principle, only the income derived from the investment of reserve funds should be available to support recurring spending.

13.13 Purpose

13.14 Reserves are therefore held for the following purposes, some of which may overlap and include:

- (a) Providing a working balance i.e., the General Fund general reserves.
- (b) Smoothing the impact of uneven expenditure profiles between years e.g., local elections, structural building maintenance and carrying forward expenditure between years.
- (c) Holding funds for future spending plans e.g., Capital Expenditure Reserve, and for the renewal of operational assets e.g. repairs and renewal, and Information Technology renewal.
- (d) Meeting future costs and liabilities where an accounting 'provision' cannot be justified.
- (e) Meeting future costs and liabilities to cushion the effect on services e.g. The Insurance Reserve for self-funded liabilities arising from insurance claims.
- (f) To provide resilience against future risks.
- (g) To create policy capacity in a context of forecast declining future external resources e.g., COVID-19 Resilience Reserve

13.15 All earmarked reserves are held for a specific purpose. This, together with a summary on the movement on each reserve, is published annually, to accompany the annual Statement of Accounts.

13.16 The use of some reserves is limited by regulation e.g., the Collection Fund balance must be set against Council Tax and Business Rates levels

13.17 As part of the Annual Budget, Treasury Management Strategy and the Capital Strategy setting process, Officers will review the reserves and apply reserves as part of the Capital Financing Requirement (CFR), typically, using Capital Receipts, Capital Grants, or contributions from revenue in the first instance. (The CFR is the amount of capital expenditure that has not yet been financed by capital receipts, capital grants or contributions from revenue).

13.18 Management of Reserves

13.19 All reserves are reviewed as part of the Budget preparation, financial management and closing processes. The Council will consider a report from the S151 (Chief Finance) Officer on the adequacy of the reserves in the annual budget-setting process. The report will contain estimates of reserves

where necessary. The Cabinet will consider actual reserves when approving the statement of accounts each year.

13.20 The following matters apply to our major useable reserves as restated:

- (a) The General Fund working balance will not fall below £2.176 million without the approval of The Council.
- (b) The Asset Improvement Reserve is applied to meet future costs of improving or maintaining our properties.
- (c) The Rent Equalisation Reserve (Sinking Funds) is available to cover rent free periods, capital and revenue incentives for incoming tenants, voids, defaults, and refurbishment at the end of each lease.
- (d) The Business Rates Equalisation Reserve is available to smooth out the irregularity of business rates income retained.
- (e) The Interest Equalisation Reserve is available to smooth out interest rate fluctuations in volatile market conditions.
- (f) There are several minor reserves that are still required going forward, i.e., Youth Council and Social Housing Initiative as they are currently still required.

13.21 The Council will review the Reserves Policy on an annual basis as part of the budget setting process and from time to time may restructure its reserves to meet its future needs and plans.

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Earmarked Reserves																
	08/02/2024															
	2024-25				2025-26				2026-27				2027-28			
	<u>Balance</u>			<u>Balance</u>	<u>Balance</u>			<u>Balance</u>	<u>Balance</u>			<u>Balance</u>	<u>Balance</u>			<u>Balance</u>
	<u>b/fwd</u>	<u>To</u>	<u>(From)</u>	<u>c/fwd</u>	<u>b/fwd</u>	<u>To</u>	<u>(From)</u>	<u>c/fwd</u>	<u>b/fwd</u>	<u>To</u>	<u>(From)</u>	<u>c/fwd</u>	<u>b/fwd</u>	<u>To</u>	<u>(From)</u>	<u>c/fwd</u>
Capital Grants Unapplied																
Capital Grants Unapplied	0	-1,200,000	1,200,000	0	0	-1,200,000	1,200,000	0	0	-1,200,000	1,200,000	0	0	-1,200,000	1,200,000	0
Usable Capital Receipts	0	-300,000	300,000	0	0	-300,000	300,000	0	0	-300,000	300,000	0	0	-300,000	300,000	0
Earmarked Reserves																
Housing Options Grants																
DCLG Preventing Repossessions	-16,081			-16,081	-16,081			-16,081	-16,081			-16,081	-16,081			-16,081
Sanctuary	0			0	0			0	0			0	0			0
Housing Locata grant	-2,931			-2,931	-2,931			-2,931	-2,931			-2,931	-2,931			-2,931
DCLG Right to Move	-3,044			-3,044	-3,044			-3,044	-3,044			-3,044	-3,044			-3,044
Prevent Homelessness	-1,461,978		703,800	-758,178	-758,178			-758,178	-758,178			-758,178	-758,178			-758,178
Rough Sleep Initiative	-21,261			-21,261	-21,261			-21,261	-21,261			-21,261	-21,261			-21,261
Domestic Abuse	0			0	0			0	0			0	0			0
Accommodation for Offenders	0			0	0			0	0			0	0			0
LA Housing Fund (instalment 1)	-374,000			-374,000	-374,000			-374,000	-374,000			-374,000	-374,000			-374,000
Tenant Satisfaction Measures	-2,217			-2,217	-2,217			-2,217	-2,217			-2,217	-2,217			-2,217
Afghan Scheme Grant funding	-1,111,675			-1,111,675	-1,111,675			-1,111,675	-1,111,675			-1,111,675	-1,111,675			-1,111,675
	-2,993,187	0	703,800	-2,289,387	-2,289,387	0	0	-2,289,387	-2,289,387	0	0	-2,289,387	-2,289,387	0	0	-2,289,387
Housing Benefits Grants																
DWP HB Reforms Transitional Funding	-15,265			-15,265	-15,265			-15,265	-15,265			-15,265	-15,265			-15,265
DWP HB Implementation of welfare reform change	-251,816			-251,816	-251,816			-251,816	-251,816			-251,816	-251,816			-251,816
DWP New burdens funding - Universal Credit Fundi	-10,826			-10,826	-10,826			-10,826	-10,826			-10,826	-10,826			-10,826
ATLAS	-2,579			-2,579	-2,579			-2,579	-2,579			-2,579	-2,579			-2,579
Incapacity Benefit and Income Support Reassessme	-6,438			-6,438	-6,438			-6,438	-6,438			-6,438	-6,438			-6,438
Additional DHP Funding	-15,448			-15,448	-15,448			-15,448	-15,448			-15,448	-15,448			-15,448
Migrants Access to Benefit Changes to Housing Ben	-3,427			-3,427	-3,427			-3,427	-3,427			-3,427	-3,427			-3,427
New Burdens - Single Fraud Investigation Service	-4,721			-4,721	-4,721			-4,721	-4,721			-4,721	-4,721			-4,721
New Burdens - Real Time Information	-177,232			-177,232	-177,232			-177,232	-177,232			-177,232	-177,232			-177,232
DWP FERIS (subsidy incentive funding scheme)	-14,712			-14,712	-14,712			-14,712	-14,712			-14,712	-14,712			-14,712
Universal Credit funding - PSB	-39,305			-39,305	-39,305			-39,305	-39,305			-39,305	-39,305			-39,305
New Burdens - Implementation of the 2016 Benefit	-28,328			-28,328	-28,328			-28,328	-28,328			-28,328	-28,328			-28,328
Removal of temporary accommodation managemen	-258			-258	-258			-258	-258			-258	-258			-258
DWP Severe Disability Changes	-1,343			-1,343	-1,343			-1,343	-1,343			-1,343	-1,343			-1,343
LA Data Sharing IT costs	0			0	0			0	0			0	0			0
HB User group funds	-315			-315	-315			-315	-315			-315	-315			-315
HB Award Accuracy Initiative	-18,422			-18,422	-18,422			-18,422	-18,422			-18,422	-18,422			-18,422
	-590,435	0	0	-590,435	-590,435	0	0	-590,435	-590,435	0	0	-590,435	-590,435	0	0	-590,435

Earmarked Reserves																
	08/02/2024															
	2024-25				2025-26				2026-27				2027-28			
	Balance			Balance	Balance			Balance	Balance			Balance	Balance			Balance
	b/fwd	To	(From)	c/fwd	b/fwd	To	(From)	c/fwd	b/fwd	To	(From)	c/fwd	b/fwd	To	(From)	c/fwd
Ind Living Grants																
Historic PPP Funding	-52,988			-52,988	-52,988			-52,988	-52,988			-52,988	-52,988			-52,988
Surrey CC - Provision of wellbeing prescribing	-317,016			-317,016	-317,016			-317,016	-317,016			-317,016	-317,016			-317,016
NWS Alliance Prevention - Refugees	-139,500			-139,500	-139,500			-139,500	-139,500			-139,500	-139,500			-139,500
NWS Alliance Prevention - Intervention	-114,365			-114,365	-114,365			-114,365	-114,365			-114,365	-114,365			-114,365
NWS Alliance Prevention - High Needs Transport	-90,000			-90,000	-90,000			-90,000	-90,000			-90,000	-90,000			-90,000
NWS Alliance Prevention - Assisted Living	-50,000			-50,000	-50,000			-50,000	-50,000			-50,000	-50,000			-50,000
	-763,869	0	0	-763,869	-763,869	0	0	-763,869	-763,869	0	0	-763,869	-763,869	0	0	-763,869
Leisure Grants																
Sport England - Boccia sessions	-2,435			-2,435	-2,435			-2,435	-2,435			-2,435	-2,435			-2,435
SCC - Shepperton Skate Park (rubber matting)	-1,500			-1,500	-1,500			-1,500	-1,500			-1,500	-1,500			-1,500
Surrey Youth Games	-5,523			-5,523	-5,523			-5,523	-5,523			-5,523	-5,523			-5,523
SCC 'Get Active 50+'	-8,048			-8,048	-8,048			-8,048	-8,048			-8,048	-8,048			-8,048
Together Fund Dynamo Ukraine	-1,240			-1,240	-1,240			-1,240	-1,240			-1,240	-1,240			-1,240
	-18,746	0	0	-18,746	-18,746	0	0	-18,746	-18,746	0	0	-18,746	-18,746	0	0	-18,746
Customer Services Grants																
Localising Council Tax Support New Burdens	-116,608			-116,608	-116,608			-116,608	-116,608			-116,608	-116,608			-116,608
Council Tax Transition Grant	-16,026			-16,026	-16,026			-16,026	-16,026			-16,026	-16,026			-16,026
Council Tax Discount for Family Annexes	-1,490			-1,490	-1,490			-1,490	-1,490			-1,490	-1,490			-1,490
DCLG Business rates new burdens	-12,000			-12,000	-12,000			-12,000	-12,000			-12,000	-12,000			-12,000
	-146,124	0	0	-146,124	-146,124	0	0	-146,124	-146,124	0	0	-146,124	-146,124	0	0	-146,124
Environmental Health Grants																
Natural England - Surplus HLS monies	-144,741			-144,741	-144,741			-144,741	-144,741			-144,741	-144,741			-144,741
Warmer Home Funding Balance 2013/14	-8,447			-8,447	-8,447			-8,447	-8,447			-8,447	-8,447			-8,447
New Burdens - Tinklers Claims	-7,058			-7,058	-7,058			-7,058	-7,058			-7,058	-7,058			-7,058
Funding for river restoration - River Ash Weir Bypass	-4,599			-4,599	-4,599			-4,599	-4,599			-4,599	-4,599			-4,599
Handy Person Scheme	-7,028			-7,028	-7,028			-7,028	-7,028			-7,028	-7,028			-7,028
Housing Enforcement Grant income	-761			-761	-761			-761	-761			-761	-761			-761
DEFRA Denman Drive Grant - EH Salaries	-125,736			-125,736	-125,736			-125,736	-125,736			-125,736	-125,736			-125,736
Letting Agents Transparency and Redress Schemes	-761			-761	-761			-761	-761			-761	-761			-761
DEFRA EV Taxi Project	-206,986			-206,986	-206,986			-206,986	-206,986			-206,986	-206,986			-206,986
	-506,117	0	0	-506,117	-506,117	0	0	-506,117	-506,117	0	0	-506,117	-506,117	0	0	-506,117
Other Grants																
Property Searches New Burdens Payment	-86,284			-86,284	-86,284			-86,284	-86,284			-86,284	-86,284			-86,284
DCLG - Custom Build Grant Local Authority	-90,000			-90,000	-90,000			-90,000	-90,000			-90,000	-90,000			-90,000
DCLG - New Burdens Funding for the Brownfield Re	-26,263			-26,263	-26,263			-26,263	-26,263			-26,263	-26,263			-26,263
Defra Biodiversity Net Gain Grant 2022/23	-26,807			-26,807	-26,807			-26,807	-26,807			-26,807	-26,807			-26,807
Biodiversity New Gain Grant 21/22	-10,047			-10,047	-10,047			-10,047	-10,047			-10,047	-10,047			-10,047
Spelthorne Youth Hub	-7,595			-7,595	-7,595			-7,595	-7,595			-7,595	-7,595			-7,595
DEFRA Keep Britain Tidy	-9,201			-9,201	-9,201			-9,201	-9,201			-9,201	-9,201			-9,201
SCC Family Support	-50,000		50,000	0	0			0	0			0	0			0
	-306,197	0	50,000	-256,197	-256,197	0	0	-256,197	-256,197	0	0	-256,197	-256,197	0	0	-256,197
GRAND TOTAL - REVENUE GRANTS UNAPPLIED	-5,324,675	0	753,800	-4,570,875	-4,570,875	0	0	-4,570,875	-4,570,875	0	0	-4,570,875	-4,570,875	0	0	-4,570,875

Earmarked Reserves																
	08/02/2024															
	2024-25				2025-26				2026-27				2027-28			
	<u>Balance</u>			<u>Balance</u>	<u>Balance</u>			<u>Balance</u>	<u>Balance</u>			<u>Balance</u>	<u>Balance</u>			<u>Balance</u>
	<u>b/fwd</u>	<u>To</u>	<u>(From)</u>	<u>c/fwd</u>	<u>b/fwd</u>	<u>To</u>	<u>(From)</u>	<u>c/fwd</u>	<u>b/fwd</u>	<u>To</u>	<u>(From)</u>	<u>c/fwd</u>	<u>b/fwd</u>	<u>To</u>	<u>(From)</u>	<u>c/fwd</u>
Capital Fund	-1,442,593			-1,442,593	-1,442,593			-1,442,593	-1,442,593			-1,442,593	-1,442,593			-1,442,593
Insurance Reserve	-50,041			-50,041	-50,041			-50,041	-50,041			-50,041	-50,041			-50,041
Planned Spending Funds																
Woodthorpe Rec&Fordbridge Park Bal B/fwd	-80,189			-80,189	-80,189			-80,189	-80,189			-80,189	-80,189			-80,189
Shared Prosperity Fund Bal B/fwd	-59,111			-59,111	-59,111			-59,111	-59,111			-59,111	-59,111			-59,111
Green Belt Fighting Fund Transfer between Earmark	-450,000		90,000	-360,000	-360,000			-360,000	-360,000			-360,000	-360,000			-360,000
NNDR Retention EcDev Transfer between Earmarke	-541,137			-541,137	-541,137			-541,137	-541,137			-541,137	-541,137			-541,137
Building Control Reserve Bal B/fwd	-162,676		4,500	-158,176	-158,176			-158,176	-158,176			-158,176	-158,176			-158,176
Planned Projects Fund Bal B/fwd	-1,434,043			-1,434,043	-1,434,043			-1,434,043	-1,434,043			-1,434,043	-1,434,043			-1,434,043
Planning PerformAgreemen Reser Bal B/fwd	-285,904		96,500	-189,404	-189,404		53,200	-136,204	-136,204		53,200	-83,004	-83,004		53,200	-29,804
Bronzefield Res Bal B/fwd	-225,994			-225,994	-225,994			-225,994	-225,994			-225,994	-225,994			-225,994
PDG Reserve Bal B/fwd	-50,000			-50,000	-50,000			-50,000	-50,000			-50,000	-50,000			-50,000
Revenue Reserve Bal B/fwd	-256,561			-256,561	-256,561			-256,561	-256,561			-256,561	-256,561			-256,561
Housing Init Bal B/fwd	-2,135,750			-2,135,750	-2,135,750			-2,135,750	-2,135,750			-2,135,750	-2,135,750			-2,135,750
NewSch RevProj Bal B/fwd	-1,220,817			-1,220,817	-1,220,817			-1,220,817	-1,220,817			-1,220,817	-1,220,817			-1,220,817
Int Equal Res Bal B/fwd	-493,454			-493,454	-493,454			-493,454	-493,454			-493,454	-493,454			-493,454
Business Rate Reserve Bal B/fwd	-5,986,690		84,600	-5,902,090	-5,902,090			-5,902,090	-5,902,090			-5,902,090	-5,902,090			-5,902,090
BridgeStRes Bal B/fwd	-24,640			-24,640	-24,640			-24,640	-24,640			-24,640	-24,640			-24,640
	-13,406,965	0	275,600	-13,131,365	-13,131,365	0	53,200	-13,078,165	-13,078,165	0	53,200	-13,024,965	-13,024,965	0	53,200	-12,971,765
Sinking Fund	-27,784,070	-833,900	2,850,000	-25,767,970	-25,767,970	-774,838	5,030,000	-21,512,808	-21,512,808	-647,184	1,400,000	-20,759,992	-20,759,992	-774,599	0	-21,534,591

Earmarked Reserves																
	08/02/2024															
	2024-25				2025-26				2026-27				2027-28			
	<u>Balance</u>			<u>Balance</u>	<u>Balance</u>			<u>Balance</u>	<u>Balance</u>			<u>Balance</u>	<u>Balance</u>			<u>Balance</u>
	<u>b/fwd</u>	<u>To</u>	<u>(From)</u>	<u>c/fwd</u>	<u>b/fwd</u>	<u>To</u>	<u>(From)</u>	<u>c/fwd</u>	<u>b/fwd</u>	<u>To</u>	<u>(From)</u>	<u>c/fwd</u>	<u>b/fwd</u>	<u>To</u>	<u>(From)</u>	<u>c/fwd</u>
Youth Council Bal B/fwd	-19,814			-19,814	-19,814			-19,814	-19,814			-19,814	-19,814			-19,814
Environmental Impact Reserve Bal B/fwd	-154,176			-154,176	-154,176			-154,176	-154,176			-154,176	-154,176			-154,176
Contributions from Developers	-9,897,872	0	67,900	-9,829,972	-9,829,972	0	46,200	-9,783,772	-9,783,772	0	46,200	-9,737,572	-9,737,572	0	46,200	-9,691,372
General Fund Balance Bal B/fwd	-2,482,140			-2,482,140	-2,482,140			-2,482,140	-2,482,140			-2,482,140	-2,482,140			-2,482,140
	-60,562,346	-833,900	3,947,300	-57,448,946	-57,448,946	-774,838	5,129,400	-53,094,384	-53,094,384	-647,184	1,499,400	-52,242,168	-52,242,168	-774,599	99,400	-52,917,367

Corporate Policy & Resources Committee

19 February 2024



Title	<i>2024-25 Funding activity (below the line) to support the Council's Net Expenditure Budget</i>
Purpose of the report	To note the "below the line" funding elements of the 2024-25 Budget to support the Net Expenditure Budget of £26,099,100, as part of the overall budget process for 2024-25
Report Author	<i>Paul Taylor Chief Accountant</i>
Ward(s) Affected	All Wards
Exempt	No
Corporate Priority	Community Addressing housing needs Resilience Environment Services
Recommendations	The Committee is asked to note the report.
Reason for Recommendation	<i>This relates to the Council's below the line Cost Centres and forms part of the funding element of the 2025-26 Net Revenue Expenditure budget, often referred to as "above the line" expenditure.</i> <i>This is a new element to the Committee's reporting process and is aimed at being totally transparent with the budget setting process, in particular the funding element of the budget setting process, particularly around Commercial and regeneration income.</i>

Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> The Council has a legal obligation to set a balanced budget for 2024-25 at its Council Meeting on 22 February 2024, The Committee is asked to note the service plan for income and regeneration portfolio, together with appendices a to D. 	<ul style="list-style-type: none"> As part of producing a balanced budget, the Investment & Regeneration portfolio, together with the items detailed in the report below provide the basis of the 2024-25 Budget funding for the net relevant expenditure budget being proposed to Council.

<ul style="list-style-type: none"> • Appendix E provides a summary of the draft Budget by cost centre for the Committee to provide a comparison and benchmark for each member of the Committee. • Appendix A provides the 2024-25 outline below the line budget at summary level. • To note section 1 below. 	<ul style="list-style-type: none"> • The budget is now balanced and any changes that reduce the proposed funding plans will mean that this Committee must produce alternative solutions to rebalance the budget, either by reducing services or increasing funding from other areas, i.e., increase Council Tax. • To fulfil the Council’s statutory obligation to agree a balanced Budget for 2024-25 at the Council Meeting on 22 February 2024, of before 31 March if not agreed.
<p>This is what we want to do about it</p>	<p>These are the next steps</p>
<ul style="list-style-type: none"> • To review the summary and appendices, and ask relevant questions, noting that many of the items are outside of Council’s control, i.e., Lower Tier Services Grant re Core Spending Power. • Note the opportunities available to the Council, from New Homes Bonuses in the future, for achieving targets. 	<ul style="list-style-type: none"> • to note the 2024-25 funding proposals to support the proposed net expenditure budget.

1. Key points

- 1.1 In addition to the information below, on Monday 29 January, Officers became aware of discussions with a major employer in the area, who is a tenant of the Council, and the intention to retain them within the borough.
- 1.2 The discussion is at an early stage and will require final Council approval.
- 1.3 The outline high level details are the cost of the building works could be between £1.5-2.0m and officers will be working to confirm these plans with the tenant over the next few months.
- 1.4 Therefore, it is unknown of these costs will be capital or revenue in nature, nor is it known what the timings for the work will be, and it is possible that the work could straddle two budget years.
- 1.5 Further, it may necessitate either deferring 2024-25 and 2025-26 planned refurbishments works to facilitate this expenditure, or it may require support from the Sinking Fund.
- 1.6 Once a detailed report has been produced and all options considered, Council will have to make its choice.

For now, due to the discussions being at such an early stage, this has not been included in the 2024-25 Budget setting process.

2. Appendices

2.1 Included with this report are six appendices.

- (a) Appendix A – 2024-25 Outline Budget Report
- (b) Appendix B – 2024-25 Commercial & Regeneration statement of contribution
- (c) Appendix C – Schedule of Commercial and Regeneration Contribution for the 4 years ended 31 March 2028
- (d) Appendix D – 2024-25 Breakdown of Minimum Revenue Provision between Commercial, Regeneration and Municipal portfolios.
- (e) Appendix E - 2024-25 Breakdown of Interest between Commercial, Regeneration and Municipal portfolios.
- (f) Appendix F – 2024-25 Detailed budget by cost centre.

3. Key issues

3.1 The draft 2024-25 Detailed Budget is effectively balanced, and therefore should this committee decide to:

- (a) reduce income or increase Revenue costs, it will increase the deficit and therefore Officers will be looking for the committee's suggestions to rebalance the budget.
- (b) Increase income or reduce costs, it will decrease the deficit and therefore the Committee can either use the savings elsewhere to deliver services to the Council's residents or it can used to reduce the funds taken from the Earmarked Revenue Reserves.

3.2 This committee has overall responsibility for the elements that make up the below the line activity that fund the Net Relevant Expenditure budget (above the line) and this then balances the budget.

3.3 The funding element is divided into four distinct areas:

- (a) Interest Earnings, including Commercial and Regeneration portfolios.
- (b) Apportionments (transfers) to/from Reserves
- (c) Funding from Government
- (d) Council Tax income

3.4 Interest Earnings

3.5 This section refers to the block of items starting with Investment Property Income per lease including regen and ending with Interest received on loans to Spelthorne Direct Services (SDS), followed by the heading **NET EXPENDITURE AFTER INTEREST EARNINGS**, as shown in appendix F.

3.6 This section generates £8,958,000 of net funding towards the Council's Net Expenditure Budget, the equivalent of 34.3%

3.7 As the Council develops its capabilities using the new Centros system, officers will be looking to disaggregate the Interest Payable and Minimum

Revenue Provision (MRP) so that it is split between commercial, regeneration and municipal portfolios.

- 3.8 To assist members of this committee, get behind these figures, attached with this report are the following appendices:
- (a) Appendix B – 2024-25 Commercial & Regeneration statement of contribution, which sets a one-page summary of the rental income, less landlord costs, interest payable, minimum revenue payments.
 - (b) Appendix C – Schedule of Commercial and Regeneration Contribution for the 4 years ended 31 March 2028. (A high-level summary)
 - (c) Appendix D – 2024-25 Breakdown of Minimum Revenue Payments between Commercial, Regeneration and Municipal portfolios.
 - (d) Appendix E - 2024-25 Breakdown of Interest between Commercial, Regeneration and Municipal portfolios.
- 3.9 The commercial and regeneration rental income and landlord costs are based on the Service Plan reviewed by this Committee in December.
- 3.10 The Minimum Revenue Provision and Interest payable figures are aggregates.
- 3.11 Capitalised Interest – this represents the interest charged on the loans for the Council’s direct housing development projects and as mentioned in previous reports, in the event that Council decides to dispose of one of the development projects or repurposes the site for an alternative use, the capitalised costs currently held in the Council’s balance sheet will need to be released to the Revenue Budget and this would have a significant impact on the council’s finances, if not managed in an orderly fashion.
- 3.12 Interest on cash equivalents – This represents the surplus funds that are invested in the short-term money market over the year.
- 3.13 LA & Other Loans Interest Received – this has been reduced to £nil, because the Council will be looking to internally fund the building of the leisure centre, acquisition of the 18 properties with the assistance of the Local Authority Housing Fund grant and a number of other capital projects, rather than take our loans from the Public Works Loan Board, which is currently 5.1%.
- 3.14 Should Council decide on an alternative method to fund these projects, then a favourable ‘windfall’ sum, could be received.
- 3.15 Interest Rec - Pooled Funds – Based on the current holding and expected returns Officers are forecasting a modest increase in income.
- 3.16 Interest received on loans to Knowle Green Estates (KGE) – Interest received forecast is reduced based on current levels of borrowing and the credit note in respect of Benwell 1, as previously advised to this Committee.
- 3.17 This forecast does not reflect any additional income from KGE as a result the transfer of the 18 properties acquired with the Local Authority Housing Fund capital grant, as the projections indicate that the additional marginal income, will just reduce the current level of losses being incurred by KGE and should reduce the approved level of annual financial support provided by the Council.
- 3.18 Interest received on loans to Spelthorne Direct Services (SDS) – the company is trading well and generating positive cashflow, and it is using this money to

reduce the aggregate loan balance and therefore, it will reduce the interest received.

3.19 **Appropriation to/(from) Reserves:**

3.20 This section refers to the block of items starting with Revenue Contributions to Capital Outlay and ending with Sinking Fund (Funding), followed by the heading **BUDGET REQUIREMENT** as shown in appendix F.

3.21 This section generates £3,111,500 of net funding towards the Council's Net Expenditure Budget, the equivalent of 11.9% of the overall funding of the net expenditure budget.

3.22 The use of the reserves to fund the Net Expenditure Budgets have been detailed in the growth bids approved by each Committee.

3.23 The Sinking Fund movement is covered by the Commercial and Regeneration portfolio as set out in appendix B below.

3.24 This Committee has approved the use of the Social Housing Initiative Fund Reserve to cover the £703.8k budget deficit and therefore balance the 2024-25 Budget.

3.25 **Funding from Government**

3.26 This section refers to the block of items starting with Allocation from National Non-Domestic Rate pool and ending with New Homes Bonus Grant, followed by the heading **NET BUDGET REQUIREMENT** as shown in appendix F.

3.27 It also included the row Collection Fund (Surplus)/Deficit

3.28 This section accounts for net funding of £5,298,500, the equivalent of 20.3% of the Council's Net Expenditure Budget

3.29 The information included in this section of the report are notified to the council by various third parties on the level of income the council will receive from the sources identified.

3.30 Council does not have any influence over these figures.

3.31 **Council Tax**

3.32 This section refers to the Council Tax figure only as shown in appendix F.

3.33 Using the Council Tax base figures of 39,241 for Band D equivalent properties, as agreed by Council on 14 December 2023 and multiplying this by the proposed 2024-25 Council Tax Charge of £222.41 this will generate £8,727,600 of council tax income, which represents 33.5% of the funding towards the Council's Net Expenditure Budget.

3.34 The actual Council Tax charge will be subject to Council approval, as part of the Detailed budget report

4. **Financial management comments**

4.1 Please refer to section 2 above.

5. **Risk management comments**

5.1 A key financial risk is highlighted at paragraph 3.11 above. 'As mentioned in previous reports, in the event that Council decides to dispose of one of the development projects or repurposes the site for an alternative use, the capitalised costs currently held in the Council's balance sheet will need to be

released to the Revenue Budget and this would have a significant impact on the council's finances, if not managed in an orderly fashion'. This risk area is also referred to in the Council's corporate risk register.

- 5.2 Section 3.19 of this report refers to the Council's use of reserves to support the delivery of a balanced budget for 2024/25.
- 5.3 Regarding content at section 1 of this report, financial risk implications, budgetary impact and any potential adverse effect on the sinking fund position will need to be rigorously identified, assessed and evaluated . It is noted that early-stage discussions are referred to.

6. Procurement comments

- 6.1 Any new Council contracts taken on as part of the revenue and capital growth bids will be subject to the Council's procurement policies.

7. Legal comments

- 7.1 Any contracts required in connection with the revenue and capital growth bids shall have to comply with the Contract Standing Orders and the Council's duty to deliver best value under the Local Government Act 1999.

The Legal Services (g.legal@spelthorne.gov.uk) will assist with the preparation, review and negotiation of the contract terms and conditions where necessary.

8. Other considerations

- 8.1 There are none.

9. Equality and Diversity

- 9.1 Individual projects are subject to equality and diversity impact assessments.

10. Sustainability/Climate Change Implications

- 10.1 All new actions and ongoing activities undertaken by the Council should meet the objectives of the Council's climate change strategy.

11. Timetable for implementation

- 11.1 Once approved the 2024-25 Detailed Budget will be presented to Council for approval at their meeting on 22 February.

12. Contact

- 12.1 Paul Taylor Chief Accountant – p.taylor@spelthorne.gov.uk

Background papers:

2024-25 - Reserve Strategy

2024-25 - Revenue Growth bids and funding bids for each Committee

Appendices:

Appendix A – 2024-25 Outline Budget Report

Appendix B – 2024-25 Commercial & Regeneration statement of contribution

Appendix C – Schedule of Commercial and Regeneration Contribution for the 4 years ended 31 March 2028

Appendix D – 2024-25 Breakdown of Minimum Revenue Payments between Commercial, Regeneration and Municipal portfolios.

Appendix E - 2024-25 Breakdown of Interest between Commercial, Regeneration and Municipal portfolios.

Appendix F – 2024-25 Detailed budget by cost centre.

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Outline Budget 2024-25 Base Case					Appendix A	
Below the line - Funding of Net Expenditure Budget					06 February 2024	
	2023-24 Revised		2024-25	2025-26	2026-27	2027-28
	£	note	£	£	£	£
NET EXPENDITURE	25,211,400		26,099,100	25,134,100	23,769,100	21,757,100
Investment Property Income per lease incl regen	(46,128,700)	5	(50,958,700)	(51,395,033)	(53,852,226)	(55,755,061)
Landlord Costs	11,943,900	5	6,968,600	9,417,128	8,281,051	8,677,601
Debt Interest payable	25,172,800	5	24,933,100	24,674,531	27,068,000	26,760,000
Minimum Revenue Provision	12,396,800	5	12,918,600	13,242,117	14,144,892	14,496,430
Set Aside	630,000	5	650,000	670,000	690,000	710,000
Capitalised Interest	(1,400,000)	6	(1,217,700)	(1,217,700)	(1,217,700)	(1,217,700)
Interest Cash Equiv.	(500,000)	7	(250,000)	(200,000)	(160,000)	(128,000)
LA & Other Loans Interest Rec	(700,000)	7	0	0	0	0
Interest Rec - Pooled Funds	(1,200,000)	7	(1,224,000)	(1,248,480)	(1,273,450)	(1,298,919)
Interest received on loans to KGE	(818,700)	8	(761,900)	(754,500)	(746,900)	(739,000)
Interest received on loans to SDS	(20,000)	8	(16,000)	(12,000)	(8,000)	(4,000)
NET EXPENDITURE AFTER INTEREST EARNINGS	24,587,500		17,141,100	18,310,163	16,694,767	13,258,451
Appropriation to/(from) Reserves:						
Revenue Contributions to Capital Outlay	805,000		0	0	0	0
Housing Initiatives	0		(703,800)	0	0	0
Funding From Earmarked Reserves	(110,800)	1	(71,700)	0	0	0
Building Control Reserve	0	1	(5,700)	0	0	0
Planning Performance Agreement	(36,800)	1	(96,700)	(53,200)	(53,200)	(53,200)
Green Initiative Fund	(48,800)	1	(46,300)	(46,300)	(46,300)	(46,300)
Local Plan Reserve	(75,000)		0	0	0	0
Inflation Reserve	(362,000)		0	0	0	0
BRR Retention - EcDev	(128,000)	1	(84,700)	0	0	0
IFRS16 Reserve	(472,000)		0	0	0	0
Green Belt Fighting Fund	0		(90,000)	0	0	0
Sinking Fund Contributions	1,037,100	9	833,900	774,838	647,184	774,599
Sinking Fund (Funding)	(11,023,100)	9	(2,850,000)	(5,030,000)	(1,400,000)	0
BUDGET REQUIREMENT	14,173,100		14,026,100	13,955,501	15,842,451	13,933,550
Allocation from National Non-Domestic Rate pool	(450,000)	10	(500,000)	0	0	0
Retained Business Rates	(1,929,000)	10	(1,929,000)	(1,929,000)	(1,200,000)	(1,000,000)
Section 31 Grants	(874,900)	10	(874,900)	(874,900)	(874,900)	(874,900)
Empty property premia	(500,000)	10	0	0	0	0
Lower Tier Services Grant re Core Spending Power	(79,500)	10	(12,300)	(12,300)	(12,300)	0
Core Spending Power Guarantee Grant	(1,483,000)	10	(1,884,000)	(1,613,000)	(1,505,000)	0
Revenue Support Grant	(91,000)	10	(96,800)	(100,000)	(101,000)	0
New Homes Bonus Grant	(101,000)	10	(101,500)	(100,000)	0	0
NET BUDGET REQUIREMENT	8,664,700		8,627,600	9,326,301	12,149,251	12,058,650
Collection Fund (Surplus)/Deficit	100,000		100,000	100,000	180,000	180,000
CHARGE TO COLLECTION FUND	8,764,700		8,727,600	9,426,301	12,329,251	12,238,650
Tax base (net)	40,551	11	39,241	39,829	40,426	41,032
Council Tax rate	216.14	11	222.41	229.08	235.95	243.03
Council Tax yield	8,764,693		8,727,600	9,124,027	9,538,515	9,972,007
DEFICIT/(SURPLUS)	0		0	302,274	2,790,736	2,266,643

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2024-25 Commercial and Regeneration Portfolio analysis of contribution by property.						
Appendix B	Investment	Investment	investment	Investment	Investment	
Property	BP Main	BP SW Corner	Elmbrook House	WBC4	Stockley Park	
Gross Rent	17,332,300	2,115,300	473,600	2,457,600	-	
Other Income (Parking Income / rent&rates guarentee)						75,000
<i>Less;</i>						
Operating Expenses	-	15,000	22,400	-	-	802,200
Leasing & Capital Costs						
Rent Frees			196,300			
Absorbtion & Turnover						
Net Operating Income / (expenditure)	17,332,300	2,100,300	254,900	2,457,600	-	727,200
MRP	5,269,449	-	84,450	597,669		256,271
Interest	7,196,497	730,915	183,304	1,126,808		540,388
	4,866,353	1,369,385	-	12,854	733,123	-
Sinking Fund Contribution to (-) / from (+)	300,000	200,000	250,000	250,000		-
Sinking Fund interest on Opening Balances (3%)	- 204,419	- 47,293	- 13,251	- 26,129		90,912
Set Aside (negative entry)	- 50,000	- 25,000	- 25,000	- 50,000		50,000
	4,911,934	1,497,092	198,894	906,994	-	1,482,946

2024-25 Commercial and Regeneration Portfolio analysis of contribution by property.						
Appendix A	Investment	Regen	Regen	Investment	Investment	Investment
Property	12 HSG	Comms House	Summit Centre	Porter	Charter	Thames Tower
Gross Rent	7,874,400	1,006,700	609,000	1,913,200	4,498,600	5,759,500
Other Income (Parking Income / rent&rates guarentee					4,000,000	
<i>Less;</i>						
Operating Expenses	- 45,000	- 230,700	- 305,200	- 830,500	- 1,663,400	- 998,500
Leasing & Capital Costs						
Rent Frees				- 666,900	- 71,100	- 137,300
Absorbtion & Turnover						
Net Operating Income / (expenditure)	7,829,400	776,000	303,800	415,800	6,764,100	4,623,700
MRP	1,964,166	132,263	160,870	771,065	1,127,226	1,378,323
Interest	4,145,152	272,913	334,244	1,770,591	3,284,844	3,088,245
	1,720,083	370,824	191,314	2,125,856	2,352,030	157,132
Sinking Fund Contribution to (-) / from (+)	-	-	250,000	500,000	500,000	500,000
Sinking Fund interest on Opening Balances (3%)	- 83,466	- 70,570	- 24,754	- 42,113	- 250,061	- 148,748
Set Aside (negative entry)	- 50,000	- 25,000	- 25,000	- 50,000	- 50,000	- 50,000
	1,586,617	275,253	8,931	1,717,968	2,551,968	458,383

2024-25 Commercial and Regeneration Portfolio analysis of contribution by property.				
Appendix A	investment	investment	Regen	
Property	119-121a HS	17 Station Road	Elmsleigh Centre	Totals
Gross Rent	17,500	16,000	3,162,100	47,235,800
Other Income (Parking Income / rent&rates guarentee			- 364,100	3,710,900
<i>Less;</i>				-
Operating Expenses		-	- 838,100	- 5,751,000
Leasing & Capital Costs				-
Rent Frees				- 1,071,600
Absorbtion & Turnover				-
				-
Net Operating Income / (expenditure)	17,500	16,000	1,959,900	44,124,100
				-
MRP	-	4,629	632,349	12,378,730
Interest	-	-	428,150	23,102,052
				-
	17,500	11,371	899,401	8,643,318
				-
Sinking Fund Contribution to (-) / from (+)			100,000	2,850,000
Sinking Fund interest on Opening Balances (3%)		-	- 13,930	- 833,824
Set Aside (negative entry)		-	- 200,000	- 650,000
				-
				-
				-
	17,500	11,371	785,470	10,009,495

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Commercial & Regeneration Portfolio Contribution for the four years to 2027-28

06/02/2024

		Appendix C			
	£000s	2024-25	2025-26	2026-27	2027-28
Investment					
Rent		-£46,533	-£46,713	-£49,099	-£50,872
Landlord Costs		£5,449	£7,533	£3,629	£7,522
Financing costs		£22,067	£21,856	£21,628	£21,302
MRP		£11,453	£11,742	£12,038	£12,342
Set aside		£400	£345	£390	£405
Sinking fund (in)/out		-£1,775	-£3,859	-£444	£642
Contribution (Surplus)/Deficit		-£8,940	-£9,095	-£11,859	-£8,658
Regeneration					
Rent		-£4,414	-£4,682	-£4,753	-£4,883
Landlord Costs		£1,374	£1,884	£4,652	£1,155
Financing costs		£1,035	£1,009	£967	£988
MRP		£925	£946	£983	£956
Set aside		£250	£325	£300	£305
Sinking fund(in)/out		-£241	-£398	-£310	£131
Contribution (Surplus)/deficit		-£1,070	-£916	£1,839	-£1,348
Total					
Rent		-£50,947	-£51,395	-£53,852	-£55,755
Landlord Costs		£6,823	£9,417	£8,281	£8,678
Financing costs		£23,102	£22,866	£22,595	£22,291
MRP		£12,379	£12,688	£13,021	£13,298
Set aside		£650	£670	£690	£710
Sinking fund (in)/out		-£2,016	-£4,257	-£754	£773
Total Contribution (Surplus)/Deficit		-£10,009	-£10,011	-£10,019	-£10,006

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Breakdown of MRP**Appendix D****06/02/2024**

	2024-25	2025-26	2026-27	2027-28
	£000's	£000's	£000's	£000's
Total as per MRP per outline budget	12,919	13,242	14,145	14,496
less				
Investment properties	11,453	11,742	12,038	12,342
Regeneration properties	925	946	967	988
Municipal/KGE properties- to balance	540	554	1,140	1,166
Total	12,919	13,242	14,145	14,496

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Breakdown of Interest charge
06/02/2024

Appendix E

	2024-25	2025-26	2026-27	2027-28
	£000's	£000's	£000's	£000's
Total as per Interestg per outline budget	24,933	24,675	27,068	26,760
less				
Investment properties	22,067	21,856	21,628	21,302
Regeneration propeties	1,035	1,009	983	956
Capitalised Interest	1,217	1,217	1,217	1,217
Municipal/KGE properties- to balance	614	592	3,240	3,285
	24,933	24,675	27,068	26,761

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Corporate Policy and Resources

<u>Responsive Maintenance</u>	<u>11499</u>	<u>24/24</u>	<u>23/24</u>
2007 Improvements and Adaptation		0.00	0.00
		<u>0.00</u>	<u>0.00</u>
<u>Memorial Gardens</u>	<u>15112</u>	<u>24/24</u>	<u>23/24</u>
2113 Miscellaneous Works		0.00	0.00
		<u>0.00</u>	<u>0.00</u>
<u>Lammas Park Sea Cadets</u>	<u>15122</u>	<u>24/24</u>	<u>23/24</u>
2404 Business Rates		0.00	0.00
5012 External Contracts		0.00	0.00
		<u>0.00</u>	<u>0.00</u>
<u>BP Main Site - Sunbury</u>	<u>21118</u>	<u>24/24</u>	<u>23/24</u>
4401 Consultants fees		5,000.00	5,000.00
4979 Other Miscellaneous Expenses		0.00	0.00
7501 Rents		-17,332,300.00	-17,332,300.00
		<u>-17,327,300.00</u>	<u>-17,327,300.00</u>
<u>BP South West Corner - Sunbury</u>	<u>21119</u>	<u>24/24</u>	<u>23/24</u>
4401 Consultants fees		15,000.00	5,000.00
7501 Rents		-2,115,300.00	-2,115,300.00
		<u>-2,100,300.00</u>	<u>-2,110,300.00</u>
<u>Elmbrook House</u>	<u>21120</u>	<u>24/24</u>	<u>23/24</u>

Budget Report for 24/24 & 23/24

Appendix F

2109	Building Works	0.00	35,000.00
2404	Business Rates	0.00	71,700.00
2408	Premises Insurance	0.00	7,000.00
2701	Service Charge	0.00	149,000.00
4401	Consultants fees	2,500.00	23,000.00
4406	Legal and Court Costs	0.00	0.00
4455	Premises Letting Fees	19,900.00	0.00
4905	Marketing	0.00	8,000.00
4998	Rent Frees	196,300.00	0.00
7501	Rents	-473,600.00	0.00
		<u>-254,900.00</u>	<u>293,700.00</u>

<u>3 Roundwood Ave, Stockley Park</u>	<u>21122</u>	<u>24/24</u>	<u>23/24</u>
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2029	Contribution to R & R Fund	30,000.00	0.00
2109	Building Works	0.00	0.00
2404	Business Rates	244,700.00	391,500.00
2408	Premises Insurance	12,500.00	14,000.00
2701	Service Charge	350,000.00	400,000.00
4401	Consultants fees	10,000.00	10,000.00
4406	Legal and Court Costs	40,000.00	25,000.00
4455	Premises Letting Fees	100,000.00	100,000.00
4905	Marketing	15,000.00	50,000.00
7301	Licences	-75,000.00	0.00
7501	Rents	0.00	0.00
		<u>727,200.00</u>	<u>990,500.00</u>

Budget Report for 24/24 & 23/24

Appendix F

<u>WBC 4</u>	<u>21123</u>	<u>24/24</u>	<u>23/24</u>
4401 Consultants fees		0.00	7,500.00
4404 Surveyors		0.00	0.00
4406 Legal and Court Costs		0.00	0.00
7301 Licences		0.00	0.00
7501 Rents		-2,457,600.00	-2,457,600.00
		<u>-2,457,600.00</u>	<u>-2,450,100.00</u>

<u>12 Hammersmith Grove</u>	<u>21127</u>	<u>24/24</u>	<u>23/24</u>
2109 Building Works		0.00	0.00
2403 Management fees		0.00	0.00
2404 Business Rates		0.00	0.00
2408 Premises Insurance		0.00	0.00
2701 Service Charge		0.00	0.00
4401 Consultants fees		25,000.00	0.00
4406 Legal and Court Costs		20,000.00	0.00
4998 Rent Frees		0.00	0.00
7501 Rents		-7,874,400.00	-6,574,400.00
7525 Lease Surrender Receipt		0.00	0.00
		<u>-7,829,400.00</u>	<u>-6,574,400.00</u>

<u>17 Station Road, Sunbury</u>	<u>21128</u>	<u>24/24</u>	<u>23/24</u>
7501 Rents		-16,000.00	-16,000.00
		<u>-16,000.00</u>	<u>-16,000.00</u>

<u>Communications House</u>	<u>21130</u>	<u>24/24</u>	<u>23/24</u>
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Budget Report for 24/24 & 23/24

Appendix F

2109	Building Works	25,000.00	0.00
2404	Business Rates	54,800.00	68,500.00
2408	Premises Insurance	12,000.00	10,800.00
2701	Service Charge	125,900.00	150,000.00
4401	Consultants fees	0.00	5,000.00
4455	Premises Letting Fees	8,000.00	8,000.00
4905	Marketing	5,000.00	8,000.00
7501	Rents	-1,006,700.00	-1,006,700.00
		<u>-776,000.00</u>	<u>-756,400.00</u>

Thames Tower**21131****24/24****23/24**

2029	Contribution to R & R Fund	30,000.00	0.00
2109	Building Works	300,000.00	0.00
2404	Business Rates	182,800.00	82,800.00
2408	Premises Insurance	13,500.00	6,400.00
2701	Service Charge	354,200.00	167,000.00
4401	Consultants fees	33,000.00	23,000.00
4406	Legal and Court Costs	15,000.00	15,000.00
4455	Premises Letting Fees	50,000.00	50,000.00
4905	Marketing	20,000.00	0.00
4979	Other Miscellaneous Expenses	0.00	10,000.00
4998	Rent Frees	137,300.00	448,800.00
7501	Rents	-5,759,500.00	-6,622,500.00
		<u>-4,623,700.00</u>	<u>-5,819,500.00</u>

Charter Building**21132****24/24****23/24**

2029	Contribution to R & R Fund	125,000.00	0.00
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Budget Report for 24/24 & 23/24

Appendix F

2109	Building Works	150,000.00	0.00
2404	Business Rates	320,000.00	340,700.00
2408	Premises Insurance	40,000.00	40,000.00
2417	Landlord's Subsidy	40,000.00	0.00
2701	Service Charge	833,400.00	567,700.00
4401	Consultants fees	0.00	40,000.00
4406	Legal and Court Costs	0.00	15,000.00
4455	Premises Letting Fees	125,000.00	200,000.00
4905	Marketing	30,000.00	30,000.00
4979	Other Miscellaneous Expenses	0.00	195,000.00
4998	Rent Frees	71,100.00	1,028,500.00
7151	Other Reimbursements	0.00	0.00
7501	Rents	-4,498,600.00	-4,712,300.00
7504	Rent Top Ups from RIA	-4,000,000.00	0.00
		<u>-6,764,100.00</u>	<u>-2,255,400.00</u>

<u>Porter Building</u>	<u>21133</u>	<u>24/24</u>	<u>23/24</u>
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2029	Contribution to R & R Fund	50,000.00	0.00
2109	Building Works	100,000.00	891,000.00
2404	Business Rates	100,000.00	165,500.00
2408	Premises Insurance	7,500.00	10,000.00
2701	Service Charge	400,000.00	175,000.00
4401	Consultants fees	27,000.00	10,000.00
4406	Legal and Court Costs	20,000.00	25,000.00
4455	Premises Letting Fees	116,000.00	145,500.00
4905	Marketing	10,000.00	0.00

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4950	Web Development	0.00	0.00
4979	Other Miscellaneous Expenses	0.00	85,500.00
4998	Rent Frees	666,900.00	0.00
7501	Rents	-1,913,200.00	-1,863,500.00
		<u>-415,800.00</u>	<u>-356,000.00</u>

<u>Summit Centre</u>	<u>21135</u>	<u>24/24</u>	<u>23/24</u>
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2001	Responsive maintenance	25,000.00	0.00
2004	General repairs	30,000.00	150,000.00
2109	Building Works	0.00	0.00
2404	Business Rates	137,000.00	130,400.00
2408	Premises Insurance	8,200.00	4,700.00
2602	Window cleaning	0.00	1,000.00
2701	Service Charge	50,000.00	46,900.00
4401	Consultants fees	20,000.00	25,000.00
4455	Premises Letting Fees	35,000.00	0.00
4998	Rent Frees	0.00	0.00
7501	Rents	-609,000.00	-736,100.00
		<u>-303,800.00</u>	<u>-378,100.00</u>

<u>119-121a High Street</u>	<u>21136</u>	<u>24/24</u>	<u>23/24</u>
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7501	Rents	-17,500.00	-17,500.00
		<u>-17,500.00</u>	<u>-17,500.00</u>

<u>Elmsleigh</u>	<u>21137</u>	<u>24/24</u>	<u>23/24</u>
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2029	Contribution to R & R Fund	150,000.00	0.00
2301	Electricity	2,000.00	11,000.00

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2404	Business Rates	36,200.00	49,800.00
2408	Premises Insurance	34,200.00	33,500.00
2701	Service Charge	490,000.00	403,000.00
4401	Consultants fees	0.00	66,000.00
4406	Legal and Court Costs	18,500.00	25,000.00
4455	Premises Letting Fees	30,000.00	30,000.00
4905	Marketing	77,200.00	75,000.00
4979	Other Miscellaneous Expenses	0.00	150,000.00
4998	Rent Frees	0.00	67,400.00
7501	Rents	-3,162,100.00	-3,016,800.00
7502	Ground Rents	364,100.00	342,300.00
		<u>-1,959,900.00</u>	<u>-1,763,800.00</u>

<u>Investment Props Misc</u>	<u>21139</u>	<u>24/24</u>	<u>23/24</u>
7501	Rents	0.00	0.00
		<u>0.00</u>	<u>0.00</u>

<u>Financing & Investment - OT</u>	<u>36001</u>	<u>24/24</u>	<u>23/24</u>
4990	Set-aside contributions	650,000.00	630,000.00
5931	Interest paid PWLB	24,933,100.00	25,172,800.00
5940	Capitalisation of Interest	-1,217,700.00	-1,400,000.00
7702	Cash Equiv (ICD) Int Rec'd	-250,000.00	-500,000.00
7703	Loans LA Int Rec'd	0.00	-700,000.00
7705	KGE Loans Int Rec'd	-761,900.00	-818,700.00
7706	Pooled Funds Int Rec'd	-1,224,000.00	-1,200,000.00
7711	SDS Int Rec'd	-16,000.00	-20,000.00

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22,113,500.0021,164,100.00

<u>Taxation & Grants - OT</u>	<u>37001</u>	<u>24/24</u>	<u>23/24</u>
7006 Other Government Grants		-874,900.00	-874,900.00
7011 Revenue support Grant		-96,800.00	-91,000.00
7013 Other Government Grants		0.00	0.00
7016 New Homes Bonus		-101,500.00	-101,000.00
7017 Core Spending Power Guarantee		-1,884,000.00	-1,483,000.00
7044 Covid 19 Grant income		0.00	0.00
7050 Lower Tier Services gGant		-12,300.00	-79,500.00
7160 Business Rates Income		-1,929,000.00	-1,929,000.00
7161 Council Tax Demand		-8,727,600.00	-8,764,700.00
7163 Council Tax Surplus or Deficit		100,000.00	100,000.00
7170 NNDR Pool Adjustments		-500,000.00	-450,000.00
7172 Other Service (NI)		0.00	0.00
7174 Empty property premia		0.00	-500,000.00
		<u>-14,026,100.00</u>	<u>-14,173,100.00</u>

<u>Accounting Code Adjust - OT</u>	<u>38001</u>	<u>24/24</u>	<u>23/24</u>
5902 Capital financed from revenue		0.00	750,000.00
5950 Minimum revenue provision		12,918,600.00	12,396,800.00
		<u>12,918,600.00</u>	<u>13,146,800.00</u>

<u>Movement in Reserves - OT</u>	<u>39001</u>	<u>24/24</u>	<u>23/24</u>
5722 Contribution to 12HG		83,500.00	123,900.00
5723 Contrbn to BP main reserve		204,400.00	226,600.00
5724 Contibn to BP SWC reserve		47,300.00	45,700.00

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5725	Contribn to Elmbrook reserve	13,300.00	19,200.00
5726	Contribn to StockleyPk reserve	-90,900.00	-55,100.00
5732	Contribn to WBC4 Reserve	26,100.00	25,200.00
5733	Contribn to Comms House Reserv	70,600.00	79,700.00
5734	Contribn to Porter Reserves	42,100.00	55,100.00
5735	Contribn to Thames Tower Reser	148,700.00	163,900.00
5736	Contribn to Charter Reserve	250,000.00	282,900.00
5738	Cont to Planned Projects Fund	0.00	0.00
5739	Contibn to Elmsleigh Reserve	14,000.00	37,400.00
5740	Contibn to Summit Reserve	24,800.00	32,600.00
5746	Cont to White House Reserve	0.00	0.00
5747	Cont to Harper House Reserve	0.00	0.00
5799	Revenue surplus for year	0.00	0.00
7802	Contribution from Capital Fund	0.00	0.00
7811	Housing Initiatives Fund	-703,800.00	0.00
7818	Contribution to c/Fwd Reserve	0.00	0.00
7822	Contribution from 12HG	0.00	-1,500,000.00
7823	Contribn from BP main reserve	-300,000.00	-1,100,000.00
7824	Contribn from BP SWC reserve	-200,000.00	0.00
7825	Contribn from Elmbrook reserve	-250,000.00	-220,000.00
7826	Contribn from StockleyPkReserv	0.00	0.00
7829	Contribn from Earmarked Resv	-71,700.00	0.00
7830	Contribn from Bldg Contr Resv	-5,700.00	0.00
7831	Contribn from Hthrw3rd RW Res	0.00	0.00
7832	Contribn from WBC4 Reserve	-250,000.00	0.00
7833	Contribn from Comms House Rese	0.00	-400,000.00

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7834	Contribn from Porter Reserves	-500,000.00	-500,000.00
7835	Contribn from Thames Tower Res	-500,000.00	-700,000.00
7836	Contribn from Charter Reserves	-500,000.00	-1,423,100.00
7839	Contribn from Elmsleigh Reserv	-100,000.00	-830,000.00
7840	Contribution from Summit Centr	-250,000.00	-300,000.00
7845	Cont from Planning PA Reserve	-96,700.00	-36,800.00
7849	Cont from Green Initiative Fund	-46,300.00	-48,800.00
7850	Cont. from Local Plan Reserve	0.00	-75,000.00
7856	Cont.FromCostOf Living Reserve	0.00	-362,000.00
7857	Cont. from BRR Retention EcDev	-84,700.00	-128,000.00
7858	Cont. from IFRS16 Reserve	0.00	-472,000.00
7859	Cont. from Green Belt Fighting	-90,000.00	0.00
		<u>-3,115,000.00</u>	<u>-7,058,600.00</u>
	<u>Grand Total:</u>	<u>-26,228,100.00</u>	<u>6,636,600.00</u>

Corporate Policy & Resources Committee



19 February 2024

Title	Draft Detailed Revenue Budget for 2024-25
Purpose of the report	To make a recommendation to Council
Report Author	Paul Taylor Chief Accountant
Ward(s) Affected	All Wards
Exempt	No
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	<p>Committee is asked to recommend that Council consider and approves the following:</p> <ol style="list-style-type: none"> 1. To approve a 2.9% increase on the Spelthorne Borough Council element of the Council Tax for 2024-25. Moreover: <ol style="list-style-type: none"> a. The Revenue estimates as set out in Appendix 1 be approved. b. £3,115k as set out in this report are to be appropriated from General Reserves in support of Spelthorne's local Council tax for 2024-25. c. To agree that the Council Tax base for the year 2024-25 is 39,241 Band D equivalent dwellings calculated in accordance with regulation 3 of the Local Authorities (Calculation of Council tax base) Regulations 1992, as amended, made under Section 35(5) of the Local Government Finance Act 1992. 2. Continuing the Council's Local Council Tax Support Scheme with the current rules and regulations. 3. Continuing the complete disregard of war pension / armed forces pension income from benefit calculations. 4. The growth and savings items as set out in the report's appendices 3 and 4. 5. To note the Chief Finance Officer's commentary in section 4 of the report on the robustness of budget estimates and levels of reserves under sections 25 and 26 of the Local Government Act 2003 6. The Council Tax Base for the whole Council area for 2024-25. [Item T in the formula in Section 31b (3) of the local government Finance Act 1992, as amended (the "act")]

should be 40,551 band D equivalent dwellings and calculate that the Council Tax requirement for the Council's own purpose for 2024-25 is £222.41 Per Band D equivalent dwelling.

That the following sums be now calculated by the Council for the year 2024-25 in accordance with Section 31 to 36 of the Local Government Act 1992.

A	107,727,200	Being the aggregate of the amount which the Council estimates for the items set out in Section 31A (2) of the Act considering all precepts issued to it by Parish Councils.
B	-98,999,600	Being the aggregate of the amount which the Council estimates for the items set out in Section 31A (3) of the Act
C	8,727,600	Being the amount by which the aggregate at (A) above exceeds the aggregate at (B) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax requirement for the year
D	222.41	Being the amount at (C) above divided by the amount at 5c (above), calculated by the Council in accordance with

									Section 31B (1) of the act, as the basic amount of its Council Tax for the year (including Parish precepts)																								
									Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.																								
									Being the amount at (D) above less the result given by dividing the amount at (E) above by the amount at 5c (above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings on those parts of its area to which no Parish precept relates.																								
	<p>That the following amounts be calculated for the year 2023-24 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011.</p> <table border="1"> <thead> <tr> <th>A</th> <th>B</th> <th>C</th> <th>D</th> <th>E</th> <th>F</th> <th>G</th> <th>H</th> </tr> <tr> <th>£</th> <th>£</th> <th>£</th> <th>£</th> <th>£</th> <th>£</th> <th>£</th> <th>£</th> </tr> </thead> <tbody> <tr> <td>148.27</td> <td>172.99</td> <td>197.70</td> <td>222.41</td> <td>271.83</td> <td>321.26</td> <td>370.68</td> <td>444.82</td> </tr> </tbody> </table>									A	B	C	D	E	F	G	H	£	£	£	£	£	£	£	£	148.27	172.99	197.70	222.41	271.83	321.26	370.68	444.82
A	B	C	D	E	F	G	H																										
£	£	£	£	£	£	£	£																										
148.27	172.99	197.70	222.41	271.83	321.26	370.68	444.82																										
Reason for Recommendation	To deliver services for its residents the Council must set a balanced Revenue Budget and determine its Council tax levels																																

Precepts issued to the Council:

	A £	B £	C £	D £	E £	F £	G £	H £
Surrey County Council	1,172.40	1,367.80	1,563.20	1,758.60	2,149.20	2,540.20	2,2931.00	3,517.20
Surrey Police & Crime Commissioner	215.71	251.67	287.62	323.57	395.47	467.38	539.28	647.14

That, having calculated the aggregate in each case above the Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011, hereby sets the amounts as the amounts of Council tax for the year 2024-25.

The Council has determined that its relevant basic amount of Council Tax for 2024-25 is not excessive in accordance with the principles approved under Section 52ZB Local Government Finance Act 1992.

As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2024-25 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> The Council has a statutory duty to set a balanced Budget and a Council Tax rate for its share of the total Council Tax Bill. The detailed budget report consolidates the Committee's work between September 2023 and January 2024 in approving the attached growth bids and savings plans. The below the line (Funding) balances the budget and is explained in the Below the Funding Report discussed at this meeting. 	<ul style="list-style-type: none"> We need to set a balanced budget to continue to fund the services our residents, businesses and communities need. The budget is balanced and therefore any amendments proposed by Councillors need to provide both the impact on the Cost Centres (above the line) and what the impact on the funding (below the line) will be. Council must fulfil its statutory duty and agree a balanced 2024-25 budget at the meeting on 22 February 2024, or before 31 March, if not agreed at that meeting.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> Review all the appendices which have been approved by the 	<ul style="list-style-type: none"> The Committee is asked to review and approve the growth bids and

<p>relevant Committees and consolidated in the appendices.</p> <ul style="list-style-type: none"> • Question Budget Managers about any issues they may have. • Focus on the figures for 2024-25. • Noting the figures for 2025-26 form the Medium Term financial Plan for Council and give an indication of the level of challenges facing the council over the coming years. • Approve the recommended draft Budget 	<p>savings plans in appendices 3 to 5 for all the committees.</p> <ul style="list-style-type: none"> • Approve the proposed 2024-25 Detailed Budget as set out in Appendix 1. • Recommend to Council that they approve the 2024-25 Detailed Budget, as set out in Appendix 1.
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2. Key issues

2.1 This report includes the growth bid in respect of outsourcing the Internal Audit work, noting that the details were received after the papers for the Administration Committee had been circulated, and therefore this bid whilst acknowledged by the Administration Committee was not formally approved at their meeting. In approving the growth bids in appendix 4, this Committee will formal approve the growth bid on behalf of the Administration Committee.

2.2 By law Councils are required each year to set a balanced budget. At the time of writing the original draft report the Council has a draft balanced budget proposal for 2024-25. The Committee will need to resolve a couple of matters as they have arisen after the relevant Committees have meet.

- (a) Neighbourhood Services & Enforcement – Car Park charges, which will be subject to public notice.
- (b) Taxi Licensing Fees – subject to the relevant approval at Licensing Committee
- (c) Communications House – the council is in early discussions with a tenant, to retain them in the borough, and this will involve between £1.5m and £2.0m of projects costs, as the discussions have not progressed far, council needs to be aware of the matter, which could result in either an in-year growth bid for capital and or revenue in 2024-25 and or 2025-26.

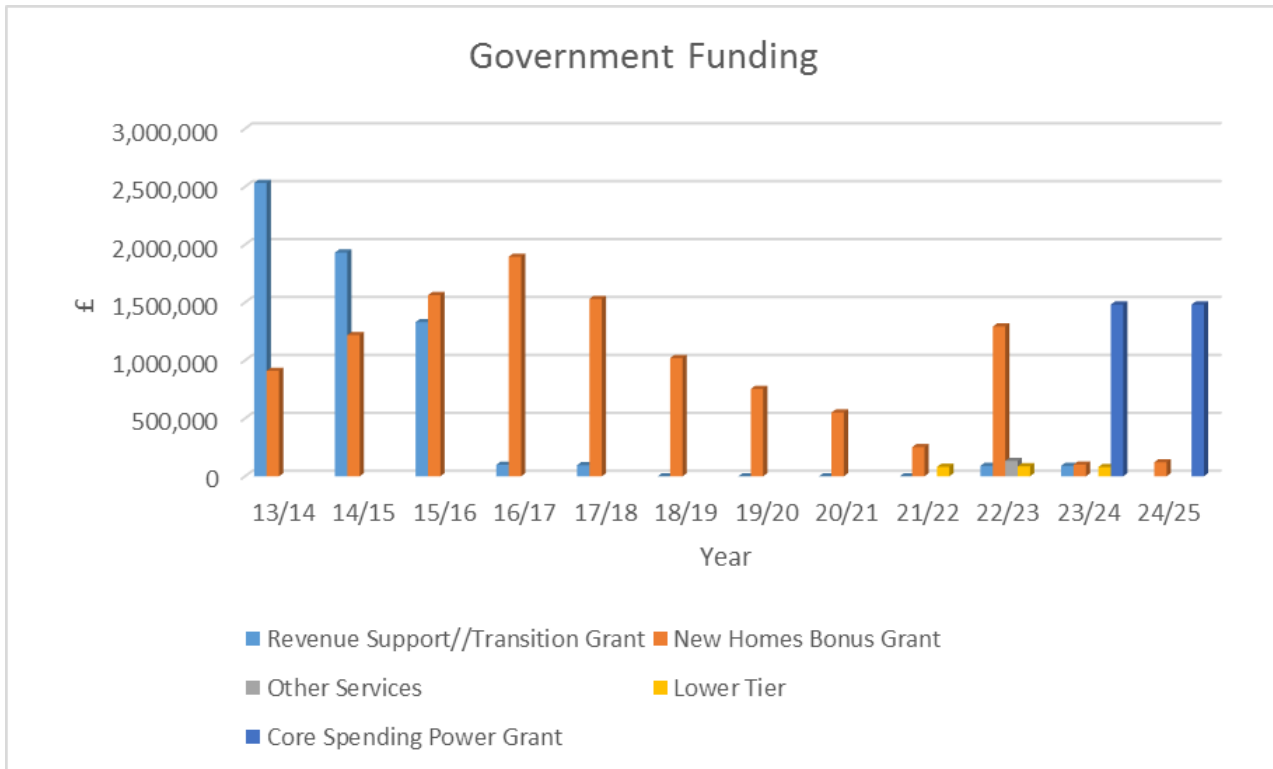
Officers will be looking at several alternatives to dealing with this significant growth bid and if it is:

- Capital related; this can be dealt with as an update to the Estimated Capital Programme and could be funded from internal borrowing.
- Revenue related; this can be dealt with in several ways including:
 - Delaying existing refurbishment works for several years.
 - Use of the Sinking Fund Reserve

- (d) Staines Development Project – there was an additional £100k growth bid for contracting with a third party to develop the initial plans for this project.
- 2.3 The main points from the 2024-25 Budget as set out in Appendix A are as follows: -
- (a) Increase in the Spelthorne Borough Council element of the Council Tax is £6.27 (2.9%) for the year.
 - (b) Pay Award for all staff, 2.8% and a further 2.8% in 2025-26 (part of a two-year deal), supported by Unison.
 - (c) Discretionary Fees and Charges inflation applied at least 5% (with exception of Meals on Wheels and Day Centre meals, which will be covered by increasing the Room Hire Charges to cover the reduced income
 - (d) Contract inflation 5.0%
- 2.4 The Council has done a great job of dealing with the extremely challenging economic context with the UK economy having firstly as result of the COVID_19 pandemic the worst economic downturn over 300 years followed by the Cost-of-Living Crisis. This has not been straight forward, and it is believed that the current situation will deteriorate as more residents renew their mortgages at substantially higher interest rates.
- 2.5 The Council also took the opportunity to create a £200k Cost of Living Reserve from existing funds, which was used almost entirely to provide support for vulnerable households during 2023-24.
- 2.6 It is clear that the Council and its residents remain in exceptionally challenging and uncertain times, and although the challenges faced by Council as a result of the COVID-19 pandemic are largely diminished (although car parking income not quite yet back to pre-pandemic levels), the Cost-of-Living crisis, has adversely impacted on the Council, by over £1.0m in 2023-24. The decision not to raise fees and charges in line with the Consumer Price Index (CPI) in December 2022, which stood at 10.5%, and over 20% for food, has supported a number of the residents in the Borough, including the vulnerable and elderly.
- 2.7 Since November 2021, the steady increase in the Bank of England base rate to 5.25% As at February 2024, this has created a ticking timebomb for the home owners in the borough as they come to the end of their cheap fixed term mortgage arrangements at under 1% and will be renewing between 4-6%, this means they will have to make some very tough decisions about the future, again, this is likely to impact on the Council with the likelihood of lower collection rates and higher bad debt write offs, which have been reflected in the 2024-25 budget proposals.
- 2.8 The increases in interest rates over the last eighteen months have had a significant impact on the viability of the Council's residential and regeneration development projects and when combined with the financial impacts of reduced heights of buildings, increased construction costs for both materials and labour, in October 2023, Council decided to suspend all of its direct affordable housing projects removing £2830m (net expenditure) from its Capital Programme, to allow Officers to reassess the situation and look at

forming joint ventures to deliver the housing units desperately needs by our younger families, key workers and vulnerable residents.

- 2.9 Like many of our businesses in the Borough, the Council is having to forecast and plan.
- 2.10 Trying to predict just when our operating income and services, will return to 'normal' without having to deal with the aftermath of a global pandemic or an ongoing Cost of Living crisis. All of which, has had a serious impact on the Medium-Term Financial Plan (MTFP) and the budget setting process for 2025-26 and beyond.
- 2.11 The Council is continuing to see reduction in some of its services' fees and charges income, the amounts of Council tax and business rates collected, and this challenging news is offset by a slight increase in our treasury management income because of the Bank of England increasing base rates over the last years.
- 2.12 Over the last years the United Kingdom has moved from global pandemic through to a Cost-of-Living Crisis the Council is continuing to provide extra support, including financial support to many of our services, including support to households as mentioned earlier. This is making our ability to predict when things will return to 'normal' conditions extremely difficult.
- 2.13 An unexpected increase in global events, such as, the conflicts being experienced across the world, including most recently the Red Sea, are also impacted on the Council, whether that is from this year, notably with our investment and regeneration portfolio, with the government freezing the assets of Russian Businesspeople, Conflicts in the Middle East, which slowed down a predicted downward trend in interest rates, are slowing the recovery process for the Council and its residents.
- 2.14 The Council borrowed during the period 2016-2018 over £1bn to invest in eight commercial properties, in order to replace the reduced funding from central Government, as shown by the chart below:



- 2.15 Over the fifty years life (approximately 44 to 46 years remaining) of the assets, the Council expects to generate over £2.5bn (unadjusted for inflation) in rental income and contribute over £0.5bn to deliver services and support all our residents, particularly the vulnerable, elderly and young in the Borough.
- 2.16 To mitigate the Council's financial risks and protect the residents of the borough, Sinking Fund Reserves were established to provide support when required. The original aim seven years ago was to increase the Sinking Fund by at least £3.5m a year, which equates to a total of £24.5m. However, the commercial and regeneration property portfolio has outperformed expectations to 31 March 2023, and the Council was able to increase the Sinking Fund to £38m.
- 2.17 Over the next three years, Council will have to withdraw funds from the Sinking Fund Reserves to support services and the vulnerable residents in the borough, and because of the prudent over funding of the Sinking Fund in previous years, Council has the necessary funds to meet the budget challenges. This is using the sinking funds for the earmarked purpose they were designed for, as set out in the original council policy.
- 2.18 In presenting this balanced budget, it has been necessary to utilise £703.8k of the Council's Earmarked Revenue Reserves, as mentioned earlier Council has accepted the exceptional growth bid of £907,600 to cover projected increase in statutory support for the homeless in the borough and had it not been for this growth bid, the Council's budget would have been a surplus of £203.8k.
- 2.19 As a result of extensive financial modelling, ranging over the short term, i.e., a few years to the long term, i.e., up to 50 years, and the suspension of the Council Direct Accessible Housing projects, the Council is facing some

significant financial challenges over the next three years with significant cash outflows in income flowing to Knowle Green Estates.

- 2.20 Whilst the Board of Knowle Green Estates Directors are implementing robust cost reduction and budgetary control regimes, the number of units available to rent, is not sufficient to cover its outgoings and therefore, Council will have to consider several options including transferring properties for equity shares in order to ensure that the Council's tenants, including key workers, young families and vulnerable residents are fully supported.
- 2.21 The forecasts for the Medium-Term Financial Plan (MTFP), otherwise known as the outline Budget, which includes all the factors mentioned above indicate that whilst the Council has managed to balance the 2024-25 budget, the forecasts (see appendix 1) for the following three years are challenging:
- (a) 2025-26 - £303k deficit
 - (b) 2026-27 – £2,791k deficit
 - (c) 2027-28 - £2,267k deficit
- 2.22 It should be noted that we are expecting in the future period 2026-27 will be particularly challenging if that is the year post the General Election Government implements the Fair Funding review and resets business rates allocations. Surrey councils anticipate when this happens that Surrey councils will be disproportionately hit.
- 2.23 It is therefore important that in the current year the Council focuses in the coming year on the strands within its MTFP to ensure it delivers actions which will close the above gaps.
- 2.24 Officers will be monitoring the medium term closely, particularly any adverse interest rate movements and unnecessary delays to the building of the Council's development projects, as the Council could run the risk of approximately £16.0m (estimated at 31 March 2024) of capitalised revenue costs, being charged to the revenue budget. This is a key risk which is commented on further in the S151 Commentary below.
- 2.25 Having identified over £1.9m of savings as part of the 2024-25 budget setting process, Officers will also be working to identify additional cashable service improvements and savings through all the services over the next four years of at least £800k. Moving forward in 2024-25 and onwards, the quarterly monitoring reports will provide regular updates on progress on delivery of savings such as transformation, procurement, and cashable. This is to ensure that Councillors are advised whether savings programmes are on track and if they are not, what actions are being taken to put them back on track.
- 2.26 Appendix 1 summarises the current draft detailed Budget proposed for 2024-25. After allowing for Housing Benefit the gross budget is financed as follows,
- (a) Fees and Charges 33.9%
 - (b) Property Rental Income – Increasingly representing a greater proportion of the overall funding 22.9%
 - (c) Interest received – 3.0%
 - (d) General Revenue Grants, including New Homes Bonus which increased substantially this year & Retained Business Rates 20.1%

(e) Council Tax 20.1%

Business Rates Retention

- 2.27 The Government has extended the Business Rate Retention programme in its current 50% form until AT LEAST 2025-26 and along with the “Fair Funding Review” it will not progress until after the next general election.
- 2.28 Spelthorne Borough Council is also participating in the Surrey National Non-Domestic Rate Pool, alongside other some of the Surrey Districts and Boroughs and Surrey County Council and this will yield an estimated additional retained income of £500k in 2024-25.

Grant Settlement

- 2.29 The Government’s Local Government Funding Settlement was announced on 18 December 2023 and initially confirmed that Spelthorne would receive as a new Core Spending Power 3% increase Guarantee grant £1.84m in 2024-25 and £1.61m in 2025-26.
- 2.30 In January, the Government announced an additional £127k of Core Spending Power funding.
- 2.31 On 24 January, following extensive lobbying by the local government sector, which Spelthorne participated, as well as the Leader of the Council writing to our local MP, expressing concerns that the proposed increase in funds was not sufficient to enable councils to cope with the external pressures, particularly housing and temporary accommodation costs for district and unitaries. The Secretary of State increased the Core Spending Guarantee Grant to deliver a 4% increase in Core Spending Power. This increased the council’s grants by a further £127k and in total the councils’ grants increased by £324k, when compared to 2023-24. This is a useful increase but is significantly less than the additional need to spend on housing let alone sufficient to cover our inflationary pressures. Councils and Social Care Councils at the same time received an additional £500m to assist with Adult social care pressures.

Within the £324k increase in grants were the following movements:

- (a) As a result of the reduced number of new dwellings built in the borough, the Council’s **New Homes Bonus** is essentially unchanged at £101.5k for 2024-25, compared to £101k, in 2023-24.
- (b) We have been notified that for 2024-25 we will receive, £96.8k of **Revenue Support Grant**. This represents a £6k (6.7%) inflationary increase.
- (c) **Lower Tier Grant** fell from £80k to £12k.

3. Council Tax

- 3.1 The Government has continued to limit the increase in the amount of Council Tax raised for shire districts and boroughs to either 3% or a rise of £5 on Band D (whichever is the higher). In Spelthorne’s case 3%, would equate to £6.48 on band D. Council will be asked to recommend an increase of 2.90% which equates to £6.27 on a band D (or approximately extra 12 pence extra per week). County Councils and Unitary Authorities can levy a combined Council Tax and additional adult social care precept of up to 4.99%, Surrey County Council is applying the 4.99% increase for 2024-25. The referendum

limit for the Police has been set at an increase of £13 Band D equivalent to 4.19%, which the Surrey Police and Crime Commissioner has fully applied.

- 3.2 The Council share of the Band D Council Tax bill for council taxpayers in the Borough has fallen to 9.65% in 2024-25 (9.82%: 2023-24)

Council Tax Support Scheme

- 3.3 The Council will continue the Local Council Tax Support scheme with the same rules and regulations as was agreed for the 2014/15 scheme. This was a 25% deduction made for working age claimants and a 10% deduction for working age claimants who we classified as disabled due to the benefits they receive. This is also considering any annual uprating of applicable amounts or premiums that is announced by central government for the following year.

War Widows

- 3.4 It is sensible to re-confirm the Council's position with respect to the complete disregard of war pension / armed forces pension income from benefit calculations. If the full amount is disregarded the cost of this measure falls on the local authority as only the first £10.00 is disregarded by central government. We have already agreed to do this for our Council tax support scheme. We have always disregarded the full amount since the housing benefit scheme came into existence along with practically every other local authority and the cost to the authority in the last subsidy claim was £1,562. We intend to continue to make this disregard for 2024-25

4. Budget Consultation

- 4.1 Given the challenges over the medium term a Borough wide residents consultation will take place in the autumn 2024, and will include specific budget considerations for the coming years, to assist the Council to adapt its Medium Term Financial Plan.

5. Basis of preparation of the detailed budget

- 5.1 **Service levels** – the budget estimates have been prepared based on maintaining existing service levels except where variations have been approved by the relevant Committee and the Council. Members should be aware of the residual challenges posed by the COVID-19 global pandemic and the both the immediate and ongoing impact of the Cost-of-Living Crisis which may impact either favourably (in the case of interest we earn on our surplus cash) or adversely on the Council Revenue budget. Considerable work has been undertaken to estimate the potential impact of the Cost-of-Living crisis based on the knowledge gained during the pandemic and previous inflationary challenges. The Council has undertaken considerable work to identify savings and efficiencies to offset the list of growth proposals. This is to ensure a balanced budget not just for 2024-26 but also to move us towards us in a sustainable position to balance the Budget in future years.
- 5.2 **Pay and price levels** – 2.8% increase across all staff grades to each Full Time Equivalent employee is being recommended to Council, for each of 2024-25 and 2025-26, equivalent to a cumulative 5.7% over two years (adding £1.2, to the budget) with this two year deal receiving the support of the local Unison branch.

Pensions

- 5.3 Pension Fund valuations for our employer contribution rates for 2023-24 to 2025-26 were agreed notified to the Council in November 2022 as:
- (a) The primary rate which is the contribution paid on an ongoing basis as employees earn additional entitlement will continue at 17.3% for 2023-24 to 2025-26.
 - (b) the secondary rate – this is a lump sum which the Council pays as an employer towards closing the deficit relating to past service benefits. This will increase to £544k in 2023-24, increases to £605k in 2024-25 and to £650k in 2025-26
- 5.4 The next Valuation applies as at 31 March 2025 and will impact on employers' contributions for the years 2026-27 to 2028-29. On the basis of advice from the actuaries The Medium Term Financial Plan and Outline Budget projections has reflected and anticipated no increase in employer contributions from 2026-27.
- 6. Fees & Charges**
- 6.1 In 2023-24 Council applied a 5% increase on its discretionary charges, when the CPI percentage for the twelve months to 31 December 2022 was 10.5%, to assist and support the residents of the Borough during the Cost of Living Crisis.
- 6.2 All 2024-25 fees and charges have been reviewed both by budget managers and the relevant service Committees in the January Committee cycle. See the separate report on the agenda for those meetings and the final Fees & Charges Report on this meeting's agenda.
- 6.3 Income Generation**
- 6.4 The Budget forecasts have reflected officers' judgements on the future, taking the past three years income as a guide, whilst being mindful of the exceptional general economic context over the last three years, and the economic challenges to be faced over the next five years due to higher than previously anticipated inflationary pressures. In aggregate our income generation was recovering but we are still not expecting some of our income streams such as car parking to fully return to pre-pandemic levels for a while.. By setting fees and charges below inflation, Council could be setting up long term issues for the Council, although, if because of these modest increases, more residents use the Council's services, the increased volume and increase frequency of spend, could make up the income short fall in real terms and this is where the relevant Committees should focus their attention over the coming years.
- 6.5 The net income contribution to the Revenue Budget from our commercial asset's portfolio is budgeted at £10.0m for 2024-25, the Sinking Fund will contribute £2.0m (net) (2023-24: £10.0m) to maintain service delivery to the residents of the Spelthorne.
- 6.6 Knowle Green Estates Ltd (KGE) - Currently** manages 105 apartments for the Council and is providing homes to key workers, disabled residents, and families (including Afghan families) in the Borough.
- 6.7 The suspension of the council's direct accessible housing deliver projects is having a significant impact on KGE and its finances.

- 6.8 In the short term, following the Extraordinary Council meeting (ECM on 2 February 2023, in light of the pressures facing KGE, and the impact on its short term cashflow, it was agreed to provide the necessary financial support to enable KGE to move forward with the correct funding in place, and to put the Council's residential delivery pipeline onto a financially sustainable basis, whilst Council agrees on the way forward for its direct accessible housing projects.
- 6.9 As a result of the ongoing challenges and in particular the adverse movement in PWLB interest rates, the Board of Directors are looking at several recommendations to put to Council, in order to alleviate the financial pressure on KGE and substantially reduce the current level financial support received from the Council.
- 6.10 On such project to assist with increasing the number of rental units available for residents and thereby increasing the cashflow within KGE is the Local Authority Housing Fund (LAHF). Working with the Department for Levelling Up Housing & Communities (DLUHC) up to 40% funding has been provided to purchase eighteen properties in the borough. This funding reduces the need to additional loan funding through PWLB and Officers, are looking at alternative approaches to funding the balance of these properties, that would benefit both KGE and the Council, including the issuing of share capital and taking out debentures to provide a flexible loan repayment structure, particularly if the Council has funded these purchases from internal capital receipts, i.e., it has not had to borrow external funds to acquire these properties.
- 6.11 As part of the review of its direct accessible housing deliver projects, Council will also need to consider the future of KGE and how it will fit in with the revised strategy.
- 6.12 The Board of Directors approved a 2024-25 net expenditure budget for 2024-25 of £193k (2023-24: £428k) and improvement of £235k. Once KGE has returned to financial viability, one of the key policy choices for the Committee in the next couple of years will be to determine and agree with KGE an interest margin to apply on affordable rental financing as these will help reduce SBC budget gaps in future years.
- 6.13 KGE is recharged for services provided and a small interest rate margin and this has been accounted for in the Council budget.
- 6.14 **Spelthorne Direct Services Ltd. (SDS)** – The company continues to grow winning a few prestigious contracts and receiving exceptional customer services ratings.
- 6.15 The company is performing well and is current ahead of forecast and is forecast to generate a contribution of £81k at 31 March 2024. The Board of Directors approving a net revenue budget for 2024-25 of (£68k) (2023-24: (£44k)) and improvement of (£24k).
- 6.16 SDS is recharged for services provided to it by the Council budget and is only making finance repayments on start-up capital.

Contingencies.

- 6.17 The General Fund reserve exists as a source of contingency funds should a need arise, which can be addressed through offsetting savings and over the

next few years, the Council should be looking to increase this to £5m over the next three to five years.

- 6.18 This would provide some flexibility to meet one off expenditure in the year, rather than relying on existing Earmarked Revenue Reserves, which have been set aside for specific purposes and cannot be used elsewhere.

Interest Rates

- 6.19 The Council has benefited from many years of above average investment returns (over an eleven year period averaging at 4.03%) through a diversified range of pooled investment funds, as highlighted in the Arlingclose presentation to all Councillors on 17 January 2024. The return on these funds was 4.51% at 10 December 2023 (3.18% at 31 December 2022) which is a still a good rate of return even though base rate rose from 1.75% to 5.25% in the 12 months to December 2023.
- 6.20 Whilst this is bad news for the funding of our capital programme, as the cost of PWLB borrowing increases, and due to the number of base rate increases, this has changed almost on a daily basis, yesterday, the Council was being offered 5.60% for 12-month cash deposits.
- 6.21 This is good news for our investments and the 2024-25 detailed budget reflects this opportunity, as Officers are predicting £1.47m (2023-24: £2.4m) of interest from all our investments, a reduction of approximately £1m on the previous year.
- 6.22 The downturn in the income projections are due to the fact that the Council will have less surplus operating cashflow to relend to other Local Authorities and invest in the overnight money markets. Should Council decide to fund the Leisure Centre via PWLB loans this could substantially improve these figures. However, it will be offset by a similar increase to the Council's aggregate loan interest charged, so overall a neutral impact on the Councils 2024-25 budget proposals.

7. Investment Income

- 7.1 The Corporate Policy & Resources Committee has separately received the Treasury Management Strategy for 2024-25 indicating the current position in respect of interest rates and the proposed strategy for dealing with the lower levels of interest rates and the reduction of investment monies.
- 7.2 Arlingclose advises the Council on expected one or possibly two rate changes in 2024-25 which would affect investments and full details are shown in the Treasury Management Strategy Report.
- 7.3 The Corporate Policy & Resources Committee is receiving separately on this agenda the Capital Strategy, which is based on their feedback received, and it sets out the Council's broader approach to management of capital expenditure a
- 7.4 The Treasury Management Strategy, Capital Strategy and the Capital Programme reports set out the Prudential Indicators including the proposed borrowing limits in accordance with the Chartered Institute of Public Finance's Prudential Code.

Use of Reserves

7.5 The Corporate Policy & Resources Committee is reviewing its reserves levels and the purposes for which it holds reserves in the Reserves Policy. An updated Reserves Strategy is on the Agenda of this Committee for recommendation to the February Council the Budget indicates that we will use the following:

- (a) £96.7k – from the Planning Performance Agreement to fund a Systems Administrator Support Officer
- (b) £46.3k – from the Green Initiatives Reserve to fund the Environment and Sustainability Officer for 2024-25
- (c) £84.7k - from the Business Rates Equalisation Reserve to fund for 2024-25 two temporary posts in the Economic Development Team (please refer to the appendices below for more details).
- (d) £71.7k – from Earmarked Reserves for play equipment (CIL/S106 funds) and Family Support Reimbursements from SCC.
- (e) £5.7k – from Building Control Reserve to fund a net increase in staff costs, after additional fee income received.
- (f) £90k – from the Green Belt Fighting Fund to complete the design code.
- (g) As mentioned above, a net £2,016.1k is planned to be transferred from the Sinking Fund reserves to cover short term dips in investment assets rental income (in line with the purposes for which the Sinking Funds reserves were put aside for) and as previously reported to Council, these pressures have been fully disclosed since 2021 and were based on the rolling five year projections produced by the Assets and Finance Teams.
- (h) Officers will be monitoring not only Outturn at 2023-24, as indications are that the Council will have an underspend, but 2025-26 and beyond as the Cost-of-Living crisis impacts on the economy and our tenants. The Q3 Revenue Monitoring report indicates that due to improved rental income received and lower than anticipated cost, the Commercial & Regeneration property portfolios will deliver an over recovery of contribution of approximately £1m at 31 March 2024, and will be recommending to Council that this is transferred to the Sinking fund to cover additional expenditure at Communications House, as report is being submitted to Development Subcommittee shortly.

Not only has the investment income portfolio provided for our long-term future prosperity it has enabled the Council to provide a revenue contribution to help finance the capital programme, regenerate the Borough, and continue to provide services and support to our residents.

In 2024-25 it is anticipated that £2.0m (net) will be used to Maintain the £10m contribution towards front line services.

Growth items

7.6 All service committees have reviewed the growth bids relating to their services and the Appendix 3 reflects the bids which have been supported by those Committees and fed into this Committee.

- 7.7 Additional spending pressures or reduced income streams totalling £2.6m have been included in the budget, offset by £0.37m of funding. Appendix 2 summarises the discretionary budget growth items.
- 7.8 The evaluation of growth bids received from services have been carried out using several criteria including: -
- (a) Whether there is an invest to generate future income aspect
 - (b) Whether there is an invest to achieve future savings
 - (c) Whether it is necessary to meet statutory obligations
 - (d) Whether it is necessary for operational reasons, for example service resilience.
 - (e) No growth bids for staffing posts to be considered unless externally funded or because of a specific statutory requirement.
 - (f) Additional costs of service provision
- 7.9 Officers are aware that there are some major discussions be held with a major employer in the borough with a view to upgrading their current premises, it is the early stage of negotiations and the Asset portfolio Working Group have been informed. Early cost estimates indicate that these works could cost between £1.5-2.0m upfront costs but associated with an increased rental stream, and are likely to impact on the revenue budget, if and when approved by Council.
- 7.10 Once the full details are available, Officers will be looking to fund these works, through internal borrowings, if capital related expenditure, or by reprogramming the existing planned works or use of the Sinking Fund if these costs are deemed to revenue in nature, to reduce the impact on front line services.

Savings & Additional Income

- 7.11 In total savings of approximately £2.1m have been found and this was mainly due to an exercise carried out to remove redundant codes from the budgets.

7.12 Precepts

- 7.13 Surrey County Council at its meeting on 6 February set a Band D Council tax of £1758.60 representing a 4.99% increase and Surrey Police at its tax setting meeting on the 2 February set a band D Council tax of £323.57 representing a £13 increase on Band D representing a 4.2%increase.

7.14 Medium Term Financial Plan

- 7.15 Within the detailed budget report, officers have included the figures for 2025-26 to 2027-28 and these figures represent the expected outturn for the MTFP, as based on the information above, with the projected deficits highlighted in 2.20 above.

8. Options analysis and proposal

- 8.1 The Council is required to set a balanced budget and in the light of the detailed budget it is recommended the Council increases its share of Council Tax for 2024-25 by 2.90%. The Council is very aware of the financial pressures many of its residents are currently under because of the impacts of Cost-of-Living crisis, however this increase equates to a below inflation

increase and is necessary to protect the Council's tax base and its ability to balance its Budget and provide services for its residents.

9. Financial implications

9.1 Addressed in the body of the report.

10. Other considerations

10.1 The Local Government Act 2003 (the 2003 Act) section 25 requires that when a Council is agreeing its annual Budget the Chief Finance Officer (section 151 Officer) must report to it on the following matters:

- (a) The robustness of the estimates underpinning the Budget
- (b) The adequacy of the proposed reserves' levels

10.2 In the exceptionally challenging times all Councils are currently facing because of the past impact of the COVID19 pandemic and both the current and future impact of the Cost of Living Crisis and the housing crisis it is even more important than ever to ensure that the Council pursues a careful and prudent approach to setting its budget (both Revenue and Capital) and considering budget risk, particularly around any long term delays to its development properties, now that Council have suspended these projects, pending a review of all possible options, otherwise a further £16.0m of capitalised revenue costs may have to be charged back against the 2024-25 and future years Revenue Budget and this will put services at risk, if this is not dealt with in an orderly fashion by Council. The Council has made its best estimate of the need for additional budget to cover likely additional need to spend on Temporary Accommodation to address increasing demand. This is the key reason why the Social Initiatives Fund reserves has been used to help balance the 2024-25 Budget

10.3 Officers, working with our Treasury Management advisers, will need to carefully monitor the movements in interest rates, and how to fund the Leisure Centre once the project is completed, make critical judgements on when fees and charges income are likely to fully recover, and evaluate and manage a number of risks facing its commercial and retail income streams, and how this will impact on the Council's current and future budgets.

10.4 Given the challenges outlined earlier in the report officers, will continue to monitor collection rates for Council Tax, Business Rates (positively in the last month or so performance on collection of Council Tax has improved), and investment and regeneration assets and Knowle Green Estates Board will monitor rent arrears in residential units, reduce cost, and look to increase income, whilst managing the Council's 105 rental units.

10.5 There are a range of other legislative measures in Local Government Acts which are in place to ensure local authorities do not over-commit themselves financially. These include:

- (a) The Chief Finance Officer's section 114 power and duty, which requires a report to all members of the Council if there is, or likely to be, unlawful expenditure or an unbalanced budget.
- (b) The Prudential Code issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) which guides local authorities on the affordability of their capital programme.

- 10.6 The 2003 Act requires Members to have regard to this report in making their decisions. The 2003 Act does not provide any specific guidance on how to evaluate the robustness of the estimates. However, it does identify the need to allow for risks and uncertainties that might lead to expenditure exceeding budget by:
- (a) Making prudent allowance in the estimates for inflation, known cost increases or reductions in income and in addition
 - (b) Ensuring that there are adequate reserves to draw on if the estimates are insufficient.
- 10.7 It is stressed that the advice contained in this report on the appropriate level of reserves is not based on a percentage of spend, but on an assessment of all the circumstances likely to affect the Council. Guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) states the following factors should be considered by the section 151 officer in undertaking an assessment on the overall level of reserves and balances:
- (a) Assumptions regarding inflation, which clearly are of increased significance at present.
 - (b) Treatment of demand led pressures.
 - (c) Treatment of savings
 - (d) Risks inherent in new partnerships etc.
 - (e) Financial standing of the authority (i.e., level of borrowing, debt outstanding etc).
 - (f) The Authority's track record in budget management
 - (g) The Authority's capacity to manage in year budget pressures.
 - (h) The Authority's virements and year end procedures in relation to under and overspends.
 - (i) Estimates of the level and timing of capital receipts.
- 10.8 In assessing the above the s151 Officer is having regard to the constructive and useful discussions, which have been taking place since last summer, with DLUHC colleagues focusing on the Council's approach to mitigating future risks with respect to its debt levels and the role the sinking funds play in this.
- 10.9 In assessing the robustness of the Council's financial position, we have particularly considered risks with respect to our investment assets and have recently received a useful external experts report highlighting the challenges and opportunities presenting with respect to our investment assets. A key element of our risk mitigation continues to be being focused on ensuring that our future sinking funds reserves balances will be sufficient to meet future demands on them. The future balance projections for the next four years are setting out in the Reserves Strategy report considered by Corporate Policy and Resource's Committee.
- 10.10 In assessing the robustness of our budget approach, as S151 Officer and working with senior officers and Councillors we are looking ahead over the next four years. We are anticipating that post the General Election there is likely to be a business rates reset and a "Fair Funding" review and redistribution of grants to councils. We are currently assuming that this will

happen in 2026-27 and that Spelthorne and other Surrey Councils will be relative losers. We have on grounds of prudence assumed that this will be a hard reset, whereas it is quite possible that there will be some transitional protection for councils. Spelthorne along with other Surrey Councils has recently been doing a collective exercise to review financial resilience. Whilst this has highlighted the challenges ahead in 2026-27, the work suggests that with our current levels of reserves we are currently in a reasonable position but need to plan for meeting the challenges in 2026-27.

10.11 We will be particularly focused in the coming year to firstly ensure that we robustly track delivery of cashable savings built into the budget. Progress will be reported regularly to Councillors. Secondly, we are looking ahead to proactively address the challenges potentially arising in 2026-27 and this will include work focused on better understand options around discretionary and secondary expenditure and commencing a zero based budgeting exercise for 2025-26.

10.12 The Council's Section 151 Officer has considered and followed those guidelines. The Council is obliged to take these views into consideration when setting the Council Tax and budget for 2024-25.

In coming to a view on the adequacy of reserves it is necessary to take several issues into account including:

- (a) The purpose for which the Council holds a specific reserve and general fund working balance.
- (b) The risks and uncertainties the Council faces that may have financial consequences.
- (c) The likelihood of those risks arising

10.13 The above issues, along with the Reserves Policy were considered as part of the Outline Budget report in November and the Reserve Strategy report which is on the Corporate Policy & Resources Committee Agenda for this meeting, and which reviewed projected balances on reserves. The Council's General Fund revenue reserve, which acts as a contingency reserve is currently £2.4m which represents 27.5% of the proposed net budget requirement for 2024-25. We will seek in the coming years to further increase the balance in the General Fund reserve.

10.14 Reserves and provisions – the local Government Act 2003 requires the Chief Finance Officer to report on the adequacy of the Council's financial reserves when consideration is given to the general fund budget requirement for the year. Under the local government finance act 1988, all useable revenue balances held by the Council are at the direct disposal of the general fund apart from the Collection Fund and the investment reserve. However, an all of Spelthorne Borough Council's reserves have been approved by Council as earmarked and can only be used for the intend purpose approved.

10.15 The Chief Finance Officer considers that the reserves and provisions will ensure that the Council maintains a healthy financial position even in the face of the residual economic impacts of COVID-19 and now the Cost-of-Living Crisis and housing crisis. In forming this judgement, he has had regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Resilience Index results for the Council which show a strong overall positive picture particularly with respect to reserves levels with 6 of the 8 indicator

measures towards the lowest end of risk. This reflects the additional amounts the Council has been putting into its Sinking Funds. As commented in the Reserves Policy a recent national benchmarking exercise by LG Improve identified that Spelthorne had at end of 2022-23 the highest ratio of unallocated revenue reserves to net revenue budget of any district or borough Council in the country.

- 10.16 In response to the impact of COVID-19 which saw the biggest economic downturn for more than three hundred years, and now the Cost-of-Living crisis the Council has carefully reviewed the adequacy of its Sinking Funds reserves designed to be able to absorb potential drops in its commercial income stream. The Government does periodically seek out external expert advice on how its investment portfolio is performing, what are the challenges and risks which need to be addressed. This advice is discussed with councillors, and it is important that the council remains very focused on minimising voids and getting tenants into its investment assets when voids arise.
- 10.17 The CIPFA Financial Resilience has three measures for which the Council is shown as being at the higher end of risk. These are:
- (a) Gross Debt to revenue budget – this reflects that the Council has more than £1 billion in debt (although we do not have the highest level of debt in our comparator group). What also needs to be considered is that the Council has nearly £1 billion of best-in-class assets backing this debt. It is recognised that in line with property assets across the economy our asset valuations have reduced significantly over the last few years, because of the pandemic and more recently the Cost-of-Living crisis, however, with the income levels and occupancy levels holding up strongly we believe these are temporary balance sheet movements and that the values will recover over time. Further, as the Council has no intentions to sell these assets any paper loss incurred to date, will not crystallise.
 - (b) Through the Council’s Sinking Fund strategy, it is seeking to ensure it the council can cope with any unplanned situation, like the war in Ukraine. The debt is being paid down on an annual prudent basis. and the borrowing has been fixed at low rates of interest (an average of 2.33%). There is no risk of interest movement on the debt.
 - (c) Interest to revenue - this reflects the level of debt highlighted above, What the CIPFA indicator does not reflect is that the rental income generated by the commercial assets is more than 2.2 times in value the interest cost and is sufficient to cover interest, annual debt repayments, management costs and to make annual Sinking Fund contributions.
 - (d) The Index flags that due to the Council currently doing well in terms of the amount of Business Rates it retains above the Baseline set by Government that there is a risk when the Government resets the baseline in 2026-27, that the Council is at risk of losing rates when the change happens.
- 10.18 The Chief Finance Officer is satisfied that each service budget has been prepared in the context of the Council’s corporate strategies, including the Capital Strategy and longer-term financial strategy which means that the Council is presented with robust estimates as a basis for making decisions

about the level of Council tax. Officers have modelled a range of scenarios including different assumptions around future pay settlements, and rate at which business rates may be withdrawn from the Council by Government. The nature and size of our revenue budget carries a degree of risk, this is particularly the case in the current Cost of Living crisis, which has followed on so quickly, after the global pandemic.

- 10.19 Reserves and provisions – the local Government Act 2003 section 26 requires me to report on the adequacy of the Council’s financial reserves when consideration is given to the general fund budget requirement for the year. Independent benchmarking by LGImprove indicates that Spelthorne has the highest ratio of Revenue Reserves to net Revenue Budget of any district or borough Council in the country. Under the local government finance act 1988, all revenue balances held by the Council are at the direct disposal of the general fund except for the Collection Fund. However, a number of these balances are earmarked specifically for social housing and the new scheme fund. Detail any other considerations to be considered.
- 10.20 It continues to be important that the Council critically reviews its financial management performance, with this in mind a refreshed self-assessment against the CIPFA Financial Management Code will be brought to March Audit Committee. One of the Key messages of the Code is that responsibility for owning effective financial management belongs to the whole senior management team both political and officer.

11. Procurement Implications

11.1 None directly applicable

12. Risk Implications

13. Issues considered when evaluating the robustness of the estimates and the adequacy of the reserves is set out below.

13.1 The budget has several risks, and these are set out below:

Outside control	Internally based
Economic and financial impacts of the Cost-of-Living crisis, following so soon after the COVID 19 pandemic, including on residents' ability to pay Council tax, businesses ability to pay business rates, Council income levels, levels of local Council tax support, impacts on commercial rents etc	Failure to maintain momentum in moving towards full occupancy across the Investment Asset portfolio.
External geopolitical conflicts resulting in impacts such as sanctions which impact on income streams	Use of short-term investments to fund the Leisure Centre project will significantly reduce short term operating cash.
PWLB Interest rates, until they fall to below 3% will render projects requiring 80+ loan finance financially unviable.	Failure to sufficiently resource delivery of key asset income generation projects

Severe public sector spending cuts, including cash increases which are significant real terms cuts	Collection of retained business rates and Council tax, as the Cost-of-Living Crisis continues, collection rates are forecast to reduce from 97% to 95% in 2024-25.
	Reliance on interest earnings to balance the budget, particularly if Council decides to use short term investment funds to fund the Leisure Centre project.
Changes to redistribution of Local Government Funding- now anticipated to happen after the next General Election	Failure to develop a new strategy to deliver the Council's housing delivery programme following the suspension of the direct accessible housing projects, due to reduced volume of units, higher building material costs, labour rate inflation, caused by a shortage of skilled workers, together with high PWLB Interest rates, could see the release of £16m of capitalised development costs to the revenue budget in 2024-25 or years to come.
Impact of budget pressures on Surrey County Council and other public sector entities.	
Fair Funding review and business rates reset after the General Election reduces the amount of business rates income the Council can retain	
An increase in the level of voids at our investment properties, followed by a significant number of new tenants entering new leases, will see income reduce and costs increase before our revenue streams return to business as usual.	
Inflation rates do not fall back but instead become embedded adding to our cost pressures on housing delivery and cost of services.	
Housing benefit subsidy/welfare reform.	

The risks are that the level of savings anticipated do not materialise or that there are additional spending pressures. These will be mitigated by ensuring proposals have been properly evaluated before being built into the final budget for example clarifying any contractual assumptions, and thereafter through careful budget monitoring.

14. Legal implications

- 14.1 Councils have a statutory responsibility to set a balanced budget by the beginning of March each year.
- 14.2 Councillors are reminded that any amendment motions to change the detailed budget, must be submitted to Committee Services by 1200 hours on Tuesday 20 February.

15. Equality and Diversity

- 15.1 The detailed budget proposals apply to all residents across the Borough. Any significant service changes underpinning the Budget will have Equality Impact Assessments undertaken.

16. Sustainability/Climate Change Implications

- 16.1 The Budget reflects prioritisation against corporate priorities including climate change. Provision has been for example to create a new climate change officer.

17. Timetable for implementation

- 17.1 Full Council to approve the budget on 22 February 2024.

Background papers:

2024-25 Reserves Strategy
2024-25 Outline Budget Report
2024-25 Fees & Charges Report
2024-25 Council Tax Base.

Appendices:

Appendix 1 – Detailed budget for 2024-25
Appendix 2 – Net Expenditure Budget 2024-25 by Committee
Appendix 3 – Revenue Growth bids for 2024-25
Appendix 4 – Revenue Savings bids for 2024-25
Appendix 5 – Capital Growth bids for 2024-25

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Outline Budget 2024-25 Base Case incl all growth bids with 2.8% salary increase						Appendix 1 06 February 2024
	2023-24 Revised £	note	2024-25 £	2025-26 £	2026-27 £	2027-28 £
Gross Expenditure	60,386,500		62,834,700			
Less: Fees and Charges and Specific Grants (excl Housing Benefits)	(13,619,100)		(14,885,600)			
Less: Housing Benefits Grant	(21,556,000)		(21,556,000)			
Net Service Expenditure:	25,211,400		26,393,100	26,099,100	25,134,100	23,769,100
Broken down by Committee						
Regulatory & Administration Committee	6,891,400		6,857,900		6,000	258,000
Corporate Policy & Resources Committee	6,636,600		6,964,600			
Economic Development Committee	(87,900)		(132,400)			
Community Wellbeing & Housing Committee	4,412,300		5,329,700			
Neighbourhood Services Committee	5,949,300		5,973,700	(150,000)	(90,000)	(90,000)
Environment & Sustainability Committee	1,409,700		1,399,600			
	25,211,400	1	26,393,100	25,949,100	25,050,100	23,937,100
Third party inflation	0		0	608,000	395,000	405,000
Fees & charges inflation	0		0	(561,000)	(365,000)	(374,000)
Pensions	0	2	61,000	45,000	50,000	0
Pay award	0	3	0	691,000	633,000	649,000
Cashable Savings Identified	0	4	(120,000)	(240,000)	(360,000)	(480,000)
Business Improvements	0	4	(85,000)	(300,000)	(350,000)	(415,000)
Green Initiatives	0	4	(50,000)	(100,000)	(150,000)	(500,000)
Uplift in Leisure Centre Income	0	5	0	(665,000)	(1,109,000)	(1,440,000)
Increases in procurement savings	0	4	(100,000)	(25,000)	(25,000)	(25,000)
One off Growth bids 24.25	0		0	(262,000)	0	0
Lapsed Growth bids base budgets	0		0	(6,000)	0	0
Service Expenditure	0		(294,000)	(815,000)	(1,281,000)	(2,180,000)
NET EXPENDITURE	25,211,400		26,099,100	25,134,100	23,769,100	21,757,100
Investment Property Income per lease incl regen	(46,128,700)	5	(50,958,700)	(51,395,033)	(53,852,226)	(55,755,061)
Landlord Costs	11,943,900	5	6,968,600	9,417,128	8,281,051	8,677,601
Debt Interest payable	25,172,800	5	24,933,100	24,674,531	27,068,000	26,760,000
Minimum Revenue Provision	12,396,800	5	12,918,600	13,242,117	14,144,892	14,496,430
Set Aside	630,000	5	650,000	670,000	690,000	710,000
Capitalised Interest	(1,400,000)	6	(1,217,700)	(1,217,700)	(1,217,700)	(1,217,700)
Interest Cash Equiv.	(500,000)	7	(250,000)	(200,000)	(160,000)	(128,000)
LA & Other Loans Interest Rec	(700,000)	7	0	0	0	0
Interest Rec - Pooled Funds	(1,200,000)	7	(1,224,000)	(1,248,480)	(1,273,450)	(1,298,919)
Interest received on loans to KGE	(818,700)	8	(761,900)	(754,500)	(746,900)	(739,000)
Interest received on loans to SDS	(20,000)	8	(16,000)	(12,000)	(8,000)	(4,000)
NET EXPENDITURE AFTER INTEREST EARNINGS	24,587,500		17,141,100	18,310,163	16,694,767	13,258,451
Appropriation to/(from) Reserves:						
Revenue Contributions to Capital Outlay	805,000		0	0	0	0
Housing Initiatives	0		(703,800)	0	0	0
Funding From Earmarked Reserves	(110,800)	1	(71,700)	0	0	0
Building Control Reserve	0	1	(5,700)	0	0	0
Planning Performance Agreement	(36,800)	1	(96,700)	(53,200)	(53,200)	(53,200)
Green Initiative Fund	(48,800)	1	(46,300)	(46,300)	(46,300)	(46,300)
Local Plan Reserve	(75,000)		0	0	0	0
Inflation Reserve	(362,000)		0	0	0	0
BRR Retention - EcDev	(128,000)	1	(84,700)	0	0	0
IFRS16 Reserve	(472,000)		0	0	0	0
Green Belt Fighting Fund	0		(90,000)	0	0	0
Sinking Fund Contributions	1,037,100	9	833,900	774,838	647,184	774,599
Sinking Fund (Funding)	(11,023,100)	9	(2,850,000)	(5,030,000)	(1,400,000)	0
BUDGET REQUIREMENT	14,173,100		14,026,100	13,955,501	15,842,451	13,933,550
Allocation from National Non-Domestic Rate pool	(450,000)	10	(500,000)	0	0	0
Retained Business Rates	(1,929,000)	10	(1,929,000)	(1,929,000)	(1,200,000)	(1,000,000)
Section 31 Grants	(874,900)	10	(874,900)	(874,900)	(874,900)	(874,900)
Empty property premia	(500,000)	10	0	0	0	0
Lower Tier Services Grant re Core Spending Power	(79,500)	10	(12,300)	(12,300)	(12,300)	0
Core Spending Power Guarantee Grant	(1,483,000)	10	(1,884,000)	(1,613,000)	(1,505,000)	0
Revenue Support Grant	(91,000)	10	(96,800)	(100,000)	(101,000)	0
New Homes Bonus Grant	(101,000)	10	(101,500)	(100,000)	0	0
NET BUDGET REQUIREMENT	8,664,700		8,627,600	9,326,301	12,149,251	12,058,650
Collection Fund (Surplus)/Deficit	100,000		100,000	100,000	180,000	180,000
CHARGE TO COLLECTION FUND	8,764,700		8,727,600	9,426,301	12,329,251	12,238,650
Tax base (net)	40,551	11	39,241	39,829	40,426	41,032
Council Tax rate	216.14	11	222.41	229.08	235.95	243.03
Council Tax yield	8,764,693		8,727,600	9,124,027	9,538,515	9,972,007

Outline Budget 2024-25 Base Case						Appendix 1
incl all growth bids with 2.8% salary increase						06 February 2024
	2023-24		2024-25	2025-26	2026-27	2027-28
	Revised					
	£	note	£	£	£	£
DEFICIT/(SURPLUS)	0		0	302,274	2,790,736	2,266,643

Net Expenditure Budget 2024/25 by committee				Appendix 2	
02 February 2024					
		Revised	Proposed	Change from	Increase
Committee		2023/24	2024/25	2023/24	%
		£000s	£000s	£000s	
Audit		214.2	222.0	7.8	4%
Committee Services		294.0	317.9	23.9	8%
Corporate Governance		339.7	315.0	(24.7)	-7%
Corporate Management		629.7	687.5	57.8	9%
Corporate Publicity		415.9	460.0	44.1	11%
CServ Management & Support		1,257.2	1,324.5	67.3	5%
Democratic Rep & Management		435.5	414.2	(21.3)	-5%
Elections		150.5	10.9	(139.6)	-93%
Electoral Registration		286.1	280.6	(5.5)	-2%
HR		415.8	429.0	13.2	3%
Information & Comms Technology		1,318.3	1,300.3	(18.0)	-1%
Insurance		388.4	337.8	(50.6)	-13%
Legal		706.6	713.3	6.7	1%
Payroll		74.3	76.3	2.0	3%
Land Charges		(34.8)	(31.4)	3.4	-10%
Regulatory & Administration Committee		6,891.4	6,857.9	(33.5)	0%
Accountancy		788.6	810.3	21.7	3%
Asset Mgn Administration		336.8	493.0	156.2	46%
Chief Executive		242.4	237.0	(5.4)	-2%
Deputy Chief Executives		300.9	307.9	7.0	2%
General Property Expenses		(30.1)	(30.3)	(0.2)	1%
Facilities Management		751.4	710.8	(40.6)	-5%
Planned Maintenance Programme		1,315.8	1,335.8	20.0	2%
Project Management		664.7	679.0	14.3	2%
MAT Secretariat & Support		101.4	103.7	2.3	2%
Sea Cadets		0.0	0.0	0.0	#DIV/0!
Unapportionable CentralO/heads		2,164.7	2,317.4	152.7	7%
Corporate Policy & Resources Committee		6,636.6	6,964.6	328.0	5%

Net Expenditure Budget 2024/25 by committee			Appendix 2		
02 February 2024					
		Revised	Proposed	Change from	Increase
Committee		2023/24	2024/25	2023/24	%
		£000s	£000s	£000s	
Economic Development		323.1	302.8	(20.3)	-6%
Youth Hub		0.0	0.3	0.3	#DIV/0!
Incubator		0.0	(8.6)	(8.6)	#DIV/0!
Shared Prosperity Fund		0.0	0.0	0.0	#DIV/0!
Staines Market		(68.7)	(62.8)	5.9	-9%
Staines Town Centre Management		(342.3)	(364.1)	(21.8)	6%
Economic Development Committee		(87.9)	(132.4)	(44.5)	51%
Community Care Administration		436.8	395.2	(41.6)	-10%
Community Centres		604.8	562.2	(42.6)	-7%
Homelessness		548.1	1,423.5	875.4	160%
Refugee Schemes		0.0	(0.2)	(0.2)	#DIV/0!
Housing Benefits Admin		409.0	424.5	15.5	4%
Housing Benefits Payments		51.0	51.0	0.0	0%
Housing Needs		1,519.0	1,605.2	86.2	6%
Sports and Active Lifestyle		18.0	19.2	1.2	7%
Arts Development		30.5	32.1	1.6	5%
Leisure Administration		357.3	365.9	8.6	2%
Sunbury Golf Club		(47.6)	(47.6)	0.0	0%
Events		0.0	0.0	0.0	#DIV/0!
Museum		(5.1)	(5.0)	0.1	-2%
Public Health		4.2	4.6	0.4	10%
Resource Centre		14.0	14.2	0.2	1%
Spelthorne Leisure Centre		40.9	22.2	(18.7)	-46%
Youth		27.1	28.5	1.4	5%
General Grants		279.8	226.7	(53.1)	-19%
Meals on Wheels		85.5	116.5	31.0	36%
Community Development		39.0	39.0	0.0	0%
Research & Consultation		0.0	0.0	0.0	#DIV/0!
Span		0.0	0.0	0.0	#DIV/0!
Spelthorne Family Support		0.0	52.0	52.0	#DIV/0!
Community Wellbeing & Housing Committee		4,412.3	5,329.7	917.4	21%

Net Expenditure Budget 2024/25 by committee				Appendix 2	
02 February 2024					
Committee	Revised 2023/24 £000s	Proposed 2024/25 £000s	Change from 2023/24 £000s	Increase %	
Abandoned Vehicles	3.6	3.6	0.0	0%	
Allotments	(16.6)	(18.6)	(2.0)	12%	
Building Control	(39.4)	5.7	45.1	-114%	
Bus Station	24.9	25.9	1.0	4%	
Car Parks	(54.5)	(384.4)	(329.9)	605%	
Cemeteries	(327.5)	(392.8)	(65.3)	20%	
Community Safety	257.4	309.7	52.3	20%	
Depot	119.0	128.2	9.2	8%	
Neighbourhood Serv Mgt Support	1,380.7	1,404.1	23.4	2%	
Environmental Enhancements	21.6	13.3	(8.3)	-38%	
Environmental Health Admin	1,238.0	1,335.0	97.0	8%	
Environmental Protection Act	96.4	89.9	(6.5)	-7%	
Food Safety	0.9	0.9	0.0	0%	
Grounds Maintenance	1,635.4	1,888.7	253.3	15%	
Licensing	108.8	34.0	(74.8)	-69%	
Parks Strategy	34.8	(1.1)	(35.9)	-103%	
Public Conveniences	1.5	0.0	(1.5)	-100%	
Public Halls	(17.4)	(19.2)	(1.8)	10%	
Refuse Collection	931.6	908.7	(22.9)	-2%	
Rodent & Pest Control	10.8	11.3	0.5	5%	
SAT	165.6	167.1	1.5	1%	
Street Cleaning	782.4	795.0	12.6	2%	
Taxi Licensing	(61.7)	(64.8)	(3.1)	5%	
Waste Recycling	(347.0)	(266.5)	80.5	-23%	
Neighbourhood Services Committee	5,949.3	5,973.7	24.4	0%	
Emergency Planning	95.5	95.5	0.0	0%	
Energy Initiatives	9.7	10.1	0.4	4%	
Planning Development Control	779.5	724.3	(55.2)	-7%	
Planning Policy	535.6	574.5	38.9	7%	
Water Courses & Land Drainage	8.7	6.0	(2.7)	-31%	
Parks Properties project	(19.3)	(10.8)	8.5	-44%	
Environment & Sustainability Committee	1,409.7	1,399.6	(10.1)	-1%	
Net Expenditure	25,211.4	26,393.1	1,181.7	5%	

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Details of Growth Bid	FTE	FTE Statutory / Discretionary / Funding	Reason for Growth Bid	Service Area	Committee	Cost Centre	Cost Centre Code details	Amount	Funding	Full / Part Year	Ongoing or one off	General Fund Net Cost 2024/25	General Fund Net Cost 2025/26	General Fund Net Cost 2026/27	General Fund Net Cost 2027/28
Tender property valuation contract for the Commercial Property portfolio - 2nd yearly valuation as per CIPFA/DLUHC review		Discretionary	Current contract expires in March 2025 with potential for one year extension. Secure best price and maintain high quality service delivery.	Asset Management	Corp Policy & Resources	30132	301324403	40,000		Full	Ongoing	40,000	40,000	40,000	40,000
Municipal Properties valuation contract tender		Discretionary	Contract renewal for Municipal (General) Properties valuations	Asset Management	Corp Policy & Resources Environment & Sustainability Committee	31002	310024403	15,000		Full	Ongoing	15,000	15,000	15,000	15,000
Loss of rental income for Parks properties		Discretionary	Reduction in Parks properties income due to letting of flat to a community user	Asset Management	Neighbourhood Services Committee	31003	310037501	8,300		Full	Ongoing	8,300	8,300	8,300	8,300
Apprentice Building Control Surveyor	1.00	Discretionary	Employ one apprentice to provide resilience and succession planning (Scale 1 SCP6/11)	Building Control	Neighbourhood Services Committee	21201	212011001	28,600	28,600	Full	Ongoing	0	29,100	29,700	30,400
On Street Parking		Discretionary	On Street Parking moved with SCC- Loss of PCN income	Car Parks	Neighbourhood Services Committee	26698	266987403	125,000		Full	Ongoing	125,000	125,000	125,000	125,000
On Street Parking		Discretionary	On Street Parking moved with SCC- Loss of visitors/ residents permits income	Car Parks	Neighbourhood Services Committee	266**	7422/7423	16,500		Full	Ongoing	16,500	16,500	16,500	16,500
New Role for Community engagement Officer	0.69	Discretionary	Specifically to support the comms team, lead on engagement strategy, launch Engagement HQ digital software, attend community and council engagement events, develop borough profile insights. (Part-time 25 hours per week)	Corporate Publicity	Reg & Admin	31701	317011001	28,900		Full	Ongoing	28,900	28,900	28,900	28,900
webCAPTURE (GovTech) API for integration with Capita		Discretionary	webCAPTURE (GovTech) API for integration with Capita - This is required for our Granicus, Engagement HQ and Capita platforms to integrate and facilitate up to 80% complete automation of revenues activity.	Customer Services	Reg & Admin	30704	307044552	3,400		Full	Ongoing	3,400	10,400	10,400	10,400
webCAPTURE Annual Service Fees and P2PVPN charge		Discretionary	webCAPTURE Annual Service Fees and P2PVPN charge	Customer Services	Reg & Admin	30704	307044552			Full	One off for 2 years			6,000	8,000
Loss of income contract		Discretionary	Loss of income from SCC agency agreement not dealt with under 22/23 budget allocations	Grounds Maintenance	Neighbourhood Services Committee	45403	454037151	185,000		Full	Ongoing	185,000	185,000	185,000	185,000
Play equipment replacement		Discretionary	Replace play equipment in Nuthatch Close Stanwell play area.	Grounds Maintenance	Neighbourhood Services Committee	45403	454032219	30,000	21,700	Full	One off	8,300			
Loss of Waste Recycling income		Discretionary	Reduction in Waste Recycling income in line with expected income	Waste Recycling	Neighbourhood Services Committee	20151	201517111	77,000		Full	Ongoing	77,000	77,000	77,000	77,000
MOW Food Inflation		Discretionary	Forecasting costs in 23.24 to be at £100k for food purchases due to contractor increasing prices for food. Hoping that costs in 24.25 will not exceed budget of £100k as food price inflation starts to ease off. Current 23.24 budget provision will be overspent and this has been identified in monitoring.	Independent Living	Community Wellbeing & Housing	12509	125094101	24,800		Full	Ongoing	24,800	25,000	25,000	25,000
Internal Audit- Partnership or outsourcing arrangement		Statutory	Service Delivery - delivering an efficient Internal Audit Service by delivering the service through a partnership or outsourcing arrangement. Initial set up costs may be required	Internal Audit	Reg & Admin	30123	301231204	30,000		Full	One off	30,000			
Request for temporary contract of an existing Systems Administrator Support Officer to be made permanent	1.00	Discretionary	The temporary contract existing Systems Administrator Support Officer expires in August 2024. The work undertaken by this highly skilled postholder is essential for the service and it is requested the temporary contract be made permanent.	Planning Development Management	Environment & Sustainability Committee	21102	211021001	39,522	39,522	Full	Ongoing	0	0	0	0
Biodiversity Net Gain (BNG) expert consultant's advice.		Statutory	BNG will be statutory from November 2023 for major applications and from April 2024 for non-major applications.	Planning Development Management	Environment & Sustainability Committee	21102	211024401	25,000		Full	Ongoing	25,000	25,000	25,000	25,000
Heritage Design consultants		Discretionary	SE review Panel for complex proposals (Staines in particular)	Planning Development Management	Environment & Sustainability Committee	21102	211024401	25,000		Full	One off	25,000			
Additional twelve hours for existing part time Planning Enforcement Officer	0.33	Discretionary	Additional twelve hours required for existing part time Planning Enforcement Officer. Currently advertising for 24 hours planning enforcement vacant post but it is a difficult post to fill and the lack of suitable applicants is concerning. It is anticipated that a full time enforcement officer post would attract a wider employment market.	Planning Development Management	Environment & Sustainability Committee	21102	211021001	13,173	13,173	Full	Ongoing	0	0	0	0
Procurement Manager	1.00	Discretionary	Procurement Manager's role was temporary for 2 years which is due to end this year. Request to make it permanent SM2.	Procurement	Reg & Admin	31804	318041001	76,500		Full	Ongoing	76,500	76,500	76,500	76,500
Increase in staff costs due to more waste rounds		Discretionary	Increase waste rounds to accommodate new builds - Revenue	Refuse Collection	Neighbourhood Services Committee	20201		0		Full	Ongoing	0	0	60,000	60,000
Superannuation to be paid relating to Market Supplement Payments		Statutory	Superannuation payment calculated based on current month's total payments	Corporate Management	Reg & Admin	31501	31501111	39,200		Full	Ongoing	39,200	39,200	39,200	39,200
Electoral Services		Statutory	Local elections expected in May 2027	Electoral Services	Reg & Admin	31502		0		Full	One off	0	0	0	250,000
Spelthorne Family Support		Discretionary	Family Support costs Reimbursement from SCC	Spelthorne Family Support	Community Wellbeing & Housing	12512	12512	50,000	50,000	Full	Ongoing	0	0	0	0
Increase in NDR costs for SBC (excludes Inv & Dev props as these change due to tenant turnover and rates mitigation exercises).		Statutory	Increase of 5% on current NDR budgets - estimate as awaiting news on multiplier to be set for 24.25 on which the increase will become clearer.	Business Rates SBC	Corp Policy & Resources	****	****2404	40,400		Full	Ongoing	40,400	42,420	44,541	46,768
Increase to fixed term Policy Officer post	1.00	Discretionary	The Planning Officer post is currently vacant but as set out in this service plan it is the intention to fill the vacancy to allow for the team to grow to full strength.	Strategic Planning	Environment & Sustainability Committee	21101	211011001	45,857	45,857	Full	Ongoing	0	0		
Increase to terms of Digital Media & Admin Support, and Temporary Town Centre Manager roles for 1 year	2.00	Discretionary	To enable the delivery of the actions within the Economic Prosperity Strategy to support the businesses of Spelthorne and the residents of Spelthorne This has become critical after the pandemic and current energy crisis and high inflation, low levels of skills and high unemployment.	Economic Development	Economic Development Committee	21301	213011001	84,226	84,226	Full	One off	0			
Committee attendance allowance		Discretionary	Currently committee allowances budget do not meet the number of meetings that Committee Services staff support. There have been an increase in ECMs, carry over meetings and urgent committee meetings. Committee staff are required to attend. Therefore a growth bid is required to reflect the increased number of meetings supported.	Committee Services	Reg & Admin	30141	301411003	7,000		Full	Ongoing	7,000	7,000	7,000	7,000
Legal Services - Books & Publications		Discretionary	Increase in charges for access to Legal Books and publications.	Legal Services	Reg & Admin	30133	301334312	6,400		Full	Ongoing	6,400	6,400	6,400	6,400
Savings not realised in 2023/24		Discretionary	Staff savings not realised in full from 2023-24	Customer Services	Reg & Admin	30704	30704****	13,000		Full		13,000	13,000	13,000	13,000

Details of Savings Offered	Explanation of proposed saving	Service Area	Committee	Cost Centre	Cost Centre code details	Amount	Full / Part Year	Ongoing / one off
Pollution Control Contaminated Land	Gross Funding received	Environmental Health	Neighbourhood	10201	102017307	1,100	Full	
Green waste income	Potential increased income from extra garden waste customers	Refuse collection	Neighbourhood	20203	202037445	60,000	Full	Ongoing
Cemetries income	Potential increased income from Cemeteries	Cemeteries	Neighbourhood	15501	1550173**	40,000	Full	Ongoing
Increase in Planning Fees	Increase in statutory planning application fees for major applications will be 35%, and all other applications 25%; all fees to be increased annually in line with inflation, or if lower 10%; doesn't apply to pre-application advice	Planning Development Management	Environment & Sustainability Committee	21102	211027331	159,000	Full	Ongoing
Insurance costs	Based on expected costs from Sutton Council for 24-25	Insurance	Reg & Admin	30127	30127****	49,500	Full	Ongoing
Employee Insurance costs	Based on expected costs from Sutton Council for 24-25	Employee insurance	Reg & Admin	Various	****1803	64,900	Full	Ongoing
Increase in Garden Waste income	Potential income from increase in number of garden waste customers due to new round	Refuse collection	Neighbourhood	20203	202037445			
Printing recharges	Income budget set up for internal printing recharges in Print Unit	Asset Management	Corp Policy & Resources	30502	305024308	27,000	Full	Ongoing
Printing recharges	Income budget set up for external printing recharges in Print Unit	Asset Management	Corp Policy & Resources	30504	305044308	6,000	Full	Ongoing
Increase in income	Salary savings in Car Parks due to On Street parking moving with SCC which has resulted in reduction of posts	Car Parks	Neighbourhood	26601	26601****	169,800	Full	Ongoing
Other Expenses	Budget savings offered	Allotments	Neighbourhood	15401	154014979	1,200	Full	Ongoing
Increase of income	Income budget to be increased	Allotments	Neighbourhood	15401	154017501	2,000	Full	Ongoing
Increase of income	Car Parks P&D income	Car Parks	Neighbourhood	266***	266**7402	118,000	Full	Ongoing
Increase of income	Car Parks season tickets	Car Parks	Neighbourhood	266***	266**7405	10,000	Full	Ongoing
Increase of income	Car Parks P&D income	Car Parks	Neighbourhood	266***	266**7402	45,000	Full	Ongoing
Increase of income	Car Parks season tickets	Car Parks	Neighbourhood	266***	266**7405	1,000	Full	Ongoing
Removal of Budget	Environmental Enhancements	Environmental Enhancements	Neighbourhood	21104	211042201	9,400	Full	Ongoing
Removal of Budget	Parks strategy	Parks strategy	Neighbourhood	15101	151012208	41,200	Full	Ongoing
Removal of Budget	Public Halls	Public Halls	Neighbourhood	14801	148012004	1,000	Full	Ongoing
Removal of Budget	SCC contracts	Depot	Neighbourhood	20302	203025042	34,500	Full	Ongoing
Reduction in cost	Operational training	Grounds Maintenance	Neighbourhood	45403	454031704	5,000	Full	Ongoing
Reduction in cost	Protective clothing	Grounds Maintenance	Neighbourhood	45403	454034201	10,000	Full	Ongoing
Removal of Budget	Gritting of Car Parks	Car Parks	Neighbourhood	30201	302012205	5,000	Full	Ongoing
Removal of Budget	Office equipment maintenance	Neighbourhood Serv Management Support	Neighbourhood	30201	302014023	1,200	Full	Ongoing
Removal of Budget	Other Expenses	Neighbourhood Serv Management Support	Neighbourhood	30201	302014979	5,000	Full	Ongoing
Removal of Budget	Other Expenses	Refuse collection	Neighbourhood	20201	202014979	1,000	Full	Ongoing
Increase of income	Car Parks P&D income	Car Parks	Neighbourhood	26608	266087402	125,000	Full	Ongoing
Increase of income	Car Parks season tickets	Car Parks	Neighbourhood	26608	266087405	25,000	Full	Ongoing
Revised Committee Structure	Expected reduction in number of Committees will result in reduction in allowance	Members Services	Reg & Admin	31404	314044613	10,000	Full	Ongoing
Increase income fees	Increase in income budget	Legal Services	Reg & Admin	30133	301337131	15,000	Full	Ongoing
Consultants fees	All fees for the development delivery work would need to be approved as a separate capital budget	Asset Management	Corp Policy & Resources	30132	301324401	45,000	Full	Ongoing
Computer software	This is a reduction of 3 Bluebox computer software licences each year	Asset Management	Corp Policy & Resources	30132	301324552	15,000	Full	Ongoing

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Spelthorne Borough Council Services Committees Forward Plan and Key Decisions

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

A **Key Decision** is a decision to be taken by the Service Committee, 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.

Please direct any enquiries about this Plan to CommitteeServices@spelthorne.gov.uk.

Spelthorne Borough Council

Service Committees Forward Plan and Key Decisions for 1 February 2024 to 01 February 2025

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
Corporate Policy and Resources Committee 19 02 2024 Council 22 02 2024	Capital Programme 2024/25 to 2027/28 Capital Programme 2024/25 to 2027/28	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 19 02 2024 Council 22 02 2024	Capital Strategy 2024 to 2025 Capital Strategy 2024 to 2025	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 19 02 2024 Council 22 02 2024	Detailed Budget 2024/25 Detailed Budget 2024/25	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 19 02 2024	Fees & Charges 2024/25 Fees & Charges 2024/25	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Paul Taylor, Chief Accountant

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 19 02 2024 Council 22 02 2024	Pay Award 2024/25 Pay Award 2024/25	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Angela Tooth, Human Resources Officer
Corporate Policy and Resources Committee 19 02 2024 Council 22 02 2024	Pay Policy Statement 2024/25 Pay Policy Statement 2024/25	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Debbie O'Sullivan, HR Manager
Corporate Policy and Resources Committee 19 02 2024	Q2 Capital Monitoring Report	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 19 02 2024	Q2 Revenue Monitoring Report	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 19 02 2024	Reserves Strategy	Non-Key Decision	Public	Paul Taylor, Chief Accountant

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 19 02 2024	The installation of a Papilio 3 unit in Elmsleigh Surface Carpark To gain a decision on whether to install a 'papilio 3' unit in Elmsleigh surface carpark. this would enable rapid rollout and provision of EV charge point infrastructure.	Non-Key Decision	Public	Timothy Snook, Sustainability Officer
Corporate Policy and Resources Committee 19 02 2024 Council 22 02 2024	Treasury Management Strategy 2024/25 Treasury Management Strategy 2024/25	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Paul Taylor, Chief Accountant
Council 22 02 2024	Parking Order Revision (Tariff and Charges update) 2024	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Bruno Barbosa, Parking Services Manager
Corporate Policy and Resources Committee 19 02 2024 Council 22 02 2024	Corporate Plan 2024-2028	Non-Key Decision	Public	Lee O'Neil, Deputy Chief Executive
Corporate Policy and Resources Committee 15 04 2024	Annual Investment Strategy for 2024/25 Assets Investment & Regeneration Portfolio Strategy 2024/25 to 2028/29	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Coralie Holman, Group Head Assets

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 15 04 2024 Council 25 04 2024	Calendar of Meetings 2024/25 Calendar of Meetings 2024/25	Non-Key Decision	Public	Karen Wyeth, Principal Committee Manager
Corporate Policy and Resources Committee 15 04 2024	Discretionary Rate Relief Policy	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	John Rogers, CS Principle NNDR Officer
Corporate Policy and Resources Committee 15 04 2024	Hoarding Protocol	Non-Key Decision	Public	Stephen Mortimer-Cleevely, Strategic Lead, Independent Living
Corporate Policy and Resources Committee 15 04 2024	Houses of Multiple Occupancy Report	Non-Key Decision	Public	Esme Spinks, Planning Development Manager
Corporate Policy and Resources Committee 15 04 2024	Update to Community Assets Policy	Non-Key Decision	Public	Coralie Holman, Group Head Assets
Corporate Policy and Resources Committee 01 09 2024	Fees & Charges	Non-Key Decision	Public	Paul Taylor, Chief Accountant

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 01 09 2024	Service Plans	Non-Key Decision	Public	Coralie Holman, Group Head Assets
Corporate Policy and Resources Committee 01 11 2024	Growth Bids, Capital Bids & Savings Plan	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 01 11 2024	Outline Budget Report	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 01 01 2025	Government Funding	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 01 01 2025	Interest Income	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 01 01 2025	Investments, Regeneration & Municipal Portfolios	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 01 01 2025	Movement on Reserves (Including Sinking Fund)	Non-Key Decision	Public	Paul Taylor, Chief Accountant

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 01 02 2025	Capital Programme	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 01 02 2025	Detailed Budget TMS	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 01 02 2025	MTFP	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 01 02 2025	Reserves Strategy	Non-Key Decision	Public	Paul Taylor, Chief Accountant

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