



**Spelthorne
Borough Council**

Council Meeting
Thursday, 22 February 2024



14 February 2024

Please reply to:

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To the Councillors of Spelthorne Borough Council

I hereby summon you to attend a meeting of the Council to be held at The Council's Offices, Knowle Green, Staines-upon-Thames on **Thursday, 22 February 2024** commencing at **6.30 pm** for the transaction of the following business.

Daniel Mouawad
Chief Executive

Councillors are encouraged to wear their badge of past office at the Council meeting.

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

AGENDA

Description	Page nos.
1. Apologies for absence To receive any apologies for non-attendance.	
2. Minutes To confirm as a correct record the minutes of the Council meeting held on 14 December 2023.	9 - 22
3. Disclosures of Interest To receive any disclosures of interest from Councillors in accordance with the Council's Code of Conduct for Members aside from those that are also Surrey County Councillors.	
4. Announcements from the Mayor To receive any announcements from the Mayor.	
5. Announcements from the Leader To receive any announcements from the Leader.	
6. Announcements from the Chief Executive To receive any announcements from the Chief Executive.	
7. Questions from members of the public The Leader, or his nominee, to answer any questions raised by members of the public in accordance with Standing Order 13.	
8. Parking Order Revision (Tariff and Charges update) 2024 Council is asked to authorise the recommendations as outlined in the report. Please note that this report is to be considered by the Corporate Policy & Resources Committee on Monday 19 February 2024 and therefore the report is to follow.	23 - 80
9. Pay Award 2024/25 and Pay Award 2025/26 Council is asked to approve the two year pay award for 2024/25 and 2025/26. Please note that this report is to be considered by the Corporate Policy & Resources Committee on Monday 19 February 2024 and therefore may be subject to amendments.	81 - 86

- 10. Pay Policy Statement 2024/25**
Council is asked to approve the Pay Policy Statement 2024/25. 87 - 108
- Please note that this report is to be considered by the Corporate Policy & Resources Committee on Monday 19 February 2024 and therefore may be subject to amendments.**
- 11. Procurement of Bureau Service and Energy (Gas & Electricity) Contract**
Council is asked to: 109 - 118
- 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; and
- 2) Authorise the Group Head of Assets to agree terms in respect of any necessary contract arrangements with KCC LASER; and authorise the Group Head of Corporate Governance to enter into a contract with the KCC LASER.
- This report went to the Corporate Policy & Resources Committee on 22 January 2024 who resolved to recommend that the Council approve the recommendations as outlined above.**
- 12. Capital Strategy 2024 to 2025**
Council is asked to approve the Capital Strategy 2024/25. 119 - 134
- Please note that this report is to be considered by the Corporate Policy & Resources Committee on Monday 19 February 2024 and therefore may be subject to amendments.**
- 13. Estimated 2024/25 to 2027/28 Capital Programme**
Council is asked to approve the Estimated 2024/25 to 2027/28 Capital Programme. 135 - 144
- Please note that this report is to be considered by the Corporate Policy & Resources Committee on Monday 19 February 2024 and therefore may be subject to amendments.**
- 14. Treasury Management Strategy Statement 2024/25**
Council is asked to: 145 - 228

1. Approve the Treasury Management Strategy for 2024/25 as set out in the report; and
2. To note that by approving the report they will be agreeing to the Treasury Management Practices (TMP) MRP Statement, Operational Boundary and Authorise Limits.

Please note that this report is to be considered by the Corporate Policy & Resources Committee on Monday 19 February 2024 and therefore may be subject to amendments.

15. Detailed Budget for 2024/25

Council is asked to approve the recommendations as outlined in the report.

229 - 274

Please note that this report is to be considered by the Corporate Policy & Resources Committee on Monday 19 February 2024 and therefore may be subject to amendments.

16. Corporate Plan 2024-2028

Council is asked to adopt 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.

275 - 314

Please note that this report is to be considered by the Corporate Policy & Resources Committee on Monday 19 February 2024 and therefore the report may be subject to amendments.

17. Future Resourcing of the Internal Audit Service

Council is asked to:

315 - 354

1. Agree to discharge its Internal Audit function to Hampshire County Council under Section 101 of the Local Government Act 1972 to enable Southern Internal Audit Partnership (SIAP) to provide the Internal Audit Service for the Council from or after 01 April 2024,
2. Delegate to the Council's Section 151 and Monitoring Officer to enter into the Joint Working Agreement by way of a deed of accession with Southern Internal Audit Partnership for a period of 5 years and complete all necessary documentation,
3. Agree that the Council's Section 151 Officer or nominated officer represents the Council's interests by becoming a voting of SIAP's Key Stakeholder Board; and
4. Agree that the Council's Monitoring Officer deals with any necessary TUPE transfer arrangements to Hampshire County

Council.

18. Reports from the Committee Chairs

To receive and agree the reports from the Committee Chairs.

355 - 378

19. General questions

The Leader, or his nominee, to answer questions from Councillors on matters affecting the Borough, in accordance with Standing Order 14.

20. Motions

To receive any motions from Councillors in accordance with Standing Order 16.

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MINUTES OF THE SPELTHORNE BOROUGH COUNCIL

Minutes of the Council Meeting of Spelthorne Borough Council held in the Council Chamber, Council Offices, Knowle Green, Staines-upon-Thames on Thursday, 14 December 2023 at 7.00 pm

Present:

Councillor D. Saliagopoulos, The Mayor, in the Chair

Councillors:

E. Baldock	J.R. Boughtflower	K.M. Grant
M. Arnold	J. Button	S. Gyawali
M.M. Attewell	J.P. Caplin	K. Howkins
C. Bateson	R. Chandler	N. Islam
S.N. Beatty	D.C. Clarke	A. Mathur
M. Beecher	J.T.F. Doran	L. E. Nichols
S. Bhadye	S.M. Doran	K.E. Rutherford
M. Bing Dong	S.A. Dunn	O. Rybinski
H.S. Boparai	H.R.D. Williams	J.R. Sexton
L.H. Brennan	M.J. Lee	B. Weerasinghe
M. Buck	R.V. Geach	P.N. Woodward
T. Burrell	M. Gibson	

Apologies: Apologies were received from Councillors D.L. Geraci, A. Gale and J.A. Turner

96/23 Disclosures of Interest

Councillors Attewell, Boparai, Sexton and Weerasinghe advised that they were also Surrey County Councillors.

Councillor Boparai declared that he was Spelthorne Borough Council's representative on the Surrey Police and Crime Panel.

97/23 Minutes

The minutes of the Council meeting held on 19 October 2023 were agreed as a correct record.

98/23 Announcements from the Mayor

The Mayor made the following announcements:

“Good evening Councillors and Officers. A special welcome to Alderman Sider who is here this evening. Welcome also to those residents who are watching this meeting on YouTube and also to members of the public gallery who are here this evening. Thank you for your continued interest in the democracy process in Spelthorne.

Myself and my Consort have been out and about in the borough. Our engagements, to mention a few, were:

The Mayor’s Charity Greek Night at Thameside Brewery. Thank you to those who attended and also for your kind generosity. The evening was a great success and for those of you on social media you might see a few pictures and even a video. Indeed, the Leader of the Council showed us some of her dance moves. She managed to lead a whole Congo dance out and back into the venue!

We also attended the fantastic Spelthorne Business Awards. It is staggering the amount of businesses we have in our borough. Thank you to our Team who organise these awards. Just for the record, the Leader was once again leading the dance charge! The organisation was staggering and Tracey Carter and all her Team (including Sheila) really excelled themselves.

We have attended the Irish Embassy in London. It was to celebrate 125 years that London Irish has been operating. A Celebratory Book has been written and the occasion was attended by the Irish Ambassador. He took a particular interest in the Mayor’s chains and I promptly gave him my card and said that we would be very honoured if he came to visit us if he were at Hazelwood in the future!

Spelthorne in Bloom was a fantastic evening - so difficult to choose the winners. There are so many green fingered residents and businesses. Nottcuts Garden Centre in Staines were our Hosts. Nick Wood Dow, Deputy Lord Ltn officiated the evening. I really do wish to thank the Manager at Notcutts - even though his wife was expecting her baby that evening he still came along and so generously provided the evening with refreshments.

I have had the pleasure of hosting groups of young people in the Council. I thought I might label these engagements “How to be a Councillor when I grow up”! Thank you to our officer, Matthew in Committee Services who started this idea. A charming group of Rainbow brownies spent an hour after school, learning how to use the microphone, and asking questions! We also had some older children who were in the Chamber for their Duke of Edinburgh Awards. I cannot read you this report without mentioning the amazing young people we have in this borough. Of course a huge thanks to Nick Charalambous - such an influential hardworking officer. How lucky we are. We are going to design a democracy badge with certificate and we propose to present this to our young people who come to the Chamber and fire questions at me! Should any Councillor wish to join me I will make sure you know dates. Thank you to Cllr Geach who has already made enquiries about her

local school attending. This invitation is to all councillors who wish their local school or young people to come for a visit to the Chamber!

We also attended an early morning River boat Business Breakfast. A fantastic opportunity for our businesses to network in the borough. Many new friends were made that day. I really do have to thank Sheila and Tracy for raising £600 for the Mayor's Charities that morning. Astounding.

We have also been meeting with the other Mayors of the Surrey boroughs. We visited Brooklands Museum - if you want to know what it was like to sit on Concorde (the real Concorde) then it is a fantastic place to visit quite apart from the aircraft they have there. The highlight was a trip to the Chelsea Football Club training ground in Cobham. It was surreal to be sitting having lunch on the same long table as the Manager of Chelsea (could have been awkward as my Consort supports Tottenham Hotspur). Of course those of you who follow football know that the current Chelsea Manager was the Manager at Spurs! I feel sure Alderman Sider will know exactly what I am talking about. Again the Mayorial chains were a talking point. I have to say however that our Spelthorne Chains are quite the best in Surrey!

We have been to visit the Showmans' Guild in Staines. I would encourage all councillors to google them and it is truly fascinating that we have such a big organisation in our borough. Thank you to the Chief Executive and the deputy leader for accompanying me.

I attended the AGM of the Citizens Advice Bureau together with the Mayor of Runnymede. Not such good news I am afraid. We heard that their referrals and inquiries are increasing at an alarming rate. They neither have the resources nor the funds. I think we as a Council need to do all we can to assist them. It is however recognised that Spelthorne and Runnymede Councils are very generous indeed to the Bureau in any event. I do hope that we can lobby our MP to try and see if they can get more Government Grant. Again these are our volunteers and it is a shame they are quite worried about the future.

On a cheerier note the borough is certainly enjoying plenty of Christmas parties. It has been an absolute honour to attend our Day Centres and celebrate with our residents at this time of year. Fordbridge Day Centre in Ashford is quite one of the best Day Centres I have ever been to. I want to make a plea to every Councillor here this evening. If you are not already doing so, please visit your local Day Centre - such an array of activities and delicious food and kind care! Again, mostly manned by volunteers! Tomorrow we are going to Staines Day Centre. Another fine example of what we offer to our elderly and frail residents.

Just last week we attended Staines Synagogue to celebrate Chanukah. Happy Chanukah by the way to all this evening. My thanks go to Councillor Geach who attended with her lovely family. We were given such a welcome and it was an honour to celebrate one of the biggest celebrations in the Jewish Calendar.

We have also been celebrating with the wonderful residents of Stanwell Moor, Diwali, the Festival of Light. It was an evening like no other. Music, dances, delicious food and such a welcome to the Mayor. Many thanks to the Stanwell Councillors and past Madam Mayor, Cllr Susan Doran for introducing us to the residents and community.

Just last evening I was invited to attend the Shepperton Big Tree Night. A fantastic fine tuned operation with some amazing stalls and carol singing by local school children. Thank you to Cllrs Maureen Attewell and John Boughtflower for welcoming the Mayor. Apparently Maureen funded the real reindeers to entertain the children. Now that is a use of our good causes fund that I think is just fantastic. Please relay my thanks to the volunteers and committee.

Lastly, one of our highlights was to attend Ashford Hospital Community Day last month. The Hospital doors were thrown open to everyone. For those of you who have ever wondered what an operating theatre looks like - well you would have been in for a treat! I have to report that I was taught how to replace a new knee, cut a bone in half and delivered a baby (doll of course)! The Trust are very keen to have these open days every year - both at St Peter's and Ashford. It's a great opportunity to meet staff and to see how they work. Great ideas by the Trust".

99/23 Announcements from the Leader

The Leader made the following announcements:

"On tonight's agenda is the Outline Corporate Plan 2024 – 2028 which was presented at the Corporate Policy Resources Committee on Monday 27 November. Work is progressing well and the detailed plan will be presented at the Council meeting in February when the budget for 2024/25 will also be set. The Corporate Plan is a key policy document which outlines the strategic priorities for the Council for the period of the Plan, as well as the values the Council will uphold. Putting residents at the heart of everything we do will be the overarching theme of the new Plan.

Surrey County Council has said it is engaging in discussions with Government on a Level 2 County Deal, following the Chancellor's announcement in the Autumn Statement. This does not involve or require any structural reform of local government or a unitary deal of any form. Spelthorne Borough Council will retain its sovereignty and independence which I believe Spelthorne residents will very much welcome. We will continue to engage with Surrey County Council and trust they will work with this authority and listen to our residents in a way which is open and accountable.

We are accelerating the work on Design Codes, rather than waiting for the adoption of the Local Plan. Design Codes are paramount in shaping our communities and Officers are being supported by Andy Von Bradsky (ex-chief architect to the government.) We want to ensure that we actively engage with

all sections of the community in this process, so that we can all be justifiably proud of the buildings and places that will be built in the future.

And finally, I would like to wish you all a Merry Christmas and a Happy New Year. This time of year gives us a chance to stop and think, and to connect with those who are most near and dear to us. Christmas is also a time to be thankful for everything we have, pay tribute to our dedicated colleagues at the Council and emergency services who'll be working hard over the Christmas period.

I would also like to share my personal thanks to the many wonderful residents who volunteer and give their time to help to those who are less fortunate. Without the fantastic network of our voluntary organisations, life would be so much poorer in Spelthorne, and they all deserve our support for their work in the community. I do hope whatever you have planned over Christmas and the New Year is enjoyable and that 2024 is a good year for you all".

The Deputy Leader made the following announcements:

"This Autumn the Council ran a consultation on a new Climate Change Supplementary Planning Document which will help to ensure that new homes and developments are more friendly to the environment. The results of the consultation are currently being analysed and a paper will be presented to the E&S Committee in March.

The hard work and achievements of local businesses were celebrated at the Spelthorne Business Awards held at the Hazelwood Centre in Sunbury on 24 November. The quality of the entries the Council received are proof of the wealth of local entrepreneurial spirit, talent and innovative thinking across a wide range of sectors. Many congratulations to all the finalists and winners, and I would also like to thank our sponsors for continuing to work with us to celebrate the best of business in Spelthorne.

The Council has launched the Spelthorne Youth Awards and is looking for nominations for young people aged between 5 and 19 who are living or receiving education within Spelthorne and deserve recognition for their achievements. There are 7 categories, from community to sport and arts to academic. The deadline for nominations is Friday 9 February.

Finally, I too would like to echo Cllr Sexton's thanks to all the staff here at Spelthorne and the voluntary groups who work tirelessly all-year-round supporting residents in the Borough. I hope you have a wonderful Christmas and New Year and I look forward to continuing to work with you all in 2024".

100/23 Announcements from the Chief Executive

The Chief Executive made the following announcements:

“Regrettably, I commence tonight by sharing some sad news regarding David Furst, Chairman of Laleham Resident Association who passed away peacefully in his sleep this morning with his family around him, after a short illness.

David was a gentleman, loved Laleham and did everything he could to improve the lives of the residents he represented. Many in the community, including Ward Councillors who knew him well, are devastated by his passing.

We send our deepest condolences to his family and friends.

I hope you take this opportunity to spend this Christmas break with your loved ones.

We fast approach the end of another busy year, one in which we have addressed the ongoing impacts of the cost-of-living and housing crisis. Despite the many challenges we have faced as an authority, we have increased the scope of our support for our communities and have successfully responded to the increase in demand for our services.

As Chief Executive, I couldn’t be prouder of what we have achieved as ‘Team Spelthorne’.

Christmas is a time to be thankful for everything we have, and speaking on behalf of the Senior Management Team - myself, Terry and Lee - I would like to pay tribute to you all – Officers and Councillors alike – for your role in making Spelthorne such a special place to live and work in.

I would also like to thank our dedicated colleagues who’ll be working hard over the Christmas period maintaining service continuity for our residents.

There is much to look forward to in the New Year. We’re planning on making even bigger strides forward in 2024 and are excited to be celebrating this Authority’s 50th Anniversary and of course, in opening the world’s largest Passivhaus Leisure Centre.

Merry Christmas Madam Mayor and to each and every one of you”.

101/23 Questions from members of the public

The Mayor reported that, under Standing Order 14, no questions had been received from a member of the public.

102/23 Changes to the Allocation of Seat for Committees

The Council considered a report from the Group Head Corporate Governance that sought approval for the revised proposed allocation of seats to the Conservative Group following the Ashford Town By-election in September 2023.

Council **resolved** to approve the revised allocation of seats to the Conservative Group.

103/23 Changes to the Constitution

Council considered a report from the Group Head Corporate Governance that sought:

1. approval for the proposed amendments to the Constitution as set out in the report and attachments; and
2. Approval to authorise the Group Head Corporate Governance to update the Constitution accordingly.

Councillor J Sexton proposed, and Councillor Bateson seconded the following amendment:

“This Chamber approves the proposed amendments to the Constitution as set out in this report and attachments, subject to any changes that Council agree tonight, and authorise the Group Head Corporate Governance to update the Constitution accordingly.”

Council adjourned at 19:34 and reconvened at 19:40.

Council **resolved** to agree the amended recommendation.

Council considered the amendments and **resolved** the following:

Part 1 – Introduction to the Constitution

AGREED with the proposed amendments

Part 2 – Article 5, The Mayor

AGREED with the proposed amendments

Part 2 – Article 10, The Officers

AGREED with the proposed amendments

Part 3 (b) – Terms of Reference of Committees

AGREED with the proposed amendments.

Part 3 (d) – Delegations to Officers

AGREED with the proposed amendments

Part 3 (f) – Roles of Different Councillors

AGREED with the proposed amendments

Part 4 (a) – Council Standing Orders

Councillor K Howkins left the meeting at 20:02.

The meeting adjourned at 20:02 and reconvened at 20:12.

An amendment to Part 4a SO 6.2 and 8.2 – National Anthem was proposed by Councillor Sexton and seconded by Councillor Bateson:

The suggested amendment should not apply to SO 8.2, and the National Anthem should continue to be sung at the Annual Council meeting.

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

For (14):	E. Baldock, C. Bateson, S. Beatty, M. Bing Dong, T. Burrell, J. Button, J. Caplin, J. Doran, S. Doran, R. Geach, M. Gibson, K. Grant, S. Gyawali, J. Sexton
Against (14):	D. Saliagopoulos, M. Attewell, M. Beecher, S. Bhadye, J. Boughtflower, L. Brennan, R. Chandler, D. Clarke, N. Islam, M. Lee, A. Mathur, O. Rybinski, B. Weerasinghe, P. Woodward
Abstain (7):	M. Arnold, H. Boparai, M. Buck, S. Dunn, L. Nichols, K. Rutherford, H. Williams

In accordance with Standing Order 21.3, as there was an equality of votes for and against the motion, the Mayor cast a further vote against the motion.

The amendment proposed by Councillor Sexton FAILED.

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

For (14):	E. Baldock, C. Bateson, S. Beatty, M. Beecher, M. Bing Dong, T. Burrell, J. Button, J. Doran, S. Doran, R. Geach, M. Gibson, S. Gyawali, L. Nichols, J. Sexton
Against (14):	D. Saliagopoulos, M. Attewell, S. Bhadye, J. Boughtflower, L. Brennan, R. Chandler, D. Clarke, N. Islam, M. Lee, A. Mathur, K. Rutherford, O. Rybinski, B. Weerasinghe, P. Woodward
Abstain (7):	M. Arnold, H. Boparai, M. Buck, J. Caplin, S. Dunn, K. Grant, H. Williams

In accordance with Standing Order 21.3, as there was an equality of votes for and against the motion, the Mayor cast a further vote against the motion.

The amendment to Part 4a SO 6.2 and 8.2 FAILED.

It was proposed by Councillor H. Williams and seconded by Councillor J Boughtflower that the amendments to SO 21 – Voting, and SO 40.1-40.5 – Public Questions at Committee/Sub-Committee be removed.

AGREED with the proposed amendments

Part 4 (c) – Substitution Scheme

AGREED with the proposed amendments

Part 4 (e) – Contract Standing Orders

AGREED with the proposed amendments

Part 4 (g) – Access to Information Rules

AGREED with the proposed amendments

Part 4 (i) – Procedure Rules for Task & Finish Groups and Working Groups

AGREED with the proposed amendments

Part 5 (a) – Councillor Code of Conduct

AGREED with the proposed amendments

Part 5 (d) – Planning Code

AGREED with the proposed amendments

Part 5 (h) – Monitoring Officer Protocol

AGREED with the proposed amendments

Part 5 (k) – Conflicts of Interest

AGREED with the proposed amendments

Part 5 (m) – Disclosure and Barring Checks

AGREED with the proposed amendments

The meeting adjourned at 21:01 and reconvened at 21:12.

104/23 Corporate Plan

The Council considered a report that sought agreement of the Outline Corporate Plan for the Council for 2024-28, including the priorities, key themes and values.

Council **resolved** to adopt the proposed Outline Corporate Plan for 2024-28.

105/23 Statement of Licensing Policy 2024-2029

Council considered a report that sought approval of the revised Statement of Licensing Policy 2024-2029.

Council **resolved** to approve the adoption of the revised Statement of Licensing Policy 2024-2029.

106/23 Gambling Act Policy 2022-2025

Council considered a report that sought adoption of the Gambling Act Policy for 2022-2025.

Council **resolved** to approve the adoption of the Gambling Act Policy 2022-2025.

107/23 Determination of 2024/25 Council Tax Base for Tax Setting

Council considered a report that sought approval for the determination of the 2024/25 Council Tax base for tax setting. This report had previously been considered by the Corporate Policy and Resources Committee on 27 November 2023 and it was recommended that Council approve the following:

- A) The gross Council Tax Base for 2024/25 is determined at 41,305 (2023/24: 40,867) Band D equivalents after taking account of the Council's agreed Council Tax Support Scheme; and
- B) The net Council Tax Base for 2024/25 calculated Band D equivalents, is determined at 39,241 (2023/24: 39,233) after adjustment by 5% to allow for irrecoverable amounts, appeals and property base changes.

Council **resolved** to agree the recommendations from the Corporate Policy and Resources Committee as outlined above.

108/23 2024-25 to 2027-28 Outline Budget Report

Council considered the Outlined Budget Report 2024-25 to 2027-28.

It was proposed by Councillor S. Dunn, seconded by Councillor J. Sexton and **resolved** to extend the meeting beyond three hours in accordance with Standing Order 5.2.

S. Doran and J. Doran left the meeting at 21:52.

Council **resolved** to:

1. Note the current projected draft budget gaps as set out in 1.80-1.81 of the report,
2. Approve the exploration of the range of options over the four year period set out in the report to close the budget gaps including seeking to maximise transformation savings, including digital transformation,

smarter use of physical assets, delivering cashable savings, prioritisation and collaborative savings and in the last instance to use its reserves to deliver a balanced budget for 2024/25. It was noted that there was some headroom to protect front line services and vulnerable residents, either in 2024/25 or future years; and

3. Confirm support for the initiatives suggested in the report which would allow Officers to work on closing the gaps for the years 2024-25 to 2027-28.

109/23 Asset Management Strategy & Asset Management Plan

The Mayor presented this item after items 16 and 17.

Council considered a report on the adoption of the Asset Management Strategy and Asset Management Plan, replacing the Asset Management Plan dated September 2020.

Council **resolved** to approve the adoption of the Asset Management Strategy and Asset Management Plan.

110/23 Appointment of Independent Members to Standards Committee

The Mayor presented this item before Item 15.

Council considered a report that sought approval for the appointment of Gareth Young as the Chair of the Standards Committee for two years, until December 2025.

Councillor R.Geach left the meeting at 21:55.

It was proposed by Councillor Boughtflower, seconded by Councillor Bateson and **resolved** to exclude the public and press for the discussion of this item, in accordance with paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) because it was likely to disclose information relating to an individual.

Council **resolved** to approve the appointment of Gareth Young to the position of Chair of the Standards Committee.

111/23 Reports from the Committee Chairs

The Mayor presented this item before Item 15.

The Chairs of the Committees presented reports which outlined the matters their Committees had considered since the last Council meeting.

Councillor M. Gibson, asked the following question of the Chair of the Audit Committee:

“Do we have any idea when we might have our accounts audited or when?”

Councillor J. Button, the Chair of the Audit Committee, provided the following response:

“We are still waiting, unfortunately, because there is a backlog of five years of unaudited accounts. The last year we had audited accounts was for the year 2017-2018. This does present a problem because we as councillors get presented with the annual reports each year which, as you all know, are rather long and involved and certainly, I know myself and many members here can't get into the nitty gritty of them, so that's why we have the external auditors who are professionals at this who can then give us the reassurance that those accounts are actually correct. So not having that for the last five years is obviously an issue. Now, it is not specifically a problem to Spelthorne. Across local authorities across the country, I believe there is nearly 1,000 outstanding audits out there and the government keep promising that they are going to bring forward legislation to tackle this, but we are still waiting for that. In this uncertainty, the auditors, BDO, who are the ones in line to do the next year's set of accounts which is 18-19, they don't want to start doing any work on it if in a few week's time, the government is going to say, 'oh, we are just going to write all those audit's off.' So it's a bit of a Mexican standoff at the moment, and until the government can come up with what they are going to be doing, we are just stuck.”

Council **resolved** to note the Chair's reports.

112/23 Motions

In accordance with Standing Order 16 the Council received two written Notices of Motions.

Motion No. 1

The Council note:

- The efforts of Surrey's Police Officers and PCSOs in keeping local communities safe
- The increased levels of burglary and vehicle crimes and lack of visibility of police on the streets of Spelthorne
- That the office costs of the Police and Crime Commissioner have increased by 50% while the number of PCSOs has been halved

The Council believes that the PCC isn't a necessary role and requires the Leader write to the Home Secretary asking that the role be abolished with the financial savings reinvested into frontline policing and review the role of the Police and Crime Panels.

The motion was deferred to the next Council meeting.

Motion No. 2

Councillor Sexton moved and Councillor Doran seconded the following motion:

Thank you Madam Mayor, I would like to propose that the Council approve for the new leisure centre the name “Eclipse Leisure Centre”.

I am delighted to say that progress on the new Leisure Centre is moving ahead at a great pace and I’m informed by the Contractors that we remain on target to reach practical completion by the Summer of 2024. Once completed it will be the largest Passivhaus Leisure Centre in the world. Not only will it be a model for environmentally friendly, sustainable leisure centres everywhere, but it will also be a beacon for health and wellbeing locally and a flagship centre for the new operator Places Leisure. As such, it is only appropriate that it has a suitably fitting name, and following consultation with Members, I propose to the Council that it should be called “Eclipse Leisure Centre”.

A named vote was requested.

For (15):	Councillors M. Arnold, C. Bateson, S. Beatty, M. Beecher, M. Bing Dong, H. Boparai, T. Burrell, J. Button, J. Caplin, M. Gibson, K. Grant, S. Gyawali, K. Rutherford, J. Sexton, H. Williams
Against (14):	Councillors E. Baldock, M. Attewell, S. Bhadye, J. Boughtflower, L. Brennan, M. Buck, R. Chandler, D. Clarke, N. Islam, M. Lee, A. Mathur, O. Rybinski, B. Weerasinghe, P. Woodward
Abstain (3):	Councillors D. Saliagopoulos, S. Dunn, and L. Nichols

The motion was carried.

Council **resolved** to name the new Leisure Centre, The Eclipse Leisure Centre.

113/23 General questions

The Mayor reported that no general questions had been received.

Meeting ended 22:40.

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Council

22 February 2024



Title	<i>Parking Order revision (Tariff and charges update) 2024</i>
Purpose of the report	To make a decision
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>Council is asked to:</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.

APPENDIX 2 – PARKING ORDER 2020

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	07.00am 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

<p>Bus Area, Elmsleigh Shopping Centre, South Street, Staines-upon- Thames</p>	<p>Area marked out for bus stopping and ranking, outside the South entrance to Elmsleigh Shopping Centre</p>	<p>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.</p> <p>Motor cars with or without trailers authorised by Spelthorne Borough Council.</p>	<p>All days All hours</p>	<p>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</p>
<p>Groveley Road Recreation Ground, Sunbury</p>	<p>Area marked out for car parking to the north of the recreation ground</p>	<p>Motor cars with or without trailers Motor cycles with or without side cars Invalid carriages Vehicles less than 2.13 metres in height</p>	<p>All days All hours</p>	<p>Maximum of 2 hours waiting period.</p>
<p>Hengrove Recreation Ground, Ashford</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>1 October – 31 March 7.30am – 6pm 1 April - 30 September 7.30am – 8.30pm</p>	<p>Maximum 11 hours</p>
<p>Kenyngton Manor, Sunbury on 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 Vehicles less than 2.10 metres</p>	<p>1 October – 31 March 7.30am – 6pm 1 April - 30 September 7.30am – 8.30pm</p>	<p>Maximum 11 hours</p>
<p>Littleton Recreation Ground, Shepperton</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 Vehicles less than 2.10 metres</p>	<p>1 October – 31 March 7.30am – 6pm 1 April - 30</p>	<p>Maximum 11 hours</p>

			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		

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

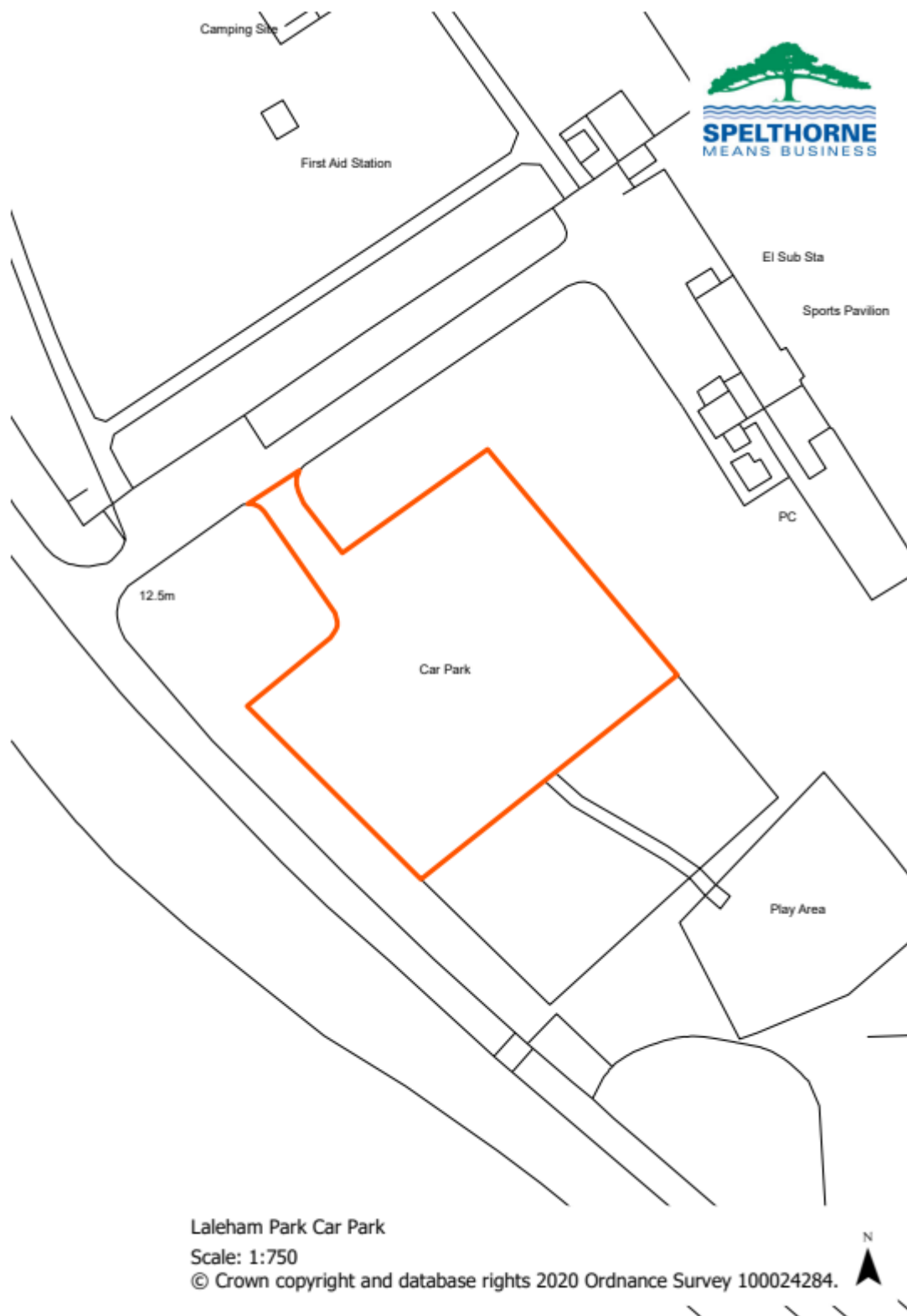
Site Plans for all Car Parks

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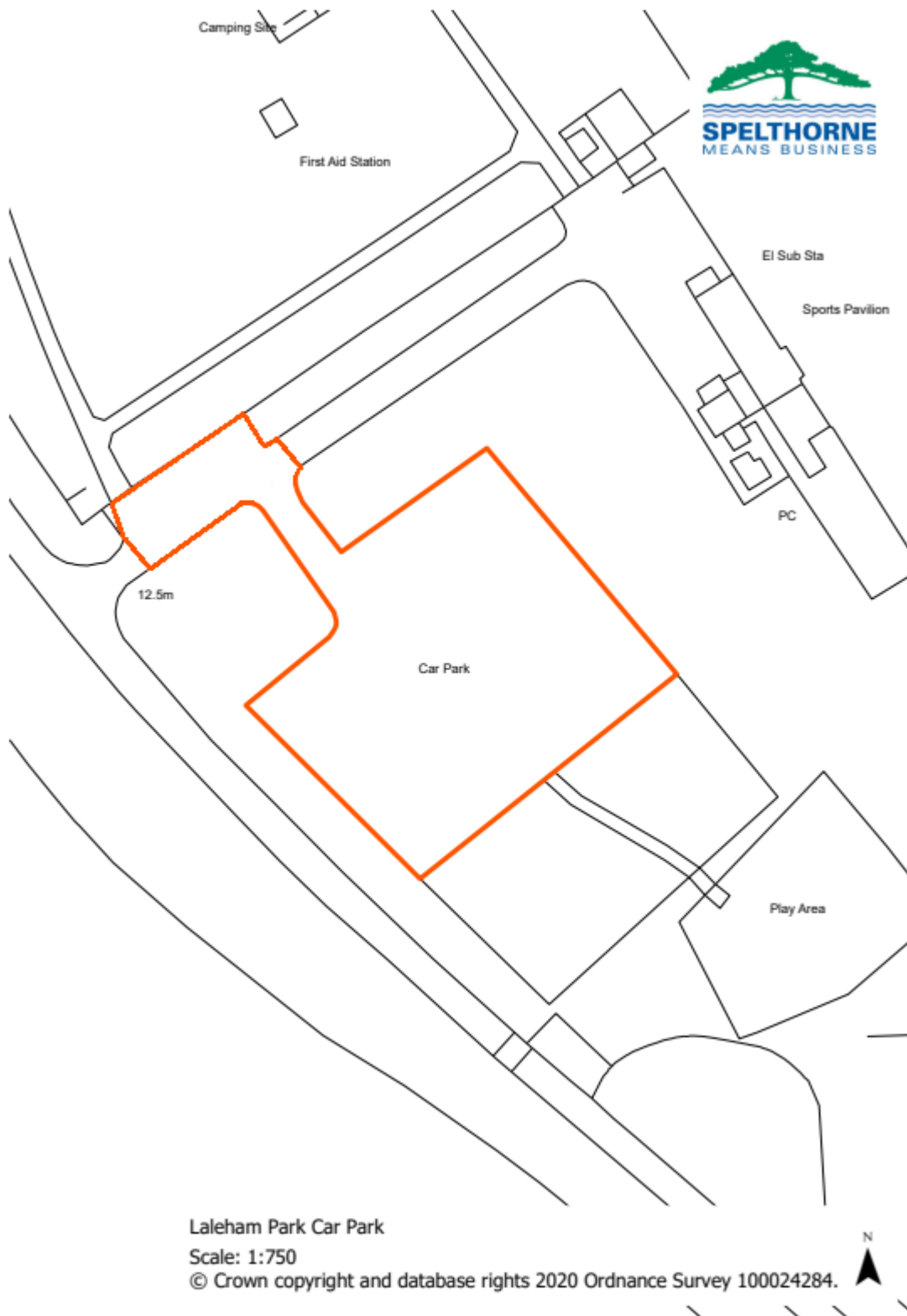
Car Park map changes proposed, as follows:



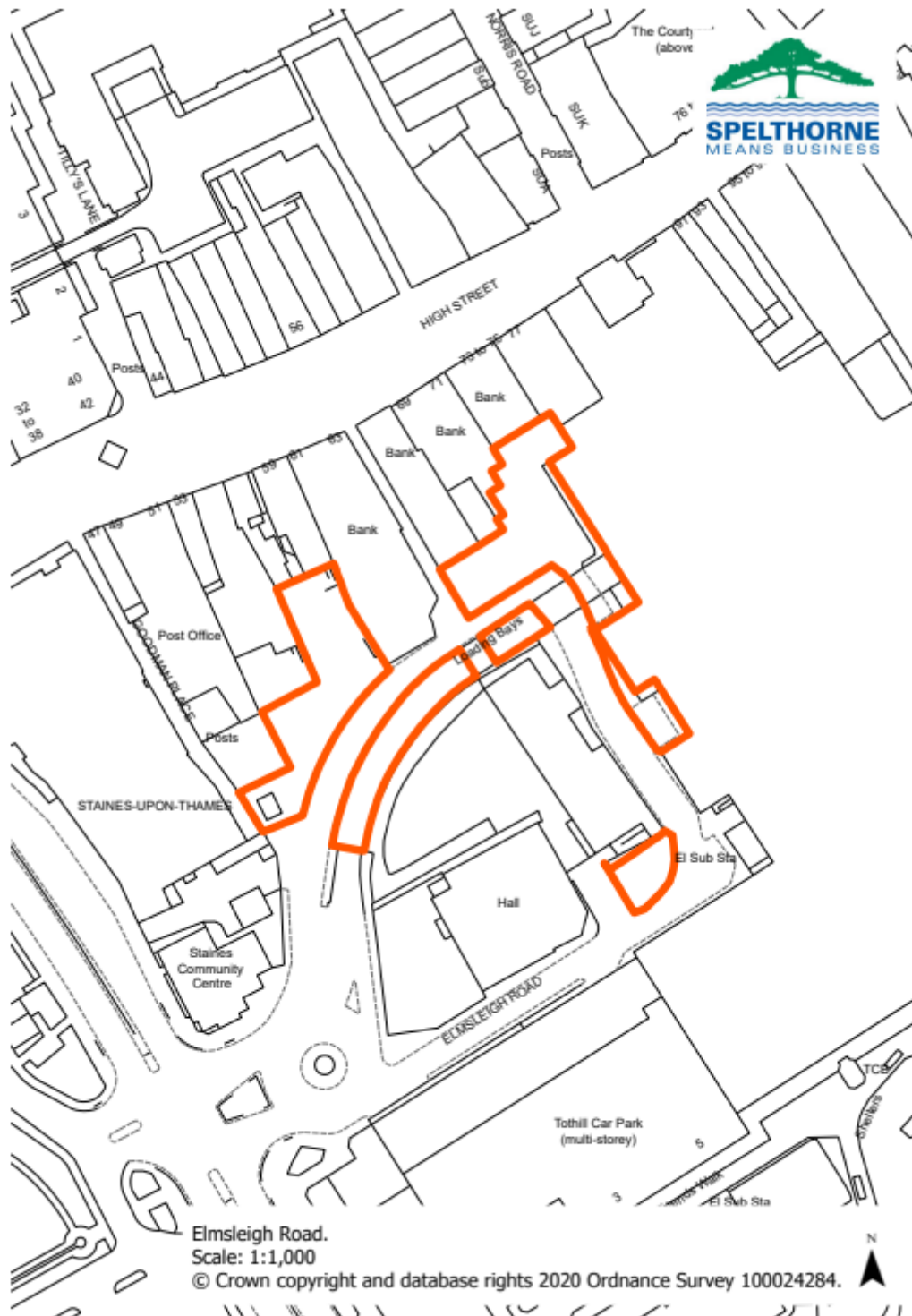
1) Laleham Park car park (current):



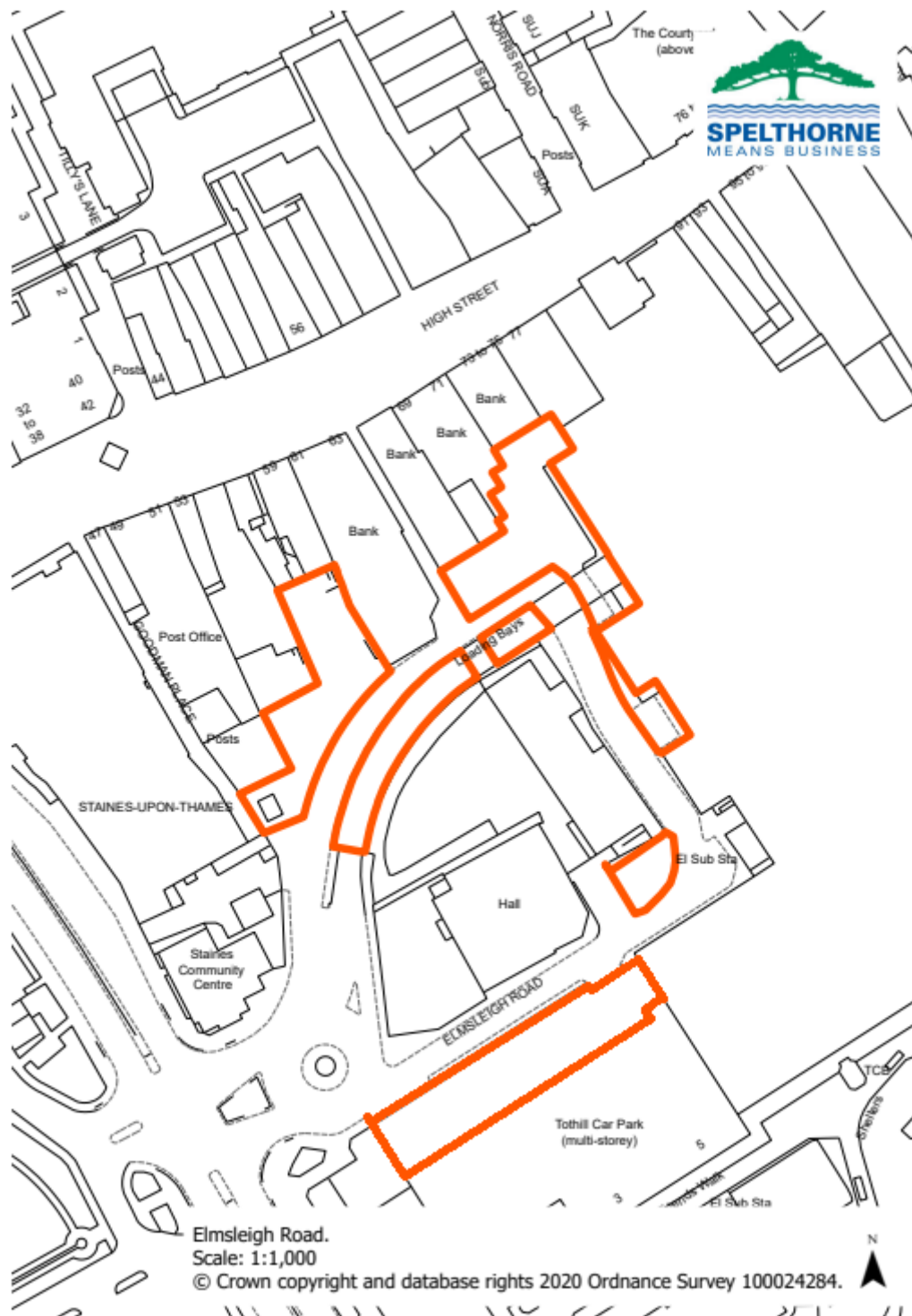
2) Laleham Park car park (ammended):



3) Elmsleigh Road car park (current):



4) Elmsleigh Road car park (ammended):



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

Council



22 February 2024

Title	Pay Award 2024/25 and Pay Award 2025/26
Purpose of the report	To make a decision
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>Council is asked to approve 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> <p>With compounding across the two years this equates to an aggregate consolidated increase of 5.7% over the period.</p>

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>
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1. Summary of the report

What is the situation	Why we want to do something
<p>A two year pay deal is proposed as this will provide certainty and clarity to both staff and Spelthorne at this challenging time.</p>	<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 Council's agreement to a 2 year pay deal for 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.
- 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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Council



22 February 2024

Title	Pay Policy Statement 2024/25
Purpose of the report	To approve the Pay Policy Statement 2024/25
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: 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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Council

22nd February 2024

Title	Procurement of Bureau Service and Energy (Gas & Electricity) Contract
Purpose of the report	To make a decision
Report Author	<i>Russell Davis Property Accounts Manager</i> <i>Hilary Gillies Interim Head of Procurement</i>
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	Community Affordable housing Recovery Environment Service delivery The recommendations in the report will address all of the Corporate Priorities.
Recommendations	Council is asked 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; and 2) Authorise the Group Head of Assets to agree terms in respect of any necessary contract arrangements with KCC LASER; and authorise the Group Head of Corporate Governance to enter into a contract with the KCC LASER.
Reason for Recommendation	The current contract with KCC LASER for the provision of the Bureau Services and energy supplies will end on 30 th September 2024. Given the nature of energy procurement, the Council are advised to commit to entering into a new contract. Entering into a contract now will allow sufficient time for KCC LASER to include our energy requirements in a purchase in advance (PIA) energy contract, which will commence in October 2024.

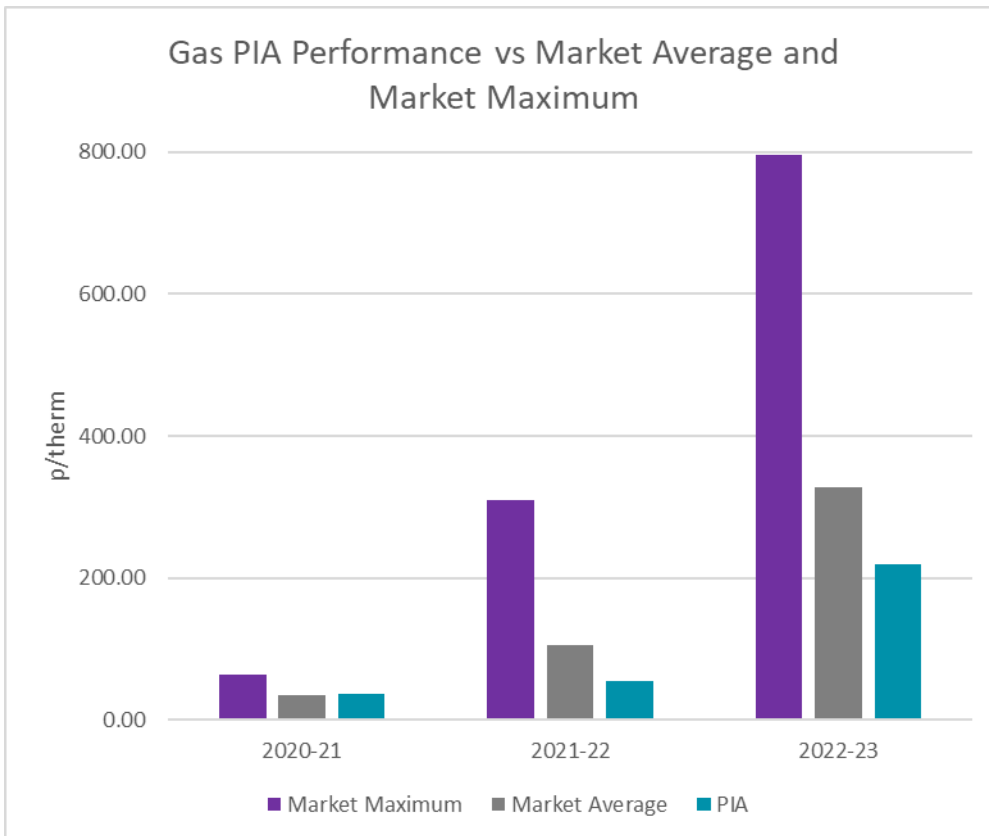
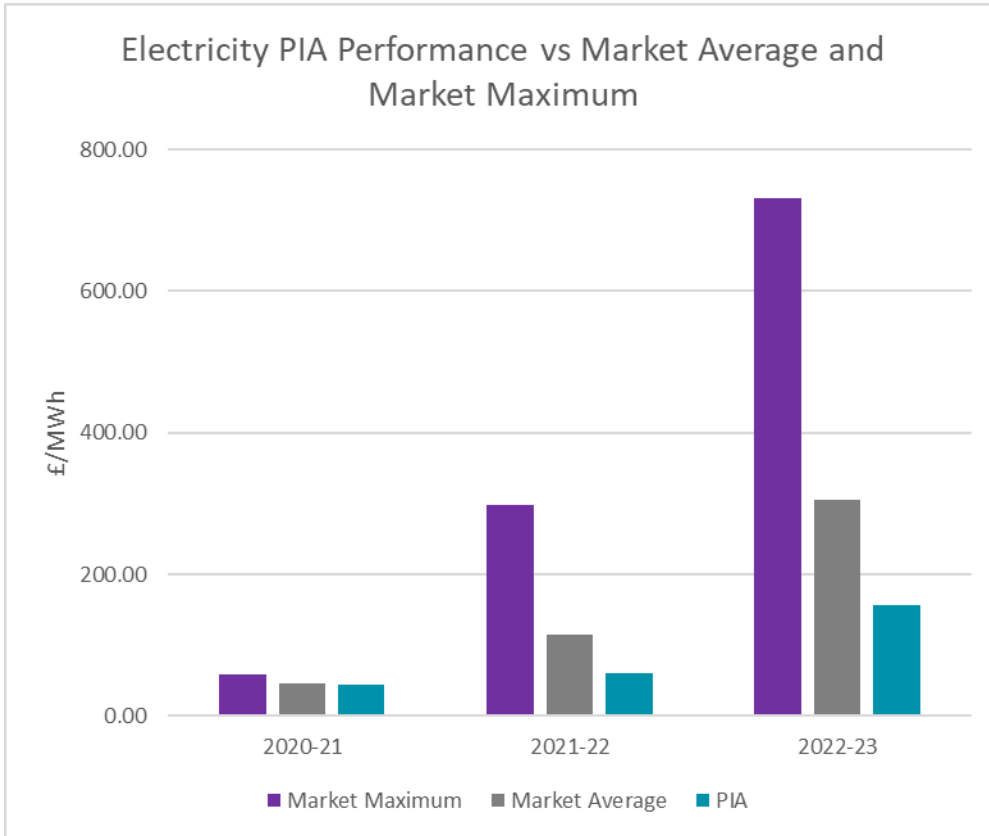
	If The Council do not enter into a back-to-back contract there is a risk of varying energy rates and provision once the existing contract expires.
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1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> The current contract with Kent County Council (KCC) LASER will end on 30th September 2024. The Council now needs to enter into a new contract to ensure that we aren't at risk of large price increases, from out of contract rates. 	<ul style="list-style-type: none"> To ensure that the Council continues to have very strong budget certainty. Also, to try to keep our prices as low as possible and with less seasonal fluctuations. Blocks of electricity and gas are purchased throughout the proceeding 12-18 months. The reason for this is to try to avoid short term pricing fluctuations by purchasing blocks of electricity and gas, in advance.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> We would like to directly award a services contract for Bureau Services to KCC LASER and for LASER to procure our gas and electricity. There are currently two basket strategies available to us with varying risk appetite and budget certainty. These are Purchase Within Period (PWP) and Purchase in Advance (PIA). Purchase Within Period offers poor budget certainty and is exposed to much greater market volatility than the PIA option. We would like to continue with the PIA option. 	<ul style="list-style-type: none"> It is recommended the Council now enters into a new contract with KCC LASER. This will ensure the Bureau Service they currently provide to manage our utility provision continues (which to date has delivered £112k of savings); and to enable our energy requirements to be taken to market in sufficient time to procure gas and electricity supply from October 2024 onwards.

1.1 This report seeks to gain approval from the Council to enter into a new contract with the Council's current utility manager (KCC LASER) for the provision of utility management service (known as a Bureau Provider), and to procure our Gas and Electricity supply contracts.

- 1.2 The current contract with Kent County Council (KCC) LASER will end on 30th September 2024. Given the nature of energy procurement, the Council is able to secure favourable energy prices by purchasing our electricity and gas 18-24 months in advance.
- 1.3 This earlier commitment allows the supplier to take our usage requirements to market in advance of contract commencement (known as Purchase in Advance (PIA)) and to achieve lower market prices, based on the economies of scale.
- 1.4 Having reviewed procurement options, and taking into account the nature of our property portfolio (and associated tariffs), PIA presents the lowest risk of short-term market volatility to the Council and comes with very strong budget certainty. This should help to keep our prices as low as possible and with less seasonal fluctuations.
- 1.5 Blocks of electricity and gas are purchased throughout the preceding 12-18 months, by KCC LASER, as part of a 'flexible basket' and then a fixed price is set for the coming year, each October. The reason for this is to try to avoid short term pricing fluctuations by purchasing blocks of electricity and gas, in advance. This approach has helped us to avoid the massive increases businesses and private consumers have been seeing over the last few years.
- 1.6 We understand this to be true because of the level of rates SBC has had on the energy contracts. The Council has not even been eligible for some of the discounts the government introduced, as our price was already lower than the rate set to obtain a discount. This was a very good measure of how well the current 'Purchase In Advance' strategy is and how it has worked for us to date.
- 1.7 There are currently two basket strategies available to us with varying risk appetite and budget certainty. These are Purchase Within Period (PWP) and Purchase in Advance (PIA). Purchase Within Period offers poor budget certainty and is exposed to much greater market volatility than the PIA option.
- 1.8 It is recommended the Council now enters into a new contract with KCC LASER. This will ensure the Bureau Service they currently provide to manage our utility provision continues (which to date has delivered £112k of savings); and to enable our energy requirements to be taken to market in sufficient time to procure gas and electricity supply from October 2024 onwards.
- 1.9 The majority of the savings come from purchasing in advance, rather than within the period of consumption. This avoids market fluctuations due to economic factors outside of our control. The graphs below show the performance of the PIA strategy (purchasing in advance) against the market maximum and market average costs for the last 3 years.



In line with the Council’s Climate Change Strategy, the objective is to procure ‘green’ energy wherever possible. The Council continued to procure ‘green’ electricity (REGO) in October 2023 when the current years consumption ended. Green gas (RGGO) for the same period was not purchased, primarily due to the additional cost being disproportionate to our total Gas spend.

2. Key issues

- 2.1 Spelthorne Borough Council has a contract with KCC LASER to provide a Bureau Service, and to procure our gas and electricity. The Bureau Service includes:
- a) Bill Validation, where our suppliers' prices are checked and any errors corrected before bills are issued to us
 - b) Query Management
 - c) Adding or Removing Supply Management
 - d) Monthly Portfolio Reviews
 - e) Energy Usage Data
 - f) Energy Manager Live Platform access to all of our energy data

LASER are able to purchase much larger volumes of energy than the Council would be able to, independently, which also results in lower management fees.

- 2.2 As a Local Authority trading company, LASER has a large number of public sector clients and provides a competitive service. LASER was established by Kent County Council in 1989 to collaboratively procure energy on behalf of the public sector.
- 2.3 LASER is a Public Sector Buying Organisation and Kent County Council remains the Contracting Authority for all procurement frameworks established by LASER.
- 2.4 LASER's frameworks are established in accordance with the Public Contracts Regulations 2015, allowing other public sector bodies to utilise LASER's frameworks without having to run a separate tender process. LASER works with over 200 public bodies in the UK, collectively purchasing over £1.5 billion of gas, electricity and water in 2022, on behalf of around 85,000 end users.
- 2.5 The Council currently spends around £200k on gas and £410k on electricity per annum. The current gas supplier is Total Energies and the electricity supplier is Npower. KCC LASER manage the supplier relationships with the electricity and gas suppliers, on our behalf.
- 2.6 The anticipated value of a 4-year combined contract for energy is therefore in the region of £2.44m, based on current prices. This is likely to be higher than this for the next 4 years.
- 2.7 The forecast for the current year from October 2023 to September 2024, prices based on estimated consumption are in the region of £740k.
- 2.8 In addition to the energy supplies, the Council also procures a bureau service from LASER. This is detailed above and enables accurate billing (for example through invoice matching) and contract and account management.

In the figures provided to us by LASER, to date savings, of almost £125k (cost avoidance) have been achieved with their support, in the first two years of the existing contract, as below:

Description	Saving
Purchasing performance	£112k
Reduced supplier management fees	£ 9.5k
Price Validation	£ 1.8k
Various (volume and activity-based economies)	£ 1.5k
TOTAL	£124.8k

- 2.9 The cost of the bureau service is determined by the number of supplies (usually meters). This will be a fixed charge, per meter, going forwards. The Council currently pay approximately £11.2k per annum for the bureau service, i.e. just under £45k for the total 4-year contract.
- 2.10 LASER has set up a framework agreement of suppliers of gas and electricity. The new framework agreement (as with previous iterations of the same type of contract), has been tendered in a manner fully compliant with the Public Contracts Regulations (PCR) 2015, and allows other public bodies access to these suppliers via a further competition.
- 2.11 The Council provides LASER with full details of its property portfolio and general gas and electricity consumption data. LASER then combine these volumes with other authorities' volumes and similar property profiles - thereby creating a much larger volume capable of attracting greater economies of scale - and carry out a further competition with the suppliers on their framework.
- 2.12 Procurement of energy is specialised and complex. The procurement of the Council's own supplies direct from the market would be unlikely to deliver value for money (due to small volumes). In addition, the management of supplier invoices would be resource intensive, or would require an investment in specialist billing software.
- 2.13 The Council has received a very good service from LASER, and has benefitted from significant savings via the service delivery.
- 2.14 The preferred route to procuring our energy supplies is therefore via KCC LASER.

3. Options analysis and proposal

3.1 Option 1: - Do nothing (Not Recommended)

If the Council opt not to renew LASER's contract, or re-tender a new contract, it would be out of contract for the supply of gas and electricity. This would mean deemed rates from suppliers. This ultimately means that we would be subject to market volatility and much higher prices, along with the fluctuation of no contract being in place.

A deemed rate contract is put in place when energy is consumed without having negotiated a deal with a supplier. They are rolling contracts which typically last

for 28 days, meaning that during each month without switching, payments could increase.

Whilst prices are set by individual suppliers, and some will charge more than others, deemed rates are usually among the most expensive.

3.2 Option 2: Directly award a services contract for Bureau Services to KCC LASER and for LASER to procure our gas and electric (Recommended)

The value of the services contract over 4 years will be in the region of £45,000. Whilst this value of spend would normally require us to competitively tender the requirement from a minimum of 3 providers, there are mitigating factors suggesting that this would not be beneficial, not least that there is a limited number of providers who have a public sector focus; that the service provided from LASER has been exceptional; and the cost of change (including the transfer of portfolio data) would not need to be incurred if we award a direct contract to LASER.

Some of the benefits of this are that the Council will benefit from continuity of service and eliminate the cost of change. The Council will continue with its existing framework of support and service from KCC LASER so there would be no disruption to service.

Also, it would require a significant project to move all electricity and gas supplies to a new supplier and a new broker, with no cost savings to negate these.

KCC LASER also provide more tools to help manage the Council's utility consumption and costs, at no additional charge. To set these up with a new broker may attract further charges.

3.3 Option 3: Tender the Bureau Services requirement with a further 2 providers who could then take the Council's requirements to market (Not Recommended)

This option is not recommended, as the time and resources to procure a new service provider would not be justified. Also, the cost and complexity of changing as mentioned above, would not be in the public interest, nor the general interest of the Council.

To change service provider the Council would lose continuity of service and have the cost of change. There would potentially be disruption to service. Also, it would require a significant project to move all electricity and gas supplies to a new supplier and a new broker, with no cost savings to negate these.

KCC LASER are also providing the Council with more tools to help manage its utility consumption and costs, at no additional charge. To set these up with a new broker may attract further charges

4. Financial implications

- 4.1 The financial implications could be significant if we do not enter into a new contract before 31st March 2024.
- 4.2 The Council has faced increasing utility costs over the last few years due to the volatility of the market. These have been mitigated somewhat by utilising the buying strategy with LASER and purchasing blocks of energy in the future.

5. Risk considerations

- 5.1 The biggest risk would be if we do not enter into a contract and end up on deemed rates. This would result in significant costs to the Council.
- 5.2 By utilising the 'Purchase In Advance' strategy, we are effectively able to mitigate a lot of the risks of market volatility and ensure a good degree of budget certainty, whilst keeping costs as low as possible.
As mentioned above the past performance of this strategy has outperformed the market consistently and saved us considerable sums of money.

6. Procurement Considerations

- 6.1 KCC LASER is well-known in the market as a strong and reliable provider of bureau services and energy procurement in the public sector.
- 6.2 The service provided to SBC has been exceptionally responsive, and has delivered cost avoidance savings on our behalf.
- 6.3 Whilst Contract Standing Orders ordinarily require a tender with a minimum of 3 providers, KCC LASER's public sector positioning makes it a favourable option, not only for SBC but for the wider public sector, whose volumes are combined in the larger portfolio which LASER take to market.
- 6.4 LASER provide a compliant route to ensure value for money from the gas and electricity providers on their framework agreement.
- 6.5 In summary, it is not in the interest of the Council to tender this requirement, and a direct award is fully supported.

7. Legal considerations

- 7.1 There are no risk considerations arising from the report.

8. Other considerations

- 8.1 If we do not make a decision before 31st March 2024 then we could be at risk of not having utility contracts in place from 1st October 2024 onwards.

9. Equality and Diversity

- 9.1 There are no equality and diversity considerations arising from the report.

10. Sustainability/Climate Change Implications

- 10.1 There are no Sustainability/Climate Change Implications arising from the report.

11. Contact

- 11.1 Russell Davis - r.davis@spelthorne.gov.uk
- 11.2 Hilary Gillies - h.gillies@spelthorne.gov.uk

Background papers: There are none.

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Council



22 February 2024

Title	Capital Strategy 2024/25
Purpose of the report	To approve the report
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>Council is asked to approve the recommendations below, as agreed at the Corporate Policy & Resources Committee meeting on 19th February:</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 2016to 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

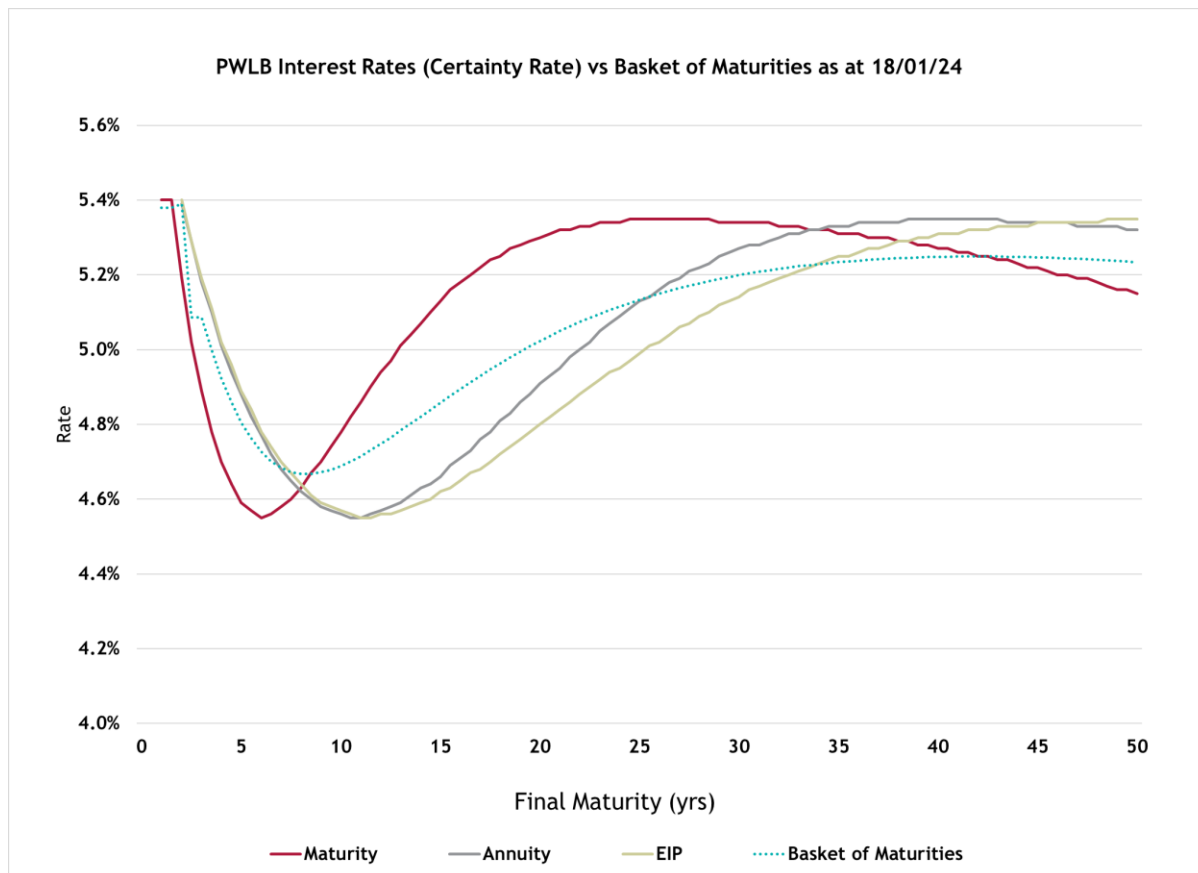
The Council is planning to externally borrow £25m less internal sources of finance, as set out in this Capital Strategy over the next four years.

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 FURTHER £3M ON reducing our carbon footprint in our properties, notably, £44m to build the first leisure centre in the United Kingdom to Passivhaus

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

Council

22 February 2024



Title	Estimated 2024/25 to 2027/28 Capital Programme
Purpose of the report	To approve the above as recommended by Corporate Policy & Resources Committee at their meeting on 19th February
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	Council is asked to 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 available capital receipts, capital financing and Grants</p>	<p>Approve the current programme and revisit in few years to review the projects which are suspended.</p>

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
	Total Budget	2024/25	2025/26	2026/27	2027/28	Years
	£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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Council

22 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>Council is required to:</p> <ol style="list-style-type: none"> 1. Approve the Treasury Management Strategy for 2024/25 as set out in this report. 2. By Approving 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

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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

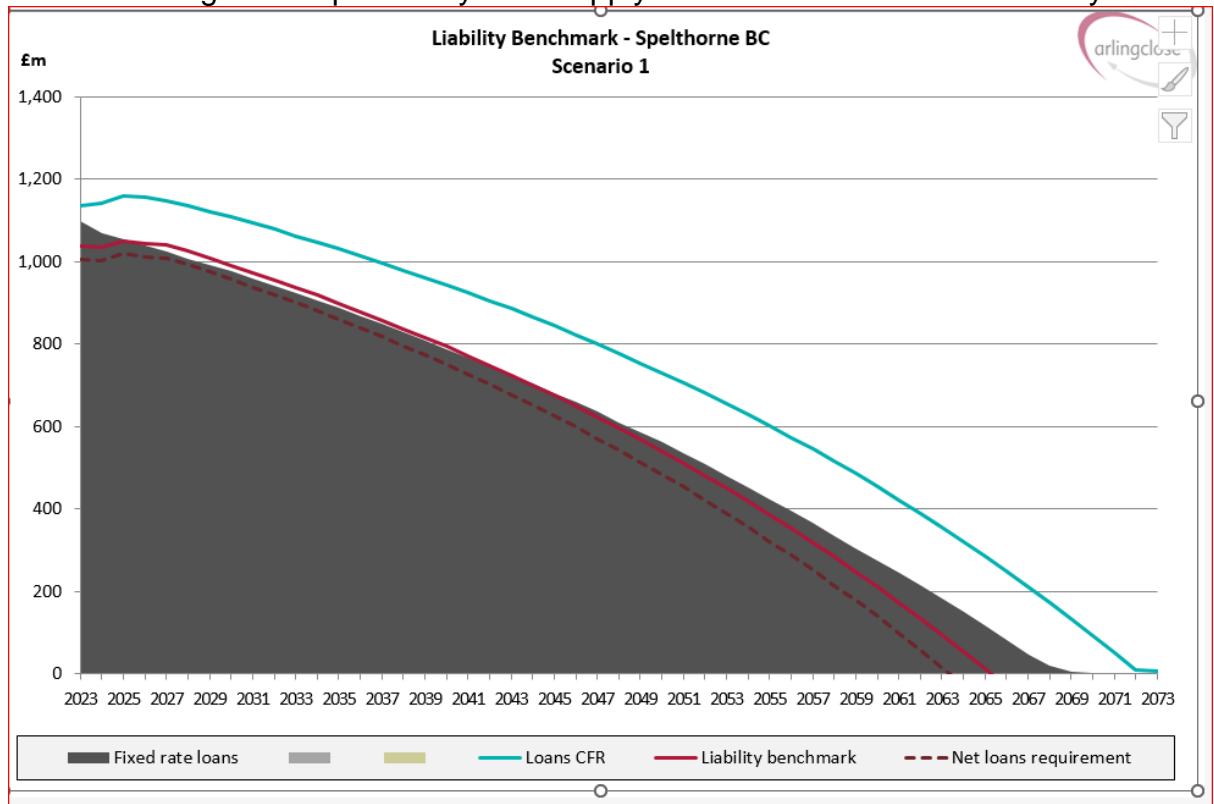
- 2.14 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark (a measure of risk outlined in the CIPFA TM Code and now required to be reported on for future years) has been calculated showing the lowest risk level of borrowing, as shown at Table 3. This assumes 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 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

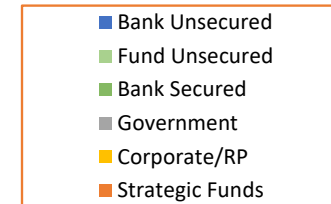
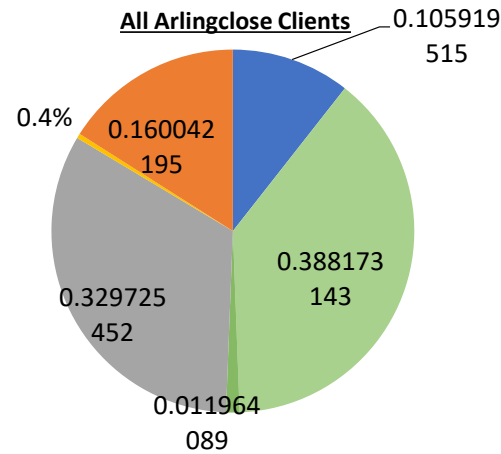
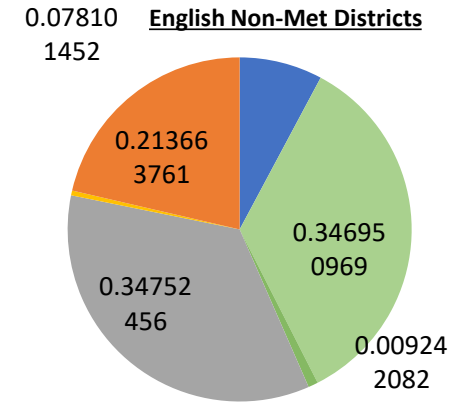
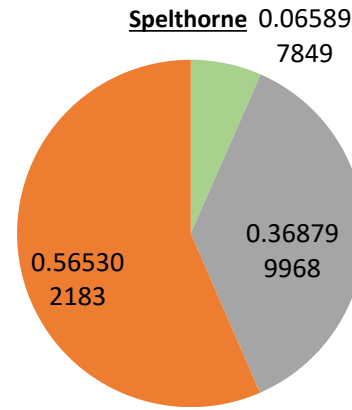
Proportion Available within 7 days	15%	44%	52%
Proportion Available within 100 days	43%	66%	72%
Average Days to Maturity	28	54	11

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> <ul 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> <ol 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.

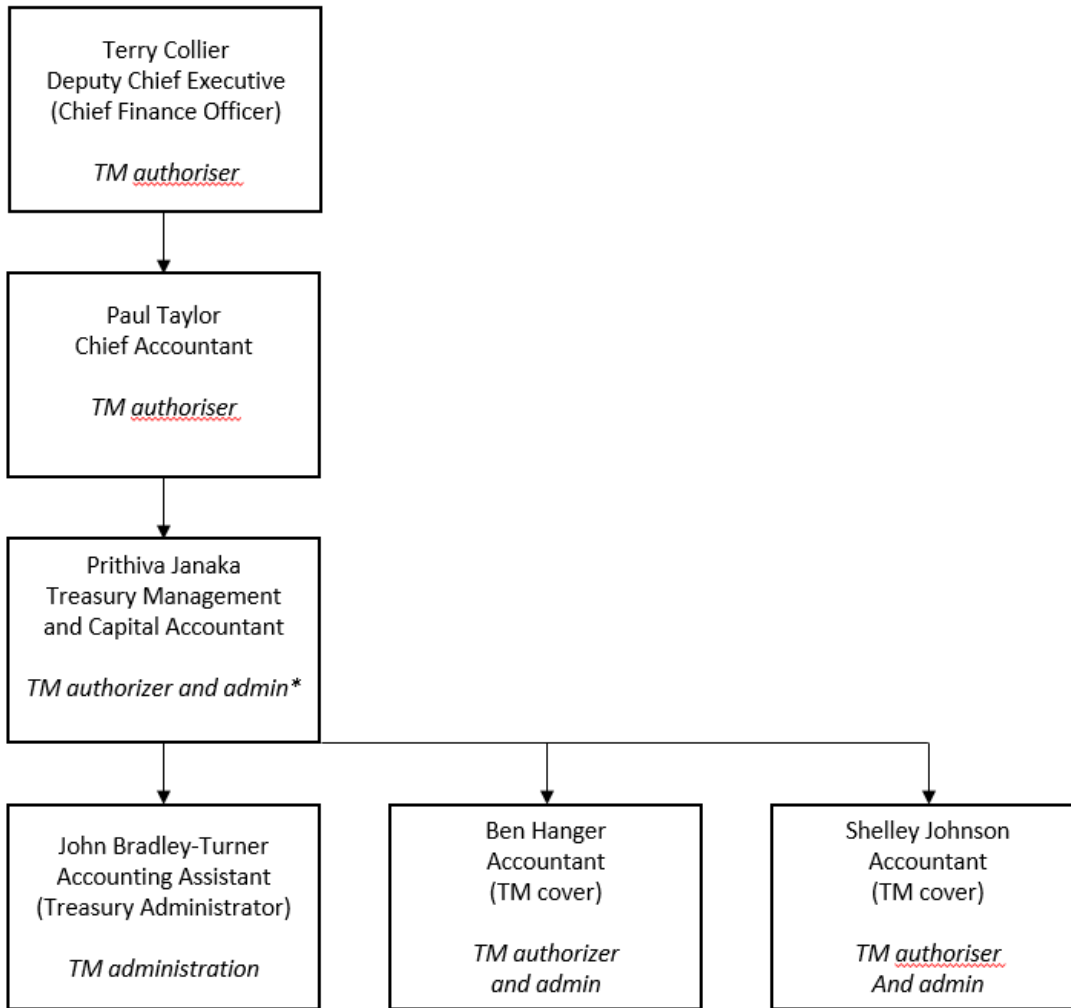
The Chief Finance Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Deputy Chief Executive will also ensure that at all times those engaged in treasury management will follow the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



22 February 2024

Title	Detailed Budget for 2024-25
Purpose of the report	To make a key decision
Report Author	Paul Taylor Chief Accountant
Ward(s) Affected	All Wards
Exempt	No
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	<p>Council is asked to approve 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. 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 5. 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 39,241 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)																
									E 0 Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.																
									F 222.41 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> </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 2024-25 budget report consolidates the Committee's work between September 2023 and January 2024 and includes all the approved revenue growth bids and savings plans. . The below the line (Funding) balances the budget and is explained in the Below the Funding Report presented to the Corporate Policy & Resources Committee meeting on 19 February. . 	<ul style="list-style-type: none"> Council needs to set a balanced budget to continue to fund the services our residents, businesses and communities need. The 2024-25 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

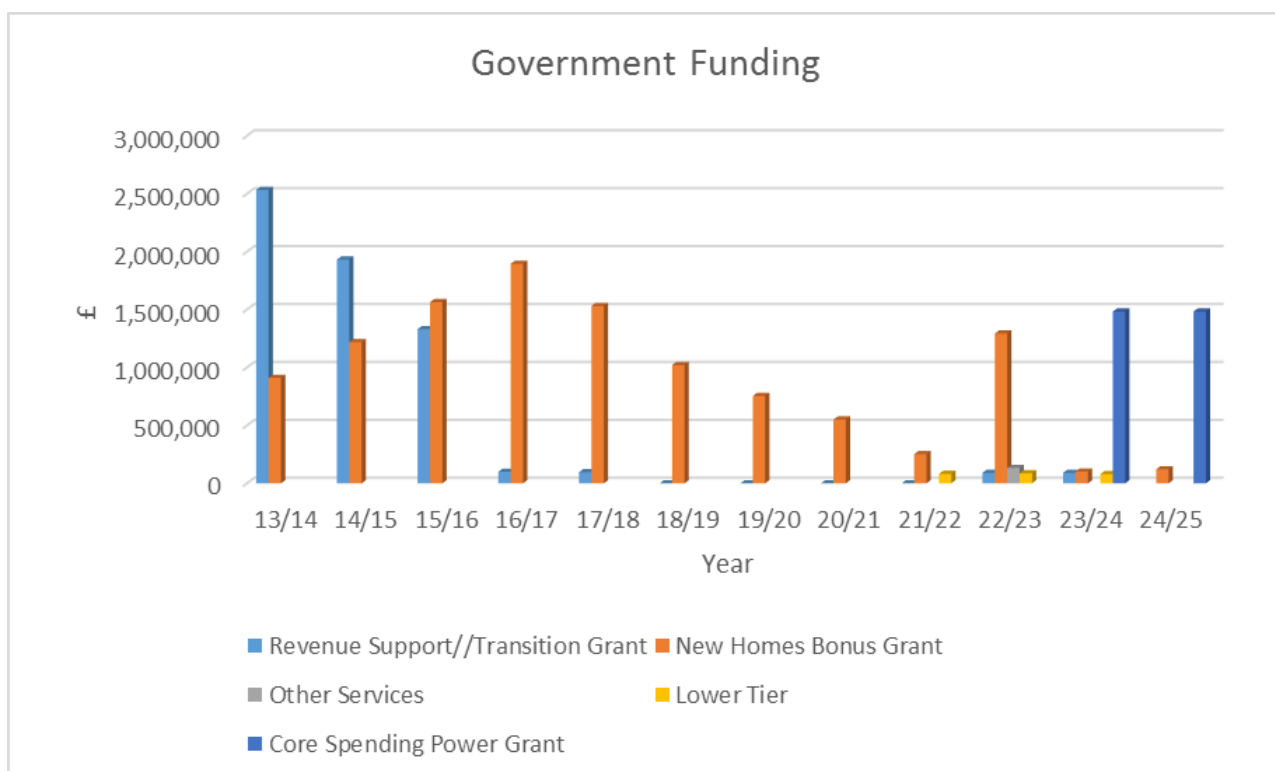
<ul style="list-style-type: none"> • Review all the appendices attached with this report. • Question Chairs of each Committee, Budget Managers and the Chief Accountant about any issues they may have. • Approve the recommended Detailed 2024-25 Budget. 	<ul style="list-style-type: none"> • Approve the proposed 2024-25 Detailed Budget as set out in Appendix 1. •
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2. Key issues

- 2.1 This report is subject to the outcomes agreed at the Corporate Policy & Resources Committee meeting on 19 February and officers may have to issue an addendum report to Council, to account for any changes, after the meeting.
- 2.2 This figures contained in Appendix 1, include all the growth bids and savings plan approved by each Committee and agreed by the Corporate Policy & Resources Committee.
- 2.3 By law Councils are required each year to set a balanced budget. Council will need to be aware that :
- (a) The proposed increases in Car Park charges, which will be subject to public notice.
 - (b) The proposed increases in the Taxi Licensing Fees are subject to the relevant approval at Licensing Committee, which is meeting in March.
 - (c) For noting, the Council is in early discussions with a tenant at Communications House , to retain them in the Borough, and this will involve between £1.5m and £2.0m of projects costs, followed by a rent increase, The discussions have not progressed far at the time of preparing this report and by virtue of the value of these potential contracts, 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 other existing refurbishment works for a number of year(s) .
 - Use of the Sinking Fund Reserve with the relevant Council approval.
- 2.4 The main points from the 2024-25 Budget as set out in Appendix 1 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) All discretionary fees over £25.00 were rounded up to the nearest pound, as instructed by the Corporate Policy & Resources Committee
 - (e) Contract inflation 5.0%
- 2.5 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.
- 2.6 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.
- 2.7 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.
- 2.8 Since November 2021, the steady increase in the Bank of England base rate to 5.25%, as at February 2024, 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.
- 2.9 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 £283m (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 younger families, key workers and vulnerable residents in the Borough.

- 2.10 Like many of our businesses in the Borough, the Council is having to forecast and plan.
- 2.11 Trying to predict just when the Council's 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.
- 2.12 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.
- 2.13 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.
- 2.14 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.
- 2.15 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:



- 2.16 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.
- 2.17 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.
- 2.18 Over the next three years, as predicted and advised, 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 and retain in excess of the planned £24.5m. This is using the sinking funds for the earmarked purpose they were designed for, as set out in the original council policy.
- 2.19 In presenting this balanced budget, it has been necessary to utilise £703.8k of the Council's Earmarked Revenue Reserves, which has been approved by the Corporate Policy & Resources Committee, because as mentioned earlier there was an 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.
- 2.20 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 Council approved cash outflows in support flowing to Knowle Green Estates.
- 2.21 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 or debentures in order to ensure that the Council's tenants, including key workers, young families and vulnerable residents are fully supported.
- 2.22 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
- 2.23 It should be noted that the Council 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. It is anticipated when this happens that Surrey councils will be disproportionately hit.

- 2.24 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.
- 2.25 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.
- 2.26 Having identified over £2.1m 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.
- 2.27 Appendix 1 summarises the current 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

- 2.28 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.
- 2.29 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

- 2.30 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.
- 2.31 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, with Corporate Policy & Resources Committee reviewing same at their meeting on 19 February.
- 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 is 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 purchases 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 Council 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 Council 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.
- 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 the Capital and Revenue Reserves Strategy Report at their meeting on 19 February, which indicates that £3,115k of funding from Earmarked Revenue Reserves will be utilised in 2024-25. The Detailed Budget Report (Appendix 1) indicates that in approving the Budget, Council will approve the following movements on the Council's reserves:
- (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) £703,800 from the Social Housing Initiative Fund (Prevent Homelessness Revenue Grant Unapplied Reserve) to cover the deficit caused by the £907,600 growth bid in respect of the increased homelessness pressures in 2024-25, which is a mandatory service for the Council.
- (i) 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 a report will be submitted to Development Subcommittee in the next month.

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 and approved the growth bids relating to their services and the Corporate Policy & Resources Committee will be authorising same at their meeting on 19 February 2024. and these are fully reflected in the Detailed Budget report in Appendix 1.
- 7.7 Additional spending pressures or reduced income streams totalling £2.6m have been included in the budget, offset by £0.37m of funding.
- 7.8 The evaluation and approval of growth bids received from services have been conducted by each Committee 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 Capital & Revenue 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 Capital & Revenue Reserves Strategy report will be reviewed and approved by the Corporate Policy & Resources Committee at their meeting on 19 February 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 Capital & Revenue 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 a 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 (CPRC)
2024-25 Outline Budget Report (CPRC)
2024-25 Fees & Charges Report (all Committees)
2024-25 Council Tax Base. (CPRC)

Appendices:

Appendix 1 – Detailed budget for 2024-25.

Appendix 2 – Net Expenditure Budget 2024-25 by Committee.

Appendix 3 – General Fund Subjective Analysis.

Appendix 4 – Calculation of Council Tax for 2024-25.

Appendix 5 – Calculation of Council Tax (SBC only) for different valuation bands for 2024-25.

Appendix 6 - Calculation of the total Council Tax (SBC, SCC & SPCC) for different valuation bands for 2024-25.

Appendix 7 – FTE equivalent support provided by SBC to KGE and fully charged to KGE for 2024-25

Appendix 8 – Breakdown of costs by discretionary and mandatory services for each Committee, by Cost centre. based on the 2024-25 detailed budget.

Appendix 9 – Commercial & Regeneration Contribution to front line services for the four years ended 31 March 2028

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Detailed Budget 2024-25 Base Case incl all growth bids with 2.8% salary increase						Appendix 1 13 February 2024
	2023-24 Revised		2024-25	2025-26	2026-27	2027-28
	£	note	£	£	£	£
Gross Expenditure	60,386,500		62,540,700			
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		26,099,100	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		6,670,600			
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	26,099,100	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	0	45,000	50,000	0
Pay award	0	3	0	691,000	633,000	649,000
Cashable Savings Identified	0	4	0	(240,000)	(360,000)	(480,000)
Business Improvements	0	4	0	(300,000)	(350,000)	(415,000)
Green Initiatives	0	4	0	(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	0	(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		0	(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

Detailed Budget 2024-25 Base Case incl all growth bids with 2.8% salary increase						Appendix 1 13 February 2024
	2023-24 Revised £	note	2024-25 £	2025-26 £	2026-27 £	2027-28 £
DEFICIT/(SURPLUS)	0		0	302,274	2,790,736	2,266,643

Net Expenditure Budget 2024/25 by committee			Appendix 2		
13 February 2024					
Committee	Revised 2023/24 £000s	Proposed 2024/25 £000s	Change from 2023/24 £000s	Increase %	
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%	
Unapportionable CentralO/heads	2,164.7	2,023.4	(141.3)	-7%	
Corporate Policy & Resources Committee	6,636.6	6,670.6	34.0	1%	

Net Expenditure Budget 2024/25 by committee			Appendix 2		
13 February 2024					
Committee	Revised 2023/24 £000s	Proposed 2024/25 £000s	Change from 2023/24 £000s	Increase %	
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!	
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%	
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%	
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		
13 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	26,099.1	887.7	4%	

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	Community Wellbeing & Housing	Corporate Policy and Resources	Economic Development	Environment & Sustainability	Neighbourhood Services	Regulatory Administrative Comm	Total
	£	£	£	£	£	£	£
Employees	5,560,300	5,494,700	370,000	1,741,500	7,431,800	4,950,300	25,548,600
Premises	2,152,600	1,569,900	178,200	6,900	1,156,600	190,900	5,255,100
Transport	89,600	15,900	4,200	28,800	603,100	190,100	931,700
Supplies and Services	1,717,100	92,300	142,400	394,600	930,400	1,962,700	5,239,500
External Contracts	3,180,000	30,100	94,500	95,400	242,400	51,400	3,693,800
Benefit Payments	21,872,000	0	0	0	0	0	21,872,000
Support to Capital	0	0	0	0	0	0	0
TOTAL EXPENDITURE	34,571,600	7,202,900	789,300	2,267,200	10,364,300	7,345,400	62,540,700
Government Grants	(23,562,400)	0	(181,900)	0	(3,400)	0	(23,747,700)
Rents & Other Income	(5,679,500)	(532,300)	(739,800)	(867,600)	(4,387,200)	(487,500)	(12,693,900)
TOTAL INCOME	(29,241,900)	(532,300)	(921,700)	(867,600)	(4,390,600)	(487,500)	(36,441,600)
NET EXPENDITURE	5,329,700	6,670,600	(132,400)	1,399,600	5,973,700	6,857,900	26,099,100

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Calculation of the basic Council Tax for 2024/25					
Appendix 4					13/02/2024
				£	£
Total Service expenditure for the year					62,540,700
	Less Housing Benefit				-21,556,000
					40,984,700
Add	Transfer to sinking fund reserve		833,900		
	Revenue contribution to capital outlay		0		
	Debt interest payable		24,933,100		
	Minimum Revenue Provision		12,918,600		
	Asset Supervision costs		650,000		
	Landlord Costs		6,968,600		
	Green initiatives		0		
	Contribution to Revenue Reserves		0		
					46,304,200
Gross Expenditure for the year					87,288,900
Less	Gross income for the year		-14,885,600		
	Interest earnings		-1,474,000		
	Income from assets acquisitions		-50,958,700		
	Transfer from sinking fund reserves		-2,850,000		
	KGE Interest		-761,900		
	SDS Interest		-16,000		
	Capitalisation of interest		-1,217,700		
	Transfer from Earmarked Reserves		-1,098,900		
Income for the year					-73,262,800
The Council's net expenditure					14,026,100
Less	Retained share of business rates		-1,929,000		
	Revenue Support Grant		-96,800		
	Non ring fenced grants		-874,900		
	Core Spending Power Grant		-1,884,000		
	National Non Domestic Rate Pool		-500,000		
	Lower Tier Service Grant		-12,300		
	New Homes Bonus		-101,500		
					-5,398,500
	Estimated Deficit on the Collection fund				100,000
Net sum to be recovered through Council Tax					8,727,600
The Council's Band D tax base for 2024/25					39,241
Expressed per equivalent Band D property					
(8763900/40551)					222.41

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**CALCULATION OF COUNCIL TAX FOR DIFFERENT VALUATION BANDS FOR 2024/25
FOR SPELTHORNE'S OWN EXPENDITURE**

1. Basic Council Tax for Band 'D' property as calculated at Appendix F

£222.41

VALUATION BAND

	A	B	C	D	E	F	G	H
2. The Multipliers specified in Section 5(1) of the Local Government Finance Act 1992, to apply to the Basic Tax above.	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9
	£	£	£	£	£	£	£	£
3. Item 1 multiplied by item 2, to give the Council Tax for the year in respect of each valuation band.	148.27	172.99	197.70	222.41	271.83	321.26	370.68	444.82

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**CALCULATION OF COUNCIL TAX FOR DIFFERENT VALUATION BANDS FOR 2024/25
SUMMARY**

<u>VALUATION BAND</u>	A	B	C	D	E	F	G	H
1. Precepts issued to the Council								
	£	£	£	£	£	£	£	£
i) Surrey County Council	1,172.40	1,367.80	1,563.20	1,758.60	2,149.40	2,540.20	2,931.00	3,517.20
ii) Surrey Police	215.71	251.67	287.62	323.57	395.47	467.38	539.28	647.14
2. Spelthorne's Council Tax	148.27	172.99	197.70	222.41	271.83	321.26	370.68	444.82
3. The total of items 1 and 2 above, which is the full Council Tax for 2024/25	1,536.38	1,792.46	2,048.52	2,304.58	2,816.70	3,328.84	3,840.96	4,609.16

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FTEs recharged from Council to Knowle Green Estates

Estates	FTE	
Property Finance Assistant	0.50	
Property Account Manager	0.60	
Property Finance Assistant	0.20	
Principal Residential Property Manager	1.00	
Residential Estates & Facilities Manager	0.80	
Property Admin Assistant	0.05	
Tenancy Sustainment Officer	1.00	
Group Head for Assets	0.02	4.17
Finance		
Deputy CX	0.05	
Chief Accountant	0.10	
Accountant	0.02	0.17
FTEs recharged from Revenue to Capital		
Financial Systems Manager	0.83	
Assistant Financial Systems Manager	0.76	
Independent Living Technical Officer	0.97	
Independent Living Case Worker	0.97	3.53
Other		
Infrastructure Delivery Coordinator	1.00	
CIL Officer	0.50	1.50
Total FTE's Recharged		9.37

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Mandatory/Discretionary Split of 2024-25 Budget by Committees

13/02/2024

Appendix 8

	£	£	£
	Discretionary	Statutory	2024-25 Total
Audit	-	222,000	222,000
Committee Services	63,580	254,320	317,900
Corporate Governance	126,000	189,000	315,000
Corporate Management	15,100	672,400	687,500
Corporate Publicity	460,000	-	460,000
CServ Management & Support	-	1,324,500	1,324,500
Democratic Rep & Management	414,200	-	414,200
Elections	-	10,900	10,900
Electoral Registration	-	280,600	280,600
HR	429,000	-	429,000
Information & Comms Technology	1,106,500	193,800	1,300,300
Insurance	-	337,800	337,800
Legal	-	713,300	713,300
Payroll	76,300	-	76,300
Land Charges	-	31,400	31,400
Regulatory & Administration Committee	2,690,680	4,167,220	6,857,900
Accountancy	-	810,300	810,300
Asset Mgn Administration	493,000	-	493,000
Chief Executive	-	237,000	237,000
Deputy Chief Executives	-	307,900	307,900
General Property Expenses	- 30,300	-	30,300
Facilities Management	710,800	-	710,800
Planned Maintenance Programme	667,900	667,900	1,335,800
Project Management	679,000	-	679,000
MAT Secretariat & Support	-	103,700	103,700
Sea Cadets	-	-	-
Unapportionable CentralO/heads	1,559,920	463,480	2,023,400
Corporate Policy & Resources Committee	4,080,320	2,590,280	6,670,600
Economic Development	302,800	-	302,800
Youth Hub	-	300	300
Incubator	- 8,600	-	8,600
Shared Prosperity Fund	-	-	-
Staines Market	- 62,800	-	62,800
Staines Town Centre Management	- 364,100	-	364,100
Economic Development Committee	- 132,700	300	- 132,400

Mandatory/Discretionary Split of 2024-25 Budget by Committees

13/02/2024

Appendix 8

	£	£	£
Community Care Administration	310,880	84,320	395,200
Community Centres	562,200	-	562,200
Homelessness	-	1,423,500	1,423,500
Refugee Schemes	-	200	200
Housing Benefits Admin	-	424,500	424,500
Housing Benefits Payments	135,000	84,000	51,000
Housing Needs	-	1,605,200	1,605,200
Sports and Active Lifestyle	19,200	-	19,200
Arts Development	32,100	-	32,100
Leisure Administration	365,900	-	365,900
Sunbury Golf Club	-	47,600	47,600
Events	-	-	-
Museum	-	5,000	5,000
Public Health	920	3,680	4,600
Resource Centre	14,200	-	14,200
Spelthorne Leisure Centre	22,200	-	22,200
Youth	28,500	-	28,500
General Grants	226,700	-	226,700
Meals on Wheels	116,500	-	116,500
Community Development	39,000	-	39,000
Research & Consultation	-	-	-
Span	-	-	-
Spelthorne Family Support	52,000	-	52,000
Community Wellbeing & Housing Committee	1,872,700	3,457,000	5,329,700
Abandoned Vehicles	1,800	1,800	3,600
Allotments	-	18,600	18,600
Building Control	2,850	2,850	5,700
Bus Station	25,900	-	25,900
Car Parks	-	384,400	384,400
Cemeteries	-	78,560	392,800
Community Safety	-	309,700	309,700
Depot	128,200	-	128,200
Neighbourhood Serv Mgt Support	1,404,100	-	1,404,100
Environmental Enhancements	5,320	7,980	13,300
Environmental Health Admin	66,750	1,268,250	1,335,000
Environmental Protection Act	-	89,900	89,900
Food Safety	-	900	900
Grounds Maintenance	1,888,700	-	1,888,700
Licensing	-	34,000	34,000
Parks Strategy	-	1,100	1,100
Public Conveniences	-	-	-
Public Halls	-	19,200	19,200
Refuse Collection	-	937,800	908,700
Rodent & Pest Control	-	11,300	11,300
SAT	167,100	-	167,100
Street Cleaning	675,750	119,250	795,000
Taxi Licensing	-	64,800	64,800
Waste Recycling	-	266,500	266,500
Neighbourhood Services Committee	2,678,910	3,294,790	5,973,700

Mandatory/Discretionary Split of 2024-25 Budget by Committees

13/02/2024

Appendix 8

	£	£	£
Emergency Planning	-	95,500	95,500
Energy Initiatives	7,575	2,525	10,100
Planning Development Control	144,860	579,440	724,300
Planning Policy	-	574,500	574,500
Water Courses & Land Drainage	-	6,000	6,000
Parks Properties project	- 10,800	-	10,800
Environment & Sustainability Committee	141,635	1,257,965	1,399,600
Total	11,331,545	14,767,555	26,099,100

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Commercial & Regeneration Portfolio Contribution for the four years to 2027-28

13/02/2024

	£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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Council



22 February 2024

Title	Corporate Plan 2024-28
Purpose of the report	To make a decision
Report Author	Lee O’Neil, Deputy Chief Executive Jennifer Medcraft, Head of Communications & Customer Experience
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	Council is asked to: Adopt 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.
Reason for Recommendation	The Corporate Plan is a key policy document which outlines the proposed strategic priorities for the Council for the period of the Plan, and the values the Council will abide by in conducting its activities.

1. Summary of the report

What is the situation	Why we want to do something
In December 2023 the Council agreed an Outline Corporate Plan for 2024-28 with a view to developing a more detailed Corporate Plan in conjunction with the February 2024 budget setting process. This more detailed Plan was presented to the Corporate Policy and Resources Committee (CPRC) on 19 February 2024	The Corporate Plan is an important strategic policy document which sets out the authority’s future priorities, values and objectives, enabling the Council to plan its future work and focus its resources effectively. It also provides a framework against which the Council’s performance can be evaluated.

and the Committee has recommended its adoption by the Council.	
This is what we want to do about it	These are the next steps
The Council is asked to agree the recommendation from the CPRC and adopt the proposed Corporate Plan (and associated Action Plan) appended to this report, which outlines a range of short, medium and longer-term actions to be delivered.	If adopted by the Council, the Corporate Plan 2024-28 will form the basis of future prioritisation and service delivery for the next five years.

1.1 This report proposes that the Council adopts the proposed new Corporate Plan and associated Action Plan for the period 2024-28.

2. Key issues

2.1 On 14 December 2023, the Full Council agreed an Outline Corporate Plan ('the Outline Plan') which specified the priorities, key themes and values for the Council for the next five years.

2.2 This was approved with a view to developing a more detailed version of the Corporate Plan 2024-28 ('the Corporate Plan') to be presented at the February Council meeting, in parallel with setting this authority's 2024/25 budget.

2.3 Since the Outline Plan was approved, officers have been working with the Administration Group Leaders on separately mapping out the detail behind each of the priority themes in parallel with the budget setting process, to ensure that the Corporate Plan is both financially and practically deliverable within the Council's resources.

2.4 The proposed Corporate Plan was presented to the Corporate Policy and Resources Committee (CPRC) on 19 February 2024 and the Committee has recommended its adoption by the Council.

Priorities

2.5 The proposed Corporate Plan is attached as **Appendix A** and specifies five priorities for the Council:

- (a) **Community**
- (b) **Addressing housing need**
- (c) **Resilience**
- (d) **Environment**
- (e) **Services**

Three themes are specified under each of those priority areas together with a wide range of proposed actions to be delivered within the first year of the Plan. The Action Plan shown in **Appendix B** forms a supplement to the Corporate Plan and, in addition to the short-term actions, specifies a list of

proposed actions to be delivered in both the medium-term (2025-27) and the longer-term (2027-28).

Values

2.6 The Corporate Plan also specifies the seven values of the Council, which outline to our staff, Councillors and external stakeholders how the Council intends to undertake its functions and activities:

- **Pride** in our Council, communities and Borough
- **Responsive** and flexible
- **Open** and accountable
- **Value** for money
- **Integrity**
- **Dependable**
- **Empowering** and inclusive

3. Options analysis and proposal

3.1 It is recommended that the Council adopts the proposed Corporate Plan for 2024-28 and associated Action Plan as appended to this report (**Preferred Option**).

3.2 The Council could, however, request changes to be made to the proposed Corporate Plan. Should this be the case, its adoption may need to be delayed to enable any amendments to be made.

4. Financial management comments

4.1 The Corporate Plan outlines the priority areas where some of Spelthorne's resources will be targeted to achieve the key actions listed. These priorities are therefore closely linked to the Council's future budget planning process.

4.2 Like most local authorities across the country, Spelthorne faces a particularly challenging budget setting process for the next few years due to a combination of factors including inflationary pressures and the cost-of-living crisis. A measured approach has therefore been taken by the Administration, working with officers to ensure that the Council does not commit to actions that cannot be funded, and to enable budgets to be adapted where there is some flexibility to align with the priority areas. In doing so, it is recognised that resources may need to be diverted into some of the priority areas from time to time to progress some of the proposed activities.

5. Risk management comments

5.1 There is a risk that the Council may not be able to deliver all the desired outcomes specified in any new Corporate Plan due to budgetary and resourcing pressures. The approach taken to develop this Plan in parallel with the budget setting process should assist in minimising this risk.

5.2 Progress with the new Corporate Plan will be monitored regularly, with highlights presented quarterly to the CPRC, and progression of the Action Plan forming the baseline of the Council's Annual Report to inform our residents and stakeholders of progress. This baseline data can then be used to adapt the Corporate Plan as necessary to ensure that it remains relevant to

the changing environment and financial pressures that the Council may face in the future.

6. Procurement comments

6.1 There are none.

7. Legal comments

7.1 There are none.

8. Other considerations

8.1 The Council's new priorities will be used to inform the individual and team objectives for staff through the appraisal and service planning process, and the values outline the desired behaviours for officers and Councillors in undertaking their roles.

9. Equality and Diversity

9.1 The proposed Corporate Plan outlines how the Council will ensure that we continue to deliver services that cater for all sections of our communities, how we will ensure that individuals and sections of the community are not excluded, and how we will support those most in need.

10. Sustainability/Climate Change Implications

10.1 One of the priorities outlined in the Corporate Plan is 'Environment'. The Plan outlines Spelthorne's own journey to Net Zero 2030 and the actions the Council will take to protect and enhance the wider borough environment.

11. Timetable for implementation

11.1 If agreed by the Council, the Corporate Plan will take effect immediately.

12. Contact

12.1 Daniel Mouawad, Chief Executive. (Email DCM.CEX@spelthorne.gov.uk)
Lee O'Neil, Deputy Chief Executive (Email: l.o'neil@spelthorne.gov.uk)
Jennifer Medcraff, Head of Communications and Customer Experience
(Email: j.medcraff@spelthorne.gov.uk)

Background papers:

There are none.

Appendices:

Appendix A – Spelthorne Borough Council's Corporate Plan 2024-28 – *'Putting our residents at the heart of everything we do'*

Appendix B – Corporate Plan 2024-28 Action Plan

Spelthorne Borough Council's Corporate Plan 2024-2028



**Putting our residents
at the heart of
everything we do**

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01 Introduction

We are delighted to introduce our Corporate Plan for the period 2024 - 2028 which sets out our vision and strategic priorities for the next five years.

We are proud to serve Spelthorne and represent our residents. This is why our new Corporate Plan will put **our residents at the heart of everything we do**. We may think big, but we deliver locally.

Our decisions will involve you: we will inform, listen and ensure that our key services and objectives are delivered effectively and successfully. This plan is also about how we will use our resources and how we maximise working with other partners to deliver our aims and aspirations.

The priorities in this Corporate Plan, are underpinned by seven 'values' which collectively add up to making a more sustainable Borough: environmentally, socially, and economically.

This plan, '**Putting our residents at the heart of everything we do**' sets out the Administration's priorities over the next five years and defines our goals for the Borough. Our strategic priorities are:

- Community
- Addressing housing need
- Resilience
- Environment
- Services

We will review the progress of delivering these priorities and publish these in our Annual Report.

Our focus is on supporting our residents and protecting those areas of the Borough which our communities love. The climate emergency will continue to frame everything we do and we're determined to build on our commitment to reach Net Zero. We will lead by example in continuing to reduce our carbon emissions and will work with residents and businesses to achieve cleaner and greener lifestyles.

A big challenge for us all in coming years will be the continued impacts of the cost-of-living crisis. Rising bills and prices put a strain on our personal finances and on the Council's budget. This means we will have to work differently in the future and this plan recognises the huge importance of partnership working.

There has never been a greater need for strong local government. This new plan is the start of our journey for the next five years and demonstrates how this democratic and inclusive Council can deliver and advocate for the services and resources that our communities need for a stronger, healthier and safer Borough.



Clr Joanne Sexton, Leader of Spelthorne Borough Council

Daniel Charles Mouawad, Chief Executive



02 Our communities: place, people, resources and assets

It is important we understand our communities and use this data and insights to inform our decisions and plans for the next five years.

Place

Spelthorne has an excellent location, immediately to the south of Heathrow and adjacent to the River Thames in the economically buoyant area to the west of London. The Borough has exceptional communication links, supporting a strong economy and many successful international businesses.

12 miles River Thames frontage

65% of Spelthorne is Green Belt

£14.63m net budget set by the Council

39 councillors represents the Council with **450** staff

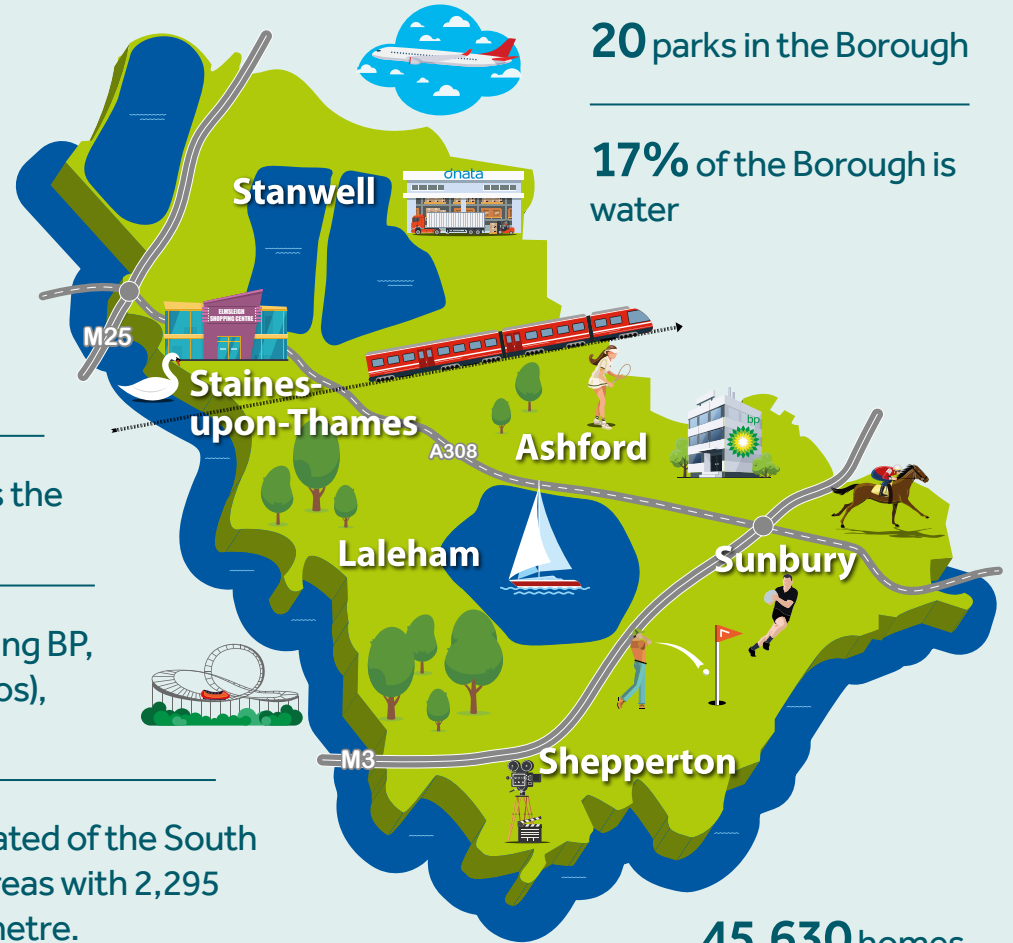
7,627 businesses including BP, Netflix (Shepperton Studios), dnata, Wood Group Ltd.

14th most densely populated of the South East's 64 local authority areas with 2,295 residents per square kilometre.

5,127 new homes built from 2000 - 2022

£478,402 average property price

45,630 homes, **68.1%** owned and **17.9%** private rented **12.7%** socially rented, **1.3%** shared ownership*



20 parks in the Borough

17% of the Borough is water

Data as of December 2023
*Census 2021

People

Spelthorne is the most deprived borough in Surrey with the highest level of child poverty in the county*. It also has the highest under-18 conception rate and the highest number of lone parent families in Surrey. The unemployment rate of those economically active aged 16 to 64 is 1.4%.

103k total population

8.3% of working population employed at Heathrow Airport

1.4% unemployment rate

7.7% population increase since 2011 to 102,956

20.1% expected population percentage of over 65s in 2026

51% female and **49%** male

33% under 30s, **53%** 30-69 year-olds and **14%** over 70

22.7% of households are living with a long-term health problem or disability

87.3% of residents are white, **7.6%** are Asian, **2.5%** are mixed heritage and **1.6%** are black

22.5% do not have a religion, **63.8%** are Christian, **2.4%** are Hindu and **1.9%** Muslim

Population data based on 2021 Census
*Indices of Deprivation

Our resources

The Council employs around 450 people*.

Corporate Management Team:	3
Communications and Secretariat:	8
Finance:	18
Neighbourhood Services:	149
Community Wellbeing:	87
Place, Protection and Prosperity:	76
Corporate Governance:	27
Assets:	21
Commissioning and Transformation:	58



* Data representing December 2023

Our assets

Our assets help us keep our communities connected and supported. Without our land, buildings, properties and parks we wouldn't be able to provide most of our services. Last year our **commercial property income contributed £10m** to the Council's budget which goes directly towards many frontline services which vulnerable residents rely on, including community transport, charitable donations, foodbanks, community centres and meals on wheels.



*Knowle Green Estates Ltd (KGE Ltd) is a housing company, owned by Spelthorne Borough Council

03 Our Council: services, money and budget



Our Services

Making a difference in Spelthorne

In Surrey we have a two-tier local government system which means that some services are looked after by Spelthorne Borough Council and some are the responsibility of Surrey County Council. We are committed to

delivering high quality public services that meet the needs of our residents and businesses and demonstrate value for money. Some of the services we provide are mandatory e.g. waste collection but many of our services, especially in supporting our vulnerable residents are discretionary.

Spelthorne Borough Council services:

 Affordable housing	 Allotments	 Biodiversity and conservation	 Building control	 Business grants and support	 Car parks	 Communications	 Community Centres	 Community grants	 Community safety	 Community transport
 Council Tax and business rates	 Customer services	 Elections	 Electric vehicle charging points	 Environmental health	 Food and welfare network	 Homelessness provision				
 Independent living	 Economic Development	 Leisure Centres and services	 Licensing	 Meals on wheels	 Memorials and Cemeteries	 Moorings				
 Planning	 Playgrounds and parks	 Public toilets	 Recycling and waste collection	 Staines market	 Street cleaning	 Tackling fly tipping	 Town Centre management			

Surrey County Council services:

- Adult social care
- Birth/death/marriage registration
- Bus passes
- Disabled parking badges
- Education and libraries
- Fire and rescue
- On-street parking
- Pavement repair and footpaths
- Potholes
- Roads and drains
- Social Services
- Street lighting
- Trading standards
- Trees on pavement/road
- Verge cutting



Our money

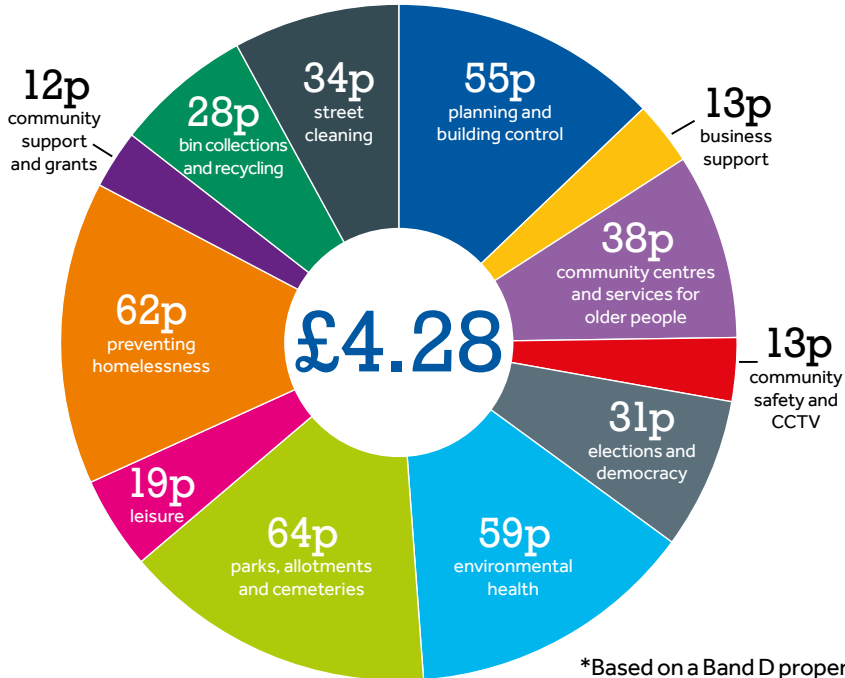
One of the most important tasks for the Council is to set a responsible and balanced budget for the year ahead. This year's budget was agreed at the February 2024 Council meeting, a budget that focuses on **putting residents at the heart of everything we do**.

The continuing cost-of-living crisis is making things difficult for you as residents and businesses and some of the challenges your Council face include:

- increasing energy costs for community centres and leisure centres
- national government asking us to provide extra services like distributing cost of living payments and support for refugees
- increased demand to support homelessness and housing benefits
- funding for the Council not increasing at the same rate as prices

How your money is spent delivering key services:

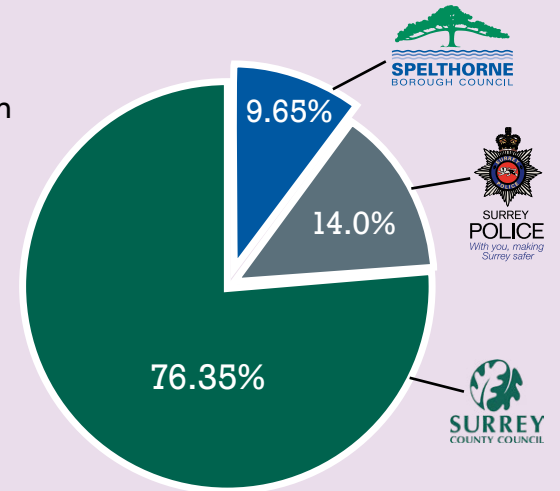
Spelthorne's proportion of the Council Tax for 2024/25 is £4.28 per week*



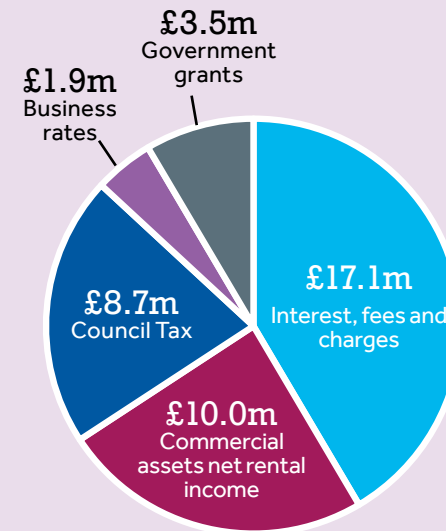
Where your Council Tax goes (2024-25):

For every £1 of Council Tax:

- Spelthorne Borough Council receives under 10p.
- Surrey County Council receives just over 76p.
- Surrey Police and Crime Commissioner receives 14p.



Where Spelthorne Borough Council gets its money from:



The Council needs to ensure that services are delivered in a cost-effective way which meets the needs of our residents but at a price the Council can afford. Spelthorne Council is largely funded by five separate income streams and with this income the Council must fulfil its statutory duties as well as deliver the Council's priorities. The 2024/25 income is £41.2 million.



OUR PLEDGE

At all times we will treat you with respect and care.

We will be approachable and friendly and explain things clearly.

You can expect a high level of service from us delivered in a timely, courteous, and reliable manner.

Our motto is:

Putting residents at the heart of everything we do.

We commit to this pledge.



Daniel Charles Mouawad,
 Chief Executive

Cllr Joanne Sexton,
 Leader of Spelthorne Borough Council

Welcome to our Residents' Charter

Our aim is to deliver efficient and effective services which meet the changing needs of our residents; adapting to meet new challenges, new ways of working and different ways of interacting with our communities. Our pledge '**putting residents at the heart of everything we do**' captures our commitment to improve the quality of life for local people.

We will:

- be polite, listen and remain professional
- provide you with clear, accurate information
- ensure our employees are skilled, knowledgeable and able to provide high-quality customer care
- give you a clear explanation as to why we have made a particular decision
- endeavour to make Council premises and services accessible to everyone
- treat everyone equally regardless of race, family/marital status, gender, religious belief, age, disability or sexuality
- ensure our information is in a format that can be easily accessed and understood
- provide a single point of contact wherever possible
- provide a consistent, co-ordinated and proactive service
- provide a range of convenient communication channels to contact us
- enable customers to provide feedback

If you telephone us, we will:

- answer 90% of calls within 15 seconds
- greet you, clearly stating a name and department
- when returning your calls, staff will clearly state their name, department and their reason for calling

If you write (email/letter) to us, we will:

- send an acknowledgment email within two working days of receipt
- send an acknowledgement to all letters within five working days of receipt
- provide timescales for a full response to be sent
- use plain and correct English
- provide details of the person dealing with the enquiry
- if required, provide information in Braille, in another language, in audio or in large print

If you visit us, we will:

- keep Council premises clean, tidy, safe, well-signed and welcoming
- wear identification
- undertake to resolve your enquiry as quickly as possible
- respect confidentiality
- endeavour to see you at your appointment time, if there is a delay we will keep you informed

If we visit you, we will:

- provide details of the person attending and wear identification
- resolve your enquiry as quickly as possible
- endeavour to see you at your appointment time. If however, there is a delay we will keep you informed
- clearly explain the purpose of the visit
- be polite and respect your home
- provide timescales for a full response to be sent
- use plain and correct English

What you can do to help:

- There are a few things you can do to help ensure your enquiry is resolved as quickly as possible:
- treat Council staff with respect
 - provide the Council with all the information required to resolve your query
 - access the Council's website for services and information if you can
 - notify the Council of any change in your circumstances
 - complete the feedback forms to help us improve our service

Freedom of Information requests:

- we will supply information requested in Freedom of Information requests within 20 working days, except in exceptional circumstances

Complaints:

- we aim to reply to all complaints within 10 working days. If we need longer, we will tell you why and confirm who is dealing with your complaint

How to contact us:

- ✉ In writing: Spelthorne Borough Council, Council Offices, Knowle Green, Staines-upon-Thames, TW18 1XB
- 🌐 Website: www.spelthorne.gov.uk
- ✉ Email: customer.services@spelthorne.gov.uk
- ☎ Telephone: 01784 451499

05

Our priorities and values: CARES and PROVIDE



PRIORITIES



VALUES





Community

Aim: To place the needs of the Borough at the heart of everything we do; supporting residents to live healthy and fulfilling lives and empowering communities so they feel included, valued, supported and safe.

Themes:

1. Clean and safe Borough
2. Healthier communities
3. Empowered communities

Clean and safe Borough

Making our Borough a great place to live, keeping our Borough safe and encouraging communities to take pride in their area.

Actions for 2024 - 2025:

- implement a **Public Space Protection Order** on the misuse of public land for taxis, tents and BBQs following a residents' consultation
- launch the **Keep Spelthorne Clean** initiative and engage with relevant agencies and businesses to take responsibility for their areas and trial new ways of working to address the issues of **street sweeping** in difficult to access roads such as parking suspensions or prior notification boards, adapting to increasing demands and delivering solutions within existing resources
- secure funding to install **CCTV cameras** to manage **fly-tipping** hotspots and respond to requests to remove public facing and offensive **graffiti** within 48 hours and remove **chewing gum** from pavements in the key shopping areas

Healthier communities

Address the causes of health inequalities, promote more active and healthier lifestyles and our parks and open spaces.

Actions for 2024 - 2025:

- open the new **Eclipse Leisure Centre** in Staines-upon-Thames, the world's largest Passivhaus Leisure Centre
- install **five new inclusive play areas** in parks across the Borough
- lead the **Spelthorne Healthy Communities Partnership**, working with partners to identify funding, share best practice, identify new initiatives to support residents facing health concerns and launch the Food and Welfare Network



Empowered communities

Communicate, listen and engage with residents, be an inclusive Council for all our residents; sustaining our Community Centre Network, adjusting to the needs of our residents.

Actions for 2024 - 2025:

- launch a **Citizens' Panel** to help shape the Council's decisions on services and policy and introduce an online engagement tool to gain views on planning design codes
- seek opportunities to **engage with young people** in the Borough by developing Mayoral and school initiatives and launch the Youth Awards 2024
- increase **membership of the Community Centres** by introducing new activities and raising awareness of the existing opportunities and use the Community Centres as Warm Hubs

How you can help us:

- take pride in your Borough so it is a place we can all enjoy; clean up after your dogs and pick up litter, stop fly-tipping and fly-posting
- embrace your local community, get to know your neighbours, support each other, volunteer and get involved in your communities
- take responsibility for your local area by resolving, recording and reporting any issues

To read our medium-term actions (2025 - 2027) and long-term actions (2027 - 2028), visit www.spelthorne.gov.uk/CorporatePlan





Addressing housing need

Aim: To support the delivery of high-quality housing and solutions to allow residents to live independently which meets the needs of all sections of the community at every stage of life, addressing the challenges around availability, affordability and homelessness.

Themes:

1. More homes/better quality
2. Affordability
3. Living independently

More homes/better quality

Tackling homelessness and addressing the causes, improving the quality and safety of housing stock and working in partnership to deliver new homes for local need.

Actions for 2024 - 2025:

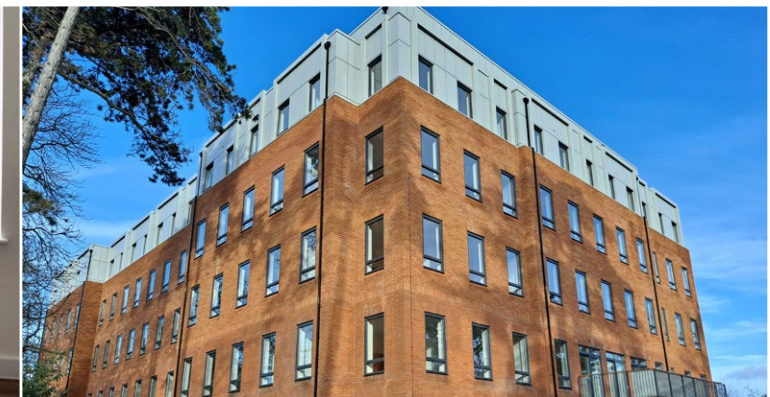
- continue the **homeless support schemes** offered at the White House and Harper House - monitor rough sleepers in the Borough and provide help to find sustainable tenancies
- work proactively with landlords and private housing providers of Homes of Multiple Occupation and temporary B&B accommodation to tackle **poor conditions** and anti-social behaviour
- **support refugees** to find suitable accommodation, seeking government funding and securing sustainable accommodation

Affordability

Maximise the provision of affordable homes through the planning process, support the delivery of social housing and work with partners to increase the range and affordability of housing.

Actions for 2024 - 2025:

- seek to maximise the **provision of affordable homes** through the planning process through viability assessments and Section 106 agreements
- secure **nomination rights** for new development schemes - working with partners to increase the range and variety of affordable housing
- proceed to Examination and **adopt the Local Plan** to guide how new sustainable development which benefits our communities comes forward over the next 15 years



Living independently

Help residents stay in their own homes with the right tools and technology, seek partnering opportunities and assist residents into sustainable tenancies.

Actions for 2024 - 2025:

- provide a range of **independent living services** to help residents of all ages to lead an active and fulfilling life
- raise awareness of **Disabled Facilities Grants** and the local **handyman scheme** so residents can be helped to stay in their own homes
- continue partnership working with Mole Valley District Council to deliver the **SPAN personal alarm service**

How you can help us:

- signpost friends, family and groups to check if they are eligible for independent living support
- let us know about someone rough sleeping so we can try and assist
- if you are a landlord, provide good quality homes

To read our medium-term actions (2025 - 2027) and long-term actions (2027 - 2028), visit www.spelthornegov.uk/CorporatePlan





Resilience

Aim: To ensure prudent management of our finances and resources and create a climate in which businesses and individuals can thrive. Work with our partners to maintain our preparedness for emergencies.

Themes:

1. Financial resilience of the Council
2. Economic resilience of the Borough
3. Preparing for the effects of climate change

Financial resilience of the Council

Make the best use of our assets and effectively prioritise our resources, work with partners to deliver sustainable delivery models and operate under an effective governance structure.

Actions for 2024 - 2025:

- develop a new **Asset Management Strategy** ensuring the management of our investment, regeneration and municipal portfolio will achieve best value, maximise income and minimise vacancy rates
- carry out a **survey with residents** and undertake an internal **zero-based budgeting exercise** to help shape the 2025/26 financial plan and service requirements for the next four years
- utilise the expertise of the newly established Finance Reporting Working Group to **simplify financial reports** to improve financial awareness and understanding from councillors and officers and expand delivery of **financial induction and training programmes**

Economic resilience of the Borough

Promoting our Borough, maintaining the vitality and strengths of our towns, supporting business investment and start-ups and help our residents into employment.

Actions for 2024 - 2025:

- increase clients at the **Spelthorne Business Hub** by promoting hot-desking space and provide tailored support, advice and information to new and established businesses
- help residents find **employment and training** via the Jobs and Skills Hub and extend the Better Futures Program to match residents with local employers
- engage with partners through the **Visitor Forum** to deliver projects and events to promote the Borough, maximising our river frontage



Preparing for the effects of climate change

Maintaining our preparedness and response to Borough emergencies.

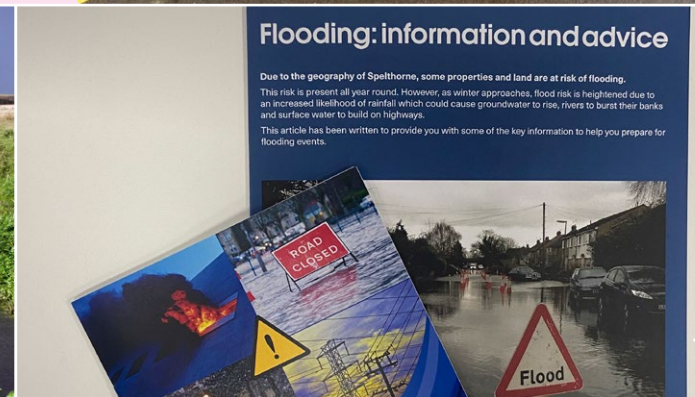
Actions for 2024 - 2025:

- manage our parks, open spaces and commons e.g. utilising tree planting and plant species to **reduce risks of flooding**
- work with partners and Surrey County Council in developing a **climate change and resilience plan** for adoption in 2024
- advise residents of the steps they can take to prepare for emergencies with a '**warning and informing**' campaign using a range of communication platforms

How you can help us:

- support local businesses by buying local and access the support available to make the most of your business
- consider taking on an apprentice or work with schools to help students think about careers
- take steps to prepare for an emergency situation, e.g. a household emergency plan

To read our medium-term actions (2025 - 2027) and long-term actions (2027 - 2028), visit www.spelthornegov.uk/CorporatePlan





Environment

Aim: To work with our residents, suppliers and partners to minimise our impact on the environment and achieve our Council goal of 'net zero' carbon emissions by 2030. To maintain a clean and attractive Borough which supports biodiversity.

Themes:

1. Our Council's journey to Net Zero 2030
2. Protecting and enhancing our environment
3. Championing local action

Our Council's journey to Net Zero 2030

Deliver actions in the **Climate Change Strategy**, operate sustainable practices and procurement and complete the Eclipse Leisure Centre, promoting Passivhaus standards.

Actions for 2024 - 2025:

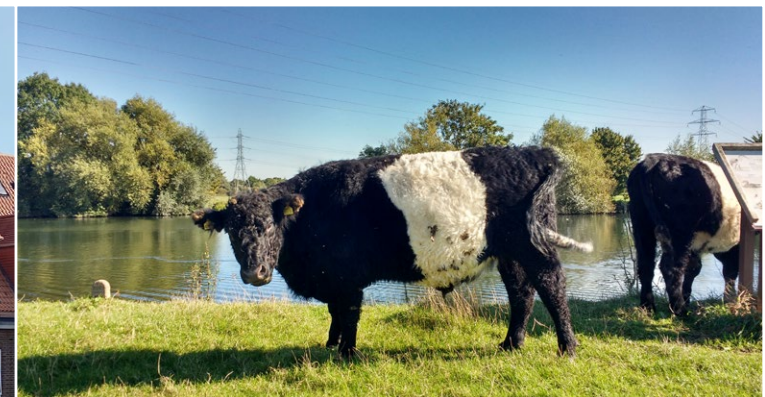
- introduce an **electric Spelride community transport bus** to our existing fleet
- become a **certified carbon literate** organisation
- develop a **Net Zero tracker** to benchmark the Climate Change Strategy actions

Protecting and enhancing our environment

Improving air quality, reducing noise impacts, enhancing biodiversity across the Borough and working with partners to deliver a greener future.

Actions for 2024 - 2025:

- create a **Tree Nursery** at Laleham Nursery and seek opportunities for new species to meet climate change adaptation needs
- work with key stakeholders to help address poor air quality by adopting a revised **air quality management area** and an **air quality action plan**
- implement **Biodiversity Net Gain (BNG) obligations** through the planning process and complete baseline surveys for Council BNG sites



Championing local action

Supporting residents and businesses to lower their carbon footprint and promoting development of community environmental groups.

Actions for 2024 - 2025:

- run a programme of **business energy and carbon reduction seminars** for local businesses offering practical advice and solutions
- promote and assist the development of **community environmental groups** across the Borough to develop environmental initiatives and enhance biodiversity in our parks and open spaces, supporting the **Climate Change Strategy**
- deliver **climate change audits** for businesses to enable them to reduce costs and develop greener energy solutions

How you can help us:

- recycle right, reuse more, think greener, live greener, less use of single use plastics
- think about your buying habits and how you can reduce waste and lower your own carbon footprint
- continue to encourage use of greener travel options - walking, cycling, car sharing and low emission vehicles

To read our medium-term actions (2025 - 2027) and long-term actions (2027 - 2028), visit www.spelthorne.gov.uk/CorporatePlan





Services

Aim: To deliver a wide range of high-quality community focused and accessible services for everyone who lives and works in Spelthorne, striving for continuous improvement in all aspects of our work and providing excellent customer care.

Themes:

1. Community focused services
2. Digitally enabled and accessible services
3. Being a responsible employer

Community focused services

Putting residents at the heart of everything we do by listening and responding, measuring output and success.

Actions for 2024 - 2025:

- seek feedback on Council services through a **Residents' Survey**
- publish an updated **Equality, Diversity and Inclusion Strategy**
- regularly promote the **Residents' Charter** outlining service and response expectations

Digitally enabled and accessible services

Empowering customer experience, using customer insights for smarter service delivery and enabling remote accessibility to increase customer choice.

Actions for 2024 - 2025:

- **track and publish customer service satisfaction** via a range of monitoring tools and response data
- increase the **uptake of the Customer Portal to 50%** of eligible residents by the end of 2024
- bid for funding for **digitalisation of planning services** to improve digital engagement and community interaction



Being a responsible employer

Maintain a safe and healthy working environment and train and develop our workforce.

Actions for 2024 - 2025:

- undertake a **staff and councillor survey** in 2024 and subsequently every two years
- work with the new Leisure Centre operator (Places) to offer **health screening**
- promote the **Employee Assistance Programme** and **mental health support** through Care First during the prolonged impacts of the cost-of-living crisis

How you can help us:

- reporting issues as you see them using the **'report it'** facility on our website and using our communication platforms to provide feedback
- accessing council services digitally wherever possible and register for the customer portal
- submit eligible, accurate claims for financial support to speed up the payment process

To read our medium-term actions (2025 - 2027) and long-term actions (2027 - 2028), visit www.spelthorne.gov.uk/CorporatePlan





06

Listening and measuring

We have listened

It has never been more important for councils to communicate and engage effectively with their communities. Whether we want to encourage more self-service, promote understanding of local priorities or attract growth and investments. This authority is listening to all sections of our communities right across the Borough and we know that the services we provide are better when we listen to the people who use them and when we work together with local communities. We are committed to continually driving forward community engagement and look for new ways, tools and platforms so that all residents can be heard, not just those who are the easiest to reach or the most vocal.

Our residents want:

- access to green spaces and clean streets
- leisure facilities which are varied and affordable
- access to health and wellbeing services
- protection and support for the most vulnerable
- two-way communication and a Council that cares and listens
- jobs, skills and training opportunities
- a Local Plan which fits the needs of the whole Borough
- effective services that we all use
- a Council that wants to tackle climate change
- sensible management of Council finances
- better housing for local people

How we will measure our progress

An action tracker will run in parallel with the Corporate Plan setting out the short, medium and long-term actions.

To read all of our actions visit **www.spelthornegov.uk/CorporatePlan**

We will use KPIs (key performance indicators) to measure and track our performance across a range of important service areas. These will be

published in our Annual Report and on our website so residents can see how well we are doing.

If any changes are required to our plans and targets, this will be reflected in the next annual refresh of the Corporate Plan and budgeting process.



Spelthorne Borough Council's Corporate Plan 2024-2028



Keep Connected



Follow us on Facebook and X - @spelthornebc;
on Instagram, LinkedIn and Nextdoor - @spelthorneboroughcouncil;
and on YouTube - @spelthornecouncil

Contact us:

Tel: 01784 451499
Email: customer.services@spelthorne.gov.uk
Web: www.spelthorne.gov.uk
Address: Spelthorne Borough Council, Council Offices, Knowle Green,
Staines-upon-Thames, TW18 1XB

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Customer Portal: www.spelthorne.gov.uk/customerportal

Read the Bulletin magazine: www.spelthorne.gov.uk/bulletin

Please contact us if you would like a copy of this
publication in large print or other formats.



APPENDIX B – CORPORATE PLAN 2024-28 ACTION PLAN

Short-term actions: 2024-25

Medium-term actions: 2025-27

Long-term actions: 2027-28

COMMUNITY		
Aim: To place the needs of the borough at the heart of everything we do; supporting residents to live healthy and fulfilling lives and empowering communities so they feel included, valued, supported and safe.		
Theme 1 - Clean and safe borough		
Making our borough a great place to live, keeping our borough safe, and encouraging communities to take pride in their area		
<i>Short Term</i>	<i>Medium Term</i>	<i>Long term</i>
Implement a Public Space Protection Order on the on the misuse of public land for taxis, tents and BBQs following a residents' consultation.	Build relationships and work closely with Neighbourhood Watch Groups to benefit residents and promote safer communities.	Launch Community Hero Awards to recognise and celebrate exceptional individuals, volunteers, community groups and businesses that have made a significant contribution to Spelthorne.
Secure funding to install CCTV cameras to manage fly-tipping hotspots. Respond to requests to remove public facing and offensive graffiti within 48 hours and remove chewing gum from pavements in the key shopping areas.	Trial the use of QR codes on bins in key shopping areas, so residents can report full bins/litter concerns.	Work in partnership with the Spelthorne Business Forum and Visit Staines to promote corporate social responsibility values to support local community initiatives.
Launch the Keep Spelthorne Clean initiative and engage with relevant agencies and businesses to take responsibility for their areas. Trial new ways of working to address the issues of street sweeping in difficult to access roads such as parking suspensions or prior	Remove barriers for communities to improve their own environment by supporting community groups and Residents' Associations .	Liaise with residents and support the setup of ' Adopt a street ' initiative, offer guidelines and welcome packs.

notification boards, adapting to increasing demands and delivering solutions within existing resources.		
Theme 2 - Healthier communities Address the causes of health inequalities, promote more active and healthier lifestyles and our parks and open spaces.		
Short Term	Medium Term	Long term
Open the Eclipse Leisure Centre in Staines-upon-Thames, the world's largest Passivhaus Leisure Centre.	Investing in the modernisation of Sunbury Leisure Centre .	Protect discretionary services through continued effective management and making best use of partnership opportunities.
Install five new inclusive play areas in parks across the Borough.	Launch an Arts Forum with community groups and partners to extend art and leisure activities.	Develop a new Health and Wellbeing Strategy led by resident need and facilitated by Spelthorne Healthy Communities Partnership for 2028 - 2032.
Lead the Spelthorne Healthy Communities Partnership , working with partners to identify funding, share best practice and identify new initiatives to support residents facing health concerns. Launch the Food and Welfare Network.	Extend the Prepare to Recover Programme and explore further opportunities to embed preventative care solutions, including reducing hospital admissions and supporting hospital discharge.	Seek additional funding to increase the number of step-down units that support residents following hospital discharge.
Theme 3 - Empowered communities Communicating, listen and engage with residents, be an inclusive Council for all our residents and sustaining our Community Centre Network, adjusting to the needs of our residents.		
Short term	Medium term	Long term
Launch a Citizens' Panel in 2024 to help shape the Council's decisions on services and policy.	Use the newly updated Council website to improve the user experience .	Explore creative solutions, all-age offerings and day centre enhancements and modernisation to encourage

Introduce an online engagement tool to gain views on planning design codes in 2024.		walk-ins and increase overall footfall at our Community Centres.
Seek opportunities to engage with young people in the borough by developing Mayoral and school initiatives and launch the Youth Awards 2024.	Continue to build on progress made with youth engagement by introducing a Youth Council to capture views and act on ideas from young people.	Create and sustain a Spelthorne Partner Assembly to encourage cross-agency working and resident engagement.
Increase membership of the Community Centres by introducing new activities and raising awareness of the existing opportunities. Continued use of the Community Centres as Warm Hubs.	Improve stakeholder engagement via an online community engagement platform allowing us to inform, engage, measure and build community relations.	Undertake a ' How did we do ' exercise in 2028 to evaluate the Council's performance in delivering the Corporate Plan objectives, listening to residents and seeking feedback to help us shape the next plan.

ADDRESSING HOUSING NEED

To support the delivery of high-quality housing and solutions to allow residents to live independently which meets the needs of all sections of the community at every stage of life, addressing the challenges around availability, affordability and homelessness.

Theme 1 - More homes/better quality

Tackling homelessness and addressing the causes, improving the quality and safety of housing stock and working in partnership to deliver new homes for local need.

<i>Short Term</i>	<i>Medium Term</i>	<i>Long term</i>
Continue the homeless support schemes offered at the White House and Harper House. Monitor rough sleepers in the Borough and provide help to find sustainable tenancies.	Drive opportunities through the Asset Management Strategy to determine standards of housing that are coming through the marketplace which meet the specific needs of our residents.	Consider options for the long-term management of homelessness support schemes and increase placements available if required.

Work proactively with landlords and private housing providers of Houses in Multiple Occupation, and temporary B&B accommodation, to tackle poor conditions and anti-social behaviour.	Explore opportunities with Surrey County Council to secure affordable housing on publicly owned assets via the One Public Estate programme.	Review service provision to ensure the effective implementation of the Renters Reform Act (if passed)
Support refugees to find suitable accommodation, seeking government funding and securing sustainable accommodation.	Secure Joint Venture partnerships and Homes England funding where possible to develop new housing schemes.	Develop and deliver Joint Venture housing schemes.
Theme 2 – Affordability		
Maximise the provision of affordable homes through the planning process, support the delivery of social housing and work with partners to increase the range and affordability of housing.		
Short Term	Medium Term	Long term
Seek to maximise the provision of affordable homes through the planning process through viability assessments and s106 agreements.	Explore a revised Tenancy strategy to make more homes affordable and encourage landlords to do the same.	Assist in delivering social housing units where feasible.
Secure nomination rights for new development schemes, working with partners to increase the range and variety of affordable housing.	Drive opportunities through the Asset Management Strategy to facilitate the delivery of affordable homes.	Continue to lobby central Government for social housing funding.
Proceed to Examination and adopt the Local Plan to guide how new sustainable development which benefits our communities comes forward over the next 15 years.	Work in partnership with key registered social providers (including A2D) to bring forward regeneration opportunities which will also secure housing for local needs.	Make capital funding available for acquisition of affordable/social housing with grants from Homes England.

Theme 3 - Living independently		
Help residents stay in their own homes with the right tools and technology and partnering opportunities and assist residents into sustainable tenancies.		
<i>Short term</i>	<i>Medium term</i>	<i>Long term</i>
Provide a range of independent living services to help residents regardless of age to lead an active and fulfilling life.	Promote societal and community opportunities for residents with disabilities by removing barriers through the Social Prescribing Programme .	Be at the forefront of opportunities for further joined up health system work with a focus on prevention, recovery and independent living in partnership with health, social care and the voluntary sector .
Raise awareness of Disabled Facilities Grants (DFG) and local handyman schemes so residents can be helped to stay in their own homes.	Explore opportunities with other Surrey Councils to provide maximum value from Disabled Facilities Grants and the Better Care Fund.	Seek an uplift in the Council's DFG award based on past performance and increased local resident need.
Continue partnership working with Mole Valley District Council to deliver the SPAN personal alarm service .	Develop joint opportunities in relation to health technology including Virtual Ward monitoring technology.	Seek opportunities to secure homes for residents within new Supported Independent Living accommodation being developed in the Borough.

RESILIENCE

Aim: To ensure prudent management of our finances and resources and create a climate in which businesses and individuals can thrive. Work with our partners to maintain our preparedness for emergencies.

Theme 1 - Financial resilience of the Council

Make the best use of our assets and effectively prioritise our resources, work with partners to delivery sustainable delivery models and operate under an effective governance structure.

<i>Short Term</i>	<i>Medium Term</i>	<i>Long term</i>
Develop a new Asset Management Strategy ensuring the management of our investment, regeneration and municipal	Complete Centros financial software system implementation to build on the enhanced systems resilience of the finance	Develop a long-term Sinking Fund Strategy to ensure the Council maximises its options.

portfolio will achieve best value, maximise income and minimise vacancy rates.	partnership with Mole Valley District Council.	
Carry out survey with residents and undertake an internal zero-based budgeting exercise to help shape the 2025/26 financial plan and service requirements for the next four years.	Develop a shareholder strategy for Knowle Green Estates Ltd, to include future company options.	Implement an updated Council municipal assets strategy with specific focus on the Council offices.
Utilise the expertise of the newly established Finance Reporting Working Group to simplify financial documents , to improve financial awareness and understanding from Councillors and Officers, and expand delivery of financial induction and training programmes .	Continue to explore opportunities for collaborative working with partners where this can deliver cost savings, resilience and/or better services for our residents.	Implement a town centre strategy for Staines-upon-Thames and the Elmsleigh Centre.
Theme 2 - Economic resilience of the borough		
Promoting our Borough, maintaining the vitality and strengths of our towns, supporting business investment and start-up's and help our residents into employment		
Short Term	Medium Term	Long term
Increase clients at the Spelthorne Business Hub by promoting hot-desking space and provide tailored support, advice and information to new and established businesses.	Work in partnership with Surrey County Council to launch a new library and community hub in Staines-upon-Thames.	Work with partners to deliver better digital infrastructure , providing improved connectivity for residents and businesses.
Help residents find employment and training via the Jobs and Skills Hub and extend the Better Futures Programme to match residents with local employers.	Relocate the Jobs and Skills Hub to a new home in the Elmsleigh Centre and secure permanent funding to safeguard the service.	Deliver and strengthen inward investment in the borough working with Surrey County Council in their new strategic role in local enterprise business functions.

Engage with partners through the Visitor Forum to deliver projects and events to promote the borough, maximising our river frontage.	Launch an 'Adopt an Entrepreneur' scheme 6 where established business support and develop new businesses in their industries.	Continue to support and lobby for Spelthorne in the Zone .
Theme 3 - Preparing for the effects of climate change: Maintaining our preparedness and response to borough emergencies		
Short term	Medium term	Long term
Manage our parks and open spaces and commons e.g. utilising tree planting and plant species to reduce risks of flooding.	Continued engagement with the Environment Agency and support the progress of the development consent order to build the channels and associated infrastructure for the River Thames Scheme .	Identify habitats with high biological carbon sequestration potential and planting species which can adapt to future environmental changes
Advise residents steps they can take to prepare for emergencies with a 'warning and informing' campaign using a range of communication platforms.	Build on established flooding community groups to prepare for flooding emergencies and assist when required.	Review and update Council working practices and policies to adapt to climate change constraints whilst meeting business needs.
Work with partners including Surrey County Council in developing a climate change and resilience plan for adoption in 2024.	Work with Surrey County Council to implement relevant aspects of their 'Climate Change Adaptation and Resilience Strategy' to ensure it meets Spelthorne's requirements.	Adapt Council assets to prepare for changing climate and weather conditions

ENVIRONMENT

Theme 1 - Our Council's journey to Net Zero 2030

Aim: Deliver actions in the Council's Climate Change Action Plan, operate sustainable practices and procurement and complete the New Leisure Centre, promoting Passivhaus standards.

Short Term	Medium Term	Long term
Introduce an electric Spelride community transport bus to our existing fleet.	Update other vehicles and equipment to electric including mopeds, mowers, leaf blowers and small vans	All other Council vehicles to run by alternative fuel (e.g. electric/hydrogen powered)

	(subject to technical and financial constraints)	in line with government regulations.
Become a certified carbon literate organisation.	Implement EV rapid charging points at Lammas car park and where feasible other locations in the Borough in 2025.	Reduce Council energy use by 50% by 2028 and explore Passivhaus opportunities for own portfolio. Complete full energy audits in 2028.
Develop a NetZero tracker to benchmark the Climate Change Strategy actions.	Identify further environmental enhancements and energy saving opportunities for Council properties e.g. white roofs to keep interiors cooler and air source heat pumps.	Install solar canopies and portable EV charging points where feasible at outdoor car parks to produce solar energy where feasible.
Theme 2 - Protecting and enhancing our environment		
Aim: Improving air quality, reducing noise impacts, enhancing biodiversity across the borough and working with partners to deliver a greener future.		
Short Term	Medium Term	Long term
Create a Tree Nursery at Laleham Nursery and seek opportunities for new species to meet climate change adaptation needs.	Complete phase 2 of the Local Cycling and Walking Infrastructure Plan . (LCWIP)	Secure further LCWIP funding with Surrey County Council to fully implement the scheme for the benefit our residents.
Work with key stakeholders to help address poor air quality by adopting a revised air quality management area and an air quality action plan for 2024-25.	Work with local groups to enhance biodiversity through planting wildflower meadows in suitable locations.	Continue support for the River Thames Scheme (which should be into its construction phase in 2027/28).
Implement Biodiversity Net Gain (BNG) obligations through the planning process and complete baseline surveys for Council BNG sites.	Promote and grow the Council's commercial waste service - Spelthorne Direct Services, assisting businesses to comply with legislation, be more efficient and reduce cost and waste.	Seek to minimise the impacts of the redesign of Heathrow's flightpaths (airspace changes) on our communities in terms of noise.

Theme 3 - Championing local action		
Aim: Supporting residents and businesses to lower their carbon footprint and promoting development of community environmental groups		
<i>Short term</i>	<i>Medium term</i>	<i>Long term</i>
Promote and assist the development of community environmental groups across the borough to develop environmental initiatives and enhance biodiversity in our parks and open spaces, supporting the Climate Change Action Plan.	Develop a more detailed programme to build upon existing energy and carbon seminars and explore the scope for a dedicated space for encouraging green skills and jobs at The Spelthorne Business Hub.	Encourage the development of space for locally sourced community food growing initiatives .
Run a programme of business energy and carbon reduction seminars for local businesses offering practical advice and solutions.	Promoting local ' greening the grey ' and neighbourhood ' Library of things ' initiatives via schools and community groups.	Encouraging circular economy development through repair cafes and education of residents about how to respond to climate change
Deliver climate change audits for businesses to enable them to reduce costs and adapt to greener energy solutions.	Encourage the reduction of plastic waste by promoting water fountain facilities and work with partners to identify suitable locations to introduce new water fountains .	Continue to identify available community and business grant funding opportunities for energy efficiency and decarbonisation initiatives.

SERVICES: To deliver a wide range of high-quality community focused and accessible services for everyone who lives and works in Spelthorne, striving for continuous improvement in all aspects of our work and providing excellent customer care.

Theme 1 - Community focused services - Putting residents at the heart of everything we do by listening and responding, measuring output and success.

<i>Short Term</i>	<i>Medium Term</i>	<i>Long term</i>
Seek residents' views on Council services through a resident's survey .	Publish engagement strategy for residents.	Explore opportunities for additional government grant funding to support

		residents and community groups.
Publish an updated Equality, Diversity and Inclusion Strategy .	Launch a new digital engagement platform .	Look into the feasibility of creating a citizens' forum and ensure greater engagement with a wider demographic of the community.
Regularly promote the Residents Charter outlining service and response expectations.	Publish a refreshed annual report including Corporate Plan Key Performance Indicators.	Continue to develop customer insights to identify community needs and guide service development.
Theme 2 - Digitally enabled and accessible services - Empowering customer experience, using customer insights for smarter service delivery and enabling remote accessibility to increase customer choice		
Short Term	Medium Term	Long term
Bid for funding for digitalisation of planning services to improve digital engagement and community interaction.	Implement upgraded website to exceed government digital accessibility standards.	Continue the Transformation Programme and measure outcomes with a total project saving expected in 2027/2028 of £1.1 million based on digitising services.
Track customer service satisfaction via a range of monitoring tools and response data.	Make it easier and more efficient for residents to access services , including continuing to extend self-serve kiosk in reception whilst still offering a face-to-face presence.	Achieve our digital goal “a community empowered and connected by simple and relevant engagement” by 2028 ensuring full digital engagement with 80% of residents access services via digital means . Monitor and exploring AI opportunities to enhance services and resident experiences.
Increase the uptake of the Customer Portal to 50% of eligible residents by the end of 2024.	Increase the uptake of the Customer Portal to 70% of eligible residents by the end of 2026.	Increase the uptake of the Customer Portal to 80% of eligible residents by the end of 2028.

Theme 3 – Being a responsible employer		
<i>Short term</i>	<i>Medium term</i>	<i>Long term</i>
Undertake a staff and Councillor survey in 2024 and subsequently every two years.	Reaffirm our commitment to being a forces friendly employer by re-signing the Armed Forces Covenant .	Develop our workforce by providing training and apprenticeship opportunities .
Work with the new Leisure Centre operator (Places) to offer health screenings .	Refresh our Hybrid Working Policy to ensure it supports business need whilst maintaining an appropriate work life balance for staff.	Ensure we remain a competitive employer in the marketplace.
Promote the Employee Assistance Programme and mental health support through Care First during the prolonged impacts of the cost-of-living crisis.	Run a series of workshops highlighting staff training opportunities to ensure staff are digitally enabled and have appropriate skills to meet business need.	Develop and implement a Future Leaders Programme for staff.

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Council 22nd February 2024

Title	Future resourcing of the Internal Audit Service
Purpose of the report	To make a Key Decision
Report Author	Terry Collier, Deputy Chief Executive Farida Hussain, Group Head of Corporate Governance
Ward(s) Affected	All Wards
Exempt	Report and Appendix A - No Appendix B - Yes
Exemption Reason	The attachment 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	A fully resourced and efficient Internal Audit Service supports all Corporate Priorities.
Recommendations	<p>Council is asked to:</p> <ol style="list-style-type: none"> 1. Agree to discharge its Internal Audit function to Hampshire County Council under Section 101 of the Local Government Act 1972 to enable Southern Internal Audit Partnership (“SIAP”) to provide the Internal Audit Service for the Council from or after 1 April 2024; 2. Delegate to the Council’s Section 151 and Monitoring Officers to enter into the Joint Working Agreement by way of a deed of accession with Southern Internal Audit Partnership for a period of 5 years and complete all necessary documentation including any relating to TUPE arrangements;

	<p>3. Agree that the Council's Section 151 Officer or nominated officer represents the Council's interests by becoming a voting member of SIAP's Key Stakeholder Board; and</p> <p>4. Agree that the Council's Human Resources team deals with any consequential staffing implications including any TUPE transfer.</p>
Reason for Recommendation	To ensure that the Council has a fully resourced Internal Audit Service which has greater resilience and capacity

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> The current Internal Audit Service has an operating resource of 1.75 FTE plus 31 contractor days, equating to approx. 410 days. The service budget also includes a contract with Reigate & Banstead Borough Council for Counter-Fraud. 	<ul style="list-style-type: none"> Since 31 August 2023 the Team has been carrying a vacancy of 1 FTE. Remaining audits for the current year are being undertaken by a contractor. The vacancy in the Internal Audit Team presents an opportunity to review how the service is delivered and consider alternative options.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> The Audit Committee has considered a number of options of how to deliver the Internal Audit Committee and recommends that the Council enters into partnership with SIAP hosted through Hampshire County Council for delivery of the Internal Audit Service. 	<ul style="list-style-type: none"> To make a Key Decision as set out above. To enter into a Joint Working Agreement with Hampshire County Council via a deed of accession. To TUPE one member of staff to Hampshire County Council.

- 1.1 This report seeks to consider the recommendation from Audit Committee to enter into a partnership agreement with SIAP hosted via Hampshire County Council.
- 1.2 The Extraordinary Audit Committee of 2nd November 2023 considered a number of options on how to resource the future Internal Audit Service. These options were to (i) keep the service in-house and address capacity ii) buy in extra contractor days or iii) explore entering into a shared partnership. The Committee agreed to authorise the Deputy Chief Executive to further explore opportunities to enter into a shared Internal Audit Service arrangement in principle to commence on or after 1 April 2024.

- 1.3 The Deputy Chief Executive and Monitoring Officer sought business proposals from various different Internal Audit Service providers however the majority of the providers did not have capacity to take on further work. Two business proposals were considered by the Audit Committee including one from SIAP on 7th December 2023.
- 1.4 The Extraordinary Audit Committee of 7th December 2023 deferred their decision on which partnership to recommend to Council to allow further information to be provided. The additional information was considered at the Audit Committee of 29th January 2024.

2. Key issues

- 2.1 Recruitment and retention of internal auditors in local government is very challenging, which has been very much reiterated by all the internal audit partnerships that were approached, two of which, whilst welcoming our interest did not have capacity to progress discussions around expanding to provide support for this council.
- 2.2 Internal Audit is a statutory requirement in local government as defined in the Local Government Act 1972 and its role is critical to the Council as it helps the Council to achieve its objectives by evaluating the effectiveness of internal control arrangements. It is therefore essential that there are appropriate arrangements in place to deliver Internal Audit effectively.

3. Options analysis and proposal

3.1 Entering into a partnership with SIAP (Preferred Option)

- 3.2 SIAP is hosted through Hampshire County Council. It was established in 2012 and has a diverse portfolio of over 30 public sector partners, employing over 55 audit professionals.
- 3.3 SIAP's emphasis is on quality, professionalism and value adding services. They have a range of in-house specialists covering IT, procurement and contract management. SIAP have been externally assessed as compliant with the Public Sector Internal Audit Standards. A copy of the External Quality Assessment (EQA) is attached at Appendix A.
- 3.4 If the Council were to join SIAP as a partner, the Council would become a member of the Key Stakeholder Board which would result in the Council having a say in the future direction of the Partnership, business planning, performance reporting, resourcing and updates. The Deputy Chief Executive (s.151 Officer) would represent the Council's interests by becoming a voting member of SIAP's Key Stakeholder Board which meets bi-annually.
- 3.5 If the Council joins with effect from 1 April 2024, it would have a commitment of five years (to 31 March 2029) with a review at the third anniversary. Should the Council wish to exit SIAP after that initial term, it is required to give 12 months' written notice in order to bring its participation to an end.
- 3.6 Mole Valley District Council, Epsom & Ewell Borough Council, Reigate & Banstead Borough Council ("R&B"), Tandridge District Council, Guildford Borough Council and Waverley Borough Council are already partners of SIAP. Runnymede District Council are also set to join SIAP on 1 April 2024.
- 3.7 Following due diligence, presentations and detailed questioning of SIAP and reviewing references from other councils, the Audit Committee agreed that this was the preferred option.

- 3.8 Option 2 – Recruit to the vacancy within the Internal Audit Service. This option is not recommended as mentioned above, it is very challenging to recruit internal auditors and would also not provide the breadth of experience that SIAP can provide.
- 3.9 Option 3 - Buy in additional contractor days
- 3.10 Contractor rates for audit days range from £450 to £800 per day. Although this option could provide the resilience and specialist knowledge required, it could potentially be a costly option to meet the requirements of the Internal Audit Service.

4. Financial management comments

- 4.1 A comparison of the cost of the Internal Audit Service against SIAP’s proposal is set out in the table below:-

Current Internal Audit		SIAP – WITH TUPE	
Internal Audit 243 days and 46 days of Risk management and counter-fraud oversight	124,180	Internal Audit - 300 days	157,500
Counter- Fraud (Contract with R&B)	90,020	Counter- Fraud (Contract with R&B)	90,020
Other management 121 days			
Total	214,200		247,500

- 4.2 Entering into the partnership with SIAP will provide more internal audit days providing more resilience, however this presents a budgetary pressure of £33,300. There are underspends within Corporate Governance which could absorb this cost for the first year. A growth bid of £30,000 has also been submitted to deal with any budgetary pressures for the transfer.
- 4.3 Going forward the Group Head of Corporate Governance will review budgets within Corporate Governance to accommodate the cost of the partnership arrangement.

5. Risk management comments

- 5.1 If steps are not taken now to consider alternative service provision arrangements, this could lead to insufficient capacity and the audit plan not being progressed within the necessary timescales as agreed by the Audit Committee.
- 5.2 If the preferred option is approved, there will be a period of adjustment while the service is transferred to SIAP.

6. Procurement comments

- 6.1 Further to Regulation 12 of the Public Contracts Regulations 2015, contracts between public bodies are excluded from procurement rules if certain conditions are met.

7. Legal comments

- 7.1 Under the Accounts and Audit Regulations 2015 the Council is required to ensure that it has a sound system of internal control which; (a) facilitates the

effective exercise of its functions and the achievement of its aims and objectives; (b) ensures that the financial and operational management of the Authority is effective; and (c) includes effective arrangements for the management of risk.

- 7.2 If the Council decide to join SIAP, a delegation will be required under section 101 Local Government Act 1972 to Hampshire County Council as this provision permits delegation of services from one local authority to another. The Council will be required to complete a Joint Working Agreement and Deed of Accession. The internal Legal Team would support this work.

8. Other considerations

- 8.1 If the preferred option is agreed, there are TUPE implications. Unison are being consulted.

9. Equality and Diversity

- 9.1 There are no equality and diversity implications.

10. Sustainability/Climate Change Implications

- 10.1 SIAP has indicated that much of their work would be done virtually which would limit the number of journeys of auditors would need to make into the Borough.

11. Timetable for implementation

- 11.1 If the preferred option is agreed, SIAP would provide the Internal Audit Service on or after 1 April 2024.

12. Contact

Farida Hussain, Group Head of Corporate Governance

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Background papers: There are none.

Appendices:

Appendix A - External Quality Assessment

Appendix B - Business Proposal

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Setting the standards **together**



Chartered Institute of
Internal Auditors

External Quality Assessment (EQA)

Report for:

Southern Internal Audit Partnership



Prepared by John Chesshire, Bethan Jones
and Liz Sandwith
approved reviewers for
The Chartered Institute of Internal Auditors
14 September 2020

www.iaa.org.uk/eqa



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1.1 Background and Scope

The internal audit service provided by Southern Internal Audit Partnership (SIAP) delivers internal audit services to one strategic Partner (Hampshire County Council), 17 key stakeholder partners (including county, district, borough and city councils, police, fire and rescue and related bodies) and 10 external clients.

The Head of Partnership (supported by the Assistant Head) and two Deputy Heads fulfil the Chief Internal Auditor (CIA) roles for their respective client portfolios. They report functionally to Audit Committees in the partner and client organisations. In addition, the Head of Partnership reports strategically to the Key Stakeholder Board.

SIAP seeks to bring together the professional discipline of internal audit across partnering organisations, pooling expertise and enabling a flexible, responsive and resilient service to our partner and client portfolio. To help achieve this, SIAP follows the IIA's Mission for internal auditing and the International Professional Practices Framework (IPPF) and the Public Sector Internal Audit Standards (PSIAS).

The Chartered Institute of Internal Auditors previously undertook an external quality assessment (EQA) of SIAP in 2015. We are delighted that SIAP commissioned us to undertake this current EQA once again.

Our review included a thorough validation of the SIAP's self-assessment, a significant number of interviews with key stakeholders across the partner and client organisations, SIAP team members, as well as an extensive customer survey.

Given the pandemic, we conducted this EQA remotely.

1.2 Key Achievements

SIAP is an established and effective internal audit service, valued by key stakeholders in its partner and client organisations.

The governance framework over SIAP is mature, with a well-established Key Stakeholder Board and Audit Committee oversight, regular meetings, reporting and performance monitoring.

A very experienced Head of Partnership leads the SIAP team, supported by three senior managers. Engagement with key stakeholders is regular and effective, with the Head of Partnership viewed as a trusted, independent and respected leader.

SIAP team members have diverse professional backgrounds, qualifications, experience and skills, making them a flexible and effective service. They can tackle a wide range of assurance, consulting and investigatory challenges. The team also contains IT audit and counter fraud specialists. The Head of Partnership could procure additional external support if needed through a budget for co-sourcing. SIAP operates a matrix management approach to team operation and deployment.

Our stakeholder survey results were also positive. Individual comments were very supportive, with very few areas for improvement identified. We also received positive responses to our questions from the key stakeholders we interviewed. Individuals particularly welcomed the SIAP team's overall professionalism, objectivity, engagement, planning and reporting. Suggested areas for improvement were minimal.

The team's Audit Charter is comprehensive, up to date and supported by an appropriate internal audit methodology. The team have developed and delivered annual risk-based audit plans for each of their clients and are moving to a more flexible quarterly

approach. Key stakeholders are actively engaged in the design of these plans. The SIAP team document progress and the Head of Partnership and senior colleagues report on this at regular Audit Committee meetings.

SIAP managers actively monitor performance, the Head of Partnership measures and reports on a small number of KPIs, and a thorough, documented Quality Assurance and Improvement Programme is in place. The team make good use of MKI audit management software. They are also making progress on implementing a more data analytics-driven approach to some internal audit engagements but acknowledge that they need to undertake more work in this area.

We believe that the supporting operational SIAP team processes, documentation and associated templates are fit for purpose. SIAP managers have detailed these in a variety of key documents.

Our file reviews showed appropriate compliance with the team's methodology and evidence of appropriate scope, objectives, testing, evidence, supervision and review.

1.3 EQA Assessment Conclusion

We are pleased to report that the SIAP team meet each of the Standards, as well as the Definition, Core Principles and the Code of Ethics, which form the mandatory elements of the Public Sector Internal Audit Standards (PSIAS) and the Institute of Internal Auditors' International Professional Practices Framework (IPPF), the globally recognised standard for quality in Internal Auditing.

To summarise, we are delighted to report that the SIAP team are excellent in their:

- Reflection of the Standards
- Focus on performance, risk and adding value
- Quality Assurance and Improvement Programme

We believe that the SIAP team are good in their:

- Operating with efficiency
- Coordinating and maximising assurance

In conclusion, this is an excellent result and the Head of Partnership and SIAP team should be justifiably proud of their service, its approach, working practices and how key stakeholders' value it.

It is therefore appropriate for the function to say in reports and other literature 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'.

1.4 Conformance Opinion

The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards.

There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles.

It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles. This is summarised in the table below.

Summary of Conformance	Standards	Generally Conforms	Partially Conforms	Does not conform	Not relevant	Total
Definition of IA and Code of Ethics	Rules of conduct	12				12
Purpose	1000 - 1130	8				8
Proficiency and Due Professional Care (People)	1200 - 1230	4				4
Quality Assurance and Improvement Programme	1300 - 1322	7				7
Managing the Internal Audit Activity	2000 - 2130	12				12
Performance and Delivery	2200 - 2600	21				21
Total		64				64

As a result, we make no formal recommendations for improvement.

We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.

The Chartered Institute regards conformance to the IPPF as the foundation for effective internal audit practice. However, our EQA reviews also seek feedback from key stakeholders and we benchmark each function against the diversity of professional practice seen on our EQA reviews and other interviews with heads of internal audit, summarised in an internal audit maturity matrix.

We then interpret our findings into suggestions for further development based upon the wide range of guidance published by the Chartered Institute.

It is our aim to offer advice and a degree of challenge to help internal audit activities continue their journey towards best practice and excellence.

In the following pages we present this advice in three formats:

- A SWOT analysis to recognise the accomplishments of the team and to highlight potential threats and opportunities for development. [\(See 2.1\)](#)
- A matrix describing the key criteria of effective internal audit, highlighting the level SIAP has achieved and the potential for further development, recognising that effective internal audit goes further than purely conformance with internal auditing standards. [\(See 2.2\)](#)
- A series of improvement opportunities and suggestions which the internal audit team could use as a basis for an action plan. [\(See 2.3\)](#)

2.1 SWOT Analysis

What works well (Strengths)

- An experienced, diverse and professional team, with a broad mix of qualifications, backgrounds and specialisms, including IT and counter fraud
- The Head of Partnership is well-respected, independent, confident and knowledgeable
- Move to quarterly planning demonstrates greater agility and responsiveness to a volatile, changing environment
- Very positive staff and stakeholder survey results
- The 'added value' section in the internal audit reports usefully highlights good practice and improvement opportunities
- Training and Development Plan developed, particularly in response to recruitment and expansion. Well-received training sessions delivered at the start of the pandemic
- SIAP governance is clearly documented (Charters, Plans, Audit Methodology and flowcharts, the QAIP etc.) and the audit methodology, including action follow up, works well
- Client relationship management - effective relationships with key stakeholders, both councillors and officers
- Stakeholders value the sharing of best practice and emerging issues across the sector and between organisations

What could be done better (Weaknesses)

- Lengthy elapsed time for some internal audit engagements

What could deliver further value (Opportunities)

- Virtual/remote working 'lessons learned' and implementation, coupled with a more agile-focused mindset
- Progressing the implementation of enhanced data analytics would enable more comprehensive testing and reliable, insightful conclusions and reporting
- MKI Upgrades likely to enhance functionality and improve the internal audit methodology and working practices, potentially including automated action tracking and reviewer sign off
- Further emphasis on assurance mapping, coupled with placing reliance on assurance providers in the second line
- Continue with the ongoing development of quarterly planning enabling new business areas, emerging areas of risk and changing business processes are adequately
- Increasing visibility and awareness of SIAP by an appropriate presence on each partner website and/or intranet site
- Increased sharing of lessons, benchmarking and good practice would demonstrate further added value
- The Staff Survey highlighted some desire for improved intra-team communications and better celebration of success. Communication of successes from internal audit engagements could be motivational and help embed lessons and good practices across the wider SIAP service
- Rotating managers more frequently between clients can ensure fresh perspectives and help avoid over-familiarity

What could stand in your way (Threats)

- Partner and client funding cuts would threaten internal audit delivery, resourcing, resilience and the ability of the Head of SIAP to provide evidence-based annual opinions
- Client data quality may limit the opportunity to benefit from enhanced data analytics
- Second line functions may need to mature more fully. Unless this happens, the SIAP team will be unable to place further reliance on them, or coordinate their work more effectively, with them
- Excessive staff turnover and unfilled vacancies, could threaten service delivery
- A potential second wave of COVID could impact service delivery - not everything can be audited remotely - and threaten the ability of the CIA to deliver an annual opinion

2.2 Internal Audit Maturity Matrix

Assessment	IIA standards	Focus on performance, risk and adding value.	Coordination and maximising assurance	Operating with efficiency	Quality Assurance and Improvement Programme
Excellent	Outstanding reflection of the IIA standards, in terms of logic, flow and spirit. Generally Conforms in all areas.	IA alignment to the organisation's objectives, risks and change. IA has a high profile, is listened to and is respected for its assessment, advice and insight.	IA is fully independent and is recognised by all as the 3rd line. The work of assurance providers is coordinated with IA reviewing reliability of.	Assignments are project managed to time and budget using tools/techniques for delivery. IA reports are clear, concise and produced promptly.	Ongoing efforts by IA team to enhance quality through continuous improvement. QA&IP plan is shared with, and approved by, AC.
Good	The IIA Standards are fully integrated into the methodology – mainly Generally Conforms.	Clear links between IA engagement objectives to risks and critical success factors, with some acknowledgement of the value-added dimension.	Coordination is planned at a high-level around key risks. IA has established formal relationships with regular review of reliability.	Audit engagements are controlled and reviewed while in progress. Reporting is refined regularly, linking opinions to key risks.	Quality is regarded highly, includes lessons learnt, scorecard measures and customer feedback with results shared with AC.
Satisfactory	Most of the IIA Standards are found in the methodology, with scope to increase conformance from Partially to Generally Conform in some areas.	Methodology requires the purpose of IA engagements to be linked to objectives and risks. IA provides advice and is involved in change, but criteria and role require clarity.	The 3 lines model is regarded as important. Planning of coordination is active and IA has developed better working relationships with some review of reliability.	Methodology recognises the need to manage engagement efficiency and timeliness, but further consistency is needed. Reports are informative and valued.	Clear evidence of timely QA in assignments with learning points and coaching. Customer feedback is evident. Wider QA&IP may need formalising.
Needs improvement	Gaps in the methodology with a combination of Non-conformances and Partial Conformances to the IIA Standards.	Some connections to the organisation's objectives and risks, but IA engagements are mainly cyclical and prone to change at management request.	The need to coordinate assurance is recognised but progress is slow. Some informal coordination occurs but reviewing reliability may be resisted.	Multiple guides that are slightly out of date and form a consistent and coherent whole. Engagements go beyond deadline and a number are deferred.	QC not consistently embedded across the function. QA is limited / late or does not address root causes.
Poor	No reference to the IIA Standards, with significant levels of non-conformance.	No relationship between IA engagements and the organisation's objectives, risks and performance. Many audits are ad hoc.	IA performs its role in an isolated way. There is a feeling of audit overload, with confusion about what various auditors do.	Lack of a defined methodology with inconsistent results. Reports are usually late with little perceived value.	No evidence of ownership of quality by the IA team.

2.3 Improvement Opportunities

This section of the report details additional feedback and observations which, if addressed, could strengthen the impact of Internal Audit. These observations are not conformance points but support Internal Audit's ongoing development.

These suggestions do not require a response; they will not form part of any subsequent follow up if undertaken.

Opportunity A

Elapsed time on internal audit engagements - there is a long, elapsed time from start to finish for some of the engagements carried out across the partner organisations. There is no single reason for this, but SIAP economy, efficiency and effectiveness would be improved if elapsed time was reduced. The Head of Partnership and the SMT have recognised this as an area for improvement and will explore more agile ways of working and assess good practices employed across the SIAP team to help reduce this.

Suggestion: We believe that the Head of Partnership and the SMT could usefully revisit SIAP engagement delivery to better assess the root causes of delays, and pilot solutions. Potential solutions may certainly include employing a more agile 'site audit' approach and mindset on some engagements, deploying task-based teams on specific engagements (rather than solo personnel), closer engagement with the audit client to ensure availability for short duration intense engagements, or undertaking additional identical audits using the same team members across several partner organisations, to increase pace and efficiency. We support the intention to focus on improving this area.

Opportunity B

Data Analytics - the SIAP team have begun to employ data analytics in relevant assurance engagements but have been hampered by poor quality data in some areas to date. The Head of Partnership and the SMT want to expand the use of data analytics and recognise the benefits this will bring the service.

Suggestion: We believe that the Head of Partnership and the SMT should consider how best to increase and embed the use of data analytics more rapidly across SIAP to enhance the depth and breadth of assurances provided. Some leading internal audit teams have moved to a methodology position of having to justify why data analytics should not be employed on an engagement. The expectation is that use of data analytics is the default position for every engagement. Other internal audit teams have developed a strategy covering a roadmap to roll out and embed a data analytics capability and mindset over a three-year horizon.

Opportunity C

Audit Management Software - The SIAP team are currently awaiting further enhancements to their MKI software application.

Suggestion: We believe that team efficiency could be further enhanced if they requested an upgrade to the way in which evidencing management review of audit work occurs, perhaps through working paper 'date stamp' functionality. We found the current review process to be cumbersome and time-consuming. Additionally, to further ongoing initiatives to automate the action tracking process, seek to enable the system to automatically email action owners at regular intervals. This would also enhance team efficiency and reduce the need for manual intervention.

Opportunity D

Remote working and the future - what the internal audit working environment of the future will look like is unclear. The extent to which a mixed economy of office and remote working is here to stay is uncertain. However, the SIAP team have responded well to pandemic-driven changes, and a comment in the recent staff survey highlights that "in terms of flexible working, the strategy is being completed collaboratively in consultation with staff". Whatever happens, pressure on the SIAP's key stakeholders, managers and staff is likely to increase, available time will decrease and this may challenge aspects of the internal audit process and relationships.

Suggestion: We believe that the Head of Partnership and the SMT could usefully undertake a lessons learned review of what has worked well over the last six months, where improvements are required, what the key 'ways of working' learning points are and how the SIAP approach, ethos and methodology may need to adapt to ensure continued stakeholder buy-in, effective relations, the acceptance of the need for internal audit engagements and the timely implementation of any ensuing actions, in a changed and challenging environment.

Opportunity E

Coordination and reliance on other assurance providers - further emphasis on assurance mapping, coupled with placing reliance on assurance providers in the second line (where it is right to do so) may increase the effectiveness of assurances to senior management and the audit committee(s).

Suggestion: We believe that the Head of Partnership should continue to develop a robust, reliable and value-adding approach to assurance mapping and reliance, to enhance efficiency and effectiveness.

Opportunity F

Periodic Planning - the move to a more flexible and responsive quarterly planning, engagement allocation and delivery model is a welcome development and appropriate for the current volatile and changing environment.

Suggestion: We support the Head of Partnership in continuing to ensure that new business teams, innovative or revised services, emerging areas of risk and changing partner and client governance, strategies and delivery models are adequately covered in the SIAP risk assessment and reflected in these quarterly internal audit plans. This will help ensure the team remain insightful, proactive, and future-focused, providing professional assurance over new and emerging areas of organisational risk. Continued oversight of evolving areas of internal audit practice from research, networking and professional events will assist this approach.

The following rating scale has been used in this report:

Generally Conforms (GC)	<p>The reviewer has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual Standard or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformance to a majority of the individual Standards or elements of the Code of Ethics, and at least partial conformance to the others, within the section/category. There may be significant opportunities for improvement, but these must not represent situations where the activity has not implemented the Standards or the Code of Ethics, has not applied them effectively, or has not achieved their stated objectives. As indicated above, general conformance does not require complete/perfect conformance, the ideal situation, successful practice, etc.</p>
Partially Conforms (PC)	<p>The reviewer has concluded that the activity is making good-faith efforts to comply with the requirements of the individual Standard or element of the Code of Ethics, section, or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the Standards or Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond the control of the activity and may result in recommendations to senior management or the board of the organisation.</p>
Does Not Conform (DNC)	<p>The reviewer has concluded that the activity is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many/all of the objectives of the individual Standard or element of the Code of Ethics, section, or major category. These deficiencies will usually have a significant negative impact on the activity's effectiveness and its potential to add value to the organisation. They may also represent significant opportunities for improvement, including actions by senior management or the board.</p>

Often, the most difficult evaluation is the distinction between general and partial. It is a judgement call keeping in mind the definition of general conformance above. The reviewer must determine if basic conformance exists. The existence of opportunities for improvement, better alternatives, or other successful practices does not reduce a “generally conforms” rating

Stakeholder Interviews

We interviewed the following individuals as part of the review. We also sent out stakeholder surveys to 38 senior managers and Audit Committee members across the partner organisations. We are pleased to have received 19 completed survey responses from the 38 requests. We have shared the anonymised survey results with the Head of Partnership.

Stakeholders	Title / position	Internal Audit team	Title / position
Cllr Nigel Dennis	Chair Regulation, Audit and Accounts Committee, West Sussex County Council	Neil Pitman	Head of Partnership
Gill Kneller	Chief Executive, Havant Borough Council and East Hampshire District Council	Karen Shaw	Deputy Head of SIAP
Cllr Margot Power	Chair Audit Committee, Winchester City Council	Nat Jerams	Assistant Head of SIAP
Katharine Eberhart	Director Finance and Support Services, West Sussex County Council	Ant Harvey	Deputy Head of SIAP
Melvyn Neate	Chair, Hampshire Joint Audit Committee	Abbas Alimohamed	Auditor
Nick Gray	Deputy Chief Executive and S151 Officer, Mole Valley District Council	Chris Benn	Senior Auditor
Cllr Allan O'Sullivan	Chair Audit Committee, New Forest District Council	Bev Davies	Audit Manager
Carolyn Williamson	Director of Resources and Deputy Chief Executive (S151), Hampshire County Council		
Paul Burden	Chair, Sussex Joint Audit Committee		

Lydia Morrison	S151 Officer, Havant Borough Council and East Hampshire District Council
John Coughlan	Chief Executive, Hampshire County Council
Cllr Keith Evans	Chair Audit Committee, Hampshire County Council
Richard Croucher	Chief Finance Officer, Hampshire Constabulary and Deputy Chief Finance Officer Hampshire Fire and Rescue Authority
Pat Main	S151 Officer, Reigate and Banstead Borough Council
Bob Jackson	Chief Executive, New Forest District Council
Elaine Jackson	Acting Chief Executive, Tandridge District Council
Cllr Briggs	Chair of Governance, Audit and Finance Board, Havant Borough Council
Lisa Kirkman	Strategic Director Resources, Winchester City Council

Acknowledgement

We would like to thank the SIAP team for their time, assistance and support during this review and all those who took part in the review for their co-operation together with their open and honest views.

Feedback from stakeholder interviews and surveys

Working with the business

“The service is very proactive and accessible. They keep me regularly informed of progress and any issues they have”. Stakeholder Survey feedback.

“The SIAP team have a very good relationship with the senior management team - this makes life so much easier when issues arise”. Stakeholder interview.

“The team are proactive and responsive”. Stakeholder interview.

“Those being audited feel that SIAP are undertaking the audit ‘with’ them not ‘to’ them”. Stakeholder interview.

Communication

“Their reports are about right – clear, straightforward and an appropriate length”. Stakeholder interview.

“The team are exceptionally professional, and sensitive, and have developed confidence in the staff, which ensures the accuracy of the audit is underpinned”. Stakeholder Survey feedback.

“They deliver good, professional presentations to the Executive Board”. Stakeholder interview.

“It is very apparent in Audit Committee meetings that Neil is a very independent voice”. Stakeholder interview.

“SIAP engagement reports are short, sharp and to the point”. Stakeholder interview.

“The SIAP lead is knowledgeable, experienced and briefs the committee clearly and constructively”. Stakeholder interview.

Internal audit plans and coverage

“We collectively put together the programme of internal audits and it’s a really useful management tool for us”. Stakeholder interview.

“If we have any cause for alarm, they are very responsive and will do deep dives where necessary”. Stakeholder interview.

“We get sufficient input to internal audit plans and certainly have the opportunity to ask for work”. Stakeholder interview.

“The Audit Committee is fully consulted in developing the plan and has good sight of its evolution and delivery through regular progress reports”. Stakeholder interview.

Value

“We genuinely value the service.” Stakeholder interview.

“I like the fact that they see what is happening in other organisations and share what other local authorities are doing.” Stakeholder interview.

“The staff are all very professional, approachable and are always looking for solutions to issues they come across. This gives me confidence”. Stakeholder Survey feedback.

“The SIAP team work well. I’m very happy. They represent value for money and deliver a good service.” Stakeholder interview.

“I can honestly say SIAP are the best Internal Audit provider I have ever come across.” Stakeholder interview.

“I am happy that the team do try to focus on providing added value at all times”. Stakeholder Survey feedback.

Disclaimer: This review was undertaken in September 2020 by John Chesshire, Bethan Jones and Liz Sandwith on behalf of the Chartered Institute of Internal Auditors. This report provides management and the SIAP Audit Committees with information about Internal Audit as of that date. Future changes in environmental factors and actions taken to address recommendations may have an impact upon the operation of Internal Audit in a manner that this report cannot anticipate.

Considerable professional judgment is involved in evaluating. Accordingly, it should be recognised that others could draw different conclusions. We have not re-performed the work of Internal Audit or aimed to verify their conclusions. This report is provided on the basis that it is for your information only and that it will not be quoted or referred to, in whole or part, without the prior written consent of the Chartered Institute of Internal Auditors.

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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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Report on the Work of the Audit Committee

This report gives an overview of the items considered by the Audit Committee at its meeting on 29 January 2024.

29 January 2024

1. Future Resourcing of the Internal Audit Service

The Committee **resolved** to make a recommendation to Council on the future resourcing of the Internal Audit Service.

2. Procurement Internal Audit Recommendations Progress Review

The Committee **resolved** to note the recommendations made in the Internal Audit of Procurement, and agree the actions taken so far to address the recommendations, and to note the further planned and ongoing actions.

3. Annual Review of Internal Audit Effectiveness

The Committee **resolved** to note the Annual Review of Internal Audit Effectiveness, overall conclusions and actions arising from the External Quality Assessment (EQA).

4. Update on the Use of the Regulation of Investigatory Powers Act (RIPA) Policy

The Committee **resolved** to note the approved RIPA Policy and use of RIPA powers during the period 1 January 2020 to 31 December 2023.

5. External Audit Update

The Committee **resolved** to note the update provided by the external auditor.

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Decisions taken at the meeting held on Thursday, 8 February 2024.

Meeting Time:

7.00 pm

Meeting Venue:

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

PRESENT: Councillor Lawrence Nichols (Vice-Chair), Councillor Michelle Arnold, Councillor Elizabeth Baldock, Councillor Jolyon Caplin, Councillor John Doran, Councillor Adam Gale, Councillor John Turner and Councillor Buddhi Weerasinghe

SUBSTITUTIONS: Councillor Darren Clarke

IN ATTENDANCE: Councillor Chris Bateson and Councillor Malcolm Beecher

4. APPOINTMENT OF CHARITY TRUSTEES - LALEHAM VILLAGE HALL AND RECREATION GROUND*

The Committee **resolved** to appoint Colin Squire OBE and Matthew Calvert as representative trustees to Laleham Village Hall and Recreation Ground for a period of four years.

5. DRAFT PROPOSED FEES AND CHARGES FOR 2024-25 FOR THIS COMMITTEE

The Committee **resolved** to:

- 1) Approve the proposed Fees and Charges for 2024-25 for this Committee
- 2) Recommend to Corporate Policy and Resources Committee that they approve the proposed Fees and Charges for 2024-25

6. REVENUE GROWTH BIDS, CAPITAL GROWTH BIDS AND SAVINGS PLANS 2024-25

The Committee **resolved** to:

1. Approve the proposed Revenue Growth Bids, Capital Growth Bids and Savings Plans for 2024-25 for this Committee
2. Recommend to Corporate Policy and Resources Committee that they approve the proposed Revenue Growth Bids, Capital Growth Bids and Savings Plans for 2024-25.

7. UPDATE ON PROJECTS

The Committee **resolved** to note the update.

8. SUMMARY OF REPORTED ISSUES

The Committee **resolved** to the presentation.

9. FORWARD PLAN

The Committee **resolved** to note the forward plan with no suggestions for any future business.

NOTES:-

- (1) *Members are reminded that the “call-in” procedure as set out in Part 4b of the Constitution, shall not apply to the following matters:*
 - (a) *Urgent decisions as defined in Paragraph 9. of the Call-in Scrutiny Procedure Rules;*
 - (b) *Decisions to award a contract following a lawful procurement process;*
 - (c) *Those decisions:*
 - i. *reserved to full Council*
 - ii. *on regulatory matters*
 - iii. *on member conduct issues.*
- (2) *Those matters to which Note (1) applies, if any, are identified with an asterisk [*] in the above Minutes.*
- (3) *Within three working days of the date on which this decision is published, not less than three members from two or more political groups by submission of the standard call-in pro-forma, may ask for that decision to be referred to a meeting of the Administrative Committee for review (call-in). The completed pro-forma must be received by the Proper Officer by 5pm three working days after publication of the decision.*
- (4) *The members exercising the right of call-in must not be members of the Committee which considered the matter.*
- (5) *When calling in a decision for review the members doing so must demonstrate the following exceptional circumstances:*
 - a. *Evidence which suggests that the decision maker, did not take the decision in accordance with the principles set out in Article 11 (Decision Making); or*
 - b. *Evidence that the decision fails to support one or more of the Council’s Corporate Plan priorities to the detriment of the majority of the Borough’s residents; or*
 - c. *Evidence that explicit Council Policy or legal requirements were disregarded.*
- (6) *Once the request for ‘call-in’ has been deemed valid by the Monitoring Officer the matter will be suspended until the call-in procedure has been exhausted.*
- (7) *The Chief Executive, in consultation with the relevant officer, will determine if the interests of the Council or Borough would be prejudiced by a delay in implementing a decision such that the call-in cannot wait until the next ordinary meeting of the Administrative Committee.*
- (8) *Where the call-in cannot wait until the next ordinary meeting, the Monitoring Officer will arrange an extraordinary meeting of the Administrative Committee to review the decision subject to call-in at the earliest possible opportunity.*

- (9) *In exceptional cases, where there is clear evidence that a delay to the implementation of a decision would lead to a specific and significant financial or reputational harm to the Council, a call-in request may be refused by the Chief Executive following consultation with the Chair and Vice-Chair of Administrative Committee.*
- (10) *In reviewing a matter referred to it under the call-in scrutiny procedure rules, the Administrative Committee shall follow the procedure for dealing with call-in scrutiny at its meetings as set out in Part 4b of the Constitution.*
- (11) *The deadline of three working days for "call in" in relation to the above decisions by the Committee is the close of business on 14 February 2024.*

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Decisions taken at the meeting held on Tuesday, 16 January 2024.

Meeting Time:

7.00 pm

Meeting Venue:

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

PRESENT: Councillor Sue Doran (Chair), Councillor Maureen Attewell (Vice-Chair), Councillor Michelle Arnold, Councillor Chris Bateson, Councillor John Boughtflower, Councillor Lisa Brennan, Councillor Med Buck, Councillor Sandra Dunn, Councillor Adam Gale, Councillor Kathy Grant and Councillor Paul Woodward

IN ATTENDANCE: Councillor Malcolm Beecher

5. FEES AND CHARGES (AS PART OF THE BUDGET PROCESS)

The Committee **resolved** to:

1. Review the proposed Fees and Charges for 2024-25 for this Committee.
2. Approve the proposed Fees and Charges for 2024-25 for this Committee, except that the fees and charges for the following services: Meals on Wheels, OPAL Group (High Needs) and Luncheon Clubs will not increase and the shortfall of income be covered by the Day Centres hire of hall costs.
3. Recommend to Corporate Policy and Resources Committee that they approve the proposed Fees and Charges for 2024-25 except that the fees and charges for the following services: Meals on Wheels, OPAL Group (High Needs) and Luncheon Clubs will not increase and the shortfall of income be covered by the Day Centres hire of hall costs.

6. SERVICE PLANS (AS PART OF THE BUDGET PROCESS)

The Committee **resolved** to:

1. Formally review the proposed revenue Growth Bids and Savings Plan for 2024-2025 for this Committee.
2. Approve the proposed Revenue Growth Bids and Savings Plan for 2024-2025 for this Committee, subject to officers sending clarification to the Community Wellbeing and Housing Chair and Vice-Chair on any errors within the report and appendices.
3. Recommend to Corporate Policy and Resources Committee that they approve the proposed Revenue Growth Bids and Savings Plan for 2024-25, subject to officers sending clarification to the Community Wellbeing and Housing Chair and Vice-Chair on any errors within the report and appendices.

9. ANNUAL COMMUNITY GRANTS REPORT*

The Committee **resolved** to:

1. Note the recommendations of the Grants Panel regarding the proposed recipients of the 2024/2025 community grants
2. Make a decision and recommendation to Council
3. Note the other support that Spelthorne Borough Council provides to the voluntary/charity sector.
4. Any underspend from the Council Grants and Better Neighbourhood Grants budget will be carried forward to the next financial year.
5. Note the potential changes to the Discretionary Rate Relief Policy.

10. GREENO COMMUNITY CENTRE ALTERATIONS

The Committee **resolved** to approve option 2 as set out in the report and **resolved** to:

1. Endorse the Council's approach of improving the flexible use of space in the Greeno Community Centre by means of internal configuration.
2. Endorse the use of external funding to fully fund the alterations.

12. EXCLUSION OF PUBLIC AND PRESS

It was proposed by Councillor Boughtflower, seconded by Councillor Arnold and **resolved** to exclude the public and press in view of the likely disclosure of exempt information within the meaning of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

13. URGENT ITEM- LOCAL AUTHORITY HOUSING FUND EXTENSION*

The Committee **resolved** to:

1. Approve submission of Expression of Interest to the Department of Levelling Up of Housing and Communities (DLUHC) to participate in the funding extension to deliver additional property acquisition under the Local Authority Housing Fund scheme.
2. Approve expression of Interest in Purchasing the freehold of 50 units at Imtech House, Ashford, using funding through Local Authority Housing Fund to deliver temporary accommodation housing to ease the pressure on the Council in terms of cost and demand for temporary accommodation.
3. Approve expression of Interest in Purchasing additional settled accommodation for refugee families - 4 bedroom property for an Afghan family currently residing in the Council's temporary accommodation and a 2-bedroom property for an Ukrainian family currently residing in the Council's temporary accommodation.
4. Subject to successful application for funding to the Department of Levelling Up of Housing and Communities, to recommend to Development Sub Committee, Corporate Policy and Resources Committee and to Council that:- The Strategic Lead, Housing together with the Group Head of Assets to negotiate Heads of Terms with the freeholder of Imtech House to acquire Imtech House. Any Heads of Terms agreed will require full Council approval;

Legal and Assets team carry out the due diligence, survey and valuation process in respect of Imtech House and the settled accommodation

Finance team assess the viability of acquiring the freehold of Imtech House and the additional settled accommodation.

Delegate authority to the Group Head of Corporate Governance to enter into an addendum to the Memorandum of Understanding in relation to the Local Authority Housing Fund extension – Round 1 and 2 and any other necessary documentation. Reason for Recommendation To provide temporary accommodation in the borough and to utilise government funding for property acquisition Page

14. URGENT ITEM- HOUSEHOLD SUPPORT FUND VERBAL UPDATE

The Committee **resolved** to note the verbal update.

NOTES:-

- (1) *Members are reminded that the “call-in” procedure as set out in Part 4b of the Constitution, shall not apply to the following matters:*
 - (a) *Urgent decisions as defined in Paragraph 9. of the Call-in Scrutiny Procedure Rules;*
 - (b) *Decisions to award a contract following a lawful procurement process;*
 - (c) *Those decisions:*
 - i. *reserved to full Council*
 - ii. *on regulatory matters*
 - iii. *on member conduct issues.*
- (2) *Those matters to which Note (1) applies, if any, are identified with an asterisk [*] in the above Minutes.*
- (3) *Within three working days of the date on which this decision is published, not less than three members from two or more political groups by submission of the standard call-in pro-forma, may ask for that decision to be referred to a meeting of the Administrative Committee for review (call-in). The completed pro-forma must be received by the Proper Officer by 5pm three working days after publication of the decision.*
- (4) *The members exercising the right of call-in must not be members of the Committee which considered the matter.*
- (5) *When calling in a decision for review the members doing so must demonstrate the following exceptional circumstances:*
 - a. *Evidence which suggests that the decision maker, did not take the decision in accordance with the principles set out in Article 11 (Decision Making); or*
 - b. *Evidence that the decision fails to support one or more of the Council’s Corporate Plan priorities to the detriment of the majority of the Borough’s residents; or*
 - c. *Evidence that explicit Council Policy or legal requirements were disregarded.*
- (6) *Once the request for ‘call-in’ has been deemed valid by the Monitoring Officer the matter will be suspended until the call-in procedure has been exhausted.*
- (7) *The Chief Executive, in consultation with the relevant officer, will determine if the interests of the Council or Borough would be prejudiced by a delay in implementing a decision such that the call-in cannot wait until the next ordinary meeting of the Administrative Committee.*

- (8) *Where the call-in cannot wait until the next ordinary meeting, the Monitoring Officer will arrange an extraordinary meeting of the Administrative Committee to review the decision subject to call-in at the earliest possible opportunity.*
- (9) *In exceptional cases, where there is clear evidence that a delay to the implementation of a decision would lead to a specific and significant financial or reputational harm to the Council, a call-in request may be refused by the Chief Executive following consultation with the Chair and Vice-Chair of Administrative Committee.*
- (10) *In reviewing a matter referred to it under the call-in scrutiny procedure rules, the Administrative Committee shall follow the procedure for dealing with call-in scrutiny at its meetings as set out in Part 4b of the Constitution.*
- (11) ***The deadline of three working days for "call in" in relation to the above decisions by the Committee is the close of business on 22 January 2024.***

Decisions taken at the meeting held on Monday, 22 January 2024.

Meeting Time:

7.00 pm

Meeting Venue:

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

PRESENT: Councillor Joanne Sexton (Chair), Councillor Chris Bateson (Vice-Chair), Councillor Maureen Attewell, Councillor Malcolm Beecher, Councillor John Boughtflower, Councillor Jon Button, Councillor John Doran, Councillor Sue Doran, Councillor Michele Gibson, Councillor Kathy Grant, Councillor Karen Howkins, Councillor Lawrence Nichols, Councillor Olivia Rybinski, Councillor Katherine Rutherford and Councillor Howard Williams

5. CORPORATE RISK REGISTER*

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. BUREAU SERVICES AND ENERGY SUPPLY

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. PROPOSED FEES AND CHARGES FOR 2024-25 (AS PART OF THE BUDGET PROCESS)

The Committee **resolved** to:

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

8. REVENUE GROWTH BIDS, REVENUE SAVINGS PLANS, CAPITAL GROWTH BIDS 2024-25

The Committee **resolved** to:

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

12. ANNUAL COMMERCIAL PROPERTY REPORT 2022/23

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. THAMESIDE HOUSE

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

NOTES:-

- (1) *Members are reminded that the “call-in” procedure as set out in Part 4b of the Constitution, shall not apply to the following matters:*
 - (a) *Urgent decisions as defined in Paragraph 9. of the Call-in Scrutiny Procedure Rules;*
 - (b) *Decisions to award a contract following a lawful procurement process;*
 - (c) *Those decisions:*
 - i. *reserved to full Council*
 - ii. *on regulatory matters*
 - iii. *on member conduct issues.*
- (2) *Those matters to which Note (1) applies, if any, are identified with an asterisk [*] in the above Minutes.*
- (3) *Within three working days of the date on which this decision is published, not less than three members from two or more political groups by submission of the standard call-in pro-forma, may ask for that decision to be referred to a meeting of the Administrative Committee for review (call-in). The completed pro-forma must be received by the Proper Officer by 5pm three working days after publication of the decision.*
- (4) *The members exercising the right of call-in must not be members of the Committee which considered the matter.*
- (5) *When calling in a decision for review the members doing so must demonstrate the following exceptional circumstances:*
 - a. *Evidence which suggests that the decision maker, did not take the decision in accordance with the principles set out in Article 11 (Decision Making); or*
 - b. *Evidence that the decision fails to support one or more of the Council’s Corporate Plan priorities to the detriment of the majority of the Borough’s residents; or*
 - c. *Evidence that explicit Council Policy or legal requirements were disregarded.*
- (6) *Once the request for ‘call-in’ has been deemed valid by the Monitoring Officer the matter will be suspended until the call-in procedure has been exhausted.*
- (7) *The Chief Executive, in consultation with the relevant officer, will determine if the interests of the Council or Borough would be prejudiced by a delay in implementing a decision such that the call-in cannot wait until the next ordinary meeting of the Administrative Committee.*

- (8) *Where the call-in cannot wait until the next ordinary meeting, the Monitoring Officer will arrange an extraordinary meeting of the Administrative Committee to review the decision subject to call-in at the earliest possible opportunity.*
- (9) *In exceptional cases, where there is clear evidence that a delay to the implementation of a decision would lead to a specific and significant financial or reputational harm to the Council, a call-in request may be refused by the Chief Executive following consultation with the Chair and Vice-Chair of Administrative Committee.*
- (10) *In reviewing a matter referred to it under the call-in scrutiny procedure rules, the Administrative Committee shall follow the procedure for dealing with call-in scrutiny at its meetings as set out in Part 4b of the Constitution.*
- (11) *The deadline of three working days for "call in" in relation to the above decisions by the Committee is the close of business on 26 January 2024.*

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Decisions taken at the meeting held on Tuesday, 23 January 2024.

Meeting Time:

7.00 pm

Meeting Venue:

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

PRESENT: Councillor Malcolm Beecher (Chair), Councillor Kathy Grant (Vice-Chair), Councillor Maureen Attewell, Councillor Sean Beatty, Councillor John Boughtflower, Councillor Tony Burrell, Councillor Jolyon Caplin, Councillor Sue Doran, Councillor Howkins, Councillor Lawrence Nichols, Councillor Katherine Rutherford, Councillor Rybinski, Councillor Joanne Sexton, Councillor John Turner and Councillor Howard Williams

4. REVIEW OF THE COVERAGE OF THE SPELTHORNE AIR QUALITY MANAGEMENT AREA

The Committee **resolved** to:

1. Note the proposed change in the coverage of the Air Quality Management Area (AQMA)
2. Agree option 2 to recommend adoption of the proposed more conservative modified AQMA boundary detailed in Appendix 1, Figure 2.

5. APPROVAL OF COMMUNITY INFRASTRUCTURE LEVY (CIL) FUNDING

The Committee **resolved** to approve CIL funding for:

1. Visit Staines / Surrey Police – Installation of 3 Automatic Number Plate Recognition (ANPR) Cameras. £43,189.04 (inc VAT)
2. Studholme Medical Centre / NHS – Medical Centre Extension. £627,061 (inc VAT)

6. SPELTHORNE DESIGN CODE PROJECT

The Committee **resolved** to:

1. Note that a growth bid for £90,000 to assist with delivering the Spelthorne Design Code project has been submitted
2. Agree to undertake the procurement process for the appointment of a Consultant to support the Council in its development of the Spelthorne Design Code (in line with the draft specification as set out in Appendix A)
3. Delegate permission to award the contract to the successful bidder to the Chair of the Environment and Sustainability Committee and the Group Head of Place, Protection and Prosperity and authorise the Group Head of Corporate Governance to enter into a contract with the successful bidder.

7. DRAFT PROPOSED FEES AND CHARGES FOR 2024-25 (AS PART OF THE ANNUAL BUDGET PROCESS)

The Committee **resolved** to:

1. Approve the proposed Fees and Charges for 2024-25 for this Committee.

2. Recommend to Corporate Policy & Resources Committee that they approve the proposed Fees and Charges for 2024-25
8. **REVENUE GROWTH BIDS, REVENUE SAVINGS PLANS, CAPITAL GROWTH BIDS 2024-25 (AS PART OF THE ANNUAL BUDGET PROCESS)**
The Committee **resolved** to:
 1. Approve the proposed Revenue Growth Bids (Appendix B) and Savings Plan (Appendix C) for 2024-25 for this Committee.
 2. Recommend to Corporate Policy & Resources Committee that they approve the proposed Revenue Growth Bids (Appendix B) and Savings Plan (Appendix C) for 2024-25
9. **APPOINTMENT OF MEMBER REPRESENTATIVE TO THE RIVER THAMES SCHEME**
The Committee **resolved** to agree that Councillor Burrell be nominated as member representative to the River Thames Scheme for the remainder of the 2023-24 municipal year.
10. **UPDATE ON BIODIVERSITY NET GAIN**
The Committee **resolved** to note the update
11. **UPDATES FROM TASK AND FINISH AND/OR WORKING GROUPS**
The Committee **resolved** to note the update
12. **FORWARD PLAN**
The Committee **resolved** to note the Forward Plan

NOTES:-

- (1) *Members are reminded that the “call-in” procedure as set out in Part 4b of the Constitution, shall not apply to the following matters:*
 - (a) *Urgent decisions as defined in Paragraph 9. of the Call-in Scrutiny Procedure Rules;*
 - (b) *Decisions to award a contract following a lawful procurement process;*
 - (c) *Those decisions:*
 - i. *reserved to full Council*
 - ii. *on regulatory matters*
 - iii. *on member conduct issues.*
- (2) *Those matters to which Note (1) applies, if any, are identified with an asterisk [*] in the above Minutes.*
- (3) *Within three working days of the date on which this decision is published, not less than three members from two or more political groups by submission of the standard call-in pro-forma, may ask for that decision to be referred to a meeting of the Administrative Committee for review (call-in). The completed pro-forma must be received by the Proper Officer by 5pm three working days after publication of the decision.*
- (4) *The members exercising the right of call-in must not be members of the Committee which considered the matter.*
- (5) *When calling in a decision for review the members doing so must demonstrate the following exceptional circumstances:*

- a. *Evidence which suggests that the decision maker, did not take the decision in accordance with the principles set out in Article 11 (Decision Making); or*
 - b. *Evidence that the decision fails to support one or more of the Council's Corporate Plan priorities to the detriment of the majority of the Borough's residents; or*
 - c. *Evidence that explicit Council Policy or legal requirements were disregarded.*
- (6) *Once the request for 'call-in' has been deemed valid by the Monitoring Officer the matter will be suspended until the call-in procedure has been exhausted.*
 - (7) *The Chief Executive, in consultation with the relevant officer, will determine if the interests of the Council or Borough would be prejudiced by a delay in implementing a decision such that the call-in cannot wait until the next ordinary meeting of the Administrative Committee.*
 - (8) *Where the call-in cannot wait until the next ordinary meeting, the Monitoring Officer will arrange an extraordinary meeting of the Administrative Committee to review the decision subject to call-in at the earliest possible opportunity.*
 - (9) *In exceptional cases, where there is clear evidence that a delay to the implementation of a decision would lead to a specific and significant financial or reputational harm to the Council, a call-in request may be refused by the Chief Executive following consultation with the Chair and Vice-Chair of Administrative Committee.*
 - (10) *In reviewing a matter referred to it under the call-in scrutiny procedure rules, the Administrative Committee shall follow the procedure for dealing with call-in scrutiny at its meetings as set out in Part 4b of the Constitution.*
 - (11) *The deadline of three working days for "call in" in relation to the above decisions by the Committee is the close of business on 26 January 2024*

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Decisions taken at the meeting held on Thursday, 11 January 2024.

Meeting Time:

7.00 pm

Meeting Venue:

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

PRESENT: Councillor Howard Williams (Chair), Councillor Mary Bing Dong, Councillor Jon Button, Councillor Rebecca Geach, Councillor Daniel Geraci, Councillor Suraj Gyawali and Councillor Anant Mathur

4. FEES AND CHARGES (AS PART OF THE BUDGET PROCESS)

The Committee **resolved** to:

1. Review the Fees and Charges for 2024-25 for this Committee.
2. Approve the proposed Fees and Charges for 2024-25 for this Committee.
3. Recommend to Corporate Policy & Resources Committee that they approve the proposed Fees and Charges for 2024-25.

5. SERVICE PLANS (AS PART OF THE BUDGET PROCESS)

The Committee **resolved** to:

1. Formally review the proposed Revenue Growth Bids and Savings Plan for 2024-2025 for this Committee
2. Approve the proposed Revenue Growth Bids and Savings Plan for 2024-25 for this Committee
3. Recommend to Corporate Policy and Resources Committee that they approve the proposed Revenue Growth Bids and Savings Plan for 2024-25

NOTES:-

- (1) *Members are reminded that the “call-in” procedure as set out in Part 4b of the Constitution, shall not apply to the following matters:*
- (a) *Urgent decisions as defined in Paragraph 9. of the Call-in Scrutiny Procedure Rules;*
 - (b) *Decisions to award a contract following a lawful procurement process;*
 - (c) *Those decisions:*
 - i. *reserved to full Council*
 - ii. *on regulatory matters*
 - iii. *on member conduct issues.*

- (2) *Those matters to which Note (1) applies, if any, are identified with an asterisk [*] in the above Minutes.*
- (3) *Within three working days of the date on which this decision is published, not less than three members from two or more political groups by submission of the standard call-in pro-forma, may ask for that decision to be referred to a meeting of the Administrative Committee for review (call-in). The completed pro-forma must be received by the Proper Officer by 5pm three working days after publication of the decision.*
- (4) *The members exercising the right of call-in must not be members of the Committee which considered the matter.*
- (5) *When calling in a decision for review the members doing so must demonstrate the following exceptional circumstances:*
 - a. *Evidence which suggests that the decision maker, did not take the decision in accordance with the principles set out in Article 11 (Decision Making); or*
 - b. *Evidence that the decision fails to support one or more of the Council's Corporate Plan priorities to the detriment of the majority of the Borough's residents; or*
 - c. *Evidence that explicit Council Policy or legal requirements were disregarded.*
- (6) *Once the request for 'call-in' has been deemed valid by the Monitoring Officer the matter will be suspended until the call-in procedure has been exhausted.*
- (7) *The Chief Executive, in consultation with the relevant officer, will determine if the interests of the Council or Borough would be prejudiced by a delay in implementing a decision such that the call-in cannot wait until the next ordinary meeting of the Administrative Committee.*
- (8) *Where the call-in cannot wait until the next ordinary meeting, the Monitoring Officer will arrange an extraordinary meeting of the Administrative Committee to review the decision subject to call-in at the earliest possible opportunity.*
- (9) *In exceptional cases, where there is clear evidence that a delay to the implementation of a decision would lead to a specific and significant financial or reputational harm to the Council, a call-in request may be refused by the Chief Executive following consultation with the Chair and Vice-Chair of Administrative Committee.*
- (10) *In reviewing a matter referred to it under the call-in scrutiny procedure rules, the Administrative Committee shall follow the procedure for dealing with call-in scrutiny at its meetings as set out in Part 4b of the Constitution.*
- (11) *The deadline of three working days for "call in" in relation to the above decisions by the Committee is the close of business on 18 January 2024.*

Report on the Work of the Licensing Committee

This report gives an overview of the key items considered by members of the Licensing Committee at the Sub-Committee meetings on

Licensing Sub-Committee – 26 January 2024

The Sub-Committee considered an application by Shepperton Village Fair Ltd for a premises license at Manor Park, Shepperton, TW17 9JT following representations. The Sub-Committee agreed to grant the licence subject to conditions for the reasons set out in the decision notice.

Licensing Sub-Committee – 30 January 2024

The Sub-Committee considered an application for a transfer of a designated premises supervisor and an application for a variation of a premises licence to specify an individual as a designated premises supervisor for Costcutter, 23 The Parade, Staines Road West, Sunbury-on-Thames TW16 7AB following representations. The Sub-Committee rejected the applications in accordance with the decision notice provided to the applicant and other parties.

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Decisions taken at the meeting held on Thursday, 18 January 2024.

Meeting Time:

7.00 pm

Meeting Venue:

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

PRESENT: Councillor John Doran (Chair), Councillor Katherine Rutherford (Vice-Chair), Councillor Mary Bing Dong, Councillor Tony Burrell, Councillor Jolyon Caplin and Councillor Joanne Sexton

1. APOLOGIES AND SUBSTITUTES

Apologies were received from Councillor Boughtflower.

5. DOG CONTROL PUBLIC SPACE PROTECTION ORDER

The Committee **resolved** to adopt the proposed extension to the Dog Control Public Space Protection Order.

6. FEES AND CHARGES FOR 2024-25

The Committee **resolved** to:

1. Approve the proposed Fees and Charges for 2024-25 for this Committee.
2. Recommend to Corporate Policy & Resources Committee that they approve the proposed Fees and Charges for 2024-25.

7. SERVICE PLANS 2024-25

The Committee **resolved** to:

1. Approve the proposed Revenue Growth Bids, Capital Growth Bids and Savings Plans for 2024-25 for this Committee.
2. Recommend to Corporate Policy & Resources Committee that they approve the proposed Revenue Growth Bids, Capital Growth Bids and Savings Plans for 2024-25.

NOTES:-

- (1) *Members are reminded that the “call-in” procedure as set out in Part 4b of the Constitution, shall not apply to the following matters:*
 - (a) *Urgent decisions as defined in Paragraph 9. of the Call-in Scrutiny Procedure Rules;*
 - (b) *Decisions to award a contract following a lawful procurement process;*
 - (c) *Those decisions:*
 - i. *reserved to full Council*

- ii. on regulatory matters
- iii. on member conduct issues.

- (2) Those matters to which Note (1) applies, if any, are identified with an asterisk [*] in the above Minutes.
- (3) Within three working days of the date on which this decision is published, not less than three members from two or more political groups by submission of the standard call-in pro-forma, may ask for that decision to be referred to a meeting of the Administrative Committee for review (call-in). The completed pro-forma must be received by the Proper Officer by 5pm three working days after publication of the decision.
- (4) The members exercising the right of call-in must not be members of the Committee which considered the matter.
- (5) When calling in a decision for review the members doing so must demonstrate the following exceptional circumstances:
 - a. Evidence which suggests that the decision maker, did not take the decision in accordance with the principles set out in Article 11 (Decision Making); or
 - b. Evidence that the decision fails to support one or more of the Council's Corporate Plan priorities to the detriment of the majority of the Borough's residents; or
 - c. Evidence that explicit Council Policy or legal requirements were disregarded.
- (6) Once the request for 'call-in' has been deemed valid by the Monitoring Officer the matter will be suspended until the call-in procedure has been exhausted.
- (7) The Chief Executive, in consultation with the relevant officer, will determine if the interests of the Council or Borough would be prejudiced by a delay in implementing a decision such that the call-in cannot wait until the next ordinary meeting of the Administrative Committee.
- (8) Where the call-in cannot wait until the next ordinary meeting, the Monitoring Officer will arrange an extraordinary meeting of the Administrative Committee to review the decision subject to call-in at the earliest possible opportunity.
- (9) In exceptional cases, where there is clear evidence that a delay to the implementation of a decision would lead to a specific and significant financial or reputational harm to the Council, a call-in request may be refused by the Chief Executive following consultation with the Chair and Vice-Chair of Administrative Committee.
- (10) In reviewing a matter referred to it under the call-in scrutiny procedure rules, the Administrative Committee shall follow the procedure for dealing with call-in scrutiny at its meetings as set out in Part 4b of the Constitution.
- (11) The deadline of three working days for "call in" in relation to the above decisions by the Committee is the close of business on Wednesday 24 January 2024.