



**Spelthorne
Borough Council**

Council Meeting
Thursday, 27 February 2025



19 February 2025

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, 27 February 2025** commencing at **7.00 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 12 December 2024 and the Extraordinary Meeting held on 06 February 2025.	7 - 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 Councillors that are also Surrey County Councillors.	
4. Announcements from the Mayor To receive any announcements from the Mayor.	
5. Announcements from the Leader & Deputy Leader To receive any announcements from the Leader and Deputy 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 their nominee, to answer any questions raised by members of the public in accordance with Standing Order 13. The were no questions received from members of the public.	
8. Pay Policy 2025/26 Council is asked to approve the Pay Policy Statement 2025/26.	23 - 46
9. Capital Strategy 2025-2026 Council is asked to consider and approve the Capital Strategy 2025/26 to 2026/27.	47 - 62
10. Estimated 2025/26 to 2028/29 Capital Programme Council is asked to approve the proposed Capital Programme for 2025/26 to 2028/29.	63 - 70
11. Treasury Management Strategy 2025/26	

Council is asked to approve:	71 - 154
1. The Treasury Management Strategy for 2025-26 as set out in the report; and	
2. By approving the report, Council will be agreeing to the Treasury Management Practices, MRP Statement, Operational Boundary and Authorised Limits.	
12. Detailed Revenue Budget for 2025/26	
Council is asked to consider and approve the recommendations as outlined in the report.	155 - 214
Members are reminded that pursuant to the Local Government Finance Act 1992 a member of a local authority who has not paid an amount due in respect of council tax for at least two months after it became due and who attends a meeting at which the level of council tax is considered must disclose that s106 applies to them and refrain from voting on any question with respect to that matter. Failure to comply amounts to a criminal offence.	
Please seek and advice from Monitoring Officer if in any doubt prior to the meeting taking place.	
13. Annual Grant Awards 2025/2026	
Council is asked to consider the recommendation of the Community Wellbeing & Housing Committee to agree the Community Grants for 2025/26.	215 - 230
14. Amendments to the Constitution	
Council is asked to approve the proposed changes to the Terms of Reference and Financial Regulations in the Constitution as set out in the report.	231 - 384
15. Appointment of Monitoring Officer	
Council is asked to approve the appointment of the Council's Monitoring Officer.	385 - 388
16. Appointment of Vice-Chair Standards Committee	
Council is asked to approve the appointment of the new Vice-Chair of the Standards Committee.	389 - 394
17. Reports from the Committee Chairs	
To receive and agree the reports from the Committee Chairs.	395 - 422
The reports for the following Committees are to follow:	
Commercial Assets Sub-Committee – 24 February 2025	

18. Motions

To receive any motions from Councillors in accordance with Standing Order 16. 423 - 424

One motion was received (as attached)

19. General questions

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

No general questions had been received.

Minutes of the Council Meeting of Spelthorne Borough Council held in the Council Chamber, Council Offices, Knowle Green, Staines-upon-Thames pm Thursday 12 December 2024 at 7.00pm.

Present:

Councillors:

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

Apologies: Councillors M. Bing Dong, A. Gale and M. Gibson

106/24 Minutes

The minutes of the Council meeting held on 24 October 2024 were agreed as a correct record.

107/24 Disclosures of Interest

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

Councillor Nichols and the Chief Finance Officer advised that they were Board Directors of Knowle Green Estates.

108/24 Announcements from the Mayor

The Mayor made the following announcements:

“Before I read out my normal announcements, I would like to take this opportunity to advise the Chamber that this is the last meeting that the Council’s Interim Monitoring Officer, Karen Limmer will be attending as she retiring at Christmas.

On behalf of the Council I want to say a big thank you for all the hard work she has put in to help us all and wish her all the best in whatever she now plans to do in her retirement.

Before I share the report on my various public engagements over the past two months, I would like to announce that I have already completed half of my mayoral year. I would like to take a moment to reflect on the essence of the role as regards to my civic duties and the responsibilities entrusted to me as your mayor.

Serving as Mayor of Spelthorne is both a honour and a privilege , but it is also a profound responsibility. Beside presiding over council meetings, the role of a Mayor carries the weight of representing the community with dignity and respect. In my capacity as Mayor of Spelthorne, I have been encouraging and fostering an environment of collaboration and shared purpose where every councillor irrespective of their political affinity, every officer whatever their role or position, to represent the borough with pride, to uphold the values we cherish and work together as a team for the betterment of our community.

Looking ahead the remaining half, I reaffirm my commitment to serving with upmost respect, and dedication. I pledge to uphold the highest standards of integrity, impartiality and dedication.

This role calls for commitment to our borough and I am proud to present a summary of my main engagements and activities as Mayor of Spelthorne from 25th October to date. These events reflect the vibrancy of our Borough and the dedication of our community members to improving the lives of others.

Before I go through what I have been doing since the last Council meeting, I would like to welcome Annika Ratcliffe from North West Samaritans to the Chamber and let members know of a fantastic initiative from The Samaritans and Men in Sheds. As I am sure we all agree mental health matters and any project that can help residents is always a positive thing. The Samaritans and the Men in Sheds organisation have recently donated a talking bench for Fordbridge Park aimed at combating loneliness among Spelthorne residents. You can see an image of the bench on the screen behind me. The bench was manufactured by Men in Sheds to encourage conversations between strangers, fostering community connections and to support those feeling isolated to improve their mental health and well being. I am sure that the

Chamber will join me in expressing our heartfelt gratitude to both the Samaritans and Men in Sheds for providing such a beautiful bench.

The Key Activities and Highlights are as follows starting with the:

Surrey Poppy launch

I was honoured to join the Lord-Lieutenant of Surrey, who is the Patron of Royal British Legion Surrey to launch the Surrey Poppy Appeal in support of the Royal British Legion for their invaluable work in supporting veterans and their families.

Remembrance Day

Furthermore, we at Spelthorne Borough Council observed the Remembrance Day to honour the service and sacrifices of all those who defended our country during the wars in particular the service man and women from Spelthorne. Services were held across the borough on Sunday 10th November and I participated in a Parade in Stanwell followed by laying of wreaths at the War Memorial to pay our respect and honour those who gave their lives in service to our country. Further to that, I attended the Remembrance Day Service at St Mary's Church conducted by Father John Hillman.

The next day, Monday 11 November, a ceremony was held outside the Council Offices to remember and pay tribute to our war heroes.

Festival of Lights at Stanwell Village Hall

A number community groups in Stanwell joined together to organised a Variety show to celebrate the Festival of Lights at Stanwell Village hall. The event brought about 130 people together to celebrate our diverse cultural heritage in unity. They also raised funds for my nominated charities.

Spelthorne Business Awards 2024

I was proud to honour the hard work, creativity and achievements of our business community at the Spelthorne Business Awards 2024. Finalists from 17 categories of businesses were recognised for their excellence and exceptional achievements. The overall award winner was Mejuicer and I presented them with The Spelthorne Business Awards 2024. This event celebrated the contribution and commitment of our local businesses and recognised their achievements in various categories.

Civic Business Reception marking the 50th Anniversary of Spelthorne Borough Council.

Another business celebration. The Civic Business Reception was held at Eden Grove and hosted by the Berkeley Group, was another resounding success with insightful addresses by our guest speakers. This event celebrated our 50 years anniversary and brought together key businesses

people and other stakeholders from across the Borough highlighting the importance of partnership, regeneration, and community engagement.

Spelthorne in Bloom 2024

Spelthorne has been blooming this year. I observed the contribution of our residents, organisations, schools and businesses whose efforts to transform our borough into a greener and more blooming borough were recognised. The participants were outstanding, they created spaces that not only uplift our streets, parks or gardens but also, enrich the lives of everyone who lives, works, and visits Spelthorne.

Reflection on the Protection of River Thames

I joined Mayors of our neighbouring boroughs to participate in an environment workshop hosted by Royal Borough of Kingston which showcased the work being done to improve River Thames' water quality. It was a good opportunity to reflect on the importance of safeguarding our natural resources for future generations.

Community Visits

As part of my community engagement, I had the opportunity to visit several community groups, namely the Macula Society in Staines and the Spelthorne Veterans, Action for Carers and Shepperton Cancer Patients participation Group. These visits have deepened my understanding of the works they are doing as well as challenges and contributions they make to Spelthorne.

Surrey Poet Laureateship

We have lot of talents in Spelthorne and I was thrilled to attend the end of year showcase organised by Surrey Poet Laureateship to celebrate the creativity and artistic expression of our poets in Spelthorne. They have done a fantastic work by creating a platform and bringing together writers, readers, and poem lovers to explore their crafts and share their words with a wider audience. I was impressed by their commitment to promoting arts and culture across Spelthorne and Surrey.

Art Exhibition by Daphne Clement

It was a pleasure to visit the art exhibition hosted by a talented local artist, Daphne Clement in Shepperton, where I discovered her remarkable works of art, and her amazing paintings deserved all our appreciation and encouragement.

Recognising our young people

I was proud to recognised and celebrate our young generation. I awarded certificates and badges at the annual award ceremony at the 398 Egham & Staines Squadron RAF Air Cadets and students at Philip Southcote School.

Their achievements and dedication are a source of immense pride for Spelthorne.

Awards to our dedicated residents/organisations

I had the honour of celebrating the award of British Empire Medal granted by His Majesty the King to one of our remarkable residents of Spelthorne namely Eric Champion, for his longstanding dedication to Arts and Culture in the community; and also we were proud for two other organisations obtaining the King's Award for Voluntary Service 2024 namely Spelthorne Litter Pickers, for their tireless environmental efforts; and The Revelries, for their cultural contributions.

Christmas Events

The festive season have started and I would like to remind everyone that Christmas is a time of joy and celebration and forgiveness. I participated in a number of events across the borough namely: Christmas service at Salvation Army, Stanwell parade and Christmas Lighting in Stanwell, I joined the residents to at Greeno Centre to celebrate Christmas and had the pleasure of attending a Christmas show by performed by the talented students of Staines Preparatory School. All were great celebrations, and I thanked everyone for their contributions to spreading joy and cheerfulness in the borough.

Fundraising for Charities

Beyond ceremonies and public engagements, I have been championing the causes of our four chosen charities and I am raising funds to support them to continue helping the community.

Conclusion

To conclude, the past three months has been a period of vibrant engagement and impactful initiatives in Spelthorne. As Mayor, I am committed to continue representing and celebrating the people of our Borough, ensuring that our community spirit grows stronger and together we'll make Spelthorne the best place to live.

109/24 Announcements from the Leader and Deputy Leader

The Leader made the following announcements:

“Earlier today The Mayor of Spelthorne and I attended the unveiling of the Five Swimmers statute. After looking at all the options, it was agreed that the sculpture's new home would be in the public community gardens at in Eden Grove in Staines upon Thames. It was so wonderful to see it back to its former glory and speaking to residents tonight at the ceremony I know so

many are happy to have it out for storage and in a location where the community can enjoy.

We are dedicated to safeguarding the wellbeing of our residents and are consulting on a proposed Public Space Protection Order to curb antisocial behaviour. The survey is open until 15 December, please take part and share your views.

We can formally announce that public hearing dates for the Local Plan examination have been set. The hearings, which will take place in January and February here in this chamber, represent a positive step toward the adoption of the Local Plan. We know the Local Plan will bring many benefits and protections to Spelthorne and we look forward to having it adopted so we can move onto the 'delivery phase' of the Plan to the benefit of our communities.

Six Acer trees have been planted in the Borough as part of this year's celebrations for the Council's 50th anniversary. They are beautiful eye-catching trees, and their golden colour is very appropriate for our 50th year. I am sure they will bring a lot of pleasure to residents for decades to come.

We are delighted that responsibility for grass verge maintenance will return to Spelthorne from Surrey County Council from spring next year. We have been lobbying to get back responsibility for this area as many residents have been unhappy with the service levels under Surrey, and we're thrilled that, from next spring, we'll be able to reinstate the service that residents expect and deserve.

Earlier this year a competition was held with local schools to design new posters to promote keeping this Borough clean and safe. Over 100 entrants were received and we featured many of the drawings in the sprint Bulletin. I am really pleased to say these have now been turned into banners and signs which are being installed in our parks, streets and hotspots to help us tackle issues including graffiti, dog fouling, speeding and littering. I would like to express my thanks to all the school children who participated in this initiative, and I am sure you will all agree that they look great!

I am very proud of everything that we have achieved together in 2024 and would also like to thank all the staff and councillors at Spelthorne for their hard work and commitment this year. And finally, if I can take this opportunity to thank our residents for all their support, particularly the volunteers who have given their time to help others and create the community spirit which Spelthorne is known for. I wish you all a very merry Christmas and a prosperous and healthy 2025.

The Deputy Leader made the following announcements:

I'm proud to highlight two local groups honoured with The King's Award for Voluntary Service. Spelthorne Litter Pickers, with their hundreds of dedicated volunteers, who keep our borough clean and vibrant, and the Revelaires who bring musical joy to care homes and day centres across Surrey, providing a

lifeline to those unable to enjoy live performances. Congratulations and heartfelt thanks to both groups for their outstanding contributions.

We have launched a consultation on our approach to housing, homelessness, and rough sleeping in Spelthorne, focusing on access to affordable homes, preventing homelessness, and strengthening support services. This consultation runs until 19 January, and we encourage everyone to have their say.

Applications are open for Community Infrastructure Levy funding to support local development projects. Past grants have funded playgrounds, community building upgrades, and CCTV investments. The deadline to apply is the end of March 2024.

At the Audit Committee at the start of the month we welcomed measures from the Government and National Audit Office to address the backlog of local authority external audits. These reforms will help ease the strain on councils and auditors”.

110/24 Announcements from the Chief Executive

The Chief Executive Officer made the following announcements:

“Spelthorne has received the best score ever recorded by any council on how satisfied staff feel with their ‘employment deal’ - the balance between corporate support and employee empowerment to deliver their responsibilities - since the LGA / Kinetiq started the survey in 2012.

The staff survey was also conducted alongside a resident’s survey which attracted over 1,700 responses. Spelthorne scored particularly well corporately in relation to service delivery, value for money, trust, keeping residents informed and acting on residents’ views.

I would like to thank colleagues here at the Council whose hard work, professionalism and drive to deliver excellent services for residents for that is what is behind our positive results. As a learning organisation, we will also be looking closely at the areas where residents feel there could be further improvements.

Spelthorne is a Council that cares for its residents, and I want to recognise and thank you Mr Mayor and Councillors across this chamber for their continued support in driving forward and delivering services that are making a real difference to residents across the Borough.

Constantly developing, adapting and transforming itself, Spelthorne Borough Council focuses on the needs and aspirations of its members and residents, by learning together for the betterment of the whole Borough.

Thank you Mr Mayor”

111/24 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.

112/24 Appointment of an Independent Member of the Commercial Assets Sub-Committee

The Council **resolved** to approve the appointment of Mark Bunney as the Independent Member of the Commercial Assets Sub-Committee.

113/24 Appointment of Interim Monitoring Officer

Council **resolved** to approve:

1. To designate Linda Heron as Interim Monitoring Officer from 01 January 2025 for a maximum of 6 months, to be reviewed after 3 months, while a permanent Monitoring Officer and Head of Corporate Governance is recruited and appointed,
2. To delegate authority to the Chief Executive to make the Interim Monitoring Officer the Interim Head of Corporate Governance as well, for a maximum of 6 months while a permanent Monitoring Officer and Head of Corporate Governance is recruited and appointed; and
3. To note that Article 10.1 of the Constitution provides that it is the responsibility of the Council to designate the Monitoring Officer.

114/24 Council Land and Property Disposals

Council **resolved** to:

1. Approve the progress of an assets disposals programme of Council owned land and property in order to generate capital receipts; and
2. Not approve the disposal of Ashford Victory Place in Ashford to the preferred bidders as per the recommendation from the Business, Infrastructure and Growth Committee.

115/24 Replacement of Mechanical & Electrical Plant at Sunbury Leisure Centre

Council **resolved** to:

1. Approve a net budget of up to £739,000 to undertake improvement Mechanical and Electrical Plant replacement works at Sunbury Leisure Centre,

2. Approve a contingency budget in the amount that equals 10% of the total project cost (shown in Appendix 1),
3. Delegate authority to the Group Head of Assets in consultation with the Chair and Vice Chair of Corporate Policy & Resources Committee to agree requests for expenditure for the contingency budget,
4. Delegate authority to the Group Head of Assets in consultation with the Chair and Vice-Chair of Corporate Policy & Resources Committee to appoint the preferred bidder as set out in this report to undertake the Mechanical and Electrical Plant works; and
5. Delegate authority to the Group Head of Corporate Governance to enter into necessary legal documentation to formalise the appointment of a Contractor.

116/24 Amendments to the Constitution

Council **resolved** to approve the proposed changes to the Constitution as set out in Appendix 1 of the report.

117/24 Motions

In accordance with Standing Order 16 the Council received one written Notice of Motions but this was withdrawn prior to the commencement of the meeting so was not considered at the meeting.

118/24 General questions

The Mayor reported that one general question had been received, in accordance with Standing Order 15, from Councillor Saliagopoulos as follows:

Five Swimmers Statue by David Wynn

Whilst it is appreciated that the decision to give this Statue to a local Developer has already been made. Its route was through Committee and there we go. Staines Town elected Councillors seem happy to hand it over without an argument and without consulting the residents of Staines.

I was recently invited to its "unveiling" by the Managing Director of the Developer - at their multi storey new high rise building which I declined. He wrote to me to say that "the people will be able to use this as a public space". Really? So that means people can go around the proposed quadrant freely whenever they want and it's a walk from the High Street? I wonder if the new residents of these high rise flats will be aware of this? According to a specialist website I have seen, the Statue was sold in July 2024? Can the people of Staines be assured that this is NOT the case? The Statue is very valuable and should be insured for some £400,000 or so. Can this Council be assured that as and when it is decided, by this Council on behalf of the people

of this borough, the Statue will be placed back in a public space where it belongs. Might I also say that had you asked the residents they may well have come up with a better idea than this. £90 thousand pounds to relocate and embed the Statue? I am sure we would have plenty of ideas where this sort of saving could be made, in order to pay for the Statute ourselves.

It's unknown that a public piece of Art has been gifted to a contentious developer within the confines of its Town.

Again, may the people of Staines be assured that they can reclaim the Statue when a suitable site has been identified?

The Leader gave the following response:

Matters relating to the Five Swimmers Statue were considered at length at the Corporate Policy and Resources Committee meeting on 9 September 2024 under agenda item 13; the accompanying exempt report and appendices provide all relevant details.

Briefly in response to the points raised:

- Five Swimmers Statue has been loaned to Berkley Homes by way of an art loan agreement for public display only
- The statute has not been sold, gifted or given to Berkeley Homes
- The statue is located in part of the development which can be accessed by the public
- The future location of the statute will be considered when the agreement with Berkley Homes comes to an end"

119/24 Reports from the Committee Chairs

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

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

120/24 Exclusion of Public & Press (Exempt Business)

It was proposed by Cllr Bateson and seconded by Cllr Sexton to move the exclusion of the Press/Public for the following item as they contained 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.

121/24 Solar Canopies Over 'Eclipse' Leisure Centre Car Park

It was proposed by Councillor Beecher and seconded by Councillor Sexton that an additional recommendation be added as follows:

The Climate Change Working Group oversee the project and provide regular updates to the Environment and Sustainability Committee.

Council **resolved** to agree:

1. The recommended tender option be approved,
2. The Council enter into a contract (subject to the required standstill period) with Bidder A,
3. Delegated authority be given to the Group Head of Corporate Governance to enter into the contract and any other associated documentation in connection with the solar car park project; and
4. A supplementary capital estimate of £1.32m for the current year 2024/25.
5. That the Climate Change Working Group oversee the project and provide regular updates to the Environment and Sustainability Committee.

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**Minutes of the Council
6 February 2025**

Present:

Councillors:

M. Buck	J. Button	M.J. Lee
J.T.F. Doran	J.P. Caplin	S.C. Mooney
M.M. Attewell	D.C. Clarke	L. E. Nichols
C. Bateson	S.M. Doran	K.E. Rutherford
S.N. Beatty	S.A. Dunn	D. Saliagopoulos
M. Beecher	R.V. Geach	J.R. Sexton
S. Bhadye	D.L. Geraci	B. Weerasinghe
H.S. Boparai	M. Gibson	H.R.D. Williams
L.H. Brennan	K.M. Grant	P.N. Woodward
T. Burrell	S. Gyawali	
J.R. Boughtflower	K. Howkins	

Apologies: Councillors M. Arnold, M. Bing Dong, R. Chandler, A. Gale, N. Islam, O. Rybinski and J.A. Turner

122/25 Disclosures of Interest

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

The Interim Monitoring Officer made the following statement:

“Having considered the subject matter being discussed this evening, I am satisfied that on this occasion Surrey County Councillors are not prevented from taking part in the debate and voting.”

123/25 Local Government Reorganisation

The Leader made the following announcement:

“The English Devolution White Paper sets out the Government’s policy for devolution and local government reorganisation. This Government’s stated long-term vision is for simpler structures, making it clearer for residents who they should look to on local issues, with more strategic decisions to unlock growth and to deliver better services for local communities.

On 16 December 2024, the Minister for Local Government wrote to all councils in two-tier areas to set out plans for a joint programme of devolution coupled with local government reorganisation. Yesterday afternoon, we received confirmation from the Government that Surrey is to be in the first wave of local government reorganisation and that County elections planned for May 2025 will be postponed. All Surrey Councils now recognise that there is an inevitability that within a couple of years, unitarization will take place.

That will mean that all Surrey Council’s will be amalgamated into a yet to be agreed unitary configuration of 1, 2 or 3 new authorities. This is by far the biggest reorganisation local government has undergone in the last 50 years and will mean that Spelthorne Borough Council as a sovereign authority will no longer exist within three years.

The Government has set an ambitious timetable for both devolution and local reorganisation, though it is for local areas to self-organise and to agree what shape unitarization should take. That is why a pan-County Steering Group made up of Leaders has been meeting weekly to agree and coordinate that transition.

However, note that from intelligence gained at the Steering Group, government will not accept a request by Spelthorne or other Surrey Councils on the borders of London to join with any London Boroughs. Any unitary configuration will be composed of an amalgam of existing Surrey Councils only.

To ensure that I as Leader of Spelthorne have the democratic mandate to represent the wishes of all Members in this Chamber, I called for this ECM to take place so that we could debate and agree on what optimum configuration of new unitary authority would best serve the interests of our residents going forward.

Tonight, within the context of Local Government Reorganisation, Council is asked to:

1. Agree the preferred optimum number of proposed new unitary authorities in Surrey
2. Agree the preferred configuration for a potential two new unitary configuration for Surrey

3. Agree the preferred configuration for a potential three new unitary configuration for Surrey

4. Agree Terms of Reference for the proposed cross--chamber Spelthorne Reorganisation Board”

124/25 Preferred Optimum Number of Unitary Authorities

Council discussed the optimum number of Unitary Authorities that they would like to see put in place instead of the current 11 District and Borough Councils and Surrey County Council.

Council **resolved** that the preferred optimum number of Unitary Authorities was three.

125/25 Preferred Two Unitary Authorities Configuration

Council considered the report produced by KPMG and the options outlined in their report if the decision made by Government was for two Unitary Authorities (2a or 2b).

A named vote was requested.

Option 2a	Councillors Brennan and Clarke – 2 votes
Option 2b	Councillors J Doran, Bateson, Beatty, Beecher, Burrell, Button, Caplin, S Doran, Geach, Geraci, Gibson, Nichols, Rutherford, Sexton – 14 votes
Abstain	Councillors Buck, Attewell, Bhadye, Boparai. Boughtflower, Dunn, Grant, Gyawali, Howkins, Lee, Mooney, Saliagopoulos, Weerasinghe, Williams, Woodward – 15 votes

Council **resolved** that Option 2b was the preferred option if the Government decided that there would be two Unitary Authorities.

126/25 Preferred Three Unitary Authorities Configuration

Council considered the report produced by KPMG and the options outlined in their report if the decision made by Government was for three Unitary Authorities (3C, 3F or 3G).

A named vote was requested.

Option 3C	Councillors Brennan and Nichols – 2 votes
Option 3F	No Votes
Option 3G	Councillors Buck, J Doran, Bateson, Beatty, Beecher,

	Burrell, Button, Caplin, S Doran, Dunn, Geach, Geraci, Gibson, Grant, Gyawali, Rutherford, Sexton – 17 votes
Abstain	Councillors Attewell, Bhadye, Boparai, Boughtflower, Clarke, Howkins, Lee, Mooney, Saliagopoulos, Weerasinghe, Williams, Woodward – 12 votes

Council **resolved** that Option 3G was the preferred option if the Government decided that there would be three Unitary Authorities.

127/25 Terms of Reference for the Reorganisation Board

Council asked that the first objective be amended to remove the words 'decision making' and that the word 'Spelthorne' was placed in front of 'Programme Sponsor (Daniel Mouawad)' in Section 6 of the report.

Council **resolved** to agree the Terms of Reference for the Reorganisation Board subject to the proposed amendments

Council Meeting 27 February 2025

Pay Policy Statement 2025/26

This item was considered at the meeting of the Corporate Policy & Resources Committee on Monday 10 February 2025.

The Committee **resolved** to make a recommendation to Council that it approves the Pay Policy Statement for 2025/26.

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Corporate Policy and Resources Committee



10 February 2025

Title	Pay Policy Statement 2025/26
Purpose of the report	To make a recommendation to Policy and Resources Committee/Council
Report Author	Debbie O’Sullivan/Angela Tooth, Human Resources Manager
Ward(s) Affected	Not applicable
Exempt	No
Exemption Reason	Not applicable
Corporate Priority	This item is not in the current list of Corporate Priorities but still requires a Committee/Council decision
Recommendations	Committee is asked to: Recommend to Council that the Pay Policy Statement is approved.
Reason for Recommendation	The Pay Policy Statement must be agreed by full Council and be published by 31 March each year.

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> Annual Pay Policy to be published to enable payments to be made for the next financial year 2025/2026. 	<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 2025/26 is in the **Appendix 1**. It is proposed that the Council resolves to approve the Pay Policy Statement for 2025/26.
- 3.2 There are no options as it is a statutory requirement that the Pay Policy Statement for 2025/26 is published by 31 March 2025.

4. Financial implications

- 4.1 No direct financial implications to the Pay Policy Statement 2025/26. 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 2025/26 financial year must be agreed by Council by 31 March 2025 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 2025/26

Appendix 2: Discretions Policy

Pay Policy Statement for 2025-26

Spelthorne Borough Council

Pay Policy Statement 2025-26

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 2025-26

- 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

Joint Financial Services Manager (Spelthorne & Mole Valley)
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

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.

2.4 Lowest paid employees

Pay Policy Statement for 2025-26

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 59 posts, 12.9% 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 UNISON and Spelthorne. The Pay award is decided by full Council as

Pay Policy Statement for 2025-26

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.

Essential user and casual user car allowances are payable where staff are required to use their own vehicles for council business. A non-

Pay Policy Statement for 2025-26

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 £17,600 to 12.5% for pensionable pay above £199,701 (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 £1,485,000 in 2023-24). The past service contribution in 2024-25 was £1,246,000; and is anticipated to remain at £1,246,000 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. Currently the Surrey Pension Fund is in surplus and employers are being advised that it is not anticipated that rates will rise for 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 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

Pay Policy Statement for 2025-26

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.

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.

Pay Policy Statement for 2025-26

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	£121,439	£136,665
Deputy Chief Executives	£97,545	£109,726
Group Head Corporate Governance	£80,679	£87,685
Legal Services Manager and Deputy Monitoring Officer	£53,745	£67,954
Joint Financial Services Manager (shared post)	£59,453	63,372
Chief Accountant	£80,689	£80,689
Group Heads	£80,689	£87,685
Head of Communications and Customer Experience	£59,453	£63,372

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).

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

Pay Policy Statement for 2025-26

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

4.6 Bonuses for chief officers

Pay Policy Statement for 2025-26

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 £22,718 to £23,645 per annum (to be uplifted by 2.8% as part of 2 year) 2025/2026 local pay award from April 2025).

The pay rate at the bottom of scale 1 is £12.10 per hour (to be uplifted to £12.44 with effect from 1 April 2025) compared to the national minimum wage of £11.44 per hour (National Minimum Wage rate from 1 April 2024 for workers aged 21 and over. The current rate for 18-20 year olds is £8.60 per hour. This rate will be uplifted from April 2025 to

Pay Policy Statement for 2025-26

£12.21 per hour for workers aged 21 and over, £10.00 per hour for workers aged 18-20.

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 2025 will be £7.55 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 1:6
The lowest salary rate is £22,718, the top of the Chief Executive's salary scale is £136,665 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 1:5.05

The ratio between the mean average earnings across the organisation and the taxable pay of the highest paid employee (the Chief Executive) is 1:3.87

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.

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

Pay Policy Statement for 2025-26

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 2025

Appendix 2 Discretions Policy

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Appendix 2
Discretions Policy

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 £700 from 6 April 2024). 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 27 February 2025

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Council



27 February 2025

Title	Capital Strategy 2025/26 – 2026/27
Purpose of the report	To make a decision
Report Author	Mahmud Rogers, Joint Financial Services Manager
Ward(s) Affected	All Wards
Exempt	No
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	Council is asked to do the following 1. Approve the Capital Strategy as set out in this report
Reason for Recommendation	<p>The Council is required by law to approve before start of each financial year a Capital Strategy setting out its approach to identifying needs for capital expenditure, managing capital expenditure, financing it, and managing risks associated with delivering capital objectives.</p> <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> <p>Whilst potentially as a result of Local Government Reorganisation the Council may cease to exist in two to three years’ time, it has a responsibility to plan for business as usual in the meantime</p>

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 and therefore Council decided to suspend delivery of affordable housing projects.</p>	<p>Take a view of the proposed Capital Strategy, which is based on the guidance from Chartered Institute of public Finance (CIPFA)</p> <p>Scrutinise the report, make recommendations, questioning the officers where appropriate.</p> <p>Having 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	These are the next Steps
<p>Council asked to review and approve 2025/26 Capital Strategy as set out in the report and appendices</p>	<p>As a part of producing the balanced Budget Capital strategy is an important piece in the Budget setting process. To fulfil the Council's strategic objective Council is asked to review and approve the strategy</p>

1. Executive Summary

- 1.1 The report sets out the Council's Capital Strategy for 2025/26 - 2028/29
- 1.2 The proposed Capital Programme as detailed in Appendix 1, proposes a gross budget of £18.45m and a net (after considering Disabled Facilities Grant funding) budget of £14.68m.
- 1.3 The Council's long term capital investment is underpinned by the objectives of the Corporate Plan. Capital proposals are considered within the Council's overall medium to long-term priorities, and the preparation of the Capital 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.

- 1.4 In addition to the capital budgets and revenue implications, the report sets out the following:
- i. Policy and contextual background
 - ii. The Council's asset base
 - iii. Delivery Strategies
 - iv. Budget setting and prioritisation
 - v. Governance
 - vi. Key projects and programmes
 - vii. Capital funding
 - viii. Risk management

2. Policy and Contextual background

- 2.1 Spelthorne Borough Council's Corporate Plan provides the starting point for this document, dealing with our five priorities:
- I Community
 - ii Addressing Housing Need
 - iii Resilience
 - iv Environment
 - v Services
- 2.2 The Capital Strategy plays a major part in supporting the delivery of these plans.
- 2.3 In 2016, 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
 - Support the regeneration and transformation of the Borough
 - Deliver much needed affordable housing for our residents and families in the Borough
- as part of investing for the future success and wellbeing of the population, and all its stakeholders in Spelthorne.
- 2.4 In 2018 the Council ceased to acquire investment assets. For the period 2019-2023 the Council had aspirations to directly deliver housing which met the needs of its residents, through developing schemes and transferring completed schemes to its wholly owned housing company Knowle Green Estates. In October 2023 the Council took the decision to step back from seeking to directly deliver housing outcomes. Subsequently it has approved a Development Delivery Strategy which seeks to achieve housing outcomes on sites currently owned by the Council through Joint Ventures and disposals. This means that moving forwards, particularly once Phase 2 of the Eclipse Leisure Centre is completed, the scale of Capital Programme expenditure will be significantly reduced compared to the period 2016 to 2023.

- 2.5 As at the 31 March 2024 the draft unaudited accounts for 2023-24 show that the Council had total assets with a net book value as shown in the table below:

Asset type	£000
Land & Buildings - Municipal	81,697
Vehicles Plant & Equipment	2,205
Community Assets	180
Assets under Construction	97,676
Right to Use Assets	2,138
Investment Property	603,000
Intangibles	568
Total	787,464

All the land and building acquisition costs together with all design and construction expenditure incurred prior to completion of the premises are included in the above table and will move into the appropriate category once the project is completed.

- 2.6 **Right to use assets** in the table above are assets representing leases. They are recognised by the lessee (Spelthorne) at the commencement date of the lease, along with lease liability. The Council has a planned maintenance budget for the leased vehicles that make up this category.

Key projects

- 2.7 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:
- 2.8 A key policy driver for the Capital Strategy is investment in measures designed to minimise climate change emissions. With the Capital Programme the bulk of the Capital Programme moving forwards relates to Eclipse Leisure Centre Phase 2 including installing solar Canopy for Eclipse Leisure Centre Car Park, as well as £3m investment in carbon reduction initiatives across the municipal portfolio,
- 2.9 Additionally, the Council will seek
- i. Continued investment in municipal infrastructure, such as local parks.
 - ii. An ongoing investment in digital transformation, where we aim to utilise technology to continue to deliver efficient, good quality services and produce cashable savings which will support the Council's transformation objectives.
- 2.10 Our Capital Programme's delivery objectives continue to take place against a background of financial challenges. The potential impact of the Local Government Funding Review 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.

- 2.11 It is therefore vital that the Council's Capital Strategy delivers a return on investment that is financial, such as capital receipts or new revenue streams, or delivers key strategic priorities.
- 2.12 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.
- 2.13 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.
- 2.14 The Strategy is currently set over four years on a business-as-usual basis. Once Local Government Reorganisation timescales are confirmed this will have a significant impact on the timeframes of this Strategy, shortening the time horizon of the Strategy.

3. Our delivery strategies

- 3.1 The Council's Capital Programme is categorised into two key areas:
 - i. Efficiency £4.2m (Solar Canopy, Carbon Reduction and Electric Van)
 - ii. Operational £11.5m

Efficiency	Operational
<ul style="list-style-type: none"> • Produce ongoing revenue savings and additional income • Digital transformation enabling residents to have better access services and deliver efficiencies 	<ul style="list-style-type: none"> • Reduce running costs • Greener outcomes • Rationalise property portfolio

4. Strategic Investment Acquisition

- 4.1 The Council has completed its Strategic Investment Acquisitions programme, and the income generated from these properties is enabling the Council to:
 - i. Support the delivery of Council frontline services.
 - ii. Support the regeneration and transformation of the Borough
 - iii. Deliver much needed affordable housing for our residents and families in the Borough
 - iv. Put away sufficient funds into our sinking funds to protect the long-term future of the Council, the Borough, and its residents. Having completed a refresh of the Sinking Funds modelling, the Council has identified a need to step up the rate at which it is setting aside funds into the sinking funds earmarked reserves, such that over a five year period to 2031 it will increase the contribution by one million pounds per annum so that by 2031 it will be putting an extra £5m per annum into the sinking funds. This will mean over that time period the net subsidy supporting Council services will reduce from £10m per annum to approx. £5m i.e. it will halve. This will mean a significant need for transformation to be undertaken.

4.2 Local Government in Surrey is facing Reorganisation. Once timescales are confirmed this may require the Council to re-prioritise the projects within the Capital Programme. In the meantime, the Council has a responsibility to continue with medium term financial planning on a business-as-usual basis. This includes a focus on capital projects which will deliver revenue efficiencies and savings.

4.3 The Council continues to face significant housing pressures, particularly for Temporary Accommodation and will continue to pro-actively engage with the Local Authority Housing Fund to explore the potential for capital grant funding to assist with the acquisition of Temporary Accommodation. The Council has registered an expression of interest in Round 3 of the LAHF, but at this stage we have not entered a figure in our draft Capital Programme for 2025-26 as we have no confirmation yet that we will receive an allocation,

5. Asset Management Plan

5.1 The 2025/26 Asset Management Plan for our current property portfolio is available on the Spelthorne Borough Council's website
<https://www.spelthorne.gov.uk/article/19655/asset-management-plan>

6. Knowle Green Estates Ltd (KGE)

6.1 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, has effectively started from scratch.

6.2 The Company has been established to manage each property and is looking at a 50-year time horizon for its properties. In 2024-25 with the assistance of Local Authority Housing Fund (LAHF) capital grant (covering 40% of the cost) KGE acquired 60 additional units, mainly Temporary Accommodation units. KGE will pay the Council interest on loans financing the acquisition of units which equates to £1.5m in 2025-26 and will make annual principal repayments to the Council. These repayments will be treated as capital receipts and can then be used to finance other Council capital expenditure.

6.3 Affordable Housing tenants will include:

- i. Key workers, nurses, police, and teachers
- ii. Younger residents
- iii. The elderly and vulnerable
- iv. Temporary accommodation units
- v. Afghan and Ukrainian resettlement families

6.4 There is a small number (11) of private rental tenants with KGE's portfolio

6.5 The Council introduced a new Componentisation Policy, in accordance with the CIPFA accounting code, to use different rates of depreciation for each component of the building, e.g., land at 0% and roof 4%, which reflects the different useful economic lives of each component part of the building.

6.6 The 50-year projections indicate that KGE will be able to provide revenue contributions in the form of interest payments (2025-26 £1.5m) 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.

7. Efficiency

- 7.1 The £4.2m 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.

8. Operational

- 8.1 The Council's operational Capital Strategy amounting to £11.5m is centred on capital improvement works to the Council's operational asset portfolio. This falls into two main categories:
- i. Infrastructure, this includes new flood defences along the River Thames, (£1.3m), replacement refuse vehicles (£1.0m)
- 8.2 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.
- 8.3 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, essentially spending now to save money in the future. As well as our municipal buildings, we have other operational assets, including vehicles, plant, and equipment.
- 8.4 The Council has a scheduled programme of condition surveys which ensures the Council's operational estate is fit for purpose.

9. Governance

- 9.1 The main forum for reviewing all financial aspects of the Capital Programme is the Corporate Policy and Resources Committee who will make recommendations to Council.
- 9.2 The Commercial Assets Sub-Committee looks after the Council's investment, properties and makes recommendations to the Corporate Policy and Resources Committee.
- 9.3 The Corporate Policy and 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.
- 9.4 All business cases will require approval by Corporate Policy and 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 and Resources Committee approval and will align to the business case stage the project is at.
- 9.5 Assessment of the business cases will ensure that all aspects of a potential scheme 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.

10. Capital Funding

10.1 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.

10.2 The key sources of funding for the Council are:

- i. Grants (including Disabled Facilities Grant and Local Authority Housing Funds)
- ii. Contributions
- iii. Section 106 Receipts / Community Infrastructure Levy
- iv. Capital Receipts (including from principal repayments received)
- v. Direct Revenue Funding

10.3 **Virement:** Going forward council will not allow any capital virement from the projects which are not going ahead or from any under spent projects

10.4 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 Local Authority Housing Fund (LAHF), and Homes England grants. We have received some grant funding to support some carbon reduction initiatives at Sunbury Leisure Centre.

10.5 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.

10.6 Community Infrastructure Levy/ Section 106 Receipts.

10.7 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 an appropriate Committee of the Council.

10.8 Strategic and Local CIL funding has to be bid for on an annual basis. Bidding can be from local authorities, the police, the NHS, education providers and community/voluntary groups. Decisions on local CIL are made by the CIL board, and Strategic CIL by the E&S committee. Successful bids focus on delivering infrastructure or community projects to benefit the borough. Where practical Council should utilise this resource to fund the Capital Programme.

- 10.9 Section 106 agreements and receipts must be used for specific projects and outcomes connected to a planning proposal. These sums cannot be used for alternative purposes and have to be spent within a set period of time (usually a number of years).
- 10.10 **Capital Receipts**
- 10.11 Capital receipts are generated from the sale of non-current assets (i.e., strips of land), and apart from special circumstances, can only be used to fund the Capital Programme.
- 10.12 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.
- 10.13 Under the approved Development Delivery Strategy, the Council will be looking to make disposals of some its housing/regeneration sites which will generate capital receipts which can then be used either to pay off debt (particularly whilst the Council can access significant discounts when repaying early Public Works Loan Board debt) or to finance capital expenditure.
- 10.14 The Council as part of its Investment Assets Management Strategy maintains and regularly reviews exit strategies for all its investment assets.
- 10.15 **Direct Revenue Financing**
- 10.16 The Council, can, if it chooses to, fund capital expenditure via its revenue budget. Currently it is making Revenue Contributions to Capital of £750k per annum. 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.
- 10.17 **Borrowing** - Borrowing can take the form of internal or external borrowing.
- 10.18 **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. In October 2024 the Council made the decision that rather use further external borrowing to finance the balance of the new Eclipse Leisure Centre it would draw down its medium-term pooled investment funds.
- 10.19 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. Moving forwards the Council will be paying down its external debt steadily on a year-by-year basis.
- 10.20 **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 a long-term loan at end of January 2025 was approximately 6%.

- 10.21 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.
- 10.22 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 2024 was £1,157m
- 10.23 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 Medium Term Financial Plan (MFTP). 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.

11. Capital Programme Funding: 2025/26 to 2028/29

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

Type of Funding	2025/26 Estimated £000s	2026/27 Estimated £000s	2027/28 Estimated £000s	2028/29 Estimated £000s	Total Estimated £000s
Capital Receipts, CIL and S106 funding and grant	7,469	5,105	4,325	1,554	18,453
Total	7,469	5,105	4,325	1,554	18,453

12. Revenue implications of the Capital Programme

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

	2025/26 Estimated £000s	2026/27 Estimated £000s	2027/28 Estimated £000s	2028/29 Estimated £000s	Total Estimated £000s
Capital Financing Costs	39,336	39,971	40,036	40,095	159,440
Commercial Income	(49,065)	(53,465)	(51,592)	(51,110)	(205,232)
Sinking fund net contributions to/(from) reserves	(5,747)	(770)	1,456	(2,349)	(7,410)

- 12.2 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.

- 12.3 Over the 5-year Capital Programme it is currently estimated that the Council will incur net financial income, through its revenue budget of £77m. This is made up of (£205m) of commercial income fewer financing costs (including MRP) of £162m.

13. Minimum Revenue Provision (MRP)

- 13.1 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. MRP replaces other capital charges (e.g., depreciation) in the statement of accounts and has an impact on the council's bottom line.
- 13.2 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.
- 13.3 The Council will continue to balance the use of capital receipts, internal borrowing, and external borrowing to ensure the most efficient use of resources, including the need to fund MRP.

14. Risk Management

Major capital projects require careful management to mitigate the potential risks that can arise. The effective monitoring, management and mitigation of these risks is a key part of managing the capital strategy.

Delivery Risk

- 14.1 In the face of a number of challenges including Reorganisation, there is a risk that the Council's capacity to deliver all of the projects in the Capital Programme may be adversely impacted. One risk in the fact of Reorganisation will be the challenge of retaining staff when the organisation is aware that Reorganisation will happen.

14.2 General Risks

- i. 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:
- ii. Risk of failure to achieve objectives due to inadequate resources – the wide range of objectives the Council seeks to achieve requires significant resourcing to manage and implement. It takes time to recruit and train officers to lead and oversee projects. Prioritisation is required to ensure that key projects are successfully completed in the appropriate timeframe. Failure to appropriately prioritise projects may result in both wasted resources pursuing projects which should not have been priorities, and delays to projects which should have been identified as key to success.

14.3 Interest Rate Risk

- 14.4 The Council is taking on less or no borrowing from external sources as the Council has redeemed the pooled fund investments to fund the future Capital Programme to avoid the interest rate risk and over borrowing.
- i. The Council will opt for fixed interest borrowing, if necessary, that matches the useful life of the asset, for purchases of land and buildings (currently this is 50 years) and we are currently able to obtain a rate of 5.95% through PWLB.
 - ii. 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.

- 14.5 **Inflation Risk** – High inflation rates can impact a capital scheme if there are delays to the purchase or construction work associated with the scheme, resulting in increases in prices after the budgets have been set. Conversely, investment in property helps mitigate against inflation risks in relation to cash savings, which are more adversely impacted by increases in general inflation.

14.6 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.

14.7 Commercial Risks

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

14.8 Supplier Financial Stability

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

14.9 Transfer Risk

- i. When the Council plans and delivers 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.
- ii. 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.
- iii. 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.

14.10 Project Risks

This 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:

Project Risks

- i. Projects are required to maintain a risk register, to ensure effective monitoring.
- ii. **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.
- iii. **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.
- iv. **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.

14.11 The Council has an on-going Capital Programme and will continue to invest in capital projects beyond 2025/26 and will therefore need to ensure that funds are set aside for the future cost of borrowing.

Options

14.12 **Option 1** (Preferred) approve this Capital Strategy, in line with the statutory requirement to have a Capital Strategy approved ahead of the start of the financial year.

14.13 **Option 2**, make recommendations for amendments to the draft Capital Strategy.

14.14 **Option 3**, not recommended, do not accept the Capital Strategy. The Council is required to have a Capital Strategy in place.

15. Financial implications

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

16. Legal considerations

16.1 Part 1 of the Local Government Act 2003 sets out requirements in relation to capital finance. The associated regulations (The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003) require the Council to give regard to the CIPFA Prudential Code for Capital Finance in Local Authorities (the Code”) when carrying out its duties under Part 1 of the Local Government Act 2003.

16.2 The Code requires the Council to prepare a Capital Strategy.

16.3 This report has been prepared in accordance with the statutory requirements.

17. Equality and Diversity

17.1 The Capital Programme impacts on all residents across the Borough. The Disabled Facilities Grants programme assists vulnerable people to continue to live independently in their homes and communities.

17.2 The Capital Strategy will need to be approved by Council on 27th February and can then be issued immediately thereafter.

18. Contact

Mahmud Rogers, Joint Financial Services Manager M.Rogers@spelthorne.gov.uk

Background papers: as presented at previous or current meeting(s)
2025/26 to 2028/29 Capital Programme

Appendices:

A – 2025/26 to 2028/29 Capital Programme.

CAPITAL PROGRAMME 2025/26 to 2028/29							Appendix A
Committee / Service Head	Spelthorne Capital Programme 2024-25 to 2027-28	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29	Total for 4 Years	
		£000s	£000s	£000s	£000s	£000s	
Community Wellbeing & Housing- DFG							
Karen Sinclair	Disabled Facilities Mandatory (Growth funded by grant)	943	943	943	943	3,772	
Karen Sinclair	Disabled Facilities Discretion (removed due to lack of grant)						
Karen Sinclair	Grants received from Central Government (Growth funded by grant)	-943	-943	-943	-943	-3,772	
	Committee Total	0	0	0	0	0	
Environment & Sustainability							
Jackie Taylor	Wheelee Bins	55				55	
Jackie Taylor	Garden Waste Bins (Growth)	60	60	60	60	240	
Sandy Muirhead	River Thames Scheme			1,300		1,300	
Sandy Muirhead	Carbon reduction initiatives (Slippage)		1,561	1,406		2,967	
Jackie Taylor	Electric Van for Jet (Growth)	180				180	
Jackie Taylor	New Market Stalls (Slippage)		60			60	
Jackie Taylor	Replace 4 remaining Spelride buses for Electric (Slippage)		500			500	
Jackie Taylor	Electric Power Supply enhancement (Slippage)		450			450	
Jackie Taylor	Tractor for parks grass cutting				100	100	
Jackie Taylor	Replacement machinery for parks maintenance (8 ride on mowers) (Growth)	248				248	
Jackie Taylor	Replacement Luton Van (electric) (Growth)			75		75	
Jackie Taylor	Replacement service vehicles for parks (6 25/26 3 28/29) (Growth)				360	360	
Jackie Taylor	Increase Power Supply & Fast Chargers (Growth)		500			500	
Jackie Taylor	Replacement Vans for Car Park officer use (Growth)			70		70	
Jackie Taylor	Replacement Play Area Equipment (Growth)		150			150	
Jackie Taylor	Replacement of Electric Van for Ground Maintenance (3 Vans) (Growth)	105	0			105	
Jackie Taylor	Replacement of Recovery and Service Vehicle (Growth)	38	0			38	
Jackie Taylor	4 Sweeper Vehicles HVO/Diesel (Growth)		80	80	80	240	
Jackie Taylor	HVO/Diesel tanks Depot & Nursery (Growth)	90				90	
	Committee Total	776	3,361	2,991	600	7,728	
Corporate Policy & Resources - Assets							
Coralie Holman	Production of strategy to inform on disposal or redevelopment options (Growth)	50				50	
Coralie Holman	Demolishing of Thameside House (Slippage)	600				600	
Coralie Holman	Demolishing of Kingston Road (Slippage)	100				100	
Coralie Holman	Lammas Recreation Ground (Growth)	200				200	
Coralie Holman	Elmsleigh Centre new lifts (Growth)	252				252	
Coralie Holman	Sunbury MEP(Slippage)	1,000				1,000	
Coralie Holman	Eclipse Leisure Centre(Slippage)	1,730				1,730	
Sandy Muirhead	Solar Canopy (Growth)	1,320	0	0	0	1,320	
	Committee Total	5,252	0	0	0	5,252	
Corporate Policy & Resources - ICT							
Alistair Corkish	General Hardware, Software and Mobiles (Growth)	375				375	
Alistair Corkish	General Hardware - Homeworking Kit (Slippage)	46				46	
Alistair Corkish	General Hardware - Tablets/Mobile (Growth)	21				21	
Alistair Corkish	Service Delivery Hardware Infrastructure (Slippage)		500			500	
Alistair Corkish	Replacement of Access Points (Growth)	21				21	
Alistair Corkish	Members Tablets (Growth)	11	51	11	11	84	
Alistair Corkish	Mobile Phone (Growth)	4		30		34	
Alistair Corkish	Network Infrastructure - Network switches, routers and fire walls are due for replacement (Growth)		250			250	
Alistair Corkish	Network Infrastructure - SAN, backup targets and servers are due for replacement (Growth)			350		350	
Sandy Muirhead	Integration of document viewer in the Customer portal (Growth)	20				20	
	Committee Total	498	801	391	11	1,701	
Total	Total for Other	6,526	4,162	3,382	611	14,681	
	Grand total	6,526	4,162	3,382	611	14,681	
Total Expenditure							
	Total Expenditure	7,469	5,105	4,325	1,554	18,453	
	Less Funding	- 943	- 943	- 943	- 943	- 3,772	
	Net Capital expenditure	£6,526	£4,162	£3,382	£611	£14,681	
Net Capital expenditure split by:							
Investment Properties							
	Regeneration Projects	£776	£3,361	£2,991	£600	£7,728	
	Housing Projects	£5,252	£0	£0	£0	£5,252	
	Service Delivery	£498	£801	£391	£11	£1,701	
	Total	£6,526	£4,162	£3,382	£611	£14,681	
Gross Programme By Committee							
	Community Wellbeing & Housing- DFG	943	943	943	943	3,772	
	Environment & Sustainability	776	3,361	2,991	600	7,728	
	Corporate Policy & Resources - Assets	5,252	0	0	0	5,252	
	Corporate Policy & Resources - ICT	498	801	391	11	1,701	
	Total	7,469	5,105	4,325	1,554	18,453	
Funding By Committee							
	Community Wellbeing & Housing- DFG	-943	-943	-943	-943	-3,772	
	Environment & Sustainability						
	Corporate Policy & Resources - Assets						
	Corporate Policy & Resources - ICT						
	Total	-943	-943	-943	-943	-3,772	

CAPITAL PROGRAMME 2025/26 to 2028/29						Appendix A
Committee / Service Head		Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29	Total for 4 Years
	Spelthorne Capital Programme 2024-25 to 2027-28	£000s	£000s	£000s	£000s	£000s
		Budget 2025/26 £000s	Budget 2026/27 £000s	Budget 2027/28 £000s	Budget 2028/29 £000s	Total for 4 Years £000s
	Net Programme By Committee					
	Community Wellbeing & Housing- DFG					
	Environment & Sustainability	776	3,361	2,991	600	7,728
	Corporate Policy & Resources - Assets	5,252	0	3		5,255
	Corporate Policy & Resources - ICT	498	801	388	11	1,698
	Total	6,526	4,160	3,382	610	14,681
						£000's
	Council's Total Capital Programme for 2025/26					18,453
	Grants					-3,772
	Net Capital Programme to be funded by Capital Receipts, Grants, Revenue Contribution, and Borrowing					14,681

COUNCIL

27th February 2025



Title	Estimated 2025/26 to 2028/29 Capital Programme
Purpose of the report	To make a key decision
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 2025/26 to 2028/29
Reason for Recommendation	As part of the 2025/26 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. 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. It has become more challenging to finance capital expenditure as a result of the recent rises in interest rates.</p>	<p>Scrutinise the report, make recommendations, questioning the officers where appropriate. Having 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 and internal borrowing.</p>	<p>Even though the Capital Estimates are set from 2025/26 to 2028/29 the Capital Programme will be reviewed annually. Council has asked to review and approve the capital estimates which is set out in Appendix A.</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 £18.45m gross and £14.7m net of receipts and grants detailed in Appendix A.
- 1.3 Also included are two estimated multiyear expenditure items for the leasing, and the purchase of, multiple waste vehicles and Garden bins for £448k and £2.9m Carbon Reduction initiatives. 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.
- 1.4 The aggregate estimated Capital Programme attributable to each committee for 2025/26, before funding is applied, is shown in the table below.

	2025/26	2026/27	2027/28	2028/29	Total
	Estimated £m	Estimated £m	Estimated £m	Estimated £m	Estimated £m
Community Wellbeing & Housing- DFG	0.94	0.94	0.94	0.94	3.77
Environment & Sustainability	0.78	3.36	2.99	0.60	7.73
Corporate Policy & Resources - Assets	5.25	0.00	0.00	0.00	5.25
Corporate Policy & Resources - ICT	0.50	0.80	0.39	0.01	1.70
Total before funding	7.47	5.11	4.33	1.55	18.45

- 1.5 Other elements of the Council's Capital Programme include several smaller initiatives to reduce our carbon footprint including utilising the Green Initiatives Fund, the Solar Canopy project in Eclipse Leisure Centre Car Park, Information Technology (IT) projects such as equipment refresh, upgrades to systems and improvements to ways of working which will help facilitate efficiencies.
- 1.6 The majority of our Capital Programme will be funded by capital receipts, capital reserves and capital grants in order to minimise further borrowing from the Public Works Loan Board (PWLB).
- 1.7 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 currently looking to dispose of couple of properties, which means that capital receipts will be available to fund the projects. 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.

2. Operational Boundary

- 2.1 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.
- 2.2 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 £1,170m for 2025/26, through to for 2027/28, as detailed in the Treasury Management Strategy Report.

Authorised Limit

- 2.3 Another key indicator is the Authorised Limit which represents the maximum level of borrowing beyond which further external debt is prohibited, without Council approval.
- 2.4 This is a statutory limit determined under Section 3 (1) of the Local Government Act 2003, and it has been set at £1,270m for 2025/26 through to 2027/28, as detailed in the Treasury Management Strategy Report.
- 2.5 Council will approve the Authorised Limit and Operational Boundary via the Treasury Management Strategy Report.

Estimates of financing costs to net revenue stream

- 2.6 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 1** below.
- 2.7 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.
- 2.8 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:

Table 1 - Financing costs to net revenue stream

	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m
Net Revenue Stream and Investment Portfolio Rent	15.10	18.00	13.40	16.80
Financing costs	39.34	39.97	40.04	40.10
Ratio	2.60	2.22	2.98	2.38

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 25/26 onwards.

	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m
Commercial income	(49.07)	(53.47)	(51.59)	(51.11)
Landlord costs	7.87	7.89	3.71	6.94
Contribution from sinking funds	(6.75)	(1.60)	0.00	(3.20)
Financing costs	39.34	39.97	40.04	40.10
Net income after landlord & financing costs & net contributions to sinking fund	(8.61)	(7.20)	(7.84)	(7.27)

3. Financial implications

- 3.1 The planned financing of the 2025/26 proposed Capital Schemes is as follows in £000s:

Type of Funding	2025/26 Estimated £m	2026/27 Estimated £m	2027/28 Estimated £m	2028/29 Estimated £m	Total Estimated £m
Capital Receipts, CIL, S106 funding and grant	7.47	5.10	4.33	1.55	18.45
Total	7.47	5.10	4.33	1.55	18.45

4. Sustainability/Climate Change Implication

The Council will be investing £4.2m on efficiency, being £2.9m on Carbon Reduction initiatives, and a further £1.3m on the Solar Canopy for the Eclipse Leisure Centre.

Timetable for implementation

- 4.1 Schemes included in the Capital Programme are programmed to commence in 2025/26 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.
- 4.2 Bi-monthly reports are also provided to the Development Subcommittee for discussion and review.

- 4.3 Any schemes incomplete at the end of March 2025 may be incorporated as part of the revised programme for 2025/26.
- 4.4 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 – 2025/26 to 2028/29 Capital Programme.

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CAPITAL PROGRAMME 2025/26 to 2028/29							Appendix A
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Coralie Holman	Eclipse Leisure Centre(Slippage)	1,730				1,730	
Sandy Muirhead	Solar Canopy (Growth)	1,320	0	0	0	1,320	
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	Corporate Policy & Resources - ICT						
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Alistair Corkish	General Hardware - Homeworking Kit (Slippage)	46				46	
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Total	Total for Other	6,526	4,162	3,382	611	14,681	
	Grand total	6,526	4,162	3,382	611	14,681	
	Total Expenditure	7,469	5,105	4,325	1,554	18,453	
	Less Funding	- 943	- 943	- 943	- 943	- 3,772	
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	Net Capital expenditure split by:						
	Investment Properties						
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	Housing Projects	£5,252	£0	£0	£0	£5,252	
	Service Delivery	£498	£801	£391	£11	£1,701	
		£6,526	£4,162	£3,382	£611	£14,681	
	Gross Programme By Committee	Budget 2025/26 £000s	Budget 2026/27 £000s	Budget 2027/28 £000s	Budget 2028/29 £000s	Total for 4 Years £000s	
	Community Wellbeing & Housing- DFG	943	943	943	943	3,772	
	Environment & Sustainability	776	3,361	2,991	600	7,728	
	Corporate Policy & Resources - Assets	5,252	0	0	0	5,252	
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	Environment & Sustainability						
	Corporate Policy & Resources - Assets						
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CAPITAL PROGRAMME 2025/26 to 2028/29						Appendix A
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		Budget 2025/26 £000s	Budget 2026/27 £000s	Budget 2027/28 £000s	Budget 2028/29 £000s	Total for 4 Years £000s
	Net Programme By Committee					
	Community Wellbeing & Housing- DFG					
	Environment & Sustainability	776	3,361	2,991	600	7,728
	Corporate Policy & Resources - Assets	5,252	0	3		5,255
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	Total	6,526	4,160	3,382	610	14,681
						£000's
	Council's Total Capital Programme for 2025/26					18,453
	Grants					-3,772
	Net Capital Programme to be funded by Capital Receipts, Grants, Revenue Contribution, and Borrowing					14,681

Council

27th February 2025



Title	Treasury Management Strategy Statement 2025-26
Purpose of the report	The Council has a 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 Services
Recommendations	Council is asked to: <ol style="list-style-type: none"> 1. Approve the Treasury Management Strategy for 2025-26 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 for the Council, and it is important that the Council manages prudently and professionally its treasury management function

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> • Corporate Policy & Resources Committee 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 (a greater proportion at fixed rates) of £1,076m and equally, investment funds of £14.3m and cash balances currently averaging £10m. 	<ul style="list-style-type: none"> • Treasury management is crucial to the Council's cash flow, investment and borrowing and to mitigate the risks we should plan ahead and consider: <ul style="list-style-type: none"> - Operational limit - Authority limit - Borrowing - Funding capital projects of higher value - Investing surplus cash to yield returns.

<ul style="list-style-type: none"> • This scale of activity creates risks which need to be proactively managed. • The Council should review its liquidity and cashflow on a weekly basis. • The Council needs to continue to explore avenues to minimise financing costs and maximise returns on investment of surplus funds. 	
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> • Mitigate risks by diversifying investment and borrowing. • Continue to seek professional advice from our treasury advisers. 	<ul style="list-style-type: none"> • Review and approve Treasury management Strategy 2025/26 by Corporate Policy and Resource Committee and the Council.

- 1.1 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.
- 1.2 The prime objective of the Council's investment strategy is to maintain capital security whilst ensuring that there is the necessary liquidity to conduct its business. Within these constraints, the strategy aims to maximise returns. 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. The Council's Minimum Revenue Provision is attached as **Appendix D**
- 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, and 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 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. **We recommend this option.**
- 2.4 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 started above the Committee must ensure a strategy is in place each year to meet its statutory duty.
- 2.5 Option 3: Not approve a Strategy. The Council does not have the option refuse to approve a strategy altogether, so this is not an option.

Summary Position

Table 1: Current Investment & Debt Portfolio Position

As at 19.12.24	Actual Portfolio £m
External Borrowing:	
Public Works Loan Board	(1,061.6)
Local Authorities (short term)	(14.0)
Total Gross External Debt	(1,075.6)
Long-Term Investments:	
Pooled Fund Investments	4.5
Short-Term Investments:	
Local Authorities	32.0
Money Market Funds	4.8
Subsidiaries	1.1
Total Investments	42.4
Net (borrowing)/ investments	(1,033.2)
Non-treasury investments:	
Investment property (as at 19.12.24)	603.3
Overall net borrowing	(429.9)

2.6 On 19th December 2024, the Council held £1,061m of long-term borrowing, all fixed rate loans with Public Works Loan Board (PWLB).

3. Treasury Strategy

- 3.1 Following on from completion in December 2024, of the programme of acquisition and transfer to Knowle Green Estates of Temporary Accommodation and resettlement accommodation units part funded by Local Authority Funding Fund (LAHF), as per the Committee approvals for the acquisitions, a decision is now being made to advance from SBC to KGE £14,278,000 at a fixed rate of 5.2% on a fifty year duration with a provision that if the Council is subsequently to fix all or part of the matched funding at a rate more than 0.5% below 5.2% that the fixed rate paid by KGE is accordingly reduced.
- 3.2 The Council had £4.5m Pooled Investment Funds (these have been withdrawn in January), £42.4m of short-term investments and £603.3m of non-treasury investment property. The council's net debt position was £429.9m. This is detailed in Table 1 above.
- 3.3 Other than the drawdown of pooled investment funds, officers do not anticipate any significant changes in the figures quoted above as at 19th December 2024 to estimated figures shown below as at 31 March 2025.

Minimum Revenue Provision (MRP): Where the Council finances capital expenditure by prudential borrowing, 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 part of the borrowing each year by applying the MRP, and that this is reflected in the MRP.

Table 2: Capital Financing Requirement and Forecast

	Forecast	Estimate	Estimate	Estimate	Estimate
	2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m
Opening CFR	1,157.5	1,179.8	1,166.6	1,152.5	1,138.1
In-year movement (below)	22.3	(13.2)	(14.1)	(14.5)	(14.9)
Closing CFR	1,179.8	1,166.6	1,152.5	1,138.1	1,123.2
Less: External borrowing	(1,061.1)	(1,020.0)	(978.8)	(937.6)	(937.6)
Internal borrowing	113.3	146.6	173.7	200.5	185.6
<i>Capital programme:</i>					
Housing & Regeneration	21.4	4.3	0.9	0.9	0.9
Other capital expenditure	29.7	3.1	4.2	3.4	0.6
Total Capital Expenditure	51.2	7.4	5.1	4.3	1.6
<i>Financing:</i>					
Capital Receipts	0.0	(6.5)	(4.2)	(3.4)	(0.6)
Capital Grants and Contributions	(14.6)	(0.9)	(0.9)	(0.9)	(0.9)
Revenue Contributions	(1.0)	0.0	0.0	0.0	0.0
Net Financing Need	35.5	(0.0)	0.0	0.0	0.0
<i>Less: Minimum</i>					
Revenue Provision (MRP)	(13.2)	(13.2)	(14.1)	(14.5)	(14.9)
In-year movement in CFR	22.3	(13.2)	(14.1)	(14.5)	(14.9)

- 3.4 The Council has a decreasing CFR due to a significantly reduced Capital Programme level of expenditure, which in 2024-25 was boosted by the Council's housing delivery (Property acquisition for families) to top up the Local Authority Housing Fund grant) for Temporary Accommodation and resettlement units, and by the Eclipse Leisure Centre.
- 3.5 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 2025/26.

- 3.6 The Council's planned Capital Programme for the next 4 years (including 2025/26) is given on the Table above, major spending will be are on the Council's housing delivery (Property acquisition of temporary accommodation for families and settlement accommodation for Afghan and Ukrainians) to top up the Local Authority Housing Fund grant) for the and regeneration programme and on service projects such as the new Leisure Centre, phase 1 of which has just completed with the new Eclipse Leisure Centre opening in mid-October.
- 3.7 The Council's Authorised Borrowing Limit has been increased at the beginning of 2024-25 from £1,167m to £1,170m and Operational Boundary currently at £1,270m for 2025/26. These limits 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 and will fall steadily from 2026-27
- 3.8 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

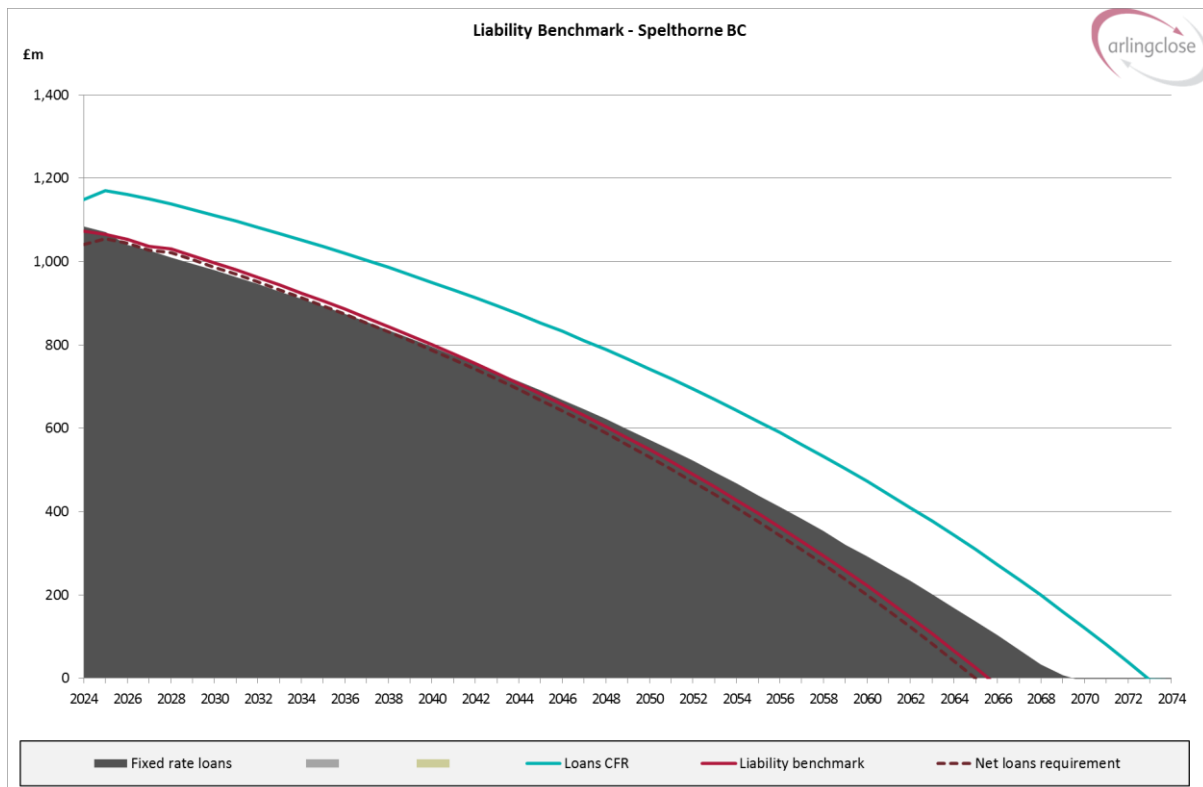
- 3.9 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark (a measure of risk outlined in the CIPFA TM Code and now required to be reported on for future years) has been calculated showing the lowest risk level of borrowing, as shown at Table 3. This assumes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

	Forecast	Estimate	Estimate	Estimate	Estimate
Financial Year	24/25	25/26	26/27	27/28	28/29
	£m	£m	£m	£m	£m
Loans CFR	1,179.8	1,166.6	1,152.6	1,138.1	1,123.3
Balance Sheet resources	(111.0)	(113.0)	(119.0)	(113.0)	(113.0)
Minimum cash for liquidity	20.0	20.0	20.0	20.0	20.0
Liability benchmark	1,088.8	1,073.6	1,053.6	1,045.1	1,030.3

The liability benchmark indicates that the required minimum level of borrowing is forecast to be £1,088.8m as at 31 March 2025 after taking into account other resources such as usable reserves and the minimum investment of £20.0m.

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. The Council will be working with Arlingclose to further develop this modelling to help identify and apply internal resources effectively.



4. Borrowing and Investment Strategies

4.1 Borrowing Strategy

4.2 The Council currently holds £1,061m of long term PWLB 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. The forecast in Table 3 shows that the Council expects outstanding borrowing to be a maximum of £1,073.6 in 2025/26.

4.3 The revised draft Capital Programme budget for 2025/26 has been set at £3.796m, net of funding this is a reduction of almost 85% from 2024/25 mainly of the reduced number of projects once phase II of Eclipse Leisure Centre is completed. 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. Over the period of the Capital Programme from 2026-27 the Council will be increasing the contributions into the Sinking Fund Reserves by steps of £1m per annum.

4.4 **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.

4.5 **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.

4.6 With interest rates likely to fall further, we want to avoid fixing long term at rates which may then subsequently fall. By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

- 4.7 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 2025/26 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.
- 4.8 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 acquire any further such investments) from accessing PWLB loans.
- 4.9 The Council is working with Arlingclose to identify alternative funding options for funding the balance of the reduced Capital Programme.
- 4.10 In addition, the Council may borrow short-term when needed to cover unplanned cash-flow shortages.
- 4.11 **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.
- 4.12 **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.
- 4.13 **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.
- 4.14 **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.
- 4.15 **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.

- 4.16 **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.

5. Investment Strategy

- 5.1 The Council currently holds significant levels of invested funds representing income received in advance of expenditure plus balances and reserves held. Total long-term investments are £4.8m as at the end of December 2024 (Table 1). This includes £4.4m pooled funds (earmarked to be sold to supplement funding), following the redemption of £30.6m of funds to fund Eclipse Leisure Centre costs.
- 5.2 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.
- 5.3 **Objectives:** Both the CIPFA TM Code and the MHCLG 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.
- 5.4 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.
- 5.5 **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.
- 5.6 **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.
- 5.7 **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

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

5.9 **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.

5.10 **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.

- 5.11 **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.
- 5.12 **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.
- 5.13 **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.
- 5.14 **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.
- 5.15 **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.
- 5.16 **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.
- 5.17 **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.
- 5.18 **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.
- 5.19 **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.

5.20 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.

5.21 **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.

5.22 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.

5.23 **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.

5.24 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.

5.25 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

5.26 **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.

5.27 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.

6. Treasury Management Indicators

6.1 The Council measures and manages its exposures to treasury management risks using the following indicators.

6.1 **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.

6.2 **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

6.3 **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.

- 6.4 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.
- 6.5 The Council generally invests medium- to long-term at fixed rates. The Council currently has no variable rate investments.
- 6.6 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.
- 6.7 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%

- 6.8 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.
- 6.9 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.
- 6.10 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

	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m
Limit on principal invested beyond year end	70	70	70	70

- 6.11 **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

	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m
Authorised borrowing limit	1,270	1,270	1,270	1,270
Operational boundary	1,170	1,170	1,170	1,170

6.12 **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	15.10	18.00	13.40	16.80
Financing costs, £m	39.34	39.97	40.04	40.10
Ratio	2.60	2.22	2.98	2.38

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

	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m
Commercial income *	(49.07)	(53.47)	(51.59)	(51.11)
Landlord costs *	7.87	7.89	3.71	6.94
Contribution to sinking funds	(6.75)	(1.60)	0.00	(3.20)
Financing costs	39.34	39.97	40.04	40.10
Net income after landlord & financing costs & net contributions to sinking fund	(8.61)	(7.20)	(7.84)	(7.27)

Related Matters

- 6.13 The CIPFA TM Code requires the Council to include the following in its treasury management strategy.
- 6.14 **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).
- 6.15 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.
- 6.16 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.
- 6.17 In line with the CIPFA TM Code, the Council will seek external advice and will consider that advice before entering financial derivative contracts to ensure that it fully understands the implications.
- 6.18 **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.

7. Financial implications

- 7.1 The budget for property investment income in 2025/26 is £49.064m (£41.1m after landlord costs of £7.8m), based on an investment portfolio of £912m (purchase cost). The budget for debt interest payable in 2025/26 is £25.4m, based on our debt portfolio of £1,075m at an average interest rate of 2.4%. After financing costs, property costs and set asides, it is anticipated that the Council will have a net surplus of £15.8m. [Treasury Management Strategy Statement 2025-26 Final.docx](#)

8. Risk considerations

- 8.1 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.
- 8.2 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
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

9. Procurement considerations

9.1 Not applicable

10. Legal considerations

10.1 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

11. Other considerations

11.1 Not applicable.

12. Equality and Diversity

12.1 Not applicable

13. Sustainability/Climate Change Implications

- 13.1 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.

14. Timetable for implementation

- 14.1 The Treasury Management Strategy for the financial year 2025/26 takes effect on 1st April 2025

15. Contact

Prithiva Janaka p.janaka@spelthorne.gov.uk

Background papers: None

Appendices:

Appx A - Arlingclose Benchmarking

Appx B - Context and Background v08

Appx C - Arlingclose forecast

Appx D - Annual MRP Statement v03

Appx E - TMP and Schedules

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Investment Benchmarking
30 September 2024

Spelthorne
45 English Non-Met Districts Average
124 LAs Average

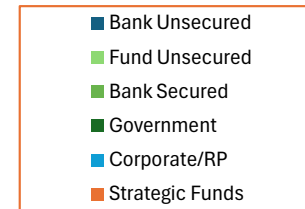
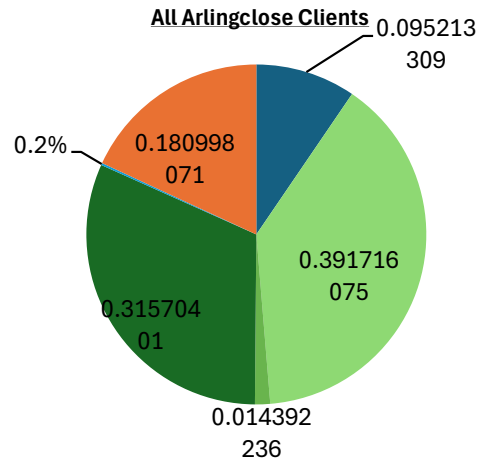
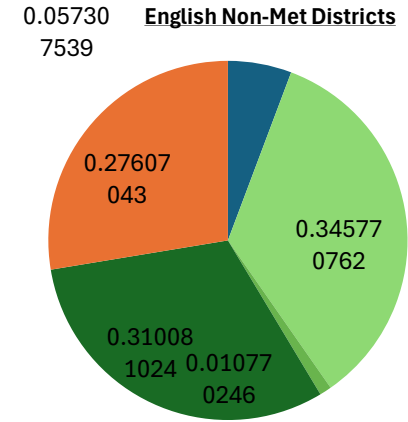
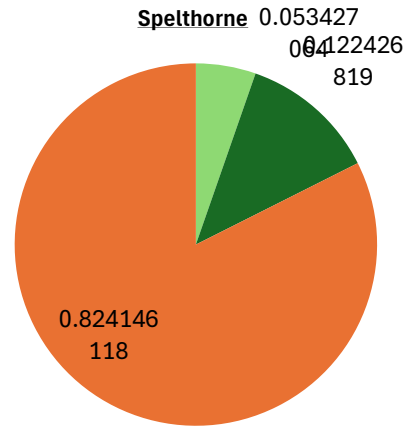
Internal Investments	£7.2m	£29.7m	£60.1m
Cash Plus & Short Bond Funds	£0.0m	£1.1m	£0.8m
Strategic Pooled Funds	£33.4m	£12.1m	£10.7m
TOTAL INVESTMENTS	£40.6m	£42.9m	£71.6m

Security			
Average Credit Score	4.83	4.62	4.60
Average Credit Rating	A+	A+	A+
Average Credit Score (time-weighted)	4.81	4.31	4.39
Average Credit Rating (time-weighted)	A+	AA-	AA-
Number of Counterparties / Funds	14	12	12
Proportion Exposed to Bail-in	30%	60%	61%

Liquidity			
Proportion Available within 7 days	5%	42%	50%
Proportion Available within 100 days	18%	62%	71%
Average Days to Maturity	15	52	11

Market Risks			
Average Days to Next Rate Reset	30	70	51
Strategic Fund Volatility	6.6%	2.7%	3.3%

Yield			
Internal Investment Return	5.01%	4.92%	4.91%
Cash Plus Funds - Income Return	-	3.66%	3.86%
Strategic Funds - Income Return	5.06%	4.94%	5.10%
Total Investments - Income Return	5.05%	4.85%	4.90%
Cash Plus Funds - Capital Gain/Loss	-	2.38%	2.32%
Strategic Funds - Capital Gain/Loss	9.14%	2.39%	1.66%
Total Investments - Total Return	12.57%	5.88%	5.42%



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.
- Credit scores are calculated as AAA = 1, AA+ = 2, etc.

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Context and Background

1. Spelthorne Borough Council's Context

- 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.
 - 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.
 - 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 2021 Edition of the CIPFA TM Code, which applies to the 2025/26 TM Strategy report, will be replaced for by the 2023 Edition in December 2023.
 - This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA TM Code.
 - 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.
 - The following sections on external context are mainly provided by Arlingclose
- External Context
 - External Context - Economic background
 - 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 2025/26
 - The Bank of England (BoE) reduced the Bank Rate by 0.25% to 4.75% in November 2024. This followed a 0.75% rise in March 23 from December 2022 which was the largest single rate hike since 1989 and the 10th successive rise since December 2021. The November decision was voted for by a 8-1 majority of the Monetary Policy Committee (MPC), with 1 dissenter voting for a no-change at 5

- 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.
- 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) has fallen by 0.1% in October 2024 largely because of decline in production output. However Real GDP is estimated to have grown by 0.0% compared with the 3 months to July 2024
- The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 3.2% in the 12 months to October 2024, up from 2.6% in September. On a monthly basis, CPIH rose by 0.6% in October 2024, up from 0.1% in October 2023. The Consumer Prices Index (CPI) rose by 2.3% in the 12 months to October 2024, up from 1.7% in September. On a monthly basis, CPI rose by 0.6% in October 2024, up from being little changed in October 2023. The largest upward contribution to the monthly change in both CPIH and CPI annual rates came from housing and household services, mainly because of electricity and gas prices; the largest offsetting downward contribution came from recreation and Culture
- Quarter 3 (July to Sept) 2024 saw a continuation of the cooling in the labour market seen in the first half of the year, as labour demand has continued to fall and nominal earnings growth has continued to moderate from its peak in mid-2023. The ratio between the number of unemployed people and the number of job vacancies brings together the picture for labour supply and labour demand, giving an indication of the scarcity of available labour, relative to business demand for labour. Figure 4 shows that this ratio rose above its pre-coronavirus (COVID-19) pandemic position of 1.7 in the latest period, reaching 1.8 unemployed people per job vacancy in August to October 2024. A ratio at this level continues to indicate a tight labour market, where demand for labour is high relative to the available supply of labour, but remains higher than the historically tight position in the first half of 2022 when the ratio was 1.0.
- Interest rates have been adjusted by the Federal Reserves as follows. The target for key lending rate was reduced by 0.5 percentage points to the range of 4.5% to 5%. The Central Bank target rates between 4.25 and 4.5% the rate has been lowered by a full percentage points since September 2024. Despite the slight rise in certain prices between September and October, overall inflation has been trending downward during the second half of 2024. The inflation remained above 3% in early 2024. Since early 2022 inflation has been the federal reserve's primary economic Challenge.
- Eurozone Inflation dipped below 2% for the first time since mid-2021 in September 2024, reinforcing an already solid case for a European Central Bank rate cut this month as a three year battle to tame runaway price growth nears its end.
- External Context - Credit Outlook

- 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.
- 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.
- 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.
- 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.
- 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.
-
- **External Context – Interest Rate forecast** The Authority's treasury management adviser Arlingclose forecasts As expected, the Monetary Policy Committee (MPC) held Bank Rate at 5.0 percent in September. While the "no change" majority of eight to one was unexpectedly strong, the minutes suggested some policymakers believed a gradual approach to loosening policy was warranted given the persistence of services inflation, rather than no loosening at all.
 - Yield share expected to remain broadly at current levels over the medium-term, with 5-, 10- and 20-year gilt yields expected to average around 3.67 over the 3-year period to December 2027. 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.
 - A more detailed economic and interest rate forecast provided by Arlingclose is in Appendix A
 - Revised PWLB Guidance
 - 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:
 - Capital expenditure incurred or committed to before 26th November 2020 is allowable even for an 'investment asset primarily for yield'.
 - 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%.

- An asset held primarily to generate yield that serves no direct policy purpose should not be categorised as service delivery.
- 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.
- 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.
- The Council will ensure it complies with the new PWLB guidance and will not be purchasing any assets primarily for yield.
- Changes to PWLB Terms and Conditions from 8 September 2021
 - 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%.
 - 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.
 - 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.
 - 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.
 - 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.
- Treasury Investment
 - 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.
 - Deposit rates with the Debt Management Account Deposit Facility (DMADF) are also largely around zero.

- Revisions to CIPFA Codes
 - 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.
 - In December 2021, CIPFA issued the revised Codes and Guidance Notes. The changes include:
 - 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.
 - Categorising investments as those (a) for treasury management purposes, (b) for service purposes and (c) for commercial purposes.
 - 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.
 - 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).
 - **Prudential Indicators:** New indicator for net income from commercial and service investments to the budgeted net revenue stream.
 - 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.
 - Excluding investment income from the definition of financing costs.
 - Incorporating ESG issues as a consideration within TMP 1 Risk Management.
 - Additional focus on the knowledge and skills of officers and elected members involved in decision making.
- MHCLG Improvements to the Capital Finance Framework
 - The Government department MHCLG (Department for Levelling Up, Housing and Communities *formerly DLUHG*) 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”.

- 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

Appendix A - Arlingclose Economic & Interest Rate Forecast - December 2024

Underlying assumptions:

- As expected, the Monetary Policy Committee (MPC) held Bank Rate at 4.75% in December, although, with a 6-3 voting split and obvious concerns about economic growth, presented a much more dovish stance than had been expected given recent inflationary data.
- The Budget measures remain a concern for policymakers, for both growth and inflation. Additional government spending will boost demand in a constrained supply environment, while pushing up direct costs for employers. The short to medium-term inflationary effects will promote caution amongst policymakers.
- UK GDP recovered well in H1 2024 from technical recession, but underlying growth has petered out as the year has progressed. While government spending should boost GDP growth in 2025, private sector activity appears to be waning, partly due to Budget measures.
- Private sector wage growth and services inflation remain elevated; wage growth picked up sharply in October. The increase in employers' NICs, minimum and public sector wage levels could have wide ranging 2.6% could rise further in Q1 2025. The Bank of England (BoE) estimates the CPI rate at 2.7% by year end 2025 and to remain over target in 2026.
- The MPC re-emphasised that monetary policy will be eased gradually. Despite recent inflation-related data moving upwards or surprising to the upside, the minutes suggested a significant minority of policymakers are at least as worried about the flatlining UK economy.
- US government bond yields have risen following strong US data and uncertainty about the effects of Donald Trump's policies on the US economy, particularly in terms of inflation and monetary policy. The Federal Reserve pared back its expectations for rate cuts in light of these issues. Higher US yields are also pushing up UK gilt yields, a relationship that will be maintained unless monetary policy in the UK and US diverges.

	Current	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
Official Bank Rate													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Central Case	4.75	4.50	4.25	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Downside risk	0.00	-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75
3-month money market rate													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Central Case	4.90	4.60	4.35	4.10	3.90	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75
5yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	4.34	4.30	4.20	4.10	4.00	3.90	3.90	3.95	4.00	4.05	4.05	4.05	4.05
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80
10yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	4.56	4.55	4.45	4.30	4.20	4.20	4.20	4.20	4.25	4.25	4.25	4.25	4.25
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80

•

Forecast

- In line with our forecast, Bank Rate was held at 4.75% in December.
- The MPC will reduce Bank Rate in a gradual manner. We see a rate cut in February 2025, followed by a cut alongside every Monetary Policy Report publication, to a low of 3.75%.

- Long-term gilt yields have risen to reflect both UK and US economic, monetary and fiscal policy expectations, and increases in bond supply. Volatility will remain elevated as the market digests incoming data for clues around the impact of policy changes.
- This uncertainty may also necessitate more frequent changes to our forecast than has been the case recently.
- The risks around the forecasts lie to the upside over the next 12 months but are broadly balanced in the medium term.

20yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	5.05	5.00	4.90	4.80	4.70	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80
50yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	4.52	4.70	4.60	4.50	4.40	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%; PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%
 PWLB HRA Rate (Maturity Loans) = Gilt yield + 0.40%; National Wealth Fund Rate (Maturity Loans) = Gilt yield + 0.40%

- While UK GDP growth picked up sharply in 2024, underlying economic momentum appears subdued. Growth is expected to ease slightly in 2025 before gradually recovering, reflecting both the delayed impact of prior Bank Rate increases and the fading of restrictive monetary policy effects over time. Aggregate demand and supply currently remain balanced; however, a margin of economic slack is projected to emerge through 2024 and 2025, partly due to the sustained restrictive policy stance.
- Labour market data from the ONS remains variable, though broader indicators suggest the market is beginning to loosen as labour demand cools. Unemployment is expected to edge up, a sign of moderating labour tightness.
- Notably, inflation remains a key concern; CPI is projected to rise to approximately 2.75% by the end of 2024, as the previous year’s energy price reductions fall out of annual comparisons, revealing the underlying persistence of domestic inflationary pressures. Inflation is then expected to fall to the Bank of England’s target by the end of 2027.

Minimum Revenue Provision Statement 2024/25

Adopted from Arling Close (SBC Treasury Advisors)

Annual Minimum Revenue Provision Statement 2024/25

Where the Authority 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 Authority 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 Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement only incorporates options recommended in the Guidance [as well as locally determined prudent methods].

- For capital expenditure incurred before 1st April 2008, [and for supported capital expenditure incurred on or after that date,] MRP will be determined in accordance with the former regulations that applied on 31st March 2008, incorporating an "Adjustment A" of £[X]m. (*Option 1*)
- For capital expenditure incurred before 1st April 2008 [and for supported capital expenditure incurred on or after that date,] MRP will be determined as 4% of the capital financing requirement in respect of that expenditure. (*Option 2*)
- For [unsupported] capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset [in equal instalments] or [as the principal repayment on an annuity with an annual interest rate [of X%] or [equal to the average relevant 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. (*Option 3*)
- For [unsupported] capital expenditure incurred after 31st March 2008, MRP will be determined as being equal to the accounting charge for depreciation and impairment on those assets (or parts of) continuing until the expenditure has been fully funded. (*Option 4*)
- Where former operating leases have been brought onto the balance sheet due to the adoption of the *IFRS 16 Leases* accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, 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, the Authority will make nil MRP unless (a) the loan is an investment for commercial purposes and no repayment was received in year or (b) an

expected credit loss was recognised or increased in-year, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment on loans that are investments for commercial purposes, 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. Sufficient MRP will be charged to ensure that the outstanding capital financing requirement (CFR) on the loan is no higher than the principal amount outstanding less the expected credit loss. This option was proposed by the government in its recent MRP consultation and in the Authority's view is consistent with the current regulations.

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

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

8. Market risk and price risk management

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

Schedule

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

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

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

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

Treasury Management Practices

2. Performance measurement

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

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

Schedule

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

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

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

3. Decision making and analysis

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

Schedule

<p>1.1 Major treasury decisions</p>	<p>As a public service organisation, there is a requirement to demonstrate openness and accountability in treasury management activities. Accordingly, the Council will create and maintain an audit trail of major treasury management decisions which comprise either:</p> <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 Treasury Management and Capital 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.

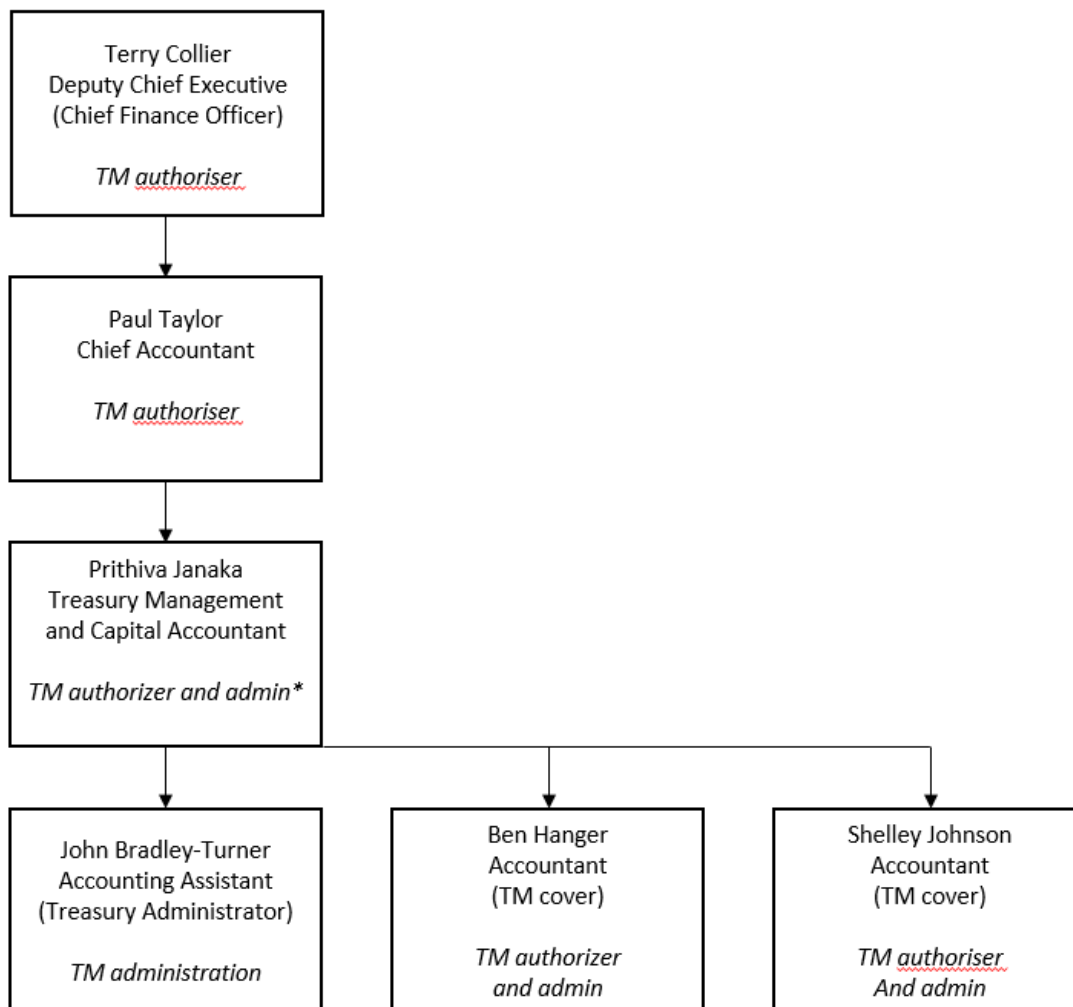
The Chief Finance Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Deputy Chief Executive will also ensure that at all times those engaged in treasury management will follow the 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 Joint Financial Services Manager, Treasury Management and Capital Accountant, Technical Accountant, Accountants and Accountancy Assistants.

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

	<p>The TM 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"> • Joint Financial Services Manager • Treasury Management and Capital 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 Joint Finance Manager – Mahmud Rogers Treasury Management and Capital Accountant – Prithiva Janaka</p> <p>Also Assistant Accountants – John Bradley-Turner</p> <p>Authorising payments for borrowing/lending: Deputy Chief Executive – Terry Collier Joint Finance Manager-Mahmud Rogers Any other Council first signatory</p> <p>Bank payment and ICD portal trade authoriser*: <ul style="list-style-type: none"> • Deputy Chief Executive (CFO, s151 officer) – Terry Collier • Joint Financial Services Manager – Mahmud Rogers • Treasury Management and Capital Accountant – Prithiva Janaka • Assistant Accountant – John Bradley-Turner (No Authorisation) • Systems Accountant – Jodie Hawkes • Revenue Accounts Team Leader – Ben Hanger • Assistant Systems Accountant - Shelley Johnson • Service Accountant – Arun Sood • Service Accountant – Aleksandra Alla Blavatnik • Service Accountant – Nicholas Brown • Finance Apprentice – Ella Stewart (No Authorisation) • Joint Finance Manager Systems & Controls – Emilia Grodzka </p> <p>Transaction recording*: Accounting Assistants – John Bradley-Turner Finance Apprentice – Ella Stewart</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: <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> <p>Externally Managed Investments (where applicable): <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>

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

<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>
<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.

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

<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>
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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 Treasury Management and Capital Accountant produces a monthly monitoring report for the Joint Financial Services Manager and the Deputy Chief Executive. The Joint Financial Services Manager includes this information in quarterly budget monitoring statements for 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 Joint Financial Services Manager 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>



Council

27 February 2025

Title	Detailed Revenue Budget for 2025-26
Purpose of the report	To make a key decision
Report Author	Mahmud Rogers, Joint Financial Services Manager
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 2025-26. Moreover: <ol style="list-style-type: none"> a. The Revenue estimates as set out in Appendix 1 be approved. b. £400,100 as set out in this report are to be appropriated from Earmarked Reserves other than sinking fund reserves in support of Spelthorne's local Council tax for 2025-26. This does not include funding for aborted capital projects. c. Net use of £5,051,900 of Earmarked Sinking Funds reserves d. To agree that the Council Tax base for the year 2025-26 is 40,620 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 2025-26. [Item T in the formula in Section 31b (3) of the local government Finance Act 1992, as amended (the “act”)] should be 40,620 band D equivalent dwellings and calculate that the Council Tax requirement for the Council’s own purpose for 2025-26 is £228.86 Per Band D equivalent dwelling.

That the following sums be now calculated by the Council for the year 2025-26 in accordance with Section 31 to 36 of the Local Government Act 1992.

A	121,762,300	The Council’s estimated gross expenditure - 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	- 112,446,000	The Council’s estimated gross income - being the aggregate of the amount which the Council estimates for the items set out in Section 31A (3) of the Act
C	9,296,300	The Council’s estimated net expenditure or budget requirement - 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	228.86	The average band D Council Tax - 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	The sum of the parish precepts - being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
F	228.86	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.

That the following amounts be calculated for the year 2025-26 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011.

A £	B £	C £	D £	E £	F £	G £	H £
152.57	178.00	203.43	228.86	279.72	330.58	381.43	457.72

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	1,230.90	1,436.05	1,641.20	1,846.35	2,256.65	2,666.95	3,077.25	3,692.70
Surrey Police & Crime Commissioner	225.04	262.55	300.06	337.57	412.58	487.60	562.61	675.14

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 2025-26.

The Council has determined that its relevant basic amount of Council Tax for 2025-26 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 2025-26 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

Element A in the recommendation as per Section 31 A (2) of the Local Government Finance Act is the total of all gross revenue **expenditure**, this includes gross expenditure “above the line” in Appendix 1 of £64.955m as shown in Appendix 1 and Appendix 3; plus investment assets financing and management expenditure and other financing expenditure totalling £47.094m plus appropriations to reserves of £1m plus write off capitalised costs of £8.7m. The sum of these amounts is £121,762,300.

Element B is total gross revenue **income**, this includes “above” the line £16.6m for fees and charges, specific grants and rental income on municipal assets. Benefits grants of £21.6m, and below the line; Investment assets rental income of £49m, interest earned on surplus cash of £2.22m; appropriations from sinking fund reserves £6m, general grants £7m, Collection Fund surplus of £0.876m and transfers from reserves of £9.1m to offset the write off of capitalised costs of £8.7m and fund service growth £0.4m. The sum of these amounts is £112,446,000.

Element C equals A (expenditure) less B (income)

ie £121,762,300 less £112,446,000 = £9,296,300

Element D is calculated by dividing Element C by the council taxbase (expressed as Band D equivalents)

ie £9,296,300 divided by 40,620 = £228.86 Band D council tax rate

Element E is nil as this for areas with parishes and Spelthorne has no parishes

Element F equals D as there is no council tax to add for parishes.

All the other rates of council tax are calculated as a ratio of the Band D council tax rate for example Band H is 18/9ths (ie double) of Band D so $2 \times £228.86 = £457.72$. At the other end of the range Band D is 6/9^{ths} (two thirds) of Band D so $6/9 \times £228.86 = £152.57$.

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 revenue Budget and a Council Tax rate for its share of the total Council Tax Bill. The detailed 2025-26 budget report consolidates the Committee's work between May 2024 and January 2025 and includes all the approved revenue growth bids and savings plans. 	<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 2025-26 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 2025-26 Budget at the meeting on 27 February 2025.
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 Joint Financial Services Manager about any issues they may have. Recommend to Council a balanced Budget for 2025-26. 	<ul style="list-style-type: none"> Approve the proposed 2025-26 Detailed Budget as set out in Appendix 1.

2. Key issues

- 2.1 This report follows on from the meeting of Corporate Policy and Resources on 10th February which agreed to recommend the proposed Budget to Council.
- 2.2 The figures contained in Appendix 1, include all the growth bids and savings plan approved by each Committee and agreed by the Corporate Policy and Resources Committee.
- 2.3 By law Councils are required each year to set a balanced budget.
- 2.4 The main points from the 2025-26 Budget as set out in Appendix 1 are as follows: -
- 2.5 Band D increase in the Spelthorne Borough Council element of the Council Tax is £6.45 (2.9%) for the year.
- 2.6 Pay Award for all staff, 2.8% (as the second part of a two-year deal), supported by Unison. Total number of Full Time Equivalents (FTE) budgeted will fall from 474 FTE for 24-25 to 464 FTE for 25-26. The reduction is due to

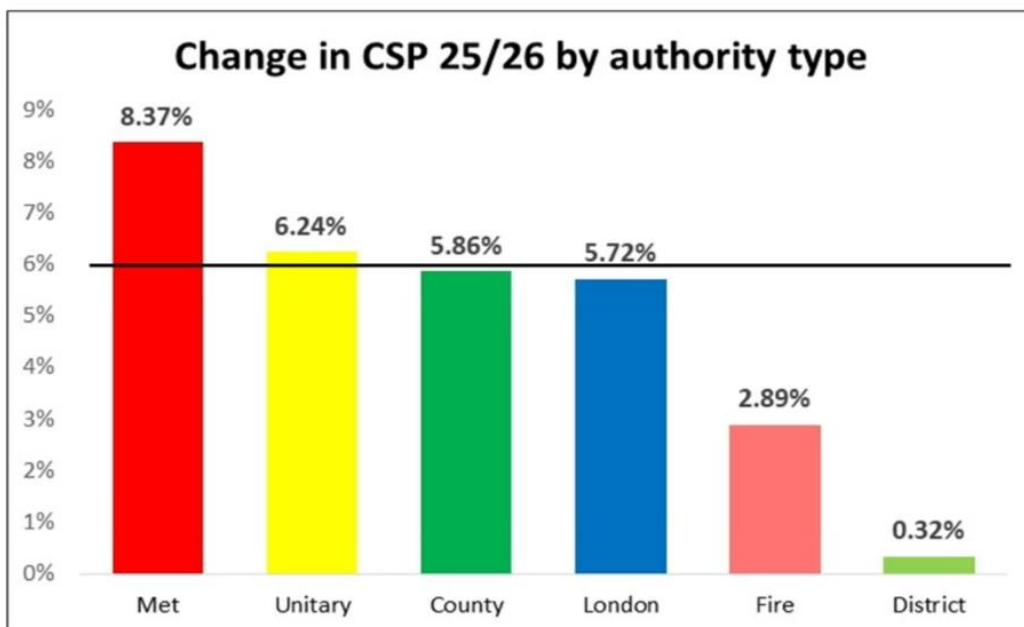
the ending of the Family Support Service from 31st March. Total employee costs budgeted for 2025-26 are £25.6M (see Appendix 3 Subjective Analysis)

- 2.7 Discretionary Fees and Charges inflation applied at least 4% (with exception of Meals on Wheels and Day Centre meals which will increase by £1 per meal). All discretionary fees less than £25.00 were rounded up to the nearest pound, and fees over £25 were rounded to the nearest multiple of £5, as instructed by the Corporate Policy & Resources Committee.
- 2.8 Contract inflation assumed at 2.0%
- 2.9 Whilst 2024 saw two reductions to the Bank of England Base rate, with the rate dropping from 5.25% to 4.75%, interest rates currently are still high and in recent weeks gilt rates, which impact on the Public Works Loans Board rates, which councils access, have been particularly high, although they have eased off slightly since the latest base rate reduction on 6th February It is uncertain how much further rates will reduce in 2025. Relatively high interest rates, combined with potential impacts of the Renters Reform Bill on supply of landlords are contributing towards the ongoing housing crisis which continues have a significant impact on our residents, Temporary Accommodation and housing pressures continue to be one of the highest pressures on the Council's Revenue Budget. What however has helped was the acquisition of 60 Temporary Accommodation (TA) part funded from Local Authority Housing Fund. These units have helped the Council better absorb the TA pressures. With the ongoing housing crisis, the Council continues to monitor trends in collection rates carefully for Council Tax. The acquisition of the TA units has helped the Council to be able to set the 2025-26 Budget without having to draw down more of the balance of the Social Housing Initiatives reserve.
- 2.10 1st April 2025 will see an increase in employers National Insurance contribution rates and a reduction in the employer National Insurance thresholds. At the same time in 2025-26 the Business Rates Relief for businesses in hospitality, leisure and retail sectors will reduce from seventy five percent to forty percent. These taxation changes will add to the pressures on businesses, the Council will monitor carefully business rates collection rates.
- 2.11 The increase in interest rates during 2022 and 2023 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. The Council has now approved a Development Delivery Strategy which is providing a framework for achieving outcomes on housing sites through Joint Ventures and disposals. The Council is aware that it now only has a limited time frame available to achieve housing outcomes on its sites before the Local Government Reorganisation process takes over. The Council is continuing to seek to implement its approved Development Delivery Strategy.
- 2.12 The forward planning context for the Council has now significantly changed, as for other councils in two tier areas with the publication of the Government's Devolution White Paper just before Christmas. As well as setting out proposals for extending devolution through creation of Combined Mayoral

Authorities, the White Paper sets out a clear intent to see two tier areas replaced by unitary councils with populations of 500,000 plus. Surrey Councils have been confirmed as being in the first wave, which means that Spelthorne will potentially cease to exist as a separate sovereign council from 1st April 2027.

- 2.13 The Local Government Restructuring proposals mean that potentially the last Budget the Council will set for itself will be for 2026-27, i.e. the Budget we will be setting for ourselves in a year's time. Once the shadow Authority for the successor unitary is set up, it will increasingly make the key strategic financial decisions affecting Spelthorne. We will therefore be mindful of this reduced budgeting time horizon when setting the Budget for 2025-26.
- 2.14 Local Government restructuring will require a significant resource focus. To assist in progressing the first stage of the process, £0.5m has been set aside within the Revenue Budget as a Reorganisation Budget to be subject to the steer and oversight of the new Councillors Reorganisation Board.
- 2.15 Over the last few 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. Globally the world remains an uncertain place.
- 2.16 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. This trend of diminished central government funding for local government is expected to continue.

Change in Core Spending Power by Authority Type, 2025/26



- 2.17 **Investment Assets** - The Table below shows the elements within the summary Revenue Budget relating to the Investment Assets and shows the net contribution to the Revenue Budget after financing costs, and movements in and out of the Sinking Funds is £10.028m

Investment & Regeneration Assets	Revised Budget 2024/25 £'000	Budget 2025/26 £'000
Rental Income (as per signed lease)	(50,947)	(49,065)
less: Landlord costs	6,828	7,865
Net Rental Income receivable	(44,119)	(41,199)
Loan Interest Payable	23,129	22,865
Minimum Revenue Provision	12,016	12,688
Sinking Funds - contributions to	834	1,002
Sinking Funds - release from	(2,850)	(6,054)
Set Asides for specific revenue purposes	650	670
Net Costs	(10,340)	(10,028)

- 2.18 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 outperformed expectations to 31 March 2023, and the Council was able to increase the Sinking Fund to £38m. 2023-24 saw some net use of the Sinking Funds reserves with the total balance at the end of 2023-24 reducing to £35.7m.
- 2.19 Over the next two 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. The draft budget for 2025-26 anticipates a net use of the sinking funds reserves of £5.052m. Anticipated closing balances of the sinking funds at the end of 2025-26 is £28.36m. This is using the sinking funds for the earmarked purpose they were designed for, as set out in the original council policy.
- 2.20 As reported to 20th January 2025 Corporate Policy and Resources Committee, the Council has undertaken a major refresh of its Sinking Funds modelling. This has identified the need over the medium term to build up sinking funds balances more rapidly by 2036. The Outline Budget report to this Committee on 9th December highlighted the proposal that from 2026-27 the Council gradually increases the net contribution into sinking funds by £1m per annum, so that by 2031 each year an additional £5m per annum is being put into the funds. This will have the effect of gradually reducing the subsidy from investment assets supporting services, which would reduce from £10m per annum to £5m per annum, i.e. it will halve over time.

Use of Reserves

- 2.21 In presenting this balanced budget, it has been necessary to utilise £9.11m of the Council's Earmarked Revenue Reserves, other than sinking funds reserves, which has been approved by the Corporate Policy & Resources Committee.

Reserve	Amount
Capital Fund	(1,442,600)
Housing Initiatives	(1,016,000)
Carry Forward Reserve	(225,600)
Funding From Earmarked Reserves - Revenue Grants	(653,500)
Business Rates Equalisation Reserve	(2,827,500)
Planned Projects Reserve	(1,434,000)
Planning Performance Agreement	(95,600)
Green Initiative Fund	(50,900)
Business Rate Retention - EcDev	(94,000)
Planning Delivery Grant Reserve	(50,000)
New Schemes	(1,220,800)
Reserve Movement Excluding Sinking Funds	(9,110,500)
Sinking Fund Contributions	1,002,500
Sinking Fund (Funding)	(6,054,400)
Total Reserve Movement	(14,162,400)

- 2.22 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.
- 2.23 Following the decision of the Council to suspend direct delivery of housing this initially had an adverse impact on the viability of Knowle Green Estates. The Board of Knowle Green Estates Directors implemented robust cost reduction and budgetary control regimes which improved its budget position. The acquisition of 80 TA and resettlement properties with the assistance of 40% Local Authority Housing Fund capital grant, by improving the company's rental stream has significantly improved the financial sustainability of the company. In summer 2024, the Council approved a £2.5m debenture over 10 years to the Company to give it a robust medium term financial footing. The Council's Corporate Policy and Resources Committee has set up a Task Group to consider options for the future direction of the company including merging with a Registered Provider (RP), setting up a Housing Revenue Account, continuing as is.
- 2.24 **Medium Term Estimated Budget Gaps** – 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 2025-26 budget, the forecasts (see Appendix 1) for the following three years are challenging:
- 2026-27 - £ 3,897k deficit
- 2027-28 – £ 6,819k deficit
- 2028-29 - £8,582k deficit
- 2.25 It should be noted that the Council are expecting in the future period commencing 2026-27 that when the Government begins to implement its local government funding reforms this will direct a higher proportion of funding to councils with high needs and low council bases. The Government is indicating that it will phase in the funding changes probably over at least three financial

years. It is anticipated when this happens that Surrey councils will be disproportionately hit.

- 2.26 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.
- 2.27 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 £16.7m (estimated at 31 March 2025) of capitalised revenue costs, being charged to the revenue budget. As set out in 7.8 below, in line with the approved Reserves Strategy £8.7m of capitalised costs associated with the two sites closest to realisation are to be written off to Revenue in 2025-26 and this will be offset by drawing down a number of earmarked reserves by an equivalent amount. This, combined with ceasing to capitalise interest on housing sites moving forwards, reduces the Councils risk exposure. This is a key risk which is commented on further in the S151 Commentary below.

Savings Targets 2025/26

- 2.28 Having identified over £0.656m of savings as part of the 2025-26 budget setting process. This includes £0.5m for vacancy savings. Officers will also be working to identify additional cashable service improvements and savings through all the services over the next four years. Moving forward in 2025-26 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.

3. How the Budget is Financed

- 3.1 Appendix 1 summarises the current Detailed Budget proposed for 2025-26. After allowing for Housing Benefit the gross budget is financed as follows,
- 3.2 Fees and Charges 25.6%
- 3.3 Net property Rental Income, including movements in and out of Sinking Funds Reserves– 15.4%
- 3.4 Interest received – 3.4%
- 3.5 General Revenue Grants, and Retained Business Rates 3.2%
- 3.6 Housing Benefit Grant 33%
- 3.7 Council Tax 14.3%
- 3.8 Business Rates 7.6%

Business Rates Retention

- 3.9 The new Government has confirmed the extension of the Business Rate Retention programme in its current 50% form for 2025-26. The Government as part of its Funding Review will then look to implement a reset of business rates in 2026-27.
- 3.10 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 £750k in 2025-26.

Grant Settlement for Councils

- 3.11 The Government's Local Government Funding Settlement was announced on 18 December 2024 and confirmed that Spelthorne would receive as a new Core Spending Power nil% increase Guarantee grant £1.728m in 2025-26.
- 3.12 A key concern this council and others have with the proposed funding for 2025-26 is that the amount of funding reimbursement we are likely to receive as compensation for the higher direct employee costs commencing 1st April 2025 from the increased employer national insurance contributions appears insufficient. Nationally MHGLG is providing £515m as a funding pot to distribute to offset the impact of higher direct costs. However, the LGA has estimated that for England the total cost is approximately £637m. So, the total funding pot appears insufficient. Secondly, given time pressures to come up with a distribution methodology, the Government has adopted a very crude methodology distributing funds pro-rata to net Revenue Expenditure. This will create winners and losers. We estimate that our direct additional employer national insurance costs will be approximately £473k but in the final Funding Settlement for Local Government it was confirmed that we will only be receiving £197.4k grant compensation, so the Council will be underfunded by approximately £276k. We highlighted this concern in our response to the consultation on the provisional funding settlement.
- 3.13 Within the £239k decrease in general grants (excluding those relating to Business Rates) were the following movements:
- 3.14 The Council's **New Homes Bonus** has reduced significantly from £101.5k for 2024-25 to £12k for 2025-26.
- 3.15 We have been notified that for 2025-26 we will receive, £116k of **Revenue Support Grant**.
- 3.16 **Lower Tier Grant** fell from £12.3k to nil.

However, at the same time as the above reductions, the Council received as funding for the new Extended Producer Responsibility scheme (relating to waste management and recycling) of £907k. At this stage it is not clear what additional expenditure may be incurred in year one of the scheme. Nor is it clear whether this level of grant will be maintained in future years- note currently the Budget estimates for future years have not built in any estimate for future receipt of this grant.

4. Council Tax

- 4.1 The Government continues 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 £6.67 on band D. Council will be asked to recommend an increase of 2.90% which equates to £6.45 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% (Band D Council Tax £1,846.35), Surrey County Council is applying the full increase for 2025-26. The referendum limit for the Police has been set at an increase of £14 Band D equivalent to 4.3%, which the Surrey Police and Crime Commissioner has fully applied.

- 4.2 The Council share of the Band D Council Tax bill for council taxpayers in the Borough has fallen to 9.49% in 2025-26 (9.65%: 2024-25)

Council Tax Support Scheme

- 4.3 The Council will continue the Local Council Tax Support scheme with the same rules and regulations as were 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

- 4.4 It is reasonable 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 £2,355. We intend to continue to make this disregard for 2025-26

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. 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 both for 2025-26 and to move us in a sustainable position to balance the Budget in future years.
- 5.2 Growth Bids and pressures across the service committees currently reflected in the draft 2025-26 Budget total £2,204,800 total bids offset by funding of £370,000 - net General Fund cost £1,834,800. Within the growth bids the following are particularly significant:

Insurance for Eclipse Leisure Centre £345k, this provision may come down significantly, but we will not have confirmation from Sutton LBC until the end of February.

Additional Resource for housing data team £56k

£500k for Local Government Reorganisation Resourcing

Planning Policy for £671.3k, of which £645k are one off growth bids relating to the Local Plan works required for 25/26 and cover Evidence Base reports and assessments and the flooding supplementary planning document. £40k for marketing for consulting the public with the local plan, and uplifts in salary costs for staff time and regrades. One bid relates to 26/27 for £210k for Local Plan Evidence Base work required to take place in the following year.

Additional resourcing for Finance team, in the context of the workload pressures facing the team, including Reorganisation, plus the need to implement improvement plans and address external audit recommendations and potentially Best Value Inspection

recommendations, it is proposed that an additional £160k growth for Finance is built into the Budget. As a result of the Reorganisation proposals the project to create a joint finance team with Mole Valley is being brought to an end

- 5.3 **Pay and price levels** – 2.8% increase across all staff grades to each Full Time Equivalent employee is being recommended to Council, for 2025-26.

Pensions

- 5.4 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 from £605k in 2024-25 to £650k in 2025-26

- 5.5 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. Currently the Surrey pension fund is showing a surplus and employer councils are being advised that there probably will not be an uplift in employer contribution rates in 2026-27. 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 All 2025-26 fees and charges have been reviewed both by budget managers and the relevant service Committees in the January Committee cycle, with Corporate Policy and Resources Committee approving at their meeting on 10th February.

Income Generation

- 6.2 The Budget forecasts have reflected officers' judgements on the future, taking the past three years income as a guide, whilst being mindful of the economic challenges to be faced over the next five years due to higher than previously anticipated inflationary pressures. In line with other Surrey councils the Council will look to seek to ensure that discretionary services come closer to covering their costs. With respect to Meals on Wheels, the Community Wellbeing and Housing Committee, took a small step in this direction by approving the first increase in fee for Meals on Wheels since 2020, with a £1 increase in the cost of meals.
- 6.3 The net income contribution to the Revenue Budget from our commercial asset's portfolio is budgeted at £10.028m for 2025-26, the Sinking Fund will contribute £5.066m (net) (2024-25: £2m) to maintain service delivery to the residents of the Spelthorne.
- 6.4 **Knowle Green Estates Ltd (KGE)** - Currently manages 175 housing units for the Council and is providing homes to key workers, disabled residents, and families (including Afghan families) in the Borough.
- 6.5 The suspension of the Council's direct accessible housing delivery projects initially had a significant impact on KGE and its finances.

- 6.6 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.
- 6.7 One 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 what was initially the Department for Levelling Up Housing & Communities (DLUHC) and which then became Ministry for Housing, Communities and Local Government (MHCLG) 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.
- 6.8 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.
- 6.9 The KGE Board of Directors are considering a draft Budget for 2025-26 with net expenditure budget of (£82.6k) (2024-25: £243.8k) an improvement of £326.4k. 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.
- 6.10 KGE is recharged for services provided and a small interest rate margin and this has been accounted for in the Council budget.
- 6.11 **Spelthorne Direct Services Ltd. (SDS)** – The company continues to grow winning a few prestigious contracts and receiving exceptional customer services ratings.
- 6.12 The company is performing slightly below the budget and the forecast to generate a contribution of £72k at 31 March 2025. The Board of Directors approving a net revenue budget for 2025-26 of (£139k) (2024-25: (£77k) and improvement of (£62k).
- 6.13 SDS is recharged for services provided to it by the Council budget and is only making finance repayments on start-up capital.

Contingencies.

- 6.14 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 towards £5m over the next three years.
- 6.15 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

- 6.16 The Council has benefited from many years of above average investment returns (over an eleven-year period averaging at just over 4%) through a diversified range of pooled investment funds. These Pooled Investment Funds have been liquidated in 2024/25 to reduce the need for external borrowing.
- 6.17 Rising interest rates have made more challenging the funding of our Capital Programme, as the cost of PWLB borrowing increases, with long term rates since the October Budget being around 6% before falling back to approximately 5.8%. However, on a positive side, higher than anticipated interest rates have boosted the returns on our surplus cash holdings.
- 6.18 In October 2024, the Council made the strategic decision to draw down its pooled medium term investment funds. This means it will not be taking out additional external borrowing to fund the balance of the Eclipse leisure centre (which would have been at interest rates in region of 6%) but does mean the rate of return on the Council's surplus funds will be reduced from £1.474m to £0.67m. However, at the same time the interest the Council will be receiving from loans to its Housing Company Knowle Green Estates will rise from £0.75m to £1.5m.

7. Investment Income

- 7.1 The Corporate Policy & Resources Committee has separately received the Treasury Management Strategy for 2025-26 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 has advised the Council on one or two expected future rate changes in 2025-26 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 and Resources Committee reviewed the Capital and Revenue Reserves Strategy Report at their meeting on 9 December, which indicates that £14.162m of funding from Earmarked Revenue Reserves will be utilised in 2025-26. The Detailed Budget Report (Appendix 1) indicates that in approving the Budget, Council will approve the following movements on the Council's reserves:
- (a) £95.6k from the Planning Performance Agreement to fund a Systems Administrator Support Officer, Strategic Planning Officer and additional 12 hours for the Planning Enforcement Officer.
 - (b) £50.9k from the Green Initiatives Reserve to fund the Climate Change Officer for 2025-26
 - (c) £94k from the Business Rates Retention Reserve to fund for 2025-26 two posts in the Economic Development Team.
 - (d) £653.5k from Earmarked Reserves for one off costs relating to funding the aborted capital schemes (£543.5k). A one off £110k for

Environmental Health to implement and update software for Uniform & GeoEnviron.

- (e) £50k from the Planning Delivery Grant (PDG) Reserve to support the delivery of the Flooding Supplementary Planning Document necessary to overcome the Environment Agency's objections to the emerging Spelthorne Local Plan.
- (f) £1.443m from the Capital Fund for the aborted capital expenditure housing schemes.
- (g) £1.016m from the Housing Initiatives reserve for the aborted capital expenditure from housing schemes.
- (h) £226k from the Carry Forward Reserve for the aborted capital expenditure from housing schemes.
- (i) £2.827m from the Business Rates Equalisation reserve to fund the aborted capital expenditure from housing schemes.
- (j) £1.434m from the Planned Projects reserve for the aborted capital expenditure from housing schemes.
- (k) £1.22m from the New Schemes reserve for the aborted capital expenditure from housing schemes.
- (l) As mentioned above, a net £5,052k is planned to be transferred from the Sinking Fund earmarked 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.

7.6 The investment income portfolio has provided for our long-term future prosperity to regenerate the Borough and will continue to provide services and support to our residents.

7.7 In 2025-26 it is anticipated that £5.052m (net) will be used to Maintain the £10.028m contribution towards front line services.

7.8 In addition to the above reserves movements, as per the Reserves Strategy approved at Corporate Policy and Resources Committee on 9th December, the accumulated capitalised costs relating to two of the housing sites closest to realisation of outcomes are to be written off to Revenue. These costs total £8.7m and will be offset by drawing down a number of earmarked reserves as set out in the Reserves Strategy.

Savings & Additional Income

7.9 In total savings of approximately £1.246m have been found for 2025-26. See Appendix 10.

7.10 Precepts

7.11 Surrey County Council at its meeting on 28th January set a Band D Council tax of £1,846.35 representing a 4.99% increase and Surrey Police at its tax setting meeting on the 2nd February set a band D Council tax of £337.57 representing a £14 increase on Band D (the maximum allowed under the regulations) representing a 4.3% increase.

7.12 Medium Term Financial Plan

7.13 Within the detailed budget report, officers have included the figures for 2026-27 to 2028-29 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 2025-26 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 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 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 £16.7m of capitalised revenue costs may have to be charged back against the 2025-26 and future years Revenue Budgets and this will put services at risk- £8.7m of this is being absorbed in 2025-26, 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.

10.3 Officers, working with our Treasury Management advisers, will need to carefully monitor the movements in interest rates, 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 180 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. Whilst we are aware that Spelthorne as other Surrey councils, is in the first wave of Reorganisation, we have for the moment continued business as usual projections. 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 most recent reports from the External Auditors with recommendations around sharpening medium term financial planning.
- 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 received a useful external expert's 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 set out in the Capital and 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. The new Government has confirmed that there will be local government funding reform and that this will direct more resources to areas with low taxbases and high need. The funding review will impact on redistribution of grants to councils and at the same time there will be a reset of business rates. We are currently assuming that this will happen begin to take effect 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 2027-28 and this will include work focused on better understand options around discretionary and secondary expenditure and commencing a zero-based budgeting exercise for 2026-27.
- 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 2025-26.
- 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 specific reserves 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 We also have to have regard to the expectations of successor Shadow and unitary authority
- 10.14 The above issues, along with the Reserves Policy were considered as part of the Outline Budget report in December and the Capital & Revenue Reserves Strategy report was reviewed and approved by the Corporate Policy & Resources Committee at their meeting on 9th December 2024. The Council's General Fund revenue reserve, which acts as a contingency reserve is currently £3.1m which represents 12% of the proposed net budget requirement for 2025-26. We will seek in the coming years to further increase the balance in the General Fund reserve.
- 10.15 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.

- 10.16 A key risk impacting on the level of reserves the Council is facing is the need to achieve positive outcome on land currently being held for housing and regeneration purposes. There is a Development Delivery Strategy approved with a prioritised order for achieving outcomes on these sites. Currently across these sites the accumulated capitalised costs associated with the assets total £16.7m. To the extent that positive housing outcomes are not achieved on these sites these costs will need to be written off to Revenue and will require the application of earmarked reserves to offset that adverse impact on the Budget. The Reserves Strategy anticipates application of £8.7m reserves for this purpose in 2025-26. Moving forwards in 2025-26 the Council will no longer be capitalising costs on vacant housing sites, with these costs being charged to Revenue.
- 10.17 We have also considered risks relating to Group interactions between the Council and its two subsidiary companies. The more material company is Knowle Green Estates which has loan finance totalling approximately £30 million from the Council. However this loan finance is covered by the rental income from KGE tenants. Over time the rental income will steadily increase as rents are uplifted each year whereas the interest rates on the loans are fixed for 50 years. The Company has a target of turning around voids on empty units within 10 days and has a positive track record against this task. Voids performance is reported monthly to the KGE Board as are rent arrears which are consistently very low.
- 10.18 As highlighted in the report above in total the Council in 2025-26 is using £14.1m of reserves, which will reduce the year-end balance of cash backed reserves to approximately £50m, and if one separates out reserves relating to developers' contributions equates to approximately £40m. This will reduce the resilience of the Council's balance sheet and will need to be monitored carefully.
- 10.19 The Chief Finance Officer considers that the reserves and provisions will ensure that the Council have been maintaining a relatively healthy financial position in the face of the Cost-of-Living Crisis and housing crisis. However, the recently refreshed Sinking Funds model has highlighted that the Council does need to build up funds in the sinking funds reserves at a faster rate over the medium term in order to ensure that there are sufficient funds to insulate the Council and council taxpayers when key tenants in the future may not renew leases or exercise breaks. As a result of this the Reserves Strategy has been revised with the view of stepping up contributions over a five-year period into the sinking funds, in steps of one million pounds, such that by 2031 we are setting aside an additional £5m per annum into the sinking funds reserves. This has significant implications for the discretionary services provided by the Council as this equates to a halving of the subsidy currently provided by the investment assets of the Council. In forming this judgement, the Chief Finance Officer 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 2023-24 the second highest ratio of unallocated revenue reserves to net revenue budget of any district or Borough Council in the country.

- 10.20 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.
- 10.21 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. 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 2.3%). There is no risk of interest movement on the debt. However, the sinking funds reserves need to ensure that council taxpayers are protected on a longer term from impacts of future pressure points for example when key tenants' leases come to an end.
 - (b) 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 approximately 2 times in value the interest cost and annual debt repayments and is sufficient to cover interest, annual debt repayments, management costs and to make annual Sinking Fund contributions.
 - (c) 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.
- 10.22 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.

10.23 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 second highest ratio of Revenue Reserves to net Revenue Budget of any district or Borough Council in the country as at the end of 2023-24. 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.

10.24 It continues to be important that the Council critically reviews its financial management performance. 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

Issues considered when evaluating the robustness of the estimates and the adequacy of the reserves is set out below.

12.1 The budget has several risks, and these are set out below:

Outside control	Internally based
Local Government Restructuring will require very significant resources to address	Risk of failure to achieve objectives due to inadequate resources – the wide range of objectives the Council seeks to achieve requires significant resourcing to manage and implement. It takes time to recruit and train officers to lead and oversee projects. Prioritisation is required to ensure that key projects are successfully completed in the appropriate timeframe. Failure to appropriately prioritise projects may result in both wasted resources pursuing projects which should not have been priorities, and delays to projects which should have been identified as key to success.
	Failure to achieve housing outcomes on sites and stop incurring holding costs on vacant sites. Important that the Development Delivery Strategy is progressed at a good pace.
Economic and financial impacts of the Cost-of-Living crisis, including on residents' ability to pay Council tax,	Failure to maintain momentum in moving towards full occupancy across the Investment Asset portfolio.

businesses ability to pay business rates, particularly with business rates relief for retail, leisure and hospitality reducing from 75% to 40% and this happening at same time as employer national insurance contributions rise, Council income levels, levels of local Council tax support, impacts on commercial rents etc	
External geopolitical conflicts resulting in impacts such as sanctions which impact on income streams	
PWLB Interest rates, since the October 2024 Budget gilt rates have increased significantly – main mitigation taken by Council has been to reduce need for extra borrowing by drawing down pooled funds.	Failure to sufficiently resource delivery of key asset income generation projects and to deliver transformation and savings programme. Particularly a risk when organisation at same time facing Local Government Reorganisation, addressing audit issues and Local Plan process
New Government has confirmed a review of local government funding which is likely to channel funding to areas with high demographic need and low council tax bases. This is likely to divert funding away from areas such as funding. Likely to be phased in over three or more years	
	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- to be phased in from 2026-27	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 capitalised development costs to the revenue budget in 2025-26 or years to come over and above the £8.7m currently being written off in 2025-26.
Risk that Knowle Green Estates struggles to make interest and debt payments on the loan finance from the Council – risk is relatively low given the interest rates are fixed whereas rental income moves up each year. KGE has a	

track record of quick turn arounds of voids.	
Impact of budget pressures on Surrey County Council and other public sector entities.	
Local Government funding reform and business rates reset in 2026-27 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.

13. Legal implications

- 13.1 Councils have a statutory responsibility to set a balanced budget by the beginning of March each year.
- 13.2 Councillors are reminded that any amendment motions to change the detailed budget, must be submitted to Committee Services by 1200 hours on Tuesday 25 February.

14. Equality and Diversity

- 14.1 The detailed budget proposals apply to all residents across the Borough. Any significant service changes underpinning the Budget will have Equality Impact Assessments undertaken.

15. Sustainability/Climate Change Implications

- 15.1 The Budget reflects prioritisation against corporate priorities including climate change. Provision has been for example to create a new climate change officer.

16. Timetable for implementation

- 16.1 Full Council to approve the budget on 27 February 2025.

Background papers:

2025-26 Reserves Strategy (CPRC)
2025-26 Outline Budget Report (CPRC)
2025-26 Fees & Charges Report (all Committees)
2025-26 Council Tax Base. (CPRC)

Appendices:

Appendix 1 – Detailed budget for 2025-26.

Appendix 2 – Net Expenditure Budget 2025-26 by Committee.

Appendix 3 – General Fund Subjective Analysis.

Appendix 4 – Calculation of Council Tax for 2025-26.

Appendix 5 – Calculation of Council Tax (SBC only) for different valuation bands for 2025-26.

Appendix 6 - Calculation of the total Council Tax (SBC, SCC & SPCC) for different valuation bands for 2025-26.

Appendix 7 – FTE equivalent support provided by SBC to KGE and fully charged to KGE for 2025-26 and other services.

Appendix 8 – Breakdown of costs by discretionary and mandatory services for each Committee, by Cost centre. based on the 2025-26 detailed budget.

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

Appendix 10 – Community Wellbeing Summary Revenue Savings 2526

Appendix 11 – Corporate Policy & Resources Summary Revenue Savings 2526

Appendix 12 – Environment & Sustainability Summary Revenue Savings 2526

Appendix 13 – Business Infrastructure Committee Summary Revenue Growths2526

Appendix 14 - Community Wellbeing & Housing Summary Revenue Growths2526

Appendix 15 - Corporate Policy & Resources Summary Revenue Growths2526

Appendix 16 - Environment & Sustainability Summary Revenue Growths2526

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Outline Budget 2025-26 Base Case							Appendix 1	
							19 February 2025	
	2024-25 original	2024-25 Revised		2025-26	2026-27	2027-28	2028-29	
	£	£	note	£	£	£	£	
Gross Expenditure	62,573,900	63,118,100		64,955,300				
Less: Fees and Charges and Specific Grants (excl Housing B	(14,789,800)	(15,303,000)		(16,618,200)				
Less: Housing Benefits Grant	(21,556,000)	(21,556,000)		(21,556,000)				
Net Service Expenditure:	26,228,100	26,259,100		26,781,100	26,781,100	27,682,900	28,472,700	
Broken down by Committee								
Corporate Policy & Resources Committee	11,024,900	11,024,900		11,098,100	6,000	258,000		
Business Infrastructure & Growth Committee	2,531,800	2,531,800		2,509,800				
Community Wellbeing & Housing Committee	5,768,700	5,799,700		6,217,000				
Environment & Sustainability Committee	6,902,700	6,902,700		6,956,200	817,000	(90,000)		
	26,228,100	26,259,100	1	26,781,100	27,604,100	27,850,900	27,682,900	
Third party inflation	0	0		0	437,800	448,700		459,900
Fees & charges inflation	0	0		0	(211,400)	(216,700)		(222,100)
Fees & charges additional inflation	0	0		0	0	0		0
NI Contribution Grant	0	0		0	0	0		0
Pensions	0	0	2	0	0	50,000		0
Pay award	0	0	3	0	639,300	655,300		671,700
Vacancy Freeze	0	0		0	0	0		0
Cashable Savings Identified	0	0	4	0	0	0		0
Business Improvements	0	0	4	0	0	0		0
Green Initiatives	0	0	4	0	0	0		0
Uplift in Leisure Centre Income	0	0	5	0	(603,400)	(300,500)		(85,600)
Diesel Fuel to HVO Fuel	0	0	4	0	10,000	10,000		0
Local Plan Costs Yr 2	0	0	4	0	210,000	0		0
New CCTV Contract 2627	0	0	4	0	100,000	0		0
Increases in procurement savings	0	0	4	0	(25,000)	(25,000)		0
One off Growth bids 25.26 (removal in 26.27)	0	0		0	(435,000)	0		0
Lapsed Growth bids base budgets	0	0		0	(43,500)	0		0
Service Expenditure	0	0		0	78,800	621,800	823,900	
NET EXPENDITURE	26,228,100	26,259,100		26,781,100	27,682,900	28,472,700	28,506,800	
Investment Property Income per lease incl regen	(50,946,700)	(50,946,700)	5	(49,064,800)	(53,464,800)	(51,591,900)	(51,110,500)	
Landlord Costs	6,827,600	6,827,600	5	7,865,400	7,889,900	3,707,500	6,942,900	
Debt Interest payable	24,933,100	24,933,100	5	25,424,600	25,136,900	24,830,000	24,508,900	
Minimum Revenue Provision	12,918,600	12,918,600	5	13,024,500	13,941,396	16,101,422	16,500,222	
Capex Write Off (Housing Schemes)	0	0	5	8,710,000	0	0	0	
Set Aside	650,000	650,000	5	670,000	690,000	710,000	730,000	
Interest Rent Deposits	0	0	6	31,000	0	0	0	
Interest on Leases (IFRS16)	0	0	6	79,000	0	0	0	
Capitalised Interest	(1,217,700)	(1,217,700)	6	0	0	0	0	
Interest Cash Equiv.	(250,000)	(250,000)	7	(670,000)	(310,000)	(225,000)	(200,000)	
Interest Rec - Pooled Funds	(1,224,000)	(1,224,000)	7	0	0	0	0	
Interest received on loans to KGE	(761,900)	(761,900)	8	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	
Interest received on loans to SDS	(16,000)	(16,000)	8	(10,000)	(7,000)	(4,000)	0	
Cashflow Loan Interest to KGE	0	0		(42,000)	(38,000)	(30,000)	(20,000)	
NET EXPENDITURE AFTER INTEREST EARNINGS	17,141,100	17,172,100		31,298,800	20,021,296	20,470,722	24,358,322	
Appropriation to/(from) Reserves:								
Revenue Contributions to Capital Outlay	0	80,000		0	0	0	0	
Capital Fund	0	0		(1,442,600)	0	0	0	
Housing Initiatives	(703,800)	(703,800)		(1,016,000)	0	0	0	
Carry Forward Reserve	0	(31,000)		(225,600)	0	0	0	
Funding From Earmarked Reserves	(71,700)	(71,700)	1	(653,500)	0	0	0	
Building Control Reserve	(5,700)	(5,700)	1	0	0	0	0	
Business Rates Equalisation Reserve	0	0	1	(2,827,500)	0	0	0	
Planned Projects Reserve	0	0	1	(1,434,000)	0	0	0	
Planning Performance Agreement	(96,700)	(96,700)	1	(95,600)	(53,200)	(53,200)	(53,200)	
Green Initiative Fund	(46,300)	(46,300)	1	(50,900)	(50,900)	(50,900)	(50,900)	
S106 Reserve	0	(80,000)	1	0	0	0	0	
BRR Retention - EcDev	(84,700)	(84,700)	1	(94,000)	0	0	0	
Green Belt Fighting Fund	(90,000)	(90,000)		0	(210,000)	0	0	
PDG Reserve	0	0		(50,000)	0	0	0	
New Schemes	0	0		(1,220,800)	0	0	0	
Sinking Fund Contributions	833,900	833,900	9	1,002,500	830,000	1,456,900	850,600	
Sinking Fund (Funding)	(2,850,000)	(2,850,000)	9	(6,054,400)	(1,600,000)	0	(3,200,000)	
BUDGET REQUIREMENT	14,026,100	14,026,100		17,136,400	18,937,196	21,823,522	21,904,822	
Allocation from National Non-Domestic Rate pool	(500,000)	(500,000)	10	(750,000)	(500,000)	(500,000)	(500,000)	
Retained Business Rates	(1,929,000)	(1,929,000)	10	(1,929,000)	(1,200,000)	(1,000,000)	0	
NNDR Tarrif Payment	0	0	10	0	0	0	0	
Section 31 Grants	0	0	10	(2,231,000)	(2,231,000)	(2,231,000)	(2,231,000)	
Other Grants (Section 31 Grants formally used)	(874,900)	(874,900)	10	0	0	0	0	
Lower Tier Services Grant re Core Spending Power	(12,300)	(12,300)	10	0	0	0	0	
Core Spending Power Guarantee Grant	(1,884,000)	(1,884,000)	10	(1,728,000)	(1,480,000)	(1,211,000)	0	
Revenue Support Grant	(96,800)	(96,800)	10	(116,000)	(100,000)	(102,000)	0	
New Homes Bonus Grant	(101,500)	(101,500)	10	(12,000)	0	0	0	
National Insurance Contribution Grant	0	0	10	(197,400)	0	0	0	
NET BUDGET REQUIREMENT	8,627,600	8,627,600		10,173,000	13,426,196	16,779,522	19,173,822	
Collection Fund (Surplus)/Deficit	100,000	100,000		(876,700)	180,000	180,000	0	
CHARGE TO COLLECTION FUND	8,727,600	8,727,600		9,296,300	13,606,196	16,959,522	19,173,822	
Tax base (net)	39,241	39,241	11	40,620	41,229	41,848	42,475	
Council Tax rate	222.41	222.41	11	228.86	235.50	242.33	249.35	
Council Tax yield	8,727,600	8,727,600		9,296,300	9,709,400	10,140,800	10,591,400	
DEFICIT/(SURPLUS)	0	0		0	3,896,796	6,818,722	8,582,422	

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Net Expenditure Budget 2025/26 by committee					Appendix 2	
19 February 2025						
Committee	Original 2024/25 £000s	Revised 2024/25 £000s	Proposed 2025/26 £000s	Change from 2024/25 £000s	Increase Decrease %	
Accountancy	920.3	810.3	1,047.5	237.2	29%	
Audit	222.0	222.0	253.4	31.4	14%	
Building Control	5.7	5.7	21.4	15.7	275%	
Chief Executive	237.0	237.0	244.8	7.8	3%	
Committee Services	317.9	317.9	339.7	21.8	7%	
Corporate Governance	315.0	315.0	335.0	20.0	6%	
Corporate Management	687.5	687.5	1,201.7	514.2	75%	
Corporate Publicity	460.0	460.0	472.3	12.3	3%	
CServ Management & Support	1,324.5	1,324.5	1,312.3	(12.2)	-1%	
Democratic Rep & Management	414.2	414.2	423.6	9.4	2%	
Deputy Chief Executives	307.9	307.9	319.6	11.7	4%	
Elections	10.9	10.9	11.0	0.1	1%	
Electoral Registration	280.6	280.6	294.8	14.2	5%	
HR	429.0	429.0	453.5	24.5	6%	
Information & Comms Technology	1,300.3	1,300.3	1,294.4	(5.9)	0%	
Insurance	337.8	337.8	368.2	30.4	9%	
Land Charges	(31.4)	(31.4)	(27.5)	3.9	12%	
Legal	713.3	713.3	740.0	26.7	4%	
MAT Secretariat & Support	103.7	103.7	108.5	4.8	5%	
Payroll	76.3	76.3	80.1	3.8	5%	
Project Management	679.0	679.0	721.3	42.3	6%	
Unapportionable CentralO/heads	1,913.4	2,023.4	1,082.5	(940.9)	-47%	
Corporate Policy & Resources Committee	11,024.9	11,024.9	11,098.1	73.2	1%	

Net Expenditure Budget 2025/26 by committee					Appendix 2	
19 February 2025						
	Original	Revised	Proposed	Change from	Increase	
Committee	2024/25	2024/25	2025/26	2024/25	Decrease	
	£000s	£000s	£000s	£000s	%	
Asset Mgn Administration	493.0	448.0	358.1	(89.9)	-20%	
Bus Station	25.9	25.9	25.9	0.0	0%	
Development Properties	129.0	129.0	67.1	(61.9)	-48%	
Economic Development	302.8	302.8	323.9	21.1	7%	
Facilities Management	710.8	710.8	698.5	(12.3)	-2%	
General Property Expenses	(30.3)	(30.3)	(81.2)	(50.9)	-168%	
Incubator	(8.6)	(8.6)	18.5	27.1	315%	
Planned Maintenance Programme	1,335.8	1,380.8	1,413.4	32.6	2%	
Shared Prosperity Fund	0.0	0.0	0.0	0.0	#DIV/0!	
Staines Market	(62.8)	(62.8)	(61.4)	1.4	2%	
Staines Town Centre Management	(364.1)	(364.1)	(373.3)	(9.2)	-3%	
Youth Hub	0.3	0.3	120.3	120.0	40000%	
Business Infrastructure & Growth Committee	2,531.8	2,531.8	2,509.8	(22.0)	-1%	
Arts Development	32.1	32.1	32.8	0.7	2%	
Community Care Administration	395.2	395.2	505.7	110.5	28%	
Community Centres	562.2	562.2	607.1	44.9	8%	
Community Development	39.0	42.9	39.0	(3.9)	-9%	
Community Safety	309.7	309.7	324.9	15.2	5%	
Food Safety	0.9	0.9	0.9	0.0	0%	
General Grants	226.7	253.8	231.2	(22.6)	-9%	
Homelessness	1,423.5	1,423.5	1,425.4	1.9	0%	
Housing Benefits Admin	424.5	424.5	468.5	44.0	10%	
Housing Benefits Payments	51.0	51.0	113.0	62.0	122%	
Housing Needs	1,605.2	1,605.2	1,789.7	184.5	11%	
Leisure Administration	365.9	365.9	384.9	19.0	5%	
Licensing	34.0	34.0	39.2	5.2	15%	
Meals on Wheels	116.5	116.5	120.2	3.7	3%	
Museum	(5.0)	(5.0)	(5.1)	(0.1)	2%	
Public Halls	(19.2)	(19.2)	(22.1)	(2.9)	-15%	
Public Health	4.6	4.6	4.8	0.2	4%	
Refugee Schemes	(0.2)	(0.2)	(43.3)	(43.1)	-21550%	
Resource Centre	14.2	14.2	13.7	(0.5)	-4%	
Rodent & Pest Control	11.3	11.3	16.7	5.4	48%	
SAT	167.1	167.1	177.6	10.5	6%	
Spelthorne Family Support	52.0	52.0	0.0	(52.0)	-100%	
Spelthorne Leisure Centre	22.2	22.2	63.6	41.4	186%	
Sports and Active Lifestyle	19.2	19.2	16.5	(2.7)	-14%	
Sunbury Golf Club	(47.6)	(47.6)	(49.9)	(2.3)	-5%	
Taxi Licensing	(64.8)	(64.8)	(67.4)	(2.6)	-4%	
Youth	28.5	28.5	29.4	0.9	3%	
Community Wellbeing & Housing Committee	5,768.7	5,799.7	6,217.0	417.3	7%	

Net Expenditure Budget 2025/26 by committee					Appendix 2	
19 February 2025						
Committee	Original 2024/25 £000s	Revised 2024/25 £000s	Proposed 2025/26 £000s	Change from 2024/25 £000s	Increase Decrease %	
Abandoned Vehicles	3.6	3.6	3.6	0.0	0%	
Allotments	(18.6)	(18.6)	(20.1)	(1.5)	-8%	
Car Parks	(384.4)	(384.4)	(483.9)	(99.5)	-26%	
Cemeteries	(392.8)	(392.8)	(411.1)	(18.3)	-5%	
Depot	128.2	128.2	122.6	(5.6)	-4%	
Emergency Planning	95.5	95.5	95.5	0.0	0%	
Energy Initiatives	10.1	10.1	10.3	0.2	2%	
Environmental Enhancements	13.3	13.3	13.6	0.3	2%	
Environmental Health Admin	1,335.0	1,335.0	1,430.0	95.0	7%	
Environmental Protection Act	89.9	89.9	145.3	55.4	62%	
Grounds Maintenance	1,888.7	1,888.7	1,947.6	58.9	3%	
Neighbourhood Serv Mgt Support	1,404.1	1,404.1	1,417.3	13.2	1%	
Parks Properties project	(10.8)	(10.8)	3.1	13.9	129%	
Parks Strategy	(1.1)	(1.1)	(11.8)	(10.7)	-973%	
Planning Development Control	724.3	724.3	891.8	167.5	23%	
Planning Policy	574.5	574.5	993.2	418.7	73%	
Refuse Collection	908.7	908.7	1,083.8	175.1	19%	
Street Cleaning	795.0	795.0	872.8	77.8	10%	
Waste Recycling	(266.5)	(266.5)	(1,173.5)	(907.0)	-340%	
Water Courses & Land Drainage	6.0	6.0	26.1	20.1	335%	
Environment & Sustainability Committee	6,902.7	6,902.7	6,956.2	53.5	1%	
Net Expenditure	26,228.1	26,259.1	26,781.1	522.0	2%	

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APPENDIX 3	GENERAL FUND SUBJECTIVE ANALYSIS				19/02/2025
	Community Wellbeing & Housing	Corporate Policy and Resources	Business Infrastructure-Growth	Environment & Sustainability	Total
	£	£	£	£	£
Employees	6,240,400	8,723,000	1,936,100	8,673,700	25,573,200
Premises	2,699,100	207,100	1,926,000	1,080,800	5,913,000
Transport	122,700	209,200	24,600	845,100	1,201,600
Supplies and Services	1,854,800	2,647,800	(45,100)	1,813,200	6,270,700
External Contracts	3,621,700	227,400	96,700	179,000	4,124,800
Benefit Payments	21,872,000	0	0	0	21,872,000
Support to Capital	0	0	0	0	0
TOTAL EXPENDITURE	36,410,700	12,014,500	3,938,300	12,591,800	64,955,300
Government Grants	(24,094,200)	0	(96,000)	(907,000)	(25,097,200)
Rents & Other Income	(6,099,500)	(916,400)	(1,332,500)	(4,728,600)	(13,077,000)
TOTAL INCOME	(30,193,700)	(916,400)	(1,428,500)	(5,635,600)	(38,174,200)
NET EXPENDITURE	6,217,000	11,098,100	2,509,800	6,956,200	26,781,100

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Calculation of the basic Council Tax for 2025/26					
Appendix 4					19/02/2025
				£	£
Total Service expenditure for the year					64,955,300
	Less Housing Benefit				-21,556,000
					43,399,300
Add	Transfer to sinking fund reserve			1,002,500	
	Revenue contribution to capital outlay			0	
	Debt interest payable			25,424,600	
	Minimum Revenue Provision			13,024,500	
	Asset Supervision costs			670,000	
	Landlord Costs			7,865,400	
	Interest Rent Deposits			31,000	
	Interest on Leases (IFRS16)			79,000	
	Capex Write Off (Housing Schemes)			8,710,000	
	Contribution to Revenue Reserves			0	
					56,807,000
Gross Expenditure for the year					100,206,300
Less	Gross income for the year			-16,618,200	
	Interest earnings			-670,000	
	Income from assets acquisitions			-49,064,800	
	Transfer from sinking fund reserves			-6,054,400	
	KGE Interest			-1,542,000	
	SDS Interest			-10,000	
	Capitalisation of interest			0	
	Transfer from Earmarked Reserves			-9,110,500	
Income for the year					-83,069,900
The Council's net expenditure					17,136,400
Less	Retained share of business rates			-1,929,000	
	Revenue Support Grant			-116,000	
	S31 Grant			-2,231,000	
	Core Spending Power Grant			-1,728,000	
	National Non Domestic Rate Pool			-750,000	
	Lower Tier Service Grant			0	
	NI Contribution Grant			-197,400	
	New Homes Bonus			-12,000	
					-6,963,400
	Estimated Surplus on the Collection fund				-876,700
Net sum to be recovered through Council Tax					9,296,300
The Council's Band D tax base for 2025/26					40,620
Expressed per equivalent Band D property					
(8763900/40551)					228.86

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**CALCULATION OF COUNCIL TAX FOR DIFFERENT VALUATION BANDS FOR 2025/26
FOR SPELTHORNE'S OWN EXPENDITURE**

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

£228.86

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.	152.57	178.00	203.43	228.86	279.72	330.58	381.43	457.72

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**CALCULATION OF COUNCIL TAX FOR DIFFERENT VALUATION BANDS FOR 2025/26
SUMMARY**

<u>VALUATION BAND</u>	A	B	C	D	E	F	G	H
1. Precepts issued to the Council	£	£	£	£	£	£	£	£
i) Surrey County Council	1,230.90	1,436.05	1,641.20	1,846.35	2,256.65	2,666.95	3,077.25	3,692.70
ii) Surrey Police	225.04	262.55	300.06	337.57	412.58	487.60	562.61	675.14
2. Spelthorne's Council Tax	152.57	178.00	203.43	228.86	279.72	330.58	381.43	457.72
3. The total of items 1 and 2 above, which is the full Council Tax for 2024/25	1,608.51	1,876.60	2,144.69	2,412.78	2,948.95	3,485.13	4,021.29	4,825.56

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FTEs recharged from Council to Knowle Green Estates

Estates	FTE	
Property Accounts Assistant	0.50	
Property Accounts & Business Systems Mana	0.50	
Property Accounts Assistant	0.10	
Principal Residential Lettings Manager	1.00	
Residential Buildings Manager	0.89	
Tenancy Sustainment Officer	1.00	
Residential Manager	1.00	4.99
Finance		
Deputy CX	0.05	
Revenue Accountant	0.10	0.15
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		10.17

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Mandatory/Discretionary Split of 2025-26 Budget by Committees

19/02/2025

Key:

D= Discretionary

M= Mandatory

D/M= Contains a mixture of discretionary and mandatory

Appendix 8

	£ Budget 2025-26	D %	M%	£ D Discretionary	£ M Statutory	£ 2025-26 Total
Accountancy	1,047,500	0%	100%	-	1,047,500	1,047,500
Audit	253,400	40%	60%	101,360	152,040	253,400
Building Control	21,400	5%	95%	1,070	20,330	21,400
Chief Executive	244,800	0%	100%	-	244,800	244,800
Committee Services	339,700	20%	80%	67,940	271,760	339,700
Corporate Governance	335,000	60%	40%	201,000	134,000	335,000
Corporate Management	1,201,700		100%	-	1,201,700	1,201,700
Corporate Publicity	472,300	85%	15%	401,455	70,845	472,300
CServ Management & Support	1,312,300	30%	70%	393,690	918,610	1,312,300
Democratic Rep & Management	423,600	100%	0%	423,600	-	423,600
Deputy Chief Executives	319,600	0%	100%	-	319,600	319,600
Elections	11,000	0%	100%	-	11,000	11,000
Electoral Registration	294,800	0%	100%	-	294,800	294,800
HR	453,500	50%	50%	226,750	226,750	453,500
Information & Comms Technology	1,294,400	60%	40%	776,640	517,760	1,294,400
Insurance	368,200	0%	100%	-	368,200	368,200
Land Charges	- 27,500	0%	100%	-	- 27,500	- 27,500
Legal	740,000	100%	0%	740,000	-	740,000
Project Management	721,300	80%	20%	577,040	144,260	721,300
MAT Secretariat & Support	108,500	0%	100%	-	108,500	108,500
Payroll	80,100	0%	100%	-	80,100	80,100
Unapportionable CentralO/heads	1,082,500	80%	20%	866,000	216,500	1,082,500
Corporate Policy & Resources Committee	11,098,100			4,776,545	6,321,555	11,098,100
Asset Mgn Administration	358,100	100%	0%	358,100	-	358,100
Bus Station	25,900	100%	0%	25,900	-	25,900
Development Properties	67,100	100%	0%	67,100	-	67,100
Economic Development	323,900	100%	0%	323,900	-	323,900
Facilities Management	698,500	100%	0%	698,500	-	698,500
General Property Expenses	- 81,200	100%	0%	- 81,200	-	- 81,200
Incubator	18,500	100%	0%	18,500	-	18,500
Planned Maintenance Programme	1,413,400	50%	50%	706,700	706,700	1,413,400
Shared Prosperity Fund	-			-	-	-
Staines Market	- 61,400	100%	0%	- 61,400	-	- 61,400
Staines Town Centre Management	- 373,300	100%	0%	- 373,300	-	- 373,300
Youth Hub	120,300	100%	0%	120,300	-	120,300
Business Infrastructure Committee	2,509,800			1,803,100	706,700	2,509,800

Mandatory/Discretionary Split of 2025-26 Budget by Committees

19/02/2025

Key:

D= Discretionary

M= Mandatory

Appendix 8

	£			£	£	£
Arts Development	32,800	100%	0%	32,800	-	32,800
Community Care Administration	505,700	100%	0%	505,700	-	505,700
Community Centres	607,100	100%	0%	607,100	-	607,100
Community Development	39,000	100%	0%	39,000	-	39,000
Community Safety	324,900	0%	100%	-	324,900	324,900
Food Safety	900	0%	100%	-	900	900
General Grants	231,200	100%	0%	231,200	-	231,200
Homelessness	1,425,400	0%	100%	-	1,425,400	1,425,400
Housing Benefits Admin	468,500	0%	100%	-	468,500	468,500
Housing Benefits Payments	113,000	0%	100%	-	113,000	113,000
Housing Needs	1,789,700	0%	100%	-	1,789,700	1,789,700
Leisure Administration	384,900	100%	0%	384,900	-	384,900
Licensing	39,200	0%	100%	-	39,200	39,200
Meals on Wheels	120,200	100%	0%	120,200	-	120,200
Museum	- 5,100	100%	0%	- 5,100	-	- 5,100
Public Halls	- 22,100	100%	0%	- 22,100	-	- 22,100
Public Health	4,800	5%	95%	240	4,560	4,800
Refugee Schemes	- 43,300	100%	0%	- 43,300	-	- 43,300
Resource Centre	13,700	100%	0%	13,700	-	13,700
Rodent & Pest Control	16,700	0%	100%	-	16,700	16,700
SAT	177,600	100%	0%	177,600	-	177,600
Spelthorne Family Support	-	100%		-	-	-
Spelthorne Leisure Centre	63,600	100%	0%	63,600	-	63,600
Sports and Active Lifestyle	16,500	100%	0%	16,500	-	16,500
Sunbury Golf Club	- 49,900	100%	0%	- 49,900	-	- 49,900
Taxi Licensing	- 67,400	0%	100%	-	67,400	67,400
Youth	29,400	100%	0%	29,400	-	29,400
Community Wellbeing & Housing Committee	6,217,000			2,101,540	4,115,460	6,217,000
Abandoned Vehicles	3,600	50%	50%	1,800	1,800	3,600
Allotments	- 20,100	0%	100%	-	20,100	20,100
Car Parks	- 483,900	100%	0%	- 483,900	-	- 483,900
Cemeteries	- 411,100	0%	100%	-	411,100	411,100
Depot	122,600	100%	0%	122,600	-	122,600
Emergency Planning	95,500	0%	100%	-	95,500	95,500
Energy Initiatives	10,300	0%	100%	-	10,300	10,300
Environmental Enhancements	13,600	40%	60%	5,440	8,160	13,600
Environmental Health Admin	1,430,000	5%	95%	71,500	1,358,500	1,430,000
Environmental Protection Act	145,300	0%	100%	-	145,300	145,300
Grounds Maintenance	1,947,600	100%	0%	1,947,600	-	1,947,600
Neighbourhood Serv Mgt Support	1,417,300	100%	0%	1,417,300	-	1,417,300
Parks Properties project	3,100	100%	0%	3,100	-	3,100
Parks Strategy	- 11,800	100%	0%	- 11,800	-	- 11,800
Planning Development Control	891,800	10%	90%	89,180	802,620	891,800
Planning Policy	993,200	0%	100%	-	993,200	993,200
Public Conveniences	-			-	-	-
Refuse Collection	1,083,800	0%	100%	-	1,083,800	1,083,800
Street Cleaning	872,800	0%	100%	-	872,800	872,800
Waste Recycling	- 1,173,500	0%	100%	-	1,173,500	1,173,500
Water Courses & Land Drainage	26,100	0%	100%	-	26,100	26,100
Environment & Sustainability Committee	6,956,200			3,162,820	3,793,380	6,956,200
Total	26,781,100			11,844,005	14,937,095	26,781,100

Commercial & Regeneartion Portfolio Contribution for the four years to 2028-29

19 February 2025

Appendix 9

Investment	£000s	2025-26	2026-27	2027-28	2028-29
Rent		-£44,980	-£49,091	-£47,045	-£46,673
Landlord Costs		£6,202	£3,492	£2,488	£5,606
Financing Costs		£21,856	£21,622	£21,382	£21,119
MRP		£11,742	£12,038	£12,342	£12,653
Set-a-side		£395	£390	£405	£420
Sinking Fund in/(out)		-£4,572	-£855	£1,370	-£2,139
Contribution (Surplus)/Deficit		-£9,356	-£12,402	-£9,058	-£9,014

Regeneration		2025-26	2026-27	2027-28	2028-29
Rent		-£4,085	-£4,374	-£4,547	-£4,438
Landlord Costs		£1,663	£4,398	£1,219	£1,337
Financing Costs		£1,009	£983	£956	£929
MRP		£946	£967	£988	£1,010
Set-a-side		£275	£300	£305	£310
Sinking Fund in/(out)		-£480	£105	£109	-£188
Contribution (Surplus)/Deficit		-£672	£2,378	-£970	-£1,040

Total		2025-26	2026-27	2027-28	2028-29
Rent		-£49,065	-£53,465	-£51,592	-£51,110
Landlord Costs		£7,865	£7,890	£3,707	£6,943
Financing Costs		£22,866	£22,605	£22,338	£22,048
MRP		£12,688	£13,005	£13,330	£13,663
Set-a-side		£670	£690	£710	£730
Sinking Fund in/(out)		-£5,052	-£749	£1,478	-£2,327
Contribution (Surplus)/Deficit		-£10,028	-£10,024	-£10,028	-£10,054

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Details of Savings Offered	Explanation of proposed saving	Service Area	Committee	Amount £	Full / Part Year	Ongoing / one off	General fund 2025/26 £	General fund 2026/27 £	General fund 2027/28 £	General fund 2028/29 £
Leisure Centre NNDR	Not required anymore - an old contribution made to the old contract provider. Under the new contract the operator covers the costs.	Leisure Centre	Community Wellbeing	25,600	Full Year	Ongoing	25,600	25,600	25,600	25,600
Fordbridge DC	Increase in sale of food. Bringing budget in line with income expected from sale of food.	Independent living	Community Wellbeing	30,000	Full Year	Ongoing	30,000	30,000	30,000	30,000
Greeno DC	Increase in sale of food. Bringing budget in line with income expected from sale of food.	Independent living	Community Wellbeing	5,000	Full Year	Ongoing	5,000	5,000	5,000	5,000
Staines CC	Increase in sale of food. Bringing budget in line with income expected from sale of food.	Independent living	Community Wellbeing	18,900	Full Year	Ongoing	18,900	18,900	18,900	18,900
One off contribution to SSSP not required.	Council contributes £10k toward Spelthorne Safer Strong Partnership. On reviewing current in year spend a one off saving of £10k can be put forward for 25/26.	Community Safety	Community Wellbeing	10,000	Full Year	One off	10,000			
				89,500			89,500	79,500	79,500	79,500

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Details of Savings Offered	Explanation of proposed saving	Service Area	Committee	Amount £	Full / Part Year	Ongoing / one off	General fund 2025/26 £	General fund 2026/27 £	General fund 2027/28 £	General fund 2028/29 £
Spelthorne BC Pension Contributions	Expected Reduction in Pension Payments based on 2024/25 payments/ outturn	Unapportionable overheads	Corp Policy & Resources	567,000	Full Year	Ongoing	567,000	567,000	567,000	567,000
Mobile phone contract	Reduction in monthly bill charge to £250 across the Council. Service budgets in 24/25 totalled £21.2k and the new budget required is £3.6k which will be kept centrally with no recharge to individual services.	Various	Corp Policy & Resources	17,600	Full Year	Ongoing	17,600	17,600	17,600	17,600
Security Services	Expected reduction in staff security expenditure (people safe devices)	Unapportionable Overheads	Corp Policy & Resources	13,100	Full Year	Ongoing	13,100	13,100	13,100	13,100
Bluebox contract	Re-negotiate Bluebox contract and reduce one licence	Asset Management	Corp Policy & Resources	5,000	Full Year	Ongoing	5,000	5,000	5,000	5,000
Council Tax	Demolish Kingston Road residential (unit 34) to reduce Council Tax liability to £0. If the property is not demolished the council tax liability will increase to approx. £12k per annum.	Asset Management	Corp Policy & Resources	1,000	Full Year	Ongoing	1,000	1,000	1,000	1,000
Office Equipment Purchase	Underspent the previous 2 financial years	Asset Management	Corp Policy & Resources	5,000	Full Year	Ongoing	5,000	5,000	5,000	5,000
Lease renewal - Knowle Green Nursery	Additional income as a result of lease renewal. Existing lease is for £13.4k. NB saving assumes that building is not demolished in next 5 years and the increase in rental takes effect from June.	Asset Management	Corp Policy & Resources	60,000	Full Year	Ongoing	60,000	80,000	80,000	80,000
Utility costs	Electricity and Gas costs to decrease by around 30%-40% from November 2024. These are not guaranteed contract savings, but are anticipated to result in cost savings.	Various	Corp Policy & Resources	97,000	Full Year	Ongoing	97,000	97,000	97,000	97,000
Additional income	Kingston Road garage & the rear of 36b (The old Tyre Garage) NB saving assumes that buildings are not demolished in next 5 years – the current budget is £12k (rent will be for £28k Yr1, £30k Yr2, £32k Yr3 & 4)	Asset Management	Corp Policy & Resources	28,000	Full Year	Ongoing	28,000	30,000	32,000	32,000
General Properties Business Rates	Business Rates budget was intended to be moved to Council Tax provision but it is no longer required for Cemetery Ashford Lodge. From Q1 25/26 the property will be KGE responsibility.	Asset Management	Corp Policy & Resources	2,700	Full Year	Ongoing	2,700	2,700	2,700	2,700
Inflationary increases not applied	Agreed with Department Head to not to apply inflationary increases to 'Supplies & Services' & 'third part contracts' budget as this can be met by existing budget	ICT	Corp Policy & Resources	8,900	Full Year	One-off	8,900			
Salary savings due to revised structure	Salary (including on costs) savings achieved due to restructure of Customer Services	Customer Services	Corp Policy & Resources	63,000	Full Year	Ongoing	63,000	63,000	63,000	63,000
Valuation costs for Investment Properties Portfolio	Reduction in valuation costs for Investment Properties as one valuation is now required	Asset Management	Corp Policy & Resources	35,000	Full Year	Ongoing	35,000	35,000	35,000	35,000
				903,300			903,300	916,400	918,400	918,400

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Details of Savings Offered	Explanation of proposed saving	Service Area	Committee	Amount £	Full / Part Year	Ongoing / one off	General fund 2025/26 £	General fund 2026/27 £	General fund 2027/28 £	General fund 2028/29 £
Additional income	Secure new letting at Tothill Car Park to reduce property holding costs - Floors 3&4	Car Parks	Environment & Sustainability	50,000	Full Year	Ongoing	50,000	50,000	50,000	50,000
Additional income	Secure new letting at Tothill Car Park to reduce property holding costs - Floors 1&2	Car Parks	Environment & Sustainability	55,000	Full Year	Ongoing	55,000	55,000	55,000	55,000
Additional income from Bus Shelters	Advertising revenue income from Bus Shelters in Borough due to new maintenance contract with Clear Channel. Committee report already approved.	Neighbourhood Services Management Support	Environment & Sustainability	25,000	Full Year	Ongoing	25,000	25,000	25,000	25,000
Building Control car mileage allowance	Less inspections has resulted in a drop in car mileage	Building Control	Environment & Sustainability	1,900	Full Year	Ongoing	1,900	1,900	1,900	1,900
Regrade of post No. 6110	Current vacant post is being regraded on lower grade. Previous post holder's duties are being fulfilled by current staff.	Grounds Maintenance	Environment & Sustainability	2,000	Full Year	Ongoing	2,000	2,000	2,000	2,000
Inflationary increases not applied	Agreed with Department Head to not to apply inflationary increases to 'Supplies & Services' & 'third part contracts' budget as this can be met by existing budget	Emergency Planning	Environment & Sustainability	1,900	Full Year	One-off	1,900			
Increase in Garden Waste Income	Volume increases in customers for Garden Waste Services	Refuse collection	Environment & Sustainability	70,000	Full Year	Ongoing	70,000	70,000	70,000	70,000
Salary savings	Reduction in Principal Planning Officer hours from 36hrs to 21.6hrs, offset by increase in Local Plan Manager from 21.6hrs to 28.8 hrs. See Growth bid	Strategic Planning	Environment & Sustainability	29,000	Full Year	Ongoing	29,000	29,000	29,000	29,000
Salary savings by deleting 2 part-time caretakers posts	Security Costs from external contractor to replace 2 part-time care takers posts for Fordbridge (0.31 FTE) and Greeno Centre (0.33 FTE) Growth bid showing cost of new security required of £12k. Net saving £6k.	Neighbourhood Services Management Support	Environment & Sustainability	18,000	Full Year	Ongoing	18,000	18,000	18,000	18,000
				252,800			252,800	250,900	250,900	250,900

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Details of Growth Bid	FTE	FTE / Statutory / Discretionary / Funding	Reason for Growth Bid	Service Area	Committee	Amount £	Funding £	Full / Part Year	Ongoing / one off	General Fund Net Cost 2025/26 £	General Fund Net Cost 2026/27 £	General Fund Net Cost 2027/28 £	General Fund Net Cost 2028/29 £
Jobs & Skills Hub		Discretionary	Zero based budget exercise - DWP funding confirmed at £42K. SCC funding. The budget was reset to zero, due to zero based budgeting, and this is the net service cost of running the service. Budget has increased by £116,300 from 24-25 to 25-26.	Economic Development	Business Infrastructure & Growth Committee	116,300		Full		116,300			
Innovation Centre		Discretionary	Zero based budget exercise - estimates for running the Business Hub. The budget was reset to zero, due to zero based budgeting, and this is the net service cost of running the service. Budget has increased by £27,100 from 24-25 to 25-26.	Economic Development	Business Infrastructure & Growth Committee	27,100		Full		27,100			
Ashford BID		Discretionary	Following on from the Staines BID, proposal to submit a business case for a similar BID for Ashford.	Economic Development	Business Infrastructure & Growth Committee	40,000		Full	One off	40,000			
	0.00					183,400	0			183,400	0	0	0

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Details of Growth Bid	FTE	FTE / Statutory / Discretionary / Funding	Reason for Growth Bid	Service Area	Committee	Amount £	Funding £	Full / Part Year	Ongoing / one off	General Fund Net Cost 2025/26 £	General Fund Net Cost 2026/27 £	General Fund Net Cost 2027/28 £	General Fund Net Cost 2028/29 £
New CCTV Contract as existing contract is due to finish end of March 2025 with an option to increase by 1 year to March26. Worst case £100k increase.		Discretionary	New CCTV contract for renew in 26/27	Community Safety	Community Wellbeing & Housing	0		Full	Ongoing	0	100,000	100,000	100,000
Additional Resource (Data Team)	1.50	Discretionary	To bring additional resource of 1.5 FTE to the data team which is experiencing added pressure and demand for service. This will include bringing 1 FTE on fixed term contact into a permanent role.- we currently have 1 FTE whose contract is due to expire at the end of June 2025. This is the Data Officer role ,Post number 2767. That role also ensures all the claims to government for funding are submitted and followed up. At present this role is being paid out of the Afghan funding, but the role also covers large additional amount of work with producing data reports, dealing with data subject requests and file copy requests, all of which is incredibly time consuming, and the Council does not have an alternative resource to replace those functions. The demand is growing, and we need to ensure that this role is retained and the capacity further expanded by an additional 0.5 FTE to provide resilience to the team.	Housing Options	Community Wellbeing & Housing	56,000		Full	Ongoing	56,000	56,000	56,000	56,000
Replacement of CIVICA		Discretionary	Civica system will need to be replaced by the end of 2025 to avoid steep cost increases with cloud based operation. The alternatives have been considered and the cheapest option is to proceed with iDocs which is already known within the council. Growth bid is required to cover the cost of iDocs. £14.2k running cost	Housing Options	Community Wellbeing & Housing	14,200		Full	Ongoing	14,200	14,200	14,200	14,200
Locata Improvements		Discretionary	Locata system improvements – following Locata health check, numerous improvements to the way we use Locata are being proposed to improve efficiency and to improve user experience. This upgrade will also free up resources which are needed elsewhere. We request growth bid to unlock the potential and improve efficiency.	Housing Options	Community Wellbeing & Housing	39,000		Full	Ongoing	39,000	39,000	39,000	39,000
Regrade Income Recovery Officer		Discretionary	Regrade of Income Recovery Officer (post number 2758)– this is to provide an adequate financial reward for the work undertaken and dedication to the role, ensure consistency and staff retention.	Housing Options	Community Wellbeing & Housing	3,900		Full	Ongoing	3,900	3,900	3,900	3,916
Municipal Portfolio Insurance Premium		Discretionary	Due to the quantum of Cross Laminated Timber in the new Eclipse Leisure Centre, our insurers consider this produces a significant insurance risk and have increased the premium accordingly – there may be an option to reduce the premium to c. £345k with a mist suppression system installed in the sauna	Leisure Services	Community Wellbeing & Housing	345,000		Full	Ongoing	345,000	345,000	345,000	345,000
Fordbridge DC		Discretionary	Increases in food costs for producing centre meals. The budget is forecasted to be overspent so this is required to ensure the cost of food is fully budgeted for.	Independent Living	Community Wellbeing & Housing	16,000		Full	Ongoing	16,000	16,000	16,000	16,000
Greeno DC		Discretionary	A review of the rental income has resulted in a budget reduction. Historical budget under performance as there is reduced income from hire of the centre	Independent Living	Community Wellbeing & Housing	26,900		Full	Ongoing	26,900	26,900	26,900	26,900
Greeno DC		Discretionary	Increases in food costs for producing centre meals. The budget is forecasted to be overspent so this is required to ensure the cost of food is fully budgeted for.	Independent Living	Community Wellbeing & Housing	6,400		Full	Ongoing	6,400	6,400	6,400	6,400
Staines DC		Discretionary	Increases in food costs for producing centre meals. The budget is forecasted to be overspent so this is required to ensure the cost of food is fully budgeted for.	Independent Living	Community Wellbeing & Housing	4,000		Full	Ongoing	4,000	4,000	4,000	4,000
Staines DC		Discretionary	A review of the rental income has resulted in a budget reduction. Historical budget under performance as there is reduced income from hire of the centre	Independent Living	Community Wellbeing & Housing	20,500		Full	Ongoing	20,500	20,500	20,500	20,500
	1.50					531,900	0			531,900	631,900	631,900	631,916

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Details of Growth Bid	FTE	FTE / Statutory / Discretionary / Funding	Reason for Growth Bid	Service Area	Committee	Amount £	Funding £	Full / Part Year	Ongoing / one off	General Fund Net Cost 2025/26 £	General Fund Net Cost 2026/27 £	General Fund Net Cost 2027/28 £	General Fund Net Cost 2028/29 £
Audit Counter Fraud Service		Discretionary	Budget was reduced by £30k in 24-25 whereas the costs are still expected to be around £92k for the year. The growth is to reinstate the budget	Audit Services	Corporate Policy & Resources	30,000		Full	Ongoing	30,000	30,000	30,000	30,000
Internal Audit service through SIAP- with TUPE		Statutory	A one- off growth bid was agreed for 24/25. A further growth bid is required for continuous internal service from SIAP hosted through Hampshire County Council	Audit Services	Corporate Policy & Resources	26,300		Full	Ongoing	26,300	26,300	26,300	26,300
Loss of Staines Park Pavilion flat income		Discretionary	No income - Staines Park Pavilion flat is vacant and not being used for residential purposes. Therefore we need to remove this income budget.	Asset Management	Corporate Policy & Resources	13,800		Full	Ongoing	13,800	13,800	13,800	13,800
Increase in valuation costs for Municipal Properties		Discretionary	Due to re-tender exercise we anticipate the valuation costs for the Municipal Assets will increase by £15k for the next four years, thus one off bid from last year is still required	Asset Management	Corporate Policy & Resources	15,000		Full	Ongoing	15,000	15,000	15,000	15,000
CFO insights 3 year licence term		Discretionary	CFO insights 3 year licence term, 5 users licence pack	Corporate Management	Corporate Policy & Resources	7,500		Full	Ongoing	7,500	7,500	7,500	7,500
Insurance Costs		Discretionary	Based on expected costs from Sutton Council for 25-26	Insurance	Corporate Policy & Resources	28,900		Full	Ongoing	28,900			
Additional Finance capacity as current Finance team is under resourced		Discretionary	Additional resource (finance capacity) as requested by Deputy Chief Executive, current finance team is under resourced as per audit findings/ recommendations	Accountancy	Corporate Policy & Resources	160,000		Full	Ongoing	160,000	160,000	160,000	160,000
	0.00					281,500	0			281,500	252,600	252,600	252,600

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Details of Growth Bid	FTE	FTE / Statutory / Discretionary / Funding	Reason for Growth Bid	Service Area	Committee	Amount £	Funding £	Full / Part Year	Ongoing / one off	General Fund Net Cost 2025/26 £	General Fund Net Cost 2026/27 £	General Fund Net Cost 2027/28 £	General Fund Net Cost 2028/29 £
Flood Risk Management. Ditch/river clearance and maintenance		Discretionary	Flood Risk Management. Ditch/river clearance and maintenance.	Water Courses & Land Drainage	Environment & Sustainability	20,000		Full	Ongoing	20,000	20,000	20,000	20,000
Transition from Diesel to HVO (Hydrogenated Vegetable Oil)		Discretionary	Transition from Diesel to HVO (Hydrogenated Vegetable Oil)	Street Scene	Environment & Sustainability	40,000		Full	Ongoing	40,000	50,000	60,000	60,000
Reduced income for Non-domestic waste.		Discretionary	Reduced income for Non domestic waste service due to being provided by SDS Ltd.	Refuse Collection	Environment & Sustainability	20,000		Full	Ongoing	20,000	20,000	20,000	20,000
Maintenance costs for Refuse lease vehicles		Discretionary	Maintenance costs for Refuse lease vehicles due to change in accounting standards for IFRS16 (lease accounting)	Refuse Collection	Environment & Sustainability	180,200		Full	Ongoing	180,200	180,200	180,200	180,200
Maintenance costs for Street Cleansing lease vehicles		Discretionary	Maintenance costs for Street Cleansing lease vehicles due to change in accounting standards for IFRS16 (lease accounting)	Street Cleaning	Environment & Sustainability	34,500		Full	Ongoing	34,500	34,500	34,500	34,500
Legal fees		Discretionary	Legal fees for planning enforcement and planning Inquiries/Hearings	Planning Development Management	Environment & Sustainability	70,000		Full	Ongoing	70,000	70,000	70,000	70,000
Use of Expert Advisors for complex planning appeals		Discretionary	Use of Expert Advisors for complex planning appeals	Planning Development Management	Environment & Sustainability	50,000		Full	Ongoing	50,000	50,000	50,000	50,000
New Local Plan Evidence Base		Discretionary	The emerging Local Plan (currently at Examination) relies on an evidence base that is, with the exception of the Strategic Flood Risk Assessment, at the end of it's life span. In light of the proposed changes to the NPPF it is highly likely that, regardless of if the Plan currently under Examination is found sound and adopted, the Council will need to begin an immediate review and as such a new evidence base will be required. It will be necessary to carry out this work in parallel, rather than sequentially over a normal five year Local Plan review period. This will consist of the following: Housing and Economic Development Needs Assessment £70K; Gypsy and Travelling Show People Accommodation Assessment £30K; Retail and Leisure Study £40K; Habitat and Regulations Assessment £60K; Open Space Assessment and Playing Pitch Strategy £75K; Green Infrastructure Strategy £50K; Infrastructure Plan £50K; Transport Assessment £100K; Viability Assessment £50K; Green Belt Assessment £100K.	Strategic Planning	Environment & Sustainability	315,000		Full	One off	315,000			
New Local Plan Evidence Base		Discretionary	As per above - showing growth relating to 2627 as it was agreed the above growth bid could be split over 2 financial years. Note this is for 2627	Strategic Planning	Environment & Sustainability	210,000	210,000	Full	One off	0	0		
Flooding Supplementary Planning Document		Discretionary	As part of the work with the Environment Agency (a statutory consultee) the Council has committed to the delivery of a Flooding Supplementary Planning Document as part of a number of measures necessary to overcome their objections to the emerging Spelthorne Local Plan.	Strategic Planning	Environment & Sustainability	50,000	50,000	Full	One off	0			
Digitisation of Design Code		Discretionary	Digitisation of Spelthorne Design Code – The Council has, from the outset of the DC project intended to produce a digital Design Code. Procurement for this element of the project was undertaken as part of the SDC procurement process but requires funding and implementation.	Strategic Planning	Environment & Sustainability	30,000		Full	One off	30,000			
Marketing		Discretionary	As set out in the Service Plan, the SP Team will be required to carry out a minimum of three, but probably four statutory consultations. Beginning work on a review of the new Local Plan will also require significant levels of community engagement. While the team does not have the resources or expertise to deliver the communications aspects of the consultations and engagement required, previously the budget of the Comms Team has not been sufficient to deliver the level of support required. For example, there was no marketing budget for the Design Code Project and this has led to overspend on this project. It is intended that this budget would not be spent directly by the SP team, but rather be made available to the Comms Team for SP work.	Strategic Planning	Environment & Sustainability	40,000		Full	One off	40,000			
Software Budget		Discretionary	Since 2021/22 spending on the software budget has consistently been significantly higher than the budget allocated. The software required for the delivery of the service includes Exacom (S106/CIL); Consultation Software (Currently iNovem for LP, but may be reviewed as set out in service plan); Digital Policies map (Currently PlanVu for emerging LP and Cartgold for current LP)	Strategic Planning	Environment & Sustainability	25,000		Full	Ongoing	25,000	25,000	25,000	25,000
Local Plan Manager	0.20	Discretionary	Permanent increase in hours from 0.6 fte to 0.8 fte - The post-holder has been working these increased hours (from 22.5 hours per week to 27.5 hours) on a temporary basis for around 2 years, with the cost offset for the 24/25 year by appointing the Planning Officer post at 0.8 fte. With the continuing additional workload, as a result of the current workstreams and those that will be required by changes in national planning policy, a growth bid is sought to continue with the increased hours on a permanent basis. These additional hours are required to deliver the Local Plan through to adoption and for other related work programmed concurrently and beyond adoption, e.g. beginning an immediate review of the Local Plan, completing the design code project and other supplementary guidance.	Strategic Planning	Environment & Sustainability	15,600		Full	Ongoing	15,600	15,600	15,600	15,600

Details of Growth Bid	FTE	FTE / Statutory / Discretionary / Funding	Reason for Growth Bid	Service Area	Committee	Amount £	Funding £	Full / Part Year	Ongoing / one off	General Fund Net Cost 2025/26 £	General Fund Net Cost 2026/27 £	General Fund Net Cost 2027/28 £	General Fund Net Cost 2028/29 £
Security Costs from external provider to replace 2 part-time care takers posts		Discretionary	Security Costs from external contractor to replace 2 part-time care takers posts for Fordbridge (0.31 FTE) and Greeno Centre (0.33 FTE). Saving for giving up x2 posts £18k. Equivalent net saving of £6k.	Neighbourhood Services Management Support	Environment & Sustainability	12,000		Full	Ongoing	12,000	12,000	12,000	12,000
Senior Planning Officer regrade		Discretionary	SPO post (M1/M2)re-graded to PPO (M3/SM1) on a permanent basis due to the grade that post will need to continue to work at, and in recognition of the significantly higher levels of responsibility, skills and experience required for that role moving forwards. Agreed by MAT on 08/10/2024.	Strategic Planning	Environment & Sustainability	10,700		Full	Ongoing	10,700	10,700	10,700	10,700
GeoEnviron Training, Importation of data files, Officer Time, Uniform.		Discretionary	GeoEnviron Training for the Pollution Control Team:- Training is needed for all four officers in the team. Estimated cost £1,200. Importation of data files into GeoEnviron:- Transfer of some 1000 site investigation report (held electronically and in paper file format) into GeoEnviron. £45,000 to £60,000 (~£50,000). The £45,000 is the estimate provided by the manufacture, but the cost could be higher depending on whether STM Environmental (the software manufacturer of GeoEnviron) also reviewed the files and prioritise them, or whether they just link the reports to the database and digitised in the GIS. Officer Time:- Pollution Control Officer resources will be needed to carry out this work. The Pollution Control team does not have the available officer resources to carry out this work in addition to their existing duties. 25/26 £27,355 (yr1), £28,100 (yr 2), Total £55,455 Uniform:- Progression on the updating of Environmental Health's property database Uniform has not progressed in line with the corporate plan. Training is therefore needed for all the Business Support officers, so that they can help the Business Support Manager improve and develop the Uniform system and ensure that templates for the generation of letters and notices are kept up to date. £2,750. The Licensing module withing Uniform has never been fully and effectively set-up to ensure that efficient and effective collection of data and the use of the system. The Principal Licensing Officer would take the lead on this, with help from the Business Support Officer for Licensing, and the Business Support Manager. The PCO needs to be training in the licensing module. £550	Environmental Health	Environment & Sustainability	110,000	110,000	Full	One off	0			
Overtime costs		Discretionary	Overtime rates to increase in line with minimum wage rate increase	Neighbourhood Services Management Support	Environment & Sustainability			Full	Ongoing		4,000	4,000	4,000
	0.20					1,208,000	370,000			838,000	492,000	502,000	502,000

Annual Grant Awards 2025/2026

This item was considered at a meeting of the Community Wellbeing & Housing Committee on 07 January 2025.

The Committee **resolved** to make a recommendation to Council to approve the Annual Grant Awards for 2025/26.

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Community Wellbeing & Housing Committee

7 January 2025



Title	<i>Annual Grant Awards 2025/2026</i>
Purpose of the report	To make a decision and a recommendation to Council
Report Author	<i>Lisa Stonehouse, Community Development Manager</i>
Ward(s) Affected	All Wards
Exempt	<i>Appendix A</i>
Exemption Reason	Appendix A 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
Corporate Priority	Community
Recommendations	<p>Committee is asked to:</p> <ol style="list-style-type: none"> 1. Consider the recommendations of the Grants Panel regarding the proposed recipients of the 2025/2026 community grants, and make a recommendation to Council. 2. Consider the recommendations of the Grants Panel regarding indicative grant funding for the 5 core funded organisations for 2026/2027. 3. Note the other support that Spelthorne Borough Council provides to the voluntary/charity sector. 4. Note the proposal that 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.
Reason for Recommendation	Agreement to award grants for 2025/2026 is sought to:

	<ul style="list-style-type: none"> • enable several charities and voluntary organisations to continue to provide support, assistance, and other essential services for Borough residents. • enable new organisations to begin to provide services that are required in the Borough.
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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 Council has a community grants budget. Grants are allocated annually to charities and voluntary groups. Due to the budget constraints the Council is facing the Council needs to make choices within the budget available and prioritise which voluntary groups and charities it can support. The cross-party Councillor Grants Panel have reviewed the applications and have made a recommendation to Committee regarding the agencies that should receive grants. 	<ul style="list-style-type: none"> • Charities and voluntary groups have a crucial role within the borough. Some are fulfilling roles that were previously provided by statutory services. They provide services to improve every aspect of resident's lives, especially in the current cost of living crisis. Our community grants are essential to enable these groups to operate.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> • A decision from Committee is required to determine which agencies should receive a grant. 	<ul style="list-style-type: none"> • Once the Committee has made the decision, a recommendation will be made to Council. The final awards will be subject to the Council budget setting meeting on 27 February 2025

- 1.1 This report outlines the recommendations of the Grants Panel and seeks a decision from the Committee for the allocation of the proposed grant awards to charities and community groups/organisations who provide services for Spelthorne residents.

Subject to confirmation by Council at the budget setting meeting in February, the baseline grant funding budget for 2025/2026 is **£231,200**.

- 1.2 As in previous years, it is proposed that the underspend from the Council grant budget at the end of the financial year 2024/25 is carried forward to the grant budget in 2025/26. A carry forward of £1585.00 has been applied, making a provisional budget of **£232,785**. **These figures could be subject to change following the budget meeting in February.** Further funds may

also be available if Councillors have not awarded the Better Neighbourhood Grants within their wards by the end of the financial year 2024/25.

- 1.3 The cross-party Grants Panel met in November and December 2024 to assess the applications. Appendix A provides a list of the funding requests from organisations for the financial year 2025/2026 and the Grants Panel recommendations.
- 1.4 Recommendations allocating £232,715 in grant funding have been proposed and, if approved by Community Wellbeing and Housing Committee (CWHC) and subject to the Council budget setting meeting in February, will be paid in April 2025. It is proposed that any surplus budget will be ring-fenced for projects which arise later in the financial year.
- 1.5 As agreed by Council on 18 July 2024, the five core funded organisations (Voluntary Support North Surrey, Citizens Advice Runnymede and Spelthorne, Homestart, Age UK and Shopmobility) were also given an indication of proposed funding for the financial year 2026/2027.
- 1.6 Appendix B details the voluntary organisations that have free use/low-cost use of Council owned buildings. A report regarding Discretionary Business Rate Relief is due to go to Corporate Policy and Resources Committee in February 2025. This may have a financial impact on some charities as they may have to pay higher business rates.

2. Key issues

- 2.1 Applications for Council Grants are welcomed on an annual cycle. This year grant applications were open from 3-30 September 2024. Applications are considered for awards granted for the subsequent financial year. This report relates to applications for 2025/2026.
- 2.2 Demand for funding far outstrips the available budget. 37 applications were received, with funding requests totalling £478,281 exceeding the budget by £245,496
- 2.3 Of the 37 organisations that submitted applications the Grants Panel recommended either partial or full funding being awarded to 19.
- 2.4 To ensure the Panel had sufficient information to make an informed decision, applicants were asked to provide evidence of the need that their service fulfils in Spelthorne. They were also asked to explain why their organisation was best placed to meet that need, and to outline how the grant would be used. Additionally, applicants were asked about their approach to important issues such as safeguarding children and adults at risk.
- 2.5 The application period in September was publicised widely using social media, the Council website and via Borough Councillors. It was also communicated via Voluntary Support North Surrey and Spelthorne Partnership Assembly attendees. There was a feature on grants in the Borough Bulletin earlier this year. In addition, the timeline was shared with previous applicants to ensure maximum publicity.
- 2.6 Applications were received from charities and a variety of voluntary organisations and community groups. Many of the groups provide crucial services to the community and enhance wellbeing among residents.
- 2.7 Regular monitoring of the top 5 core funded organisations (listed in 3.2) continues to measure performance. Feedback from users of their services

was also sought to ensure that the service they were providing was effective and funding was being used as intended. These organisations receive ongoing support due to crucial services they provide in the community.

- 2.8 The Grants Panel met on 6 and 7 November 2024 and 5 and 18 December 2024 to consider the applications and to allocate the proposed awards. Information on the applications, financial checks and background on the organisations was circulated in advance to allow Panel members time to consider all options. These were discussed fully during the Panel meetings.

3. Options analysis and proposal

- 3.1 Option 1 is to approve the recommendations of the Grants Panel. The benefit of this is that the recommendations have been made by the Panel based on extensive discussion and further research.
- 3.2 Option 2 is to propose amendments to the recommendations of the Grants Panel.
- 3.3 Option 3 is not to approve the recommendations of the Grant Panel. The disadvantage of this is that there could be potential delays to the grants being awarded.

4. Financial management comments

- 4.1 The community grants provisional budget for the 2025/26 is proposed as £232,785. This includes a 2% inflationary uplift on 24/25 and a carry forward of £1585.00 from 2024/2025. Further funds may also be available if Councillors have not awarded the Better Neighbourhood Grants within their wards by the end of the financial year 2024/25. This budget is subject to confirmation at the February Council meeting.
- 4.2 Citizens Advice Runnymede & Spelthorne (CARS) also receive an additional £40,000 funding from Housing Options, funded through a Homelessness Prevention Grant. This is to reflect the demand for specialist assistance in the areas of housing, debt and welfare support advice. In addition, a further £46,000 has been allocated from the Housing budget to fund a case worker specifically to cover Spelthorne. This is a contractual arrangement. Without the financial support, Citizens Advice Runnymede & Spelthorne would not be able to deliver their services. The demand for their service continues to increase due to the cost-of-living crisis.
- 4.3 Rentstart will also receive £55,000 funding in 2025/2026 from Housing Options, funded through the Homelessness Prevention Grant. This is to employ the staff to provide the service. Rentstart is very important to the Housing Needs Team as it is the only consistently reliable way of assisting clients to move into the private rented sector.

5. Risk management comments

- 5.1 Identified risks include:
- (a) Council may decide in February 2025 that the grant budget will be reduced. This would result in approving a reduced number of grants and could result in community services being cut. This will have a huge impact on the community and could damage the reputation of the Council.

- (b) The grant support may not be effectively utilised for the intended purpose i.e. to address those community needs set out at application stage.

6. Procurement comments

- 6.1 Although there are no procurement issues. The Council will require up to date service level agreements in relation to each grant given.

7. Legal comments

- 7.1 Further to section 137 of the Local Government Act 1972, the Council has the power to incur expenditure, which in its opinion is in the interest of and will bring direct benefit to its area or any part of it to all or some of its residents.

8. Other considerations

- 8.1 Spelthorne Borough Council support the voluntary sector to address the rising unmet need in the community. Financial support for this sector is essential to complement Council services.
- 8.2 The voluntary sector offers services to a diverse range of communities. It often delivers outcomes that the public sector cannot deliver, such as one-to-one support, dedication to a specific group or cause, expert advice, and other non-statutory services.
- 8.3 Other public bodies such as Surrey County Council and the North-West Surrey Alliance also see the voluntary sector as important providers and, in some cases, fund them separately.

9. Equality and Diversity

- 9.1 Some providers supported by grant funding represent or advocate for minority groups, user groups, and faith communities. Care was taken by the Panel when reviewing applications to ensure a fair mix of organisations supporting all aspects of our communities benefited.
- 9.2 To encourage applications from all sectors of the community, a word version of the form and hard copies were available upon request. No hard copies were requested this year. Everyone submitted an e form.

10. Sustainability/Climate Change Implications

- 10.1 The Grant Panel's aim is to support a cross section of voluntary organisations. This includes encouraging applications from organisations committed to sustainable practices. Successful applicants are asked to engage with the councils Climate Change & Sustainability specialist where appropriate to ensure that they receive information and advice about energy conservation projects and funding.

11. Timetable for implementation

- 11.1 Following agreement by Committee, and subject to final confirmation of the budget by the Council on 27 February 2025, personalised letters will be sent to applicants advising them of the outcome of their applications. This will be completed by early March 2025. Signposting to other avenues of fundraising will also be included in the correspondence where appropriate.
- 11.2 All qualifying grants will be paid in April 2025.

12. Contact

12.1 The contact for queries relating to this report is Lisa Stonehouse
L.stonehouse@spelthorne.gov.uk

Background papers: There are none.

Appendices:

**Appendix A (Exempt) –Overview of Grant Requests and Recommendations
2025/26.**

Appendix B - Details of Spelthorne Buildings in Community Use.

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

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Appendix B- Details of Spelthorne Buildings in Community Use

Site Name	Building/Land/Feature	Address	Town	Postcode	Asset Type	Tenant	Commencement Date	Term	Passing Rent p.a.	Lease expiry
Bishop Duppas Park	Bowling Green	Walton Bridge Road	Shepperton	TW17 8NR	Bowling Green	Trustees of the Bishop Duppas Bowls Club	01/04/09	30 years	£ 1.00	31/03/2039. Mutua break option after 1/4/2019 on 12 months notice
Fordbridge Recreation Ground	Bowling Green	Kingston Road	Ashford	TW15 3SJ	Bowling Green	Trustees for the Fordbridge Park Bowls Club	28/05/14	30 years	£ 1.00	27/05/2044, mutual break option 28/05/2024
Staines Park	Bowling Green	Commercial Road	Staines	TW18 2QJ	Bowling Green	Trustees of Staines Bowling Club	01/04/09	30 years	£ 1.00	
Stanwell Recreation Ground	Bowling Green	Oaks Road	Stanwell	TW19 7LG	Bowling Green	Trustees of the Stanwell Bowling Club	01/04/09	30 years	£ 1.00	31/03/2039. mutual break option after 1/4/2019
Sunbury Sports Association	Bowling Green	Lower Hampton Road	Sunbury	TW16 5PR	Bowling Green/sports pitch/car park	Trustees of Sunbury Sports Association	24/12/13	20 years	£ 2,600.00	24/12/33
Fordbridge Recreation Ground	Beresford House	Kingston Road	Ashford	TW15 3SJ	Building-Commercial	Trustees of Spelthorne Mental Health Association	14/04/14	15 years	£11,854.14	13/04/29
Knowle Green Council Offices	Council Offices Knowle Green	Knowle Green	Staines	TW18 1XB	Building-Office	CREST Cancer Support	31/03/24	5 years	£ -	30/03/29
Knowle Green Council Offices	Council Offices Knowle Green	Knowle Green	Staines	TW18 1XB	Building-Office	One to One (NW Surrey)	08/07/24	5 years	£ -	14/04/29
Knowle Green Council Offices	Council Offices Knowle Green	Knowle Green	Staines	TW18 1XB	Building-Office	Rent Start	19/02/24	5 years	£ -	18/02/29
Bishop Duppas Park	Bagster House Sports And Social Club	Walton Lane	Shepperton	TW17 8LP	Clubhouse	Bagster House (Ex-Service Club) Ltd	01/09/09	14 years	£9,500	31/08/2023. Tenant holding over under the 1954 Act. New lease in progress.
Short Lane Sports Ground	Ashford Town Football Ground-Clubhouse	Short Lane	Stanwell	TW19 7BH	Clubhouse	The Trustees of Ashford Town (Middlesex) Football Club	11/09/24	25years	£ 12,000.00	Lease expires 10/09/2049. Rent free period whilst project works underway and rent to recommence 11/03/25.
Heritage Centre/Parish Office	Heritage Centre/Parish Office	The Broadway	Laleham	TW18 1RZ	Community	The London Diocesan Fund	01/06/17	20 years	£ 621.84	Break option 31/05/2022/2027/2032. Lease expiry 31/05/2037,
William Perkins Boathouse	Boat House	Laleham Park	Laleham	TW18	Land/Boathouse	Sir William Perkin's School	29/10/14	125 years	£5,675.10	28/10/39
Burway Rowing Club	Boat House	Laleham Park	Laleham	TW18	Boathouse	The Trustees of the Burway Rowing Club	03/06/08	28 years	£ 2,358.00	02/06/36
Laleham Park Canoe Club	Boat House	Laleham Park	Laleham	TW18	Boathouse	Trustees of the Surrey Canoe Club	30/09/22	10 years	£ 900.00	08/05/32
Laleham Park	Camping Site	Laleham Park	Laleham	TW18	Campsite	The Trustees of Laleham Camping Club	07/10/15	25 years	£20,000	06/10/40
Littleton Recreation Ground	Pavilion/Changing rooms	Littleton Recreation Ground	Shepperton	TW17 0JR	Pavilion	The Academy Boxing Club	05/04/22	10 years	£2,000	04/04/32
Ashford Community Centre	Ashford Community Centre	Woodthorpe Road	Ashford	TW15 3LF	Community Centre	Ashford (Middlesex) Community Association	01/04/02	14 years	£ 5.00	Expired 31/03/2016. Tenant holding over. New lease negotiation in place with starting rent at £2,000 pa and rising to £11,500 in year 5.
Ashford Recreation Ground	Pavilion Flat - Drama Group	Clockhouse Lane	Ashford	TW15 1BY	Community Hall	Dramatize Theatre Charity	12/06/18	15 years	£ 9,000.00	11/06/33
Charlton Village Hall	Charlton Village Hall - Dance Group	Hetherington Road	Shepperton	TW17 0SP	Community Hall	Andrew Mark Burge	02/04/22	5 years	£ 12,000.00	02/04/27
St Martins Court Hall	St Martins Court Hall	St Martins Court	Ashford	TW15 3NB	Community Hall	The King's Community Church	24/11/11	15 years	£ 11,000.00	23/10/26
Stanwell Moor Village Hall	Stanwell Moor Village Hall	Horton Road,Stanwell Moor	Staines	TW19 6AG	Community Hall	Stanwell Moor Village Hall Trustees	01/11/04	30 years	£693	31/10/34

Fordbridge Recreation Ground	Garage & Compound	Kingston Road	Ashford	TW15 3SJ	Garage	Management Committee of Spelthorne Sheds	03/01/24	4 years	£ 600.00	02/01/2028. Terms agreed for a new lease at £600 per annum including electricity cost and insurance.
Laleham Park	Laleham Park Nursery-offices	Shepperton Road	Laleham	TW18 1SJ	Garage	Surrey Choices	01/04/23	5 years	£980	5 Year lease from 01.04.23 to 31.03.2028.
Spelthorne Museum	Spelthorne Museum / Staines Library	1 Elmsleigh Road	Staines	TW18 4PH	Museum	Trustees of Spelthorne Museum	20/10/06	30 years	£ -	19/10/2036. MBO on 6 months notice.
Spelthorne Library	Spelthorne Library	1 Elmsleigh Road	Staines	TW18 4PH	Library	Surrey CC	29/09/77	125 years	£ -	28/09/02
Bishop Duppas Park	Park-Pavilion	Walton Bridge Road	Shepperton	TW17 8NR	Nursery	Joanne Elms & Jollies House Nursery Ltd	19/10/12	15 years	£ 10,580.78	18/10/27
Sunbury Library - CAB	First floor offices,Sunbury Library, The Parade, Staines Rd West	The Parade, 41-43 Staines Rd West	Sunbury	TW16 7AB	Office	Citizens Advice Runnymede & Spelthorne.	Lease completed	8 years	£ -	Lease agreed with Surrey CC and CARS. We pay SCC £5,500 pa. No rent payable by CARS.
Lammas Recreation Ground	Pavilion - Staines Brass Band	Wraysbury Road	Staines	TW18 4TS	Pavilion	The Trustees of Staines Brass Band	20/06/19	15 years	£ -	19/06/34
Lammas Recreation Ground	Pavilion	Wraysbury Road	Staines	TW18 4TS	Pavilion	Spelthorne Kayak and Canoe Club	29/06/16	20 years		Licence terminated.
Lammas Recreation Ground	Pavilion - Staines Sea Cadets	Wraysbury Road	Staines	TW18 4TS	Pavilion	Trustees of the Staines & Egham Sea Cadet Corp	26/02/18	15 years	£ 1,000.00	25/02/2033.
Manor Park	Cricket Club	Russell Road	Shepperton	TW17 9HY	Pavilion	Trustees for the Shepperton Cricket Club	01/04/11	21 years	£ 2,200.00	31/03/32
Paxmead	Clubhouse	Dockett Eddy Lane	Shepperton	TW17 9NT	Pavilion	The Guide Association Trust Corporation	21/12/14	20 years	£ 2,000.00	20/12/34
Staines Park	Spelthorne Resource Centre	Commercial Road	Staines	TW18 2QJ	Resource Centre	Home Start	01/12/22	3 years	£ 3,110.00	30/11/25
Riverside Arts Centre	Riverside Arts Centre including Store	53 Thames Street	Sunbury	TW16 5QH	Arts Centre	The Riverside Arts Centre	01/04/20	21 years	£0	31/03/2041. Receive grant of £45k.
Staines Park	Pavilion - Museum Store	Knowle Green	Staines	TW18 1AJ	Storage Building	Spelthorne Museum	01/04/09	10 years	£ 1.00	31/03/2019 holding over on tenancy at will. NB: new lease not yet completed.
Commercial Road	Scout Hut,Commercial Road,Staines	Parkside Place,off Commercial Road	Staines	TW18 2QW	Scout hut	The Trustees of 1st Staines Scout Group	23/11/09	21 years	£ 720.00	22/11/30
Ford Close	Land adj 41 Ford Close-Scout Hut	Kingston Road	Ashford	TW15 3SB	Scout hut	3rd Ashford (St Matthews) Scout Group	13/01/16	20 years	£ 847.29	12/01/36
Groveley Road	Scout and Guides Hall	Groveley Road	Sunbury	TW13 4PL	Guide Hut	2nd & 3rd Guides & Rangers	25/06/14	20 years	£ 350.00	Rises to £500 pa on 31/8/2024. To be backdated.
Hengrove Park	Hall for St Johns Ambulance/Penrose Club	Hengrove Crescent	Ashford	TW15 3DE	Community hall	Alan Gooding, M King, E Newlands t/a St Johns Ambulance & Penrose	05/07/93	30 years	£ 750.00	04/07/2023 Holding over. New lease in negotiation.
Hengrove Park	Scout Hall	Hengrove Crescent	Ashford	TW15 3DE	Scout hut	2nd Ashford (Methodist) Scouts	30/09/14	32 years	£ 505.00	lease expires 31/3/2046
Manor Park	Guide Hut	Russell Road	Shepperton	TW17 9HY	Guide Hut	The Guide Association Trust t/a 1st Shepperton Guides	01/04/11	28 years	£660	31/03/39
Shepperton Recreation Ground	Scout Hall and Premises	Glebeland Gardens	Shepperton	TW17 9DH	Scout hut	1st Shepperton (1st Nicolas) Scout Group	19/10/15	21 years	£ 500.00	18/10/36
Shepperton Recreation Ground	Premises	Glebeland Gardens	Shepperton	TW17 9DH	Nursery	Shepperton Pre-school Playgroup	11/10/24	10 years	£5,408	24/01/34
Sunbury Park	Walled Garden	Thames Street	Sunbury	TW16 6AB	Café & gallery	Trustees to the Millennium Embroidery Group	25/05/08	67 years	£ 900.00	12/10/2075.
Long Lane Pavilion	Long Lane Recreation ground	Cambrian Gardens	Stanwell	TW19 7ER	Pavilion and flat	Stanwell Events	17/05/24	45 years	£ 2,500.00	16/05/49
Pavillion at Kenyngton Manor Recreational Ground	Pavilion	Kenyngton Manor Rec	Sunbury	TW16 7RU	Pavilion	Colne Valley Girls and ladies football Club	13/05/16	24 years	£ 800.00	15/11/40

£ 134,623.05

Council Meeting 27 February 2025

Agenda Item 13 – Amendments to the Constitution

This item was considered at the meeting of the Standards Committee on 12 February 2025. The Committee **resolved** to recommend to Council that it approves the proposed changes to the Terms of Reference and Financial Regulations in the Constitution as set out in the report.

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Standards Committee



12 February 2025

Title	Amendments to the Constitution
Purpose of the report	To make a recommendation
Report Author	Linda Heron, Interim Monitoring Officer
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	Not applicable
Corporate Priority	This item is not in the current list of Corporate Priorities but still requires a Council decision.
Recommendations	Committee is asked to recommend Council to: Approve the proposed changes to the Terms of Reference and Financial Regulations in the Constitution as set out in this report.
Reason for Recommendation	To ensure that the Constitution supports good governance.

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> Two matters requiring correction have been identified in the Constitution. These relate to the terms of reference for the Grants Panel and the ability to have virement for capital budgets. 	<ul style="list-style-type: none"> To ensure the Constitution supports good governance.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> Recommend the changes as set out in this report, to Council for approval. 	<ul style="list-style-type: none"> Seek Council approval for the proposals. Once approved, the Constitution will be updated and published on the website.

1.1 This report seeks a recommendation to Council to approve proposed amendments to the Constitution, which have the support of the Committee System Working Group.

2. Key issues

- 2.1 The Committee System Working Group (CSWG) is responsible for considering whether any amendments are required to the Constitution and making recommendations on these to the Standards Committee.
- 2.2 The proposed amendments relate to:
- the terms of reference of the Grants Panel (Part 3b of the Constitution), and
 - Financial Regulations (Part 4d)
- 2.3 Officers had identified a minor amendment to wording in the terms of reference for the Grants Panel which clarifies the annual revenue grants process will be the subject of a report to CWHC (Community Wellbeing and Housing Committee) and **a recommendation to** Full Council at its annual budget-setting meeting.
- 2.4 The words '**a recommendation to**' replace '*acceptance by*', to make it clear that it is for Council to consider whether or not to agree the proposals for revenue grants.
- 2.5 The CSWG requested a change to Financial Regulations to remove the ability to have virement for capital projects. Regulations A31 and A34 have been amended and new Regulation A35 included, to give effect to this request.
- 2.0 The Chief Finance Officer supports the view that a capital budget for a project is not transferable.
- 2.1 The proposed changes to the Constitution were discussed with, and received the support of, the Committee System Working Group on 27 January 2025.
- 2.2 Clean copies of the amended Parts of the Constitution are attached as appendices. Tracked change versions of these documents are available to councillors in the Mod.Gov app library.
- 3. Legal comments**
- 3.1 The Council has a statutory obligation to prepare a constitution and keep it up to date (Section 9P of the Local Government Act 2000).
- 3.2 The procedure for making changes to the Council's Constitution is set out in Article 13 of the Constitution.
- 3.3 The amendments set out in the body of this report is a matter for full Council.
- 4. Risk considerations**
- 4.1 None arising from this report.
- 5. Timetable for implementation**
- 5.1 A recommendation from Standards Committee will be considered by Council at its meeting on 27 February 2025.
- 5.2 The amendments will take effect upon agreement by Council and the Constitution will be updated and published as soon as reasonably practicable.
- 6. Contact**
- 6.1 Gill Scott, Corporate Governance Support Officer (g.scott@spelthorne.gov.uk)

Please submit any material questions to the Mayor and Officer Contact by two days in advance of the meeting.

Background papers: There are none.

Appendices:

Appendix 1 - Part 3(b) Terms of Reference

Appendix 2 - Part 4(d) Financial Regulations

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TERMS OF REFERENCE

All Committees will have the following functions in relation to those areas of responsibility falling within the remit of each Committee:

- To work at meeting the Council's corporate objectives, as set out in the Corporate Plan and set strategic priorities within the Budget and Policy Framework, for services within its remit
- To adopt, monitor and review Council policies and strategies which fall within the remit of that Committee.
- To take decisions within the budget framework including contract and virement decisions.
- Where there are significant budgetary implications, to make recommendations to the Corporate Policy and Resources Committee on changes to existing policies, or the adoption of new policies, with the exception of changes to previously approved, or the addition of new policies falling within the Policy Framework. These are reserved to Council.
- Each Committee is limited in authority to grant expenditure to £1 million for any particular project (with the exception of decisions on Community Infrastructure Levy funds allocation by the Corporate Policy and Resources Committee) without seeking approval from full Council. Any project must be taken as a whole, and the project cannot be sub-divided into its constituent parts with each being authorised separately to avoid this limit set by this rule.
- To recommend to Council any expenditure on a project within the Capital Programme where the cost of the project as a whole exceeds £1million.
- To review and have oversight of the agreed Project Initiation Document and other relevant project reporting documentation in relation to service projects within the Committee's remit.
- To consider and propose budget priorities and actions on the delivery of Council services within each Committee's remit, within the overall policy and budgetary framework agreed by the Council.
- To consider periodic budgetary monitoring and variation reports in respect of the functions within the Committee's remit and make any recommendations to the Council as necessary.
- To consider Motions referred to the Committee by Council under Standing Order 16.6, in accordance with the rules of debate at Standing Order 18.
- To review and scrutinise budget proposals relevant to the Committee's functions and make recommendations to the Corporate Policy and Resources Committee, or in the case of that Committee, make recommendations to Council.
- To review and scrutinise service delivery in line with the strategic direction set above and in particular ensuring that best value in service delivery is being obtained for the community.
- To undertake scrutiny and monitor the performance of external bodies who deliver services to the community.

Part 3 section (b)

- To encourage performance improvement in relevant services, consistent with Value for Money principles (defined in Part 4d Glossary of terms) and within the policy and budgetary framework agreed by the Council. This includes responding appropriately to statutory reports on external inspections and service reviews.
- To facilitate and encourage public participation in the Council's activities by engaging key stakeholders in the Council's processes for decision making.
- To oversee the publication of consultation papers on key issues and ensure that there is appropriate public consultation.
- To consult with local Ward councillors about policy developments or service initiatives which have a specific relevance to that Committee.
- To commission studies or the collection of information relating to policy issues (Corporate Policy and Resources Committee) or service delivery (Strategic Committees).
- To establish Working Groups and Task and Finish Groups to examine in detail specific issues or aspects of policy, procedure or service in accordance with the Working Group and Task and Finish Group procedure rules at Part 4i of this Constitution.
- In respect of matters that cross the remits of two or more Strategic Committees, the Chairs of the relevant Committees will agree which Committee will deal with the issue, in consultation with the relevant officer bringing the matter. If the Chair is not available, the Vice-Chair will be consulted. In the case of a conflict, the Corporate Policy and Resources Committee will be responsible for the matter.
- Where a function does not clearly fall within the remit of a Strategic Committee, the Corporate Policy and Resources Committee shall direct which Committee shall deal with the function, or deal with the matter itself.
- This Committee has responsibility for scrutinising matters referred to it by the Strategic Committees or councillors in accordance with the Council's Call-in Scheme (Part 4b of this Constitution).

CORPORATE POLICY & RESOURCES COMMITTEE

Membership

At least 15 members reflecting political balance, comprising the Chairs and Vice-Chairs of the Strategic Committees and with the Leader and Deputy Leader appointed as Chair and Vice-Chair of this Committee.

Functions

The Corporate Policy and Resources Committee exercises any function not delegated to another Committee, an officer or reserved to Council. In particular, it makes recommendations concerning the Council's budget to Council. The Committee will also carry out those statutory and non-statutory functions falling within its area of responsibility as set out below. Working within the Budget and Policy framework previously approved by Council, it will set strategic priorities for the services within the Committee's remit.

Where a function does not clearly fall within the remit of a Strategic Committee, this Committee shall direct which Committee shall deal with the function, or deal with the matter itself.

The Committee will recommend to Council new, or changes in previously approved, policies that fall within the Policy Framework as set out in Article 4 as well as making joint arrangements or delegating decision making to Chief Officers. However, this does not prevent that Committee from choosing to exercise the function itself.

Areas of responsibility include:

- Appointments to Outside Bodies
- Armed Forces Covenant
- Building Control
- Business and Financial Planning
- Compulsory Purchase Orders
- Contracts and Commissioning
- Council Insurance, Health and Safety
- Corporate Communications
- Corporate Complaints
- Customer Services
- Debt and Treasury Management
- Democratic Services
- Electoral Services
- Financial Services
- Human Resources
- Investment and Regeneration Assets
- Land Charges
- Legal Services
- ICT and Digital transformation
- Oversight of major (where the cost of the project as a whole exceeds £1 million) programmes and projects within the Capital programme.
- Performance Management

- Procurement
- Project Management
- Reserves Strategy
- Revenues and Benefits
- Risk Management
- Strategic Partnerships

And specifically:

- To make recommendations as appropriate on matters reserved to Council for decision including:
 - the Council's draft annual budget, including the capital and revenue budgets, prudential controls and council tax
 - the use of reserves
 - the Council's Community and Corporate Plans
 - the Council's Policy Framework
- To consider periodic budgetary monitoring and variation reports and make any recommendations to the Council as necessary.
- To be responsible for decision making in respect of the Council's fees and charges and consider recommendations from the other Strategic Committees on fees and charges for services falling within their remit.
- To act as the Council's shareholder representative on the Knowle Green Estates Board.
- To appoint a shareholder representative for any company set up by Spelthorne Borough Council, from that committee within whose remit the business of the company falls.
- To be responsible for decisions to proceed with asset acquisitions relating directly to Regeneration purposes only.
- To be responsible for decisions to proceed with freehold (or long leasehold) disposal of investment assets and/or commercial assets within the regeneration programme.
- To approve dilapidation settlements that exceed £500k.
- To receive quarterly reports on the Investment Sinking Fund Reserves and to be notified of any change of adverse impact and mitigation measures which are being taken to address.
- To be responsible for the oversight of major programmes and projects within the Capital Programme where the cost of the project as a whole exceeds £1 million.
- To be responsible for decision making in respect of the Council's services and activities other than those specifically delegated to other Committees or officers.
- To be responsible for decision making where there is a conflict in respect of matters that cross the remits of two or more Strategic Committees.
- To be responsible for decisions to adopt new policies or make changes to previously approved policies, falling outside the Policy Framework, where there are significant budgetary implications.
- To be responsible for decisions on Community Infrastructure Levy (CIL) funds allocation on those proposals related to major infrastructure projects where

Part 3 section (b)

significantly large sums of monies (approximately £1million or more) are being committed or on schemes which carry a degree of complexity as recommended by the CIL Task Group.

- To consider the Annual report from the Local Government and Social Care Ombudsman (LGSCO) and any maladministration findings of the body.
- To act as the Member Responsible for Complaints in accordance with the Complaint Handling Codes of the LGSCO and the Housing Ombudsman.
- To make a Compulsory Purchase Order and decide on the level of costs arising up to £1 million.
- To make appointments to outside bodies and charities where the appointment is not reserved to Council for decision.
- To be consulted by other committees on any issues raised relating to the performance and provision of services.
- This Committee has responsibility for scrutinising matters referred to it by the Strategic Committees or councillors in accordance with the Council's Call-in Procedure Rules (Part 4b of this Constitution).

COMMERCIAL ASSETS SUB-COMMITTEE

Objective

Within the overall policies and strategies set by the Council, to provide leadership, decision making and accountability for the management of the Council's Investment properties and commercial assets within the Council's regeneration programme.

Membership

A minimum of 4 Members reflecting political balance, with at least 1 member from each political party. An independent member will also be appointed.

Functions

1. Acquisitions relating directly to Regeneration purposes only (acquiring assets for alternative purposes is not covered via the Objectives of this Sub-Committee)
 - (a) To receive recommendations from officers (where officer/member delegation financial limits are exceeded) as to possible new strategic property acquisitions for regeneration purposes only.
 - (b) Following (a) above, to give an initial steer on whether to investigate further those potential acquisitions.
 - (c) Following (b) above and any subsequent reports from officers, to make recommendations to the Corporate Policy & Resources Committee to proceed with acquisitions in accordance with relevant Council procedure rules.

2. Disposals
 - (a) To receive recommendations from officers (where officer/member delegation financial limits are exceeded) as to the potential freehold (or long leasehold) disposal of investment assets and/or commercial assets within the regeneration programme.
 - (b) To receive recommendations from officers (where officer/member delegation financial limits are exceeded) as to the potential joint venture initiative involving investments assets and/or commercial assets within the regeneration programme.
 - (c) Following (a) or (b) above to give an initial steer on whether to investigate further those potential disposals or joint venture initiatives.
 - (d) Following (c) above and any subsequent reports from officers, to make recommendations to the Corporate Policy & Resources Committee to proceed with the particular freehold (or long leasehold) disposal or joint venture initiative in accordance with the relevant Council procedure rules.
 - (e) To receive recommendations from officers and approve (or otherwise) any proposals for the granting of a new or reversionary lease at an aggregated rent over the term which exceeds officer delegation levels.

3. Management of Investment Assets and Commercial Assets within the Regeneration Programme
- (a) To approve leasehold disposals (lettings) in investment assets (where officer/member delegation financial limits are exceeded.)
 - (b) To approve dilapidation settlements valued between £101k and £500k and make recommendations to Corporate Policy and Resources Committee for any that exceed £500k.
 - (c) To approve the change of use of investment assets including recommendations to the Corporate Policy and Resources Committee regarding alternative use or classification of the asset.
 - (d) To receive monthly update reports on the management of the investment assets in accordance with the adopted Asset Management Strategy, including rental income, potential letting opportunities, pending break option and lease expiries over the next 12-month period, significant assignments and any other estate management issues based on officer recommendations.
 - (e) To approve the exercise of a break option under the terms of lease of land or property where officer/member delegation financial limits are exceeded.
 - (f) To approve or agree to the surrender of a lease of land or property where officer/member delegation financial limits are exceeded.
 - (g) To approve new lettings where the rental income per annum (net of VAT) exceeds £100k.
 - (h) To approve lease renewals where the rent in the first year of the new lease is less than 50% of the passing rent of the previous lease, or where the financial impact exceeds £250k.
 - (i) To receive monthly arrears reports on each individual asset/tenant within the investment portfolio by rent quarters.
 - (j) To be notified of any potential arrears and issues being faced by individual tenants (including taking decisions on tenant requests to change from quarterly to monthly payments or rent deferment requests) where the rental income exceeds £100,000pa and to be advised of steps being taken by officers to mitigate that risk.
 - (k) To receive quarterly reports on the Investment Sinking Funds and to be notified of any change of adverse impact and mitigation measures which are being taken to address.
 - (l) To receive notification of and authorize any non-budgeted capital expenditure or any capital expenditure over £50,000. on the investment portfolio.
 - (m) To approve, the settlement of rent reviews, lease renewals or lease re-structuring negotiations in respect of the Investment assets where officer/member delegation financial limits are exceeded.
 - (n) To review, advise on and approve formal reporting of the investment portfolio to CPRC and/or full council to include Asset Investment Strategies, Business Plans, Key Performance Indicators, Risk Registers, and half yearly update reports.
 - (o) To agree the scope of the annual reporting on the Council's investment and regeneration portfolios with the Assets Team.

4. Frequency

Monthly day-time meetings. Where meetings are not necessary for lack of business they will be cancelled.

ENVIRONMENT & SUSTAINABILITY (E&S) COMMITTEE

Membership

At least 15 members reflecting political balance.

Functions

This committee has responsibility to carry out those statutory and non-statutory functions falling within its areas of responsibility as set out below. Working within the Budget and Policy framework previously approved by Council, it will set strategic priorities for the services within the Committee's remit.

Areas of responsibility include:

- Cemeteries
- Climate emergency response - including carbon management, mitigation and adaptation measures
- Community Infrastructure Levy (CIL) funds
- Emergency planning
- Environmental sustainability and biodiversity
- Fly tipping
- Grounds Maintenance
- Heathrow liaison
- The Local Plan
- Parking services and strategy
- Parks, open spaces, allotments and playgrounds
- Planning policy and enforcement
- Pollution control including air quality and contaminated land
- Street Cleansing
- Transport including Electric Vehicle strategy
- Waste strategy and management, including Recycling

And specifically:

- To consider and make recommendations on fees and charges in respect of those services falling within the Committee's areas of responsibility to Corporate Policy and Resources Committee.
- To consider all Community Infrastructure Levy (CIL) funds allocation and determination in all cases, except for those proposals related to major infrastructure projects where significantly large sums of monies are being committed or on schemes which carry a degree of complexity which will be referred for decision to Corporate Policy and Resources Committee, as recommended by the CIL Task Group.
- To scrutinise those aspects of the operation of Heathrow Airport that directly relate to this Committee's areas of responsibility.
- To establish the Community Infrastructure Levy Working Group with the membership and terms of reference as set out below

- To establish the Climate Change Working Group with the membership and terms of reference as set out below
- To review and scrutinise flood risk management

Working Groups Terms of Reference

Community Infrastructure Levy (CIL) Working Group

1. Remit

The CIL Working Group is a Councillor/Officer group set up to work jointly and collaboratively to advise the appropriate Committee on CIL generally and make recommendations on bids for CIL monies allocated to it by the Borough Council.

The CIL Working Group will assess bids for Strategic CIL funding and will recommend to the Environment & Sustainability (E&S) Committee for approval. Bid assessment will consider a number of factors including project cost, match funding, deliverability, and relevance to the identified infrastructure needs set out in the Infrastructure Delivery Plan (IDP).

In exceptional circumstances the Working Group may recommend bids to the Committee and Corporate Policy and Resource Committee (CPRC) should it be appropriate to do so.

2. Membership of the Working Group

The CIL Working Group comprises:

- The Leader of Spelthorne Borough Council
- The Chair of E&S Committee
- The Chairs of each of the five Local Spending Boards

The Chair of the Working Group will be nominated by the Working Group.

The following Officer representation will apply:

- Strategic Planning Manager
- Infrastructure Delivery Co-ordinator

The Working Group will reserve the right to draw in representatives from other Borough, County, and external service areas as required to assist it in its work.

3. Meetings

The Strategic CIL Bidding Round will run between the months of April and June. The Working Group will meet as soon as practical after the close of the Bidding Round to consider applications. Once recommendations have been decided, these will be taken to the appropriate Committee as soon as practical for final decision-making. Where possible, final decisions should be published between September and October.

The Working Group may also meet as required throughout the year to discuss Strategic CIL allocations and to ensure effective and timely allocation of CIL monies.

4. Objectives

The Working Group objectives are:

- To ensure overall programming of infrastructure projects agreed by the appropriate Committee.

- To advise and recommend to the appropriate Committee schemes that will have maximum benefits to the community.
- To monitor receipts and expenditure of CIL monies, including the maintenance of reserves in the fund of approximately £1 million.

The Working Group will be responsible for:

- Recommending projects to the appropriate Committee which require CIL funding from resources allocated to it, following assessment in accordance with the agreed criteria.
- Regular monitoring and reporting to the E&S Committee on the delivery of projects including revisions to timescales and expenditure.
- Reporting to the E&S after completion of each project.

5. Output

Regular project progress updates to the E&S Committee on CIL priorities and funding of projects.

Adopted 26 April 2023

Climate Change Working Group

The Spelthorne Climate Change Working Group will consist of 7 members.

The Terms of Reference for the Working Group are:

1. To implement the climate change strategy and action plan agreed in 2022 to deliver our target of carbon neutrality by 2030.
2. To make recommendations to Environment and Sustainability Committee on areas for improvement which can impact on 'climate change' and to identify, and make recommendations on, developing new environmental policies where required which will help move the Council and Borough towards carbon neutrality by 2030.
3. To report to c appropriate action plans and targets to deliver the Council's 2030 target of zero carbon emissions.
4. To monitor progress with delivering the action plans and achieving targets and report on progress to Environment and Sustainability Committee on a quarterly basis.
5. To consider government and wider authorities' consultation on documents relating to 'climate change' and assist Environment and Sustainability Committee in formulating its response.
6. For members of the Working Party to act as 'climate change' champions by leading by example and advocating action on climate change. The Council has an important community leadership role to play regarding the 'climate change' agenda.
7. To identify areas for further research and invite presentations, workshops and discussions with experts as appropriate to help inform the Council's policies and action plans.

8. The Climate Change Working Group will consider the best way of engaging with key partners and work closely with the Government, the Environment Agency, Surrey County Council, local businesses, residents and other partners across the county and Borough to meet the target of making the Borough carbon neutral by 2030.
9. To consider and formulate a communication strategy to promote the Council's activities on climate change.
10. To monitor flood risk and actions to mitigate.

Membership and Proceedings of the Working Group on Climate Change

1. To be a cross party working group
2. The Chair of the Environment and Sustainability Committee or appointee will chair the Group.
3. The Group will appoint its own vice chair from within its membership.
4. The meetings of the Working Group will be internal and confidential to the Council. At the Chair's discretion, some of the meetings will be open to all members of the Council to attend, particularly those to which outside speakers have been invited, to ensure wide engagement across the organisation.
5. The Working Group, can co-opt an external member to the Group, as required, to deal with, specialist areas. However, it remains the decision of the full Working Group as to what targets are recommended.
6. The Working Group will meet at least 4 weeks before an Environment and Sustainability Committee but potentially more frequently depending on workload and actions required.
7. The Working Group should aim to deliver a consensual view to Environment and Sustainability Committee Where this is not possible it should aim to report fairly on the divergent views of the group. Voting is not considered appropriate or necessary. Proactive and innovative suggestions are encouraged.
8. Liaison and engagement with a wide range of stakeholders is welcomed. The Working Group should seek a wide body of opinion to inform its considerations including exchanging views on pertinent matters and receiving suggestions as to how climate change can be addressed in areas over which Spelthorne Borough Council has limited control or significant influence.

Adopted 27 June 2023

BUSINESS, INFRASTRUCTURE AND GROWTH (BIG) COMMITTEE

Membership

At least 11 members reflecting political balance

Functions

This committee has responsibility within the overall policies and strategies set by the Council, to provide leadership, decision making and accountability for the management of the Council's municipal, strategic regeneration (non-income producing) and development asset portfolios.

Also to carry out those statutory and non-statutory functions falling within its areas of responsibility as set out below. Working within the Budget and Policy framework previously approved by Council, it will set strategic priorities for the services within the Committee's remit.

Areas of Responsibility:

- Business partnerships
- Business transformation, support and inward investment
- Economic development
- Heathrow liaison
- Infrastructure scrutiny
- Markets
- Tourism
- Town centre viability and regeneration
- Management of the municipal, strategic regeneration (non-income producing) and development asset portfolios as defined in the Asset Management Strategy.

And specifically:

- To consider and make recommendations on fees and charges in respect of those services falling within the Committee's areas of responsibility to Corporate Policy and Resources Committee.
- To be responsible for the management of the strategic regeneration portfolio at such time as those assets are no longer held for income producing purposes.
- To consider and make recommendations to Council on proposals for achieving residential outcomes on assets within the Council's development portfolio through Joint Venture contracts/programmes, including the transfer of units/schemes to Knowle Green Estates or Registered Providers.
- To consider and make recommendations to Council on the disposal of assets in the development portfolio.
- To consider proposals to change the community use of a municipal asset, subject to inviting members of the Community Wellbeing and Housing Committee to attend

any meeting at which the matter is due to be discussed, to make their representations on the proposals.

- To scrutinise and provide observations and comments to the relevant authorities responsible for delivering those infrastructure projects which affect the local economy.
- To scrutinise those aspects of the operation of Heathrow Airport that directly impact this Committee's areas of responsibility.

COMMUNITY WELLBEING & HOUSING (CWH) COMMITTEE

Membership

At least 11 members reflecting political balance.

Functions

This committee has responsibility to carry out those statutory and non-statutory functions falling within its areas of responsibility as set out below. Working within the Budget and Policy framework previously approved by Council, it will set strategic priorities for the services within the Committee's remit.

Areas of Responsibility

- Affordable, social housing and homelessness provision
- Arts and culture strategy
- Asylum seekers and refugees
- Civil Enforcement (JET)
- Community Day Centres
- Community safety and crime & disorder
- Community Transport (Spelride)
- Disabled Facilities Grants
- Environmental Health excluding pollution control and contaminated land
- Family Support
- Home Improvement Agency
- Housing Benefits/Council Tax Support
- Housing Options including allocations
- Housing policies and strategies
- Leisure and sports contracts
- Licensing matters (including HMO licensing) save for those specifically reserved to the Licensing Committee
- Management and maintenance of council owned housing and services to tenants
- Private sector and social housing enforcement including housing conditions
- Public Halls
- Services for older people
- Supported living independently – including meals on wheels
- Voluntary and community sector strategy and liaison
- Workplace Health & Safety enforcement of businesses in the community

And specifically:

- To consider and make recommendations on fees and charges in respect of those services falling within the Committee's areas of responsibility to Corporate Policy and Resources Committee.
- To establish the Grants Panel with membership and terms of reference as set out below.
- To make decisions on grants funding to organisations in the voluntary and community sector

- To receive periodic reports from Spelthorne Healthy Communities Board on funding decisions. The Board's membership and terms of reference are set out below for completeness.
- To exercise the Council's statutory scrutiny responsibilities arising under the Police and Justice Act 2006 in relation to crime and disorder.

Spelthorne Healthy Communities Board

1. Purpose

The purpose of the group is to improve the Health and Wellbeing in Spelthorne. The group will discuss and determine the Health & Wellbeing priorities for Spelthorne with targets and performance reviews outlined in the Spelthorne Health & Wellbeing Strategy. The group will raise awareness and communicate Health & Wellbeing information in Spelthorne and will provide an annual report to the joint committee of Spelthorne Borough Council and Surrey County Council.

2. Membership

We will invite representatives from the following organisations:

- (a) Spelthorne Borough Council including the Chair of the Community Wellbeing and Housing Committee and Group Head for Community Wellbeing, and representatives from relevant Council departments
- (b) Surrey County Council representatives including Adult Social Care and Children's Services. A SCC councillor who is appointed by Joint Committee at the start of each municipal year.
- (c) Voluntary organisations such as Voluntary Support North Surrey, Action for Carers and Catalyst
- (d) A representative from North West Surrey Clinical Commissioning Group
- (e) A representative from one of the third sector community care borough wide forums or groups (for, children with disabilities, older people and adults with physical and sensory disabilities—Appendix 1) or a suitable representative from the community.
- (f) Other members from relevant organisations will be invited where appropriate and dependant on topical projects. These may include Surrey and Borders Partnership NHS Foundation Trust, or Ashford & St Peter's Hospital's NHS Trust

Members commit to attending meetings or to ensure that they send a representative at an appropriate level if they are unable to attend a meeting.

3. Terms of Reference

The responsibilities of the Health and Wellbeing Group are:

- (a) To oversee progress towards the Spelthorne priorities as outlined in the Spelthorne Health & Wellbeing Strategy and to identify any new priorities that should be addressed. The group will provide periodic reports to the Community Wellbeing and Housing Committee.
- (b) To develop an action plan for the Health and Wellbeing Strategy outlining clear targets; to be monitored quarterly and reviewed annually. Produce criteria to enable performance as red/amber/green.
- (c) To consider any issues raised by members of the group or the wider community and to determine what needs to be done to resolve these issues.
- (d) To provide an opportunity for the sharing of relevant information between agencies.

(e) To link to other local, partnership groups as appropriate
(These responsibilities are underpinned by a statement of principles on equalities (shown in Appendix 2) to ensure that the work of the group pays due regard to issues of discrimination, equality of opportunity and the promotion of good relations between people from different backgrounds.

Grants Panel

1. Purpose of the Panel

The Grants Panel provides an opportunity for people with specialist skills and knowledge to contribute to the development of the community, voluntary and faith sector by granting annual and one-off funding.

The Grants Panel Advisory Panel is designed to ensure that Spelthorne Borough Council meets the highest standards when considering applications and awarding grants and consistently supports those organisations which help to deliver the Council's corporate priorities and enhance the quality of life in the Borough.

It will:

- a) assess grant applications and make recommendations to the Community Wellbeing and Housing Committee (CWHC) as to whether they should be funded.
- b) maintain an overview of the reach of Spelthorne Council's grant-making and suggest ways in which any gaps might be addressed
- c) Review the performance of grant recipients on an annual basis where a Service Level Agreement is in place
- d) Signpost applicants to alternative sources of funding
- e) Co-ordinate regular events to promote funders and grant sources to the CVS sector.

2. Terms of Reference

The Terms of Reference for the Grants Panel are:

- a) A minimum of 3 elected members and three Spelthorne Council officers with relevant skills or knowledge will comprise the panel
- b) These will be appointed to the panel by being proposed and seconded by existing panel members and following a vote of existing members. Members should be nominated on the basis of specific skills that they will bring to the panel.
- c) a quorum shall be four members
- d) the chair must be an elected member and will be elected by majority vote
- e) Councillors on the Panel will be asked to register/declare any interests before considering the applications and making any recommendations.
- f) all decisions will be made by a majority vote and in instances of there being no majority, the chair will gain the power to make one casting vote

Part 3 section (b)

g) the Panel will meet at least once a year, though “virtual” meetings may be held via telephone or email exchange at any time. The quorum and voting rules will still apply and, normally, at least 5 working days will be allowed from the start to the conclusion of such meetings, in order to allow an adequate opportunity for all Panel members to take part.

h) Panel members will be expected to attend at least 50% of “physical” meetings. Members missing three consecutive meetings without giving good reason may be deemed to have resigned and their position may be filled

i) the Panel may invite anyone to attend a meeting(s) to give specialist input

j) the annual revenue grants process will be the subject of a report to CWHC and ~~acceptance by~~ a recommendation to Full Council at its annual budget-setting meeting

POLICE AND CRIME COMMISSIONER'S PANEL

Membership

The Panel is a joint committee, made up of both appointed and co-opted members. All county, district and borough councillors are eligible to be Panel members.

In Surrey, there are 12 appointed members equating to the 12 councils. One councillor from Spelthorne Borough Council (appointed annually by Council) is a member of the Panel. In addition, there must be at least 2 co-opted members on the Panel (co-opted by the Panel itself, not the constituent councils) but the size of the Panel must not exceed 20 members in total. Surrey County Council is the lead authority administering the work of the Panel.

Functions

The Panel is established as an Overview and Scrutiny body and therefore has the legal powers to:

- Require any papers in the Police and Crime Commissioner's (PCC) possession (except those that are operationally sensitive).
- Require the PCC (and their staff) to attend the Panel to answer questions.
- Request the Chief Constable attends to answer questions where the PCC has been required to appear before the Panel.
- Make reports and recommendations on any action or decision of the Commissioner.

The Police Reform and Social Responsibility Act 2011 details the functions that the Panel exercises as follows:

- Review the draft police and crime plan, or draft variation, given to the Panel by the PCC and make a report or recommendations on the draft plan or variation to the PCC.
- Review the PCC's annual report and make a report or recommendations on the report to the PCC.
- Review or scrutinise decisions made or other action taken by the PCC in connection with the discharge of the PCC's functions.
- Publish any report and recommendations made to the PCC.
- Review certain senior appointments made by the PCC.
- Review Chief Constable appointments, with the power to veto the appointment with a two-thirds majority.
- Review and report on the PCC's proposals to remove a Chief Constable.
- Review the PCC's level of precept, with the power to veto the proposed precept with a two-thirds majority.
- Suspend the PCC if they are charged with certain criminal offences.
- Appoint an acting PCC if necessary.
- Initial handling and informal resolution of complaints about the conduct of the PCC or their Deputy.

REGULATORY COMMITTEES

AUDIT COMMITTEE

(7 councillors reflecting political balance and one independent non-voting member)

1. To provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process:
 - To approve (but not direct) the internal audit's strategy plan and performance.
 - To approve risk related Policies that are not reserved to Council.
 - To receive an annual report on RIPA (Regulation of Investigatory Powers Act) activity.
 - To review summary internal audit reports and the main issues arising and to seek assurance that action has been taken where necessary.
 - To consider the reports of external audit and inspection agencies.
 - To consider the effectiveness of the authority's risk management arrangements, the control environment and associated anti-fraud, bribery and anti-corruption arrangements.
 - Seek assurances that action is being taken on risk related issues identified by auditors and inspectors.
 - To be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and to take actions required to improve it.
 - To ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
 - To review the financial statements, external auditors' opinion and reports to councillors, and monitor management action in response to the issues raised by external audit.

LICENSING COMMITTEE

Membership

13 members reflecting political balance

Each Member of the committee is required to: complete in full an Induction Programme, undertake regular training including the legislation governing hearings under the Licensing Act 2003, the Gambling Act 2005 and in relation to hackney carriages and private hire; and attend development updates in relation to the licensing function. Any Member not undertaking these training activities will be unable to serve on the Licensing Sub-Committee until such time that the full training requirement has been met.

Functions

1. Subject to staff delegations, In relation to the Licensing Act 2003:
 - a. The determination of an application for a premises licence where relevant representations have been made and not withdrawn;
 - b. The determination of an application for a club premises certificate where relevant representations have been made and not withdrawn;
 - c. The determination of an application for a provisional statement where relevant representations have been made and not withdrawn;
 - d. The determination of an application for variation (excluding Minor Variations) of a premises licence/club premises certificates where relevant representations have been made and not withdrawn;
 - e. The determination of an application to vary the designated premises supervisor following objections from a Responsible Authority;
 - f. The determination of an application for the transfer of a premises licence following objections from a Responsible Authority;
 - g. Consideration of an objection from a Responsible Authority made to an interim authority notice;
 - h. The decision to give counter notice following objections from a Responsible Authority to a temporary event order;
 - i. The determination of an application for the grant of a personal licence following objections from the Responsible Authority;
 - j. The determination of an application for a review of a premises licence.
2. In relation to the Gambling Act 2005:
 - a. The determination of an application for a licence where relevant representations have been made and not withdrawn;
 - b. The determination of an application for a variation of a licence where relevant representations have been made and not withdrawn;

- c. The determination of an application for the transfer of a licence where relevant representations have been received from the Gambling Commission;
 - d. The determination of an application for a provisional statement where relevant representations have been received and not withdrawn;
 - e. The determination of an application for a review of a licence;
 - f. The determination of an application for club gaming / club machine permits where objections have been made and not withdrawn;
 - g. The cancellation of club gaming / club machine permits where relevant representations have been received and not withdrawn;
 - h. The decision to give a counter notice to a temporary use notice.
3. In relation to Part II Schedule 3 of the Local Government (Miscellaneous Provision) Act 1982:
- a. To grant or refuse applications for the grant, renewal or transfer of licences for sex establishments;
 - b. To grant or refuse applications for variations;
 - c. To attach such terms, conditions and restrictions to licences as is seen necessary and appropriate;
 - d. To revoke licences
 - e. To determine whether a charge should be made and where applicable, the level of such fees and charges for the issue, approval, consent, licence or permit, or other registration pursuant to powers set out in the Local Government (Miscellaneous Provisions) Act 1982.
4. In relation to taxi and private hire licensing:
- a. the adoption of all policies relating to taxi and private hire licensing.
 - b. In relation to the Local Government (Miscellaneous Provisions) Act 1976 and the Town Police Clauses Act 1847 to revoke, refuse, to grant or renew, hackney carriage and private hire drivers and operators licences in circumstances where staff consider it appropriate to refer the matter to the Committee or Sub-Committee;
 - c. To determine whether a charge should be made and where applicable, the level of such fees and charges for the issue, approval, consent, licence or permit, or other registration pursuant to powers set out in the Local government (Miscellaneous Provisions) Act 1976 and the Local Government (Miscellaneous Provisions) Act 1982;
 - d. To determine applications for the revision of the taxi fare tariff pursuant to section 65 of the Local Government (Miscellaneous Provisions) Act 1976.
5. The passing of a resolution that the schedule 2 to the Noise and Statutory Nuisance Act 1993 should apply in the authority's area.

Part 3 section (b)

6. To adopt, monitor and review relevant Council policies and strategies, where they do not require a Council decision under the Policy Framework at Article 4 of this Constitution.

7. To review and scrutinise service delivery and in particular ensuring that best value in service delivery is being obtained for the community.

All members of the Licensing Committee may serve on a Sub-Committee and delegated authority is given to the Monitoring Officer, in consultation with the Chairman of the Licensing Committee, to select members to serve on a Sub-Committee on a case by case basis.

PLANNING COMMITTEE

Membership

15 councillors reflecting political balance

Members must attend Development Control training at least annually. New Members must attend induction training on an introduction to Planning and Decision Making, and Appeals/Costs, as a minimum, before they can sit on the Committee. Members of the Committee are expected to attend all further training sessions provided on the Planning regime. Any Member not undertaking these training activities will be unable to serve on the Committee until such time that the minimum training requirement has been met.

Functions

Subject to staff delegations, any applications for planning permission under Part III of the Town and Country Planning Act 1990 to which any of the following below apply AND subject to no decisions being issued within 21 days of the application's appearance on the Publicity Schedule;

- 1 Where councillor representations are received in writing within the specified "call in" period within the approved scheme.
- 2 Where the Planning Development Manager decides, after consultation with the Chairman of the Planning Committee, that an application should be submitted to the Planning Committee on planning grounds, or where there is significant public concern or where it is very contentious.
- 3 Where the application is submitted by the Council or by the Council with another person (individual or corporate).
- 4 Where the application is submitted by an officer of the Council (which shall also include applications for lawful development under Part VI of the 1990 Act).
- 5 Where an application is submitted by a councillor (which shall also include applications for lawful development under Part VI of the 1990 Act).
- 6 Approval of over 9 (nine) net additional residential units by new build (minor application).
- 7 Approval of over 1,000m² net additional floor space by new build (major application)
- 8 Recommendation of no objection for over 1,000m² net additional building floor space or 1 hectare net additional land area in connection with new Surrey County Council minerals and waste applications (gravel extraction/restoration).
- 9 Recommendation of no objection for extension of time limits for Surrey County Council minerals and waste applications where the net additional land area is over 5000m².
- 10 Powers under Article 4 of the Town and Country Planning (General Permitted Development) Order 1995 (as revised or amended)
- 11 For the local listing of any building

STANDARDS COMMITTEE

Membership

9 councillors reflecting political balance + 2 Independent non-voting Members

Functions

Promoting the maintenance of high standards of conduct by councillors and any co-opted members of the Council.

In addition to the broad functions of the Committee set out in Article 8 it is also delegated to undertake the following work on behalf of the Council:

- to keep an overview on the arrangements for dealing with complaints under the code of conduct, making alterations and publishing them where it considers necessary;
- to devise such further protocols and procedures as are necessary for the efficient management of complaints which have to be considered by a hearings panel;
- to consult with the Independent Person on any matters which have broad implications for the promotion of high standards by the Council;
- to make recommendations to Council on standing orders for the registration and declaration of Disclosable Pecuniary Interests and other interests; and,
- to make recommendations to Council on any revisions to the Members' Code of Conduct and the registration of interests.
- to consider any issues referred by the Monitoring Officer under the Disclosure and Barring Service Checks for Members Protocol (Part 5m).
- to establish the Committee System Working Group with the Terms of Reference set out below.
- to monitor and review the operation of the Constitution in accordance with Article 13.
- to promote, manage and agree a programme of member development.

Hearings Panels (comprising three councillors drawn from the membership of the Standards Committee and chaired by an independent member) established under the Council's published arrangements for dealing with complaints may:

- require the Member to apologise either privately or in public;
- require the Member to attend training;
- censure the Member;
- send a report to Council to censure the Member;
- require the Monitoring Officer to publish a report in the newspaper or on the Council's website about the councillor's conduct;
- withdraw privileges provided by the Council such as computer equipment, internet or email access;

- recommend to the councillor's group leader that the councillor be removed from a Committee, or an outside body (as appropriate); or,
- a combination of any of the above.

Working Groups' Terms of Reference

Committee System Working Group

Membership

The membership to comprise one councillor from each political group and any non-aligned members.

Responsibilities

Monitoring of objectives

To consider whether the system is meeting the Council's objectives. To recommend any amendments to the system to the Standards Committee where such is required to meet those objectives.

Recommendation of amendments

To consider whether any adjustments or amendments are required to ensure the smooth operation of the system and to make recommendations to the Standards Committee where required.

Decision Making

This working group has no formal decision-making powers. Any matters which require a Councillor decision will require a report to the Standards Committee for their decision.

APPOINTMENTS AND APPEALS COMMITTEE

Membership

5 members reflecting political balance. The members of this Committee may not also sit on the Investigating and Disciplinary Committee in respect of the same matter.

In undertaking the annual appraisal of the Chief Executive, a minimum of three councillors from at least two different political parties must attend.

Functions

This committee has responsibility for the following functions of the Council:

- To make a recommendation to Council on the appointment of the Head of Paid Service (Chief Executive).
- To consider and determine the overall scheme and policies in relation to terms and conditions relating to the role of Head of Paid Service.
- To undertake the annual appraisal of the Chief Executive in accordance with the agreed Chief Executive Appraisal Procedure.
- To appoint other Chief Officers and Deputies as defined in Article 10.1, and in accordance with the Officer Employment Procedure Rules at Part 4(f) of this Constitution.
- To make a recommendation to Council on the designation of the Monitoring Officer and the Chief Finance Officer.
- To make a recommendation to Council on the appointment of the Independent Audit member.

Note: for the avoidance of doubt, Chief Officers and Deputy Chief Officers are posts at or above salary level Group Head.

- To hear appeals against action taken short of dismissal in relation to the Council's chief officers in accordance with the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended by the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015) and conduct any further investigation it considers necessary to reach a decision either to confirm the action or to award no sanction or a lesser sanction.

INVESTIGATING AND DISCIPLINARY COMMITTEE

Membership

5 members reflecting political balance. The members of this Committee may not also sit on the Appointments and Appeals Committee in respect of the same matter. The quorum for this Committee is 3 provided those members present are of different political groups.

Responsibilities

1. To conduct an initial assessment of allegations against the Chief Executive, Chief Finance Officer or Monitoring Officer (together known as Statutory Officers), relating to (i) conduct, (ii) capability or (iii) some other substantial issue that requires investigation.
2. To consider whether it is appropriate to suspend a Statutory Officer if an allegation is such that if proven it would amount to gross misconduct or if the continuing presence at work of the Statutory Officer might compromise the investigation or impair the efficient exercise of the council's functions.
3. If an exceptional situation arises whereby allegations of misconduct by the Statutory Officer are such that their remaining presence at work poses a serious risk to the health and safety of others or the resources, information or reputation of the authority, the following may suspend the Statutory Officer immediately, in an emergency:
 - In relation to serious allegations of misconduct against the Chief Executive, the Monitoring Officer and Chief Finance Officer jointly in consultation with the Chair of this Committee or
 - In relation to serious allegations of misconduct against the Monitoring Officer or Chief Finance Officer, the Chief Executive in consultation with the Chair of this Committee.
4. To agree or authorise any protocols which are necessary to manage the suspension of the Statutory Officer and the investigation.
5. To review the suspension of the Statutory Officer after a period of two months has elapsed.
6. To determine whether a detailed investigation of an allegation against the Statutory Officer relating to (i) conduct, (ii) capability or (iii) some other substantial issue is needed.
7. To appoint an Independent Investigator selected from the list maintained by the National Joint Secretaries, providing the necessary facilities, paying the remuneration and providing all available information about the allegations.
8. To consider the report of the Independent Investigator, and also give the Statutory Officer the opportunity to state their case and to question witnesses, where relevant, before making a decision.
9. To decide and issue sanctions short of dismissal for a Statutory Officer.

10. To receive advice from the Independent Panel in the event dismissal of a Statutory Officer is being considered.
11. Subject to receiving advice from the Independent Panel, to make any recommendations to Council for dismissal of a Statutory Officer.

INDEPENDENT PANEL

Membership

A Panel shall comprise of independent persons (at least two in number) who have been appointed by the Council, or by another Council, for the purposes of the council members' conduct regime under section 28(7) of the Localism Act 2011.

Invitations for membership of the Panel shall be issued in accordance with the following priority order, as and when the Panel is required to sit:

- (a) an independent person who has been appointed by the Council and who is a local government elector in the authority's area
- (b) any other independent person who has been appointed by the Council and
- (c) an independent person who has been appointed by another council or councils

Functions

1. In a case where the Investigating and Disciplinary Committee (IDC) is proposing dismissal of a Statutory Officer:
 - to receive any oral representations from the Statutory Officer
 - to invite any response on behalf of the IDC to the points made
 - to review the decision and prepare a report for Council offering any advice, views or recommendations it may have to the council on the proposal for dismissal

Appropriate training should be provided for Independent Panel members.

Members of an Independent Panel may claim out of pocket expenses in relation to their work on the Panel.

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TERMS OF REFERENCE

All Committees will have the following functions in relation to those areas of responsibility falling within the remit of each Committee:

- To work at meeting the Council's corporate objectives, as set out in the Corporate Plan and set strategic priorities within the Budget and Policy Framework, for services within its remit
- To adopt, monitor and review Council policies and strategies which fall within the remit of that Committee.
- To take decisions within the budget framework including contract and virement decisions.
- Where there are significant budgetary implications, to make recommendations to the Corporate Policy and Resources Committee on changes to existing policies, or the adoption of new policies, with the exception of changes to previously approved, or the addition of new policies falling within the Policy Framework. These are reserved to Council.
- Each Committee is limited in authority to grant expenditure to £1 million for any particular project (with the exception of decisions on Community Infrastructure Levy funds allocation by the Corporate Policy and Resources Committee) without seeking approval from full Council. Any project must be taken as a whole, and the project cannot be sub-divided into its constituent parts with each being authorised separately to avoid this limit set by this rule.
- To recommend to Council any expenditure on a project within the Capital Programme where the cost of the project as a whole exceeds £1million.
- To review and have oversight of the agreed Project Initiation Document and other relevant project reporting documentation in relation to service projects within the Committee's remit.
- To consider and propose budget priorities and actions on the delivery of Council services within each Committee's remit, within the overall policy and budgetary framework agreed by the Council.
- To consider periodic budgetary monitoring and variation reports in respect of the functions within the Committee's remit and make any recommendations to the Council as necessary.
- To consider Motions referred to the Committee by Council under Standing Order 16.6, in accordance with the rules of debate at Standing Order 18.
- To review and scrutinise budget proposals relevant to the Committee's functions and make recommendations to the Corporate Policy and Resources Committee, or in the case of that Committee, make recommendations to Council.
- To review and scrutinise service delivery in line with the strategic direction set above and in particular ensuring that best value in service delivery is being obtained for the community.
- To undertake scrutiny and monitor the performance of external bodies who deliver services to the community.

Part 3 section (b)

- To encourage performance improvement in relevant services, consistent with Value for Money principles (defined in Part 4d Glossary of terms) and within the policy and budgetary framework agreed by the Council. This includes responding appropriately to statutory reports on external inspections and service reviews.
- To facilitate and encourage public participation in the Council's activities by engaging key stakeholders in the Council's processes for decision making.
- To oversee the publication of consultation papers on key issues and ensure that there is appropriate public consultation.
- To consult with local Ward councillors about policy developments or service initiatives which have a specific relevance to that Committee.
- To commission studies or the collection of information relating to policy issues (Corporate Policy and Resources Committee) or service delivery (Strategic Committees).
- To establish Working Groups and Task and Finish Groups to examine in detail specific issues or aspects of policy, procedure or service in accordance with the Working Group and Task and Finish Group procedure rules at Part 4i of this Constitution.
- In respect of matters that cross the remits of two or more Strategic Committees, the Chairs of the relevant Committees will agree which Committee will deal with the issue, in consultation with the relevant officer bringing the matter. If the Chair is not available, the Vice-Chair will be consulted. In the case of a conflict, the Corporate Policy and Resources Committee will be responsible for the matter.
- Where a function does not clearly fall within the remit of a Strategic Committee, the Corporate Policy and Resources Committee shall direct which Committee shall deal with the function, or deal with the matter itself.
- This Committee has responsibility for scrutinising matters referred to it by the Strategic Committees or councillors in accordance with the Council's Call-in Scheme (Part 4b of this Constitution).

CORPORATE POLICY & RESOURCES COMMITTEE

Membership

At least 15 members reflecting political balance, comprising the Chairs and Vice-Chairs of the Strategic Committees and with the Leader and Deputy Leader appointed as Chair and Vice-Chair of this Committee.

Functions

The Corporate Policy and Resources Committee exercises any function not delegated to another Committee, an officer or reserved to Council. In particular, it makes recommendations concerning the Council's budget to Council. The Committee will also carry out those statutory and non-statutory functions falling within its area of responsibility as set out below. Working within the Budget and Policy framework previously approved by Council, it will set strategic priorities for the services within the Committee's remit.

Where a function does not clearly fall within the remit of a Strategic Committee, this Committee shall direct which Committee shall deal with the function, or deal with the matter itself.

The Committee will recommend to Council new, or changes in previously approved, policies that fall within the Policy Framework as set out in Article 4 as well as making joint arrangements or delegating decision making to Chief Officers. However, this does not prevent that Committee from choosing to exercise the function itself.

Areas of responsibility include:

- Appointments to Outside Bodies
- Armed Forces Covenant
- Building Control
- Business and Financial Planning
- Compulsory Purchase Orders
- Contracts and Commissioning
- Council Insurance, Health and Safety
- Corporate Communications
- Corporate Complaints
- Customer Services
- Debt and Treasury Management
- Democratic Services
- Electoral Services
- Financial Services
- Human Resources
- Investment and Regeneration Assets
- Land Charges
- Legal Services
- ICT and Digital transformation
- Oversight of major (where the cost of the project as a whole exceeds £1 million) programmes and projects within the Capital programme.
- Performance Management

- Procurement
- Project Management
- Reserves Strategy
- Revenues and Benefits
- Risk Management
- Strategic Partnerships

And specifically:

- To make recommendations as appropriate on matters reserved to Council for decision including:
 - the Council's draft annual budget, including the capital and revenue budgets, prudential controls and council tax
 - the use of reserves
 - the Council's Community and Corporate Plans
 - the Council's Policy Framework
- To consider periodic budgetary monitoring and variation reports and make any recommendations to the Council as necessary.
- To be responsible for decision making in respect of the Council's fees and charges and consider recommendations from the other Strategic Committees on fees and charges for services falling within their remit.
- To act as the Council's shareholder representative on the Knowle Green Estates Board.
- To appoint a shareholder representative for any company set up by Spelthorne Borough Council, from that committee within whose remit the business of the company falls.
- To be responsible for decisions to proceed with asset acquisitions relating directly to Regeneration purposes only.
- To be responsible for decisions to proceed with freehold (or long leasehold) disposal of investment assets and/or commercial assets within the regeneration programme.
- To approve dilapidation settlements that exceed £500k.
- To receive quarterly reports on the Investment Sinking Fund Reserves and to be notified of any change of adverse impact and mitigation measures which are being taken to address.
- To be responsible for the oversight of major programmes and projects within the Capital Programme where the cost of the project as a whole exceeds £1 million.
- To be responsible for decision making in respect of the Council's services and activities other than those specifically delegated to other Committees or officers.
- To be responsible for decision making where there is a conflict in respect of matters that cross the remits of two or more Strategic Committees.
- To be responsible for decisions to adopt new policies or make changes to previously approved policies, falling outside the Policy Framework, where there are significant budgetary implications.
- To be responsible for decisions on Community Infrastructure Levy (CIL) funds allocation on those proposals related to major infrastructure projects where

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significantly large sums of monies (approximately £1million or more) are being committed or on schemes which carry a degree of complexity as recommended by the CIL Task Group.

- To consider the Annual report from the Local Government and Social Care Ombudsman (LGSCO) and any maladministration findings of the body.
- To act as the Member Responsible for Complaints in accordance with the Complaint Handling Codes of the LGSCO and the Housing Ombudsman.
- To make a Compulsory Purchase Order and decide on the level of costs arising up to £1 million.
- To make appointments to outside bodies and charities where the appointment is not reserved to Council for decision.
- To be consulted by other committees on any issues raised relating to the performance and provision of services.
- This Committee has responsibility for scrutinising matters referred to it by the Strategic Committees or councillors in accordance with the Council's Call-in Procedure Rules (Part 4b of this Constitution).

COMMERCIAL ASSETS SUB-COMMITTEE

Objective

Within the overall policies and strategies set by the Council, to provide leadership, decision making and accountability for the management of the Council's Investment properties and commercial assets within the Council's regeneration programme.

Membership

A minimum of 4 Members reflecting political balance, with at least 1 member from each political party. An independent member will also be appointed.

Functions

1. Acquisitions relating directly to Regeneration purposes only (acquiring assets for alternative purposes is not covered via the Objectives of this Sub-Committee)
 - (a) To receive recommendations from officers (where officer/member delegation financial limits are exceeded) as to possible new strategic property acquisitions for regeneration purposes only.
 - (b) Following (a) above, to give an initial steer on whether to investigate further those potential acquisitions.
 - (c) Following (b) above and any subsequent reports from officers, to make recommendations to the Corporate Policy & Resources Committee to proceed with acquisitions in accordance with relevant Council procedure rules.

2. Disposals
 - (a) To receive recommendations from officers (where officer/member delegation financial limits are exceeded) as to the potential freehold (or long leasehold) disposal of investment assets and/or commercial assets within the regeneration programme.
 - (b) To receive recommendations from officers (where officer/member delegation financial limits are exceeded) as to the potential joint venture initiative involving investments assets and/or commercial assets within the regeneration programme.
 - (c) Following (a) or (b) above to give an initial steer on whether to investigate further those potential disposals or joint venture initiatives.
 - (d) Following (c) above and any subsequent reports from officers, to make recommendations to the Corporate Policy & Resources Committee to proceed with the particular freehold (or long leasehold) disposal or joint venture initiative in accordance with the relevant Council procedure rules.
 - (e) To receive recommendations from officers and approve (or otherwise) any proposals for the granting of a new or reversionary lease at an aggregated rent over the term which exceeds officer delegation levels.

3. Management of Investment Assets and Commercial Assets within the Regeneration Programme
- (a) To approve leasehold disposals (lettings) in investment assets (where officer/member delegation financial limits are exceeded.)
 - (b) To approve dilapidation settlements valued between £101k and £500k and make recommendations to Corporate Policy and Resources Committee for any that exceed £500k.
 - (c) To approve the change of use of investment assets including recommendations to the Corporate Policy and Resources Committee regarding alternative use or classification of the asset.
 - (d) To receive monthly update reports on the management of the investment assets in accordance with the adopted Asset Management Strategy, including rental income, potential letting opportunities, pending break option and lease expiries over the next 12-month period, significant assignments and any other estate management issues based on officer recommendations.
 - (e) To approve the exercise of a break option under the terms of lease of land or property where officer/member delegation financial limits are exceeded.
 - (f) To approve or agree to the surrender of a lease of land or property where officer/member delegation financial limits are exceeded.
 - (g) To approve new lettings where the rental income per annum (net of VAT) exceeds £100k.
 - (h) To approve lease renewals where the rent in the first year of the new lease is less than 50% of the passing rent of the previous lease, or where the financial impact exceeds £250k.
 - (i) To receive monthly arrears reports on each individual asset/tenant within the investment portfolio by rent quarters.
 - (j) To be notified of any potential arrears and issues being faced by individual tenants (including taking decisions on tenant requests to change from quarterly to monthly payments or rent deferment requests) where the rental income exceeds £100,000pa and to be advised of steps being taken by officers to mitigate that risk.
 - (k) To receive quarterly reports on the Investment Sinking Funds and to be notified of any change of adverse impact and mitigation measures which are being taken to address.
 - (l) To receive notification of and authorize any non-budgeted capital expenditure or any capital expenditure over £50,000. on the investment portfolio.
 - (m) To approve, the settlement of rent reviews, lease renewals or lease re-structuring negotiations in respect of the Investment assets where officer/member delegation financial limits are exceeded.
 - (n) To review, advise on and approve formal reporting of the investment portfolio to CPRC and/or full council to include Asset Investment Strategies, Business Plans, Key Performance Indicators, Risk Registers, and half yearly update reports.
 - (o) To agree the scope of the annual reporting on the Council's investment and regeneration portfolios with the Assets Team.

4. Frequency

Monthly day-time meetings. Where meetings are not necessary for lack of business they will be cancelled.

ENVIRONMENT & SUSTAINABILITY (E&S) COMMITTEE

Membership

At least 15 members reflecting political balance.

Functions

This committee has responsibility to carry out those statutory and non-statutory functions falling within its areas of responsibility as set out below. Working within the Budget and Policy framework previously approved by Council, it will set strategic priorities for the services within the Committee's remit.

Areas of responsibility include:

- Cemeteries
- Climate emergency response - including carbon management, mitigation and adaptation measures
- Community Infrastructure Levy (CIL) funds
- Emergency planning
- Environmental sustainability and biodiversity
- Fly tipping
- Grounds Maintenance
- Heathrow liaison
- The Local Plan
- Parking services and strategy
- Parks, open spaces, allotments and playgrounds
- Planning policy and enforcement
- Pollution control including air quality and contaminated land
- Street Cleansing
- Transport including Electric Vehicle strategy
- Waste strategy and management, including Recycling

And specifically:

- To consider and make recommendations on fees and charges in respect of those services falling within the Committee's areas of responsibility to Corporate Policy and Resources Committee.
- To consider all Community Infrastructure Levy (CIL) funds allocation and determination in all cases, except for those proposals related to major infrastructure projects where significantly large sums of monies are being committed or on schemes which carry a degree of complexity which will be referred for decision to Corporate Policy and Resources Committee, as recommended by the CIL Task Group.
- To scrutinise those aspects of the operation of Heathrow Airport that directly relate to this Committee's areas of responsibility.
- To establish the Community Infrastructure Levy Working Group with the membership and terms of reference as set out below

- To establish the Climate Change Working Group with the membership and terms of reference as set out below
- To review and scrutinise flood risk management

Working Groups Terms of Reference

Community Infrastructure Levy (CIL) Working Group

1. Remit

The CIL Working Group is a Councillor/Officer group set up to work jointly and collaboratively to advise the appropriate Committee on CIL generally and make recommendations on bids for CIL monies allocated to it by the Borough Council.

The CIL Working Group will assess bids for Strategic CIL funding and will recommend to the Environment & Sustainability (E&S) Committee for approval. Bid assessment will consider a number of factors including project cost, match funding, deliverability, and relevance to the identified infrastructure needs set out in the Infrastructure Delivery Plan (IDP).

In exceptional circumstances the Working Group may recommend bids to the Committee and Corporate Policy and Resource Committee (CPRC) should it be appropriate to do so.

2. Membership of the Working Group

The CIL Working Group comprises:

- The Leader of Spelthorne Borough Council
- The Chair of E&S Committee
- The Chairs of each of the five Local Spending Boards

The Chair of the Working Group will be nominated by the Working Group.

The following Officer representation will apply:

- Strategic Planning Manager
- Infrastructure Delivery Co-ordinator

The Working Group will reserve the right to draw in representatives from other Borough, County, and external service areas as required to assist it in its work.

3. Meetings

The Strategic CIL Bidding Round will run between the months of April and June. The Working Group will meet as soon as practical after the close of the Bidding Round to consider applications. Once recommendations have been decided, these will be taken to the appropriate Committee as soon as practical for final decision-making. Where possible, final decisions should be published between September and October.

The Working Group may also meet as required throughout the year to discuss Strategic CIL allocations and to ensure effective and timely allocation of CIL monies.

4. Objectives

The Working Group objectives are:

- To ensure overall programming of infrastructure projects agreed by the appropriate Committee.

- To advise and recommend to the appropriate Committee schemes that will have maximum benefits to the community.
- To monitor receipts and expenditure of CIL monies, including the maintenance of reserves in the fund of approximately £1 million.

The Working Group will be responsible for:

- Recommending projects to the appropriate Committee which require CIL funding from resources allocated to it, following assessment in accordance with the agreed criteria.
- Regular monitoring and reporting to the E&S Committee on the delivery of projects including revisions to timescales and expenditure.
- Reporting to the E&S after completion of each project.

5. Output

Regular project progress updates to the E&S Committee on CIL priorities and funding of projects.

Adopted 26 April 2023

Climate Change Working Group

The Spelthorne Climate Change Working Group will consist of 7 members.

The Terms of Reference for the Working Group are:

1. To implement the climate change strategy and action plan agreed in 2022 to deliver our target of carbon neutrality by 2030.
2. To make recommendations to Environment and Sustainability Committee on areas for improvement which can impact on 'climate change' and to identify, and make recommendations on, developing new environmental policies where required which will help move the Council and Borough towards carbon neutrality by 2030.
3. To report to c appropriate action plans and targets to deliver the Council's 2030 target of zero carbon emissions.
4. To monitor progress with delivering the action plans and achieving targets and report on progress to Environment and Sustainability Committee on a quarterly basis.
5. To consider government and wider authorities' consultation on documents relating to 'climate change' and assist Environment and Sustainability Committee in formulating its response.
6. For members of the Working Party to act as 'climate change' champions by leading by example and advocating action on climate change. The Council has an important community leadership role to play regarding the 'climate change' agenda.
7. To identify areas for further research and invite presentations, workshops and discussions with experts as appropriate to help inform the Council's policies and action plans.

8. The Climate Change Working Group will consider the best way of engaging with key partners and work closely with the Government, the Environment Agency, Surrey County Council, local businesses, residents and other partners across the county and Borough to meet the target of making the Borough carbon neutral by 2030.
9. To consider and formulate a communication strategy to promote the Council's activities on climate change.
10. To monitor flood risk and actions to mitigate.

Membership and Proceedings of the Working Group on Climate Change

1. To be a cross party working group
2. The Chair of the Environment and Sustainability Committee or appointee will chair the Group.
3. The Group will appoint its own vice chair from within its membership.
4. The meetings of the Working Group will be internal and confidential to the Council. At the Chair's discretion, some of the meetings will be open to all members of the Council to attend, particularly those to which outside speakers have been invited, to ensure wide engagement across the organisation.
5. The Working Group, can co-opt an external member to the Group, as required, to deal with, specialist areas. However, it remains the decision of the full Working Group as to what targets are recommended.
6. The Working Group will meet at least 4 weeks before an Environment and Sustainability Committee but potentially more frequently depending on workload and actions required.
7. The Working Group should aim to deliver a consensual view to Environment and Sustainability Committee Where this is not possible it should aim to report fairly on the divergent views of the group. Voting is not considered appropriate or necessary. Proactive and innovative suggestions are encouraged.
8. Liaison and engagement with a wide range of stakeholders is welcomed. The Working Group should seek a wide body of opinion to inform its considerations including exchanging views on pertinent matters and receiving suggestions as to how climate change can be addressed in areas over which Spelthorne Borough Council has limited control or significant influence.

Adopted 27 June 2023

BUSINESS, INFRASTRUCTURE AND GROWTH (BIG) COMMITTEE

Membership

At least 11 members reflecting political balance

Functions

This committee has responsibility within the overall policies and strategies set by the Council, to provide leadership, decision making and accountability for the management of the Council's municipal, strategic regeneration (non-income producing) and development asset portfolios.

Also to carry out those statutory and non-statutory functions falling within its areas of responsibility as set out below. Working within the Budget and Policy framework previously approved by Council, it will set strategic priorities for the services within the Committee's remit.

Areas of Responsibility:

- Business partnerships
- Business transformation, support and inward investment
- Economic development
- Heathrow liaison
- Infrastructure scrutiny
- Markets
- Tourism
- Town centre viability and regeneration
- Management of the municipal, strategic regeneration (non-income producing) and development asset portfolios as defined in the Asset Management Strategy.

And specifically:

- To consider and make recommendations on fees and charges in respect of those services falling within the Committee's areas of responsibility to Corporate Policy and Resources Committee.
- To be responsible for the management of the strategic regeneration portfolio at such time as those assets are no longer held for income producing purposes.
- To consider and make recommendations to Council on proposals for achieving residential outcomes on assets within the Council's development portfolio through Joint Venture contracts/programmes, including the transfer of units/schemes to Knowle Green Estates or Registered Providers.
- To consider and make recommendations to Council on the disposal of assets in the development portfolio.
- To consider proposals to change the community use of a municipal asset, subject to inviting members of the Community Wellbeing and Housing Committee to attend

any meeting at which the matter is due to be discussed, to make their representations on the proposals.

- To scrutinise and provide observations and comments to the relevant authorities responsible for delivering those infrastructure projects which affect the local economy.
- To scrutinise those aspects of the operation of Heathrow Airport that directly impact this Committee's areas of responsibility.

COMMUNITY WELLBEING & HOUSING (CWH) COMMITTEE

Membership

At least 11 members reflecting political balance.

Functions

This committee has responsibility to carry out those statutory and non-statutory functions falling within its areas of responsibility as set out below. Working within the Budget and Policy framework previously approved by Council, it will set strategic priorities for the services within the Committee's remit.

Areas of Responsibility

- Affordable, social housing and homelessness provision
- Arts and culture strategy
- Asylum seekers and refugees
- Civil Enforcement (JET)
- Community Day Centres
- Community safety and crime & disorder
- Community Transport (Spelride)
- Disabled Facilities Grants
- Environmental Health excluding pollution control and contaminated land
- Family Support
- Home Improvement Agency
- Housing Benefits/Council Tax Support
- Housing Options including allocations
- Housing policies and strategies
- Leisure and sports contracts
- Licensing matters (including HMO licensing) save for those specifically reserved to the Licensing Committee
- Management and maintenance of council owned housing and services to tenants
- Private sector and social housing enforcement including housing conditions
- Public Halls
- Services for older people
- Supported living independently – including meals on wheels
- Voluntary and community sector strategy and liaison
- Workplace Health & Safety enforcement of businesses in the community

And specifically:

- To consider and make recommendations on fees and charges in respect of those services falling within the Committee's areas of responsibility to Corporate Policy and Resources Committee.
- To establish the Grants Panel with membership and terms of reference as set out below.
- To make decisions on grants funding to organisations in the voluntary and community sector

- To receive periodic reports from Spelthorne Healthy Communities Board on funding decisions. The Board's membership and terms of reference are set out below for completeness.
- To exercise the Council's statutory scrutiny responsibilities arising under the Police and Justice Act 2006 in relation to crime and disorder.

Spelthorne Healthy Communities Board

1. Purpose

The purpose of the group is to improve the Health and Wellbeing in Spelthorne. The group will discuss and determine the Health & Wellbeing priorities for Spelthorne with targets and performance reviews outlined in the Spelthorne Health & Wellbeing Strategy. The group will raise awareness and communicate Health & Wellbeing information in Spelthorne and will provide an annual report to the joint committee of Spelthorne Borough Council and Surrey County Council.

2. Membership

We will invite representatives from the following organisations:

- (a) Spelthorne Borough Council including the Chair of the Community Wellbeing and Housing Committee and Group Head for Community Wellbeing, and representatives from relevant Council departments
- (b) Surrey County Council representatives including Adult Social Care and Children's Services. A SCC councillor who is appointed by Joint Committee at the start of each municipal year.
- (c) Voluntary organisations such as Voluntary Support North Surrey, Action for Carers and Catalyst
- (d) A representative from North West Surrey Clinical Commissioning Group
- (e) A representative from one of the third sector community care borough wide forums or groups (for, children with disabilities, older people and adults with physical and sensory disabilities—Appendix 1) or a suitable representative from the community.
- (f) Other members from relevant organisations will be invited where appropriate and dependant on topical projects. These may include Surrey and Borders Partnership NHS Foundation Trust, or Ashford & St Peter's Hospital's NHS Trust

Members commit to attending meetings or to ensure that they send a representative at an appropriate level if they are unable to attend a meeting.

3. Terms of Reference

The responsibilities of the Health and Wellbeing Group are:

- (a) To oversee progress towards the Spelthorne priorities as outlined in the Spelthorne Health & Wellbeing Strategy and to identify any new priorities that should be addressed. The group will provide periodic reports to the Community Wellbeing and Housing Committee.
- (b) To develop an action plan for the Health and Wellbeing Strategy outlining clear targets; to be monitored quarterly and reviewed annually. Produce criteria to enable performance as red/amber/green.
- (c) To consider any issues raised by members of the group or the wider community and to determine what needs to be done to resolve these issues.
- (d) To provide an opportunity for the sharing of relevant information between agencies.

- (e) To link to other local, partnership groups as appropriate
(These responsibilities are underpinned by a statement of principles on equalities (shown in Appendix 2) to ensure that the work of the group pays due regard to issues of discrimination, equality of opportunity and the promotion of good relations between people from different backgrounds.

Grants Panel

1. Purpose of the Panel

The Grants Panel provides an opportunity for people with specialist skills and knowledge to contribute to the development of the community, voluntary and faith sector by granting annual and one-off funding.

The Grants Panel Advisory Panel is designed to ensure that Spelthorne Borough Council meets the highest standards when considering applications and awarding grants and consistently supports those organisations which help to deliver the Council's corporate priorities and enhance the quality of life in the Borough.

It will:

- a) assess grant applications and make recommendations to the Community Wellbeing and Housing Committee (CWHC) as to whether they should be funded.
- b) maintain an overview of the reach of Spelthorne Council's grant-making and suggest ways in which any gaps might be addressed
- c) Review the performance of grant recipients on an annual basis where a Service Level Agreement is in place
- d) Signpost applicants to alternative sources of funding
- e) Co-ordinate regular events to promote funders and grant sources to the CVS sector.

2. Terms of Reference

The Terms of Reference for the Grants Panel are:

- a) A minimum of 3 elected members and three Spelthorne Council officers with relevant skills or knowledge will comprise the panel
- b) These will be appointed to the panel by being proposed and seconded by existing panel members and following a vote of existing members. Members should be nominated on the basis of specific skills that they will bring to the panel.
- c) a quorum shall be four members
- d) the chair must be an elected member and will be elected by majority vote
- e) Councillors on the Panel will be asked to register/declare any interests before considering the applications and making any recommendations.
- f) all decisions will be made by a majority vote and in instances of there being no majority, the chair will gain the power to make one casting vote

Part 3 section (b)

- g) the Panel will meet at least once a year, though “virtual” meetings may be held via telephone or email exchange at any time. The quorum and voting rules will still apply and, normally, at least 5 working days will be allowed from the start to the conclusion of such meetings, in order to allow an adequate opportunity for all Panel members to take part.
- h) Panel members will be expected to attend at least 50% of “physical” meetings. Members missing three consecutive meetings without giving good reason may be deemed to have resigned and their position may be filled
- i) the Panel may invite anyone to attend a meeting(s) to give specialist input
- j) the annual revenue grants process will be the subject of a report to CWHC and a recommendation to Full Council at its annual budget-setting meeting

POLICE AND CRIME COMMISSIONER'S PANEL

Membership

The Panel is a joint committee, made up of both appointed and co-opted members. All county, district and borough councillors are eligible to be Panel members.

In Surrey, there are 12 appointed members equating to the 12 councils. One councillor from Spelthorne Borough Council (appointed annually by Council) is a member of the Panel. In addition, there must be at least 2 co-opted members on the Panel (co-opted by the Panel itself, not the constituent councils) but the size of the Panel must not exceed 20 members in total. Surrey County Council is the lead authority administering the work of the Panel.

Functions

The Panel is established as an Overview and Scrutiny body and therefore has the legal powers to:

- Require any papers in the Police and Crime Commissioner's (PCC) possession (except those that are operationally sensitive).
- Require the PCC (and their staff) to attend the Panel to answer questions.
- Request the Chief Constable attends to answer questions where the PCC has been required to appear before the Panel.
- Make reports and recommendations on any action or decision of the Commissioner.

The Police Reform and Social Responsibility Act 2011 details the functions that the Panel exercises as follows:

- Review the draft police and crime plan, or draft variation, given to the Panel by the PCC and make a report or recommendations on the draft plan or variation to the PCC.
- Review the PCC's annual report and make a report or recommendations on the report to the PCC.
- Review or scrutinise decisions made or other action taken by the PCC in connection with the discharge of the PCC's functions.
- Publish any report and recommendations made to the PCC.
- Review certain senior appointments made by the PCC.
- Review Chief Constable appointments, with the power to veto the appointment with a two-thirds majority.
- Review and report on the PCC's proposals to remove a Chief Constable.
- Review the PCC's level of precept, with the power to veto the proposed precept with a two-thirds majority.
- Suspend the PCC if they are charged with certain criminal offences.
- Appoint an acting PCC if necessary.
- Initial handling and informal resolution of complaints about the conduct of the PCC or their Deputy.

REGULATORY COMMITTEES

AUDIT COMMITTEE

(7 councillors reflecting political balance and one independent non-voting member)

1. To provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process:
 - To approve (but not direct) the internal audit's strategy plan and performance.
 - To approve risk related Policies that are not reserved to Council.
 - To receive an annual report on RIPA (Regulation of Investigatory Powers Act) activity.
 - To review summary internal audit reports and the main issues arising and to seek assurance that action has been taken where necessary.
 - To consider the reports of external audit and inspection agencies.
 - To consider the effectiveness of the authority's risk management arrangements, the control environment and associated anti-fraud, bribery and anti-corruption arrangements.
 - Seek assurances that action is being taken on risk related issues identified by auditors and inspectors.
 - To be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and to take actions required to improve it.
 - To ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
 - To review the financial statements, external auditors' opinion and reports to councillors, and monitor management action in response to the issues raised by external audit.

LICENSING COMMITTEE

Membership

13 members reflecting political balance

Each Member of the committee is required to: complete in full an Induction Programme, undertake regular training including the legislation governing hearings under the Licensing Act 2003, the Gambling Act 2005 and in relation to hackney carriages and private hire; and attend development updates in relation to the licensing function. Any Member not undertaking these training activities will be unable to serve on the Licensing Sub-Committee until such time that the full training requirement has been met.

Functions

1. Subject to staff delegations, In relation to the Licensing Act 2003:
 - a. The determination of an application for a premises licence where relevant representations have been made and not withdrawn;
 - b. The determination of an application for a club premises certificate where relevant representations have been made and not withdrawn;
 - c. The determination of an application for a provisional statement where relevant representations have been made and not withdrawn;
 - d. The determination of an application for variation (excluding Minor Variations) of a premises licence/club premises certificates where relevant representations have been made and not withdrawn;
 - e. The determination of an application to vary the designated premises supervisor following objections from a Responsible Authority;
 - f. The determination of an application for the transfer of a premises licence following objections from a Responsible Authority;
 - g. Consideration of an objection from a Responsible Authority made to an interim authority notice;
 - h. The decision to give counter notice following objections from a Responsible Authority to a temporary event order;
 - i. The determination of an application for the grant of a personal licence following objections from the Responsible Authority;
 - j. The determination of an application for a review of a premises licence.
2. In relation to the Gambling Act 2005:
 - a. The determination of an application for a licence where relevant representations have been made and not withdrawn;
 - b. The determination of an application for a variation of a licence where relevant representations have been made and not withdrawn;

- c. The determination of an application for the transfer of a licence where relevant representations have been received from the Gambling Commission;
 - d. The determination of an application for a provisional statement where relevant representations have been received and not withdrawn;
 - e. The determination of an application for a review of a licence;
 - f. The determination of an application for club gaming / club machine permits where objections have been made and not withdrawn;
 - g. The cancellation of club gaming / club machine permits where relevant representations have been received and not withdrawn;
 - h. The decision to give a counter notice to a temporary use notice.
3. In relation to Part II Schedule 3 of the Local Government (Miscellaneous Provision) Act 1982:
- a. To grant or refuse applications for the grant, renewal or transfer of licences for sex establishments;
 - b. To grant or refuse applications for variations;
 - c. To attach such terms, conditions and restrictions to licences as is seen necessary and appropriate;
 - d. To revoke licences
 - e. To determine whether a charge should be made and where applicable, the level of such fees and charges for the issue, approval, consent, licence or permit, or other registration pursuant to powers set out in the Local Government (Miscellaneous Provisions) Act 1982.
4. In relation to taxi and private hire licensing:
- a. the adoption of all policies relating to taxi and private hire licensing.
 - b. In relation to the Local Government (Miscellaneous Provisions) Act 1976 and the Town Police Clauses Act 1847 to revoke, refuse, to grant or renew, hackney carriage and private hire drivers and operators licences in circumstances where staff consider it appropriate to refer the matter to the Committee or Sub-Committee;
 - c. To determine whether a charge should be made and where applicable, the level of such fees and charges for the issue, approval, consent, licence or permit, or other registration pursuant to powers set out in the Local government (Miscellaneous Provisions) Act 1976 and the Local Government (Miscellaneous Provisions) Act 1982;
 - d. To determine applications for the revision of the taxi fare tariff pursuant to section 65 of the Local Government (Miscellaneous Provisions) Act 1976.
5. The passing of a resolution that the schedule 2 to the Noise and Statutory Nuisance Act 1993 should apply in the authority's area.

Part 3 section (b)

6. To adopt, monitor and review relevant Council policies and strategies, where they do not require a Council decision under the Policy Framework at Article 4 of this Constitution.

7. To review and scrutinise service delivery and in particular ensuring that best value in service delivery is being obtained for the community.

All members of the Licensing Committee may serve on a Sub-Committee and delegated authority is given to the Monitoring Officer, in consultation with the Chairman of the Licensing Committee, to select members to serve on a Sub-Committee on a case by case basis.

PLANNING COMMITTEE

Membership

15 councillors reflecting political balance

Members must attend Development Control training at least annually. New Members must attend induction training on an introduction to Planning and Decision Making, and Appeals/Costs, as a minimum, before they can sit on the Committee. Members of the Committee are expected to attend all further training sessions provided on the Planning regime. Any Member not undertaking these training activities will be unable to serve on the Committee until such time that the minimum training requirement has been met.

Functions

Subject to staff delegations, any applications for planning permission under Part III of the Town and Country Planning Act 1990 to which any of the following below apply AND subject to no decisions being issued within 21 days of the application's appearance on the Publicity Schedule;

- 1 Where councillor representations are received in writing within the specified "call in" period within the approved scheme.
- 2 Where the Planning Development Manager decides, after consultation with the Chairman of the Planning Committee, that an application should be submitted to the Planning Committee on planning grounds, or where there is significant public concern or where it is very contentious.
- 3 Where the application is submitted by the Council or by the Council with another person (individual or corporate).
- 4 Where the application is submitted by an officer of the Council (which shall also include applications for lawful development under Part VI of the 1990 Act).
- 5 Where an application is submitted by a councillor (which shall also include applications for lawful development under Part VI of the 1990 Act).
- 6 Approval of over 9 (nine) net additional residential units by new build (minor application).
- 7 Approval of over 1,000m² net additional floor space by new build (major application)
- 8 Recommendation of no objection for over 1,000m² net additional building floor space or 1 hectare net additional land area in connection with new Surrey County Council minerals and waste applications (gravel extraction/restoration).
- 9 Recommendation of no objection for extension of time limits for Surrey County Council minerals and waste applications where the net additional land area is over 5000m².
- 10 Powers under Article 4 of the Town and Country Planning (General Permitted Development) Order 1995 (as revised or amended)
- 11 For the local listing of any building

STANDARDS COMMITTEE

Membership

9 councillors reflecting political balance + 2 Independent non-voting Members

Functions

Promoting the maintenance of high standards of conduct by councillors and any co-opted members of the Council.

In addition to the broad functions of the Committee set out in Article 8 it is also delegated to undertake the following work on behalf of the Council:

- to keep an overview on the arrangements for dealing with complaints under the code of conduct, making alterations and publishing them where it considers necessary;
- to devise such further protocols and procedures as are necessary for the efficient management of complaints which have to be considered by a hearings panel;
- to consult with the Independent Person on any matters which have broad implications for the promotion of high standards by the Council;
- to make recommendations to Council on standing orders for the registration and declaration of Disclosable Pecuniary Interests and other interests; and,
- to make recommendations to Council on any revisions to the Members' Code of Conduct and the registration of interests.
- to consider any issues referred by the Monitoring Officer under the Disclosure and Barring Service Checks for Members Protocol (Part 5m).
- to establish the Committee System Working Group with the Terms of Reference set out below.
- to monitor and review the operation of the Constitution in accordance with Article 13.
- to promote, manage and agree a programme of member development.

Hearings Panels (comprising three councillors drawn from the membership of the Standards Committee and chaired by an independent member) established under the Council's published arrangements for dealing with complaints may:

- require the Member to apologise either privately or in public;
- require the Member to attend training;
- censure the Member;
- send a report to Council to censure the Member;
- require the Monitoring Officer to publish a report in the newspaper or on the Council's website about the councillor's conduct;
- withdraw privileges provided by the Council such as computer equipment, internet or email access;

- recommend to the councillor's group leader that the councillor be removed from a Committee, or an outside body (as appropriate); or,
- a combination of any of the above.

Working Groups' Terms of Reference

Committee System Working Group

Membership

The membership to comprise one councillor from each political group and any non-aligned members.

Responsibilities

Monitoring of objectives

To consider whether the system is meeting the Council's objectives. To recommend any amendments to the system to the Standards Committee where such is required to meet those objectives.

Recommendation of amendments

To consider whether any adjustments or amendments are required to ensure the smooth operation of the system and to make recommendations to the Standards Committee where required.

Decision Making

This working group has no formal decision-making powers. Any matters which require a Councillor decision will require a report to the Standards Committee for their decision.

APPOINTMENTS AND APPEALS COMMITTEE

Membership

5 members reflecting political balance. The members of this Committee may not also sit on the Investigating and Disciplinary Committee in respect of the same matter.

In undertaking the annual appraisal of the Chief Executive, a minimum of three councillors from at least two different political parties must attend.

Functions

This committee has responsibility for the following functions of the Council:

- To make a recommendation to Council on the appointment of the Head of Paid Service (Chief Executive).
- To consider and determine the overall scheme and policies in relation to terms and conditions relating to the role of Head of Paid Service.
- To undertake the annual appraisal of the Chief Executive in accordance with the agreed Chief Executive Appraisal Procedure.
- To appoint other Chief Officers and Deputies as defined in Article 10.1, and in accordance with the Officer Employment Procedure Rules at Part 4(f) of this Constitution.
- To make a recommendation to Council on the designation of the Monitoring Officer and the Chief Finance Officer.
- To make a recommendation to Council on the appointment of the Independent Audit member.

Note: for the avoidance of doubt, Chief Officers and Deputy Chief Officers are posts at or above salary level Group Head.

- To hear appeals against action taken short of dismissal in relation to the Council's chief officers in accordance with the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended by the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015) and conduct any further investigation it considers necessary to reach a decision either to confirm the action or to award no sanction or a lesser sanction.

INVESTIGATING AND DISCIPLINARY COMMITTEE

Membership

5 members reflecting political balance. The members of this Committee may not also sit on the Appointments and Appeals Committee in respect of the same matter. The quorum for this Committee is 3 provided those members present are of different political groups.

Responsibilities

1. To conduct an initial assessment of allegations against the Chief Executive, Chief Finance Officer or Monitoring Officer (together known as Statutory Officers), relating to (i) conduct, (ii) capability or (iii) some other substantial issue that requires investigation.
2. To consider whether it is appropriate to suspend a Statutory Officer if an allegation is such that if proven it would amount to gross misconduct or if the continuing presence at work of the Statutory Officer might compromise the investigation or impair the efficient exercise of the council's functions.
3. If an exceptional situation arises whereby allegations of misconduct by the Statutory Officer are such that their remaining presence at work poses a serious risk to the health and safety of others or the resources, information or reputation of the authority, the following may suspend the Statutory Officer immediately, in an emergency:
 - In relation to serious allegations of misconduct against the Chief Executive, the Monitoring Officer and Chief Finance Officer jointly in consultation with the Chair of this Committee or
 - In relation to serious allegations of misconduct against the Monitoring Officer or Chief Finance Officer, the Chief Executive in consultation with the Chair of this Committee.
4. To agree or authorise any protocols which are necessary to manage the suspension of the Statutory Officer and the investigation.
5. To review the suspension of the Statutory Officer after a period of two months has elapsed.
6. To determine whether a detailed investigation of an allegation against the Statutory Officer relating to (i) conduct, (ii) capability or (iii) some other substantial issue is needed.
7. To appoint an Independent Investigator selected from the list maintained by the National Joint Secretaries, providing the necessary facilities, paying the remuneration and providing all available information about the allegations.
8. To consider the report of the Independent Investigator, and also give the Statutory Officer the opportunity to state their case and to question witnesses, where relevant, before making a decision.
9. To decide and issue sanctions short of dismissal for a Statutory Officer.

10. To receive advice from the Independent Panel in the event dismissal of a Statutory Officer is being considered.
11. Subject to receiving advice from the Independent Panel, to make any recommendations to Council for dismissal of a Statutory Officer.

INDEPENDENT PANEL

Membership

A Panel shall comprise of independent persons (at least two in number) who have been appointed by the Council, or by another Council, for the purposes of the council members' conduct regime under section 28(7) of the Localism Act 2011.

Invitations for membership of the Panel shall be issued in accordance with the following priority order, as and when the Panel is required to sit:

- (a) an independent person who has been appointed by the Council and who is a local government elector in the authority's area
- (b) any other independent person who has been appointed by the Council and
- (c) an independent person who has been appointed by another council or councils

Functions

1. In a case where the Investigating and Disciplinary Committee (IDC) is proposing dismissal of a Statutory Officer:
 - to receive any oral representations from the Statutory Officer
 - to invite any response on behalf of the IDC to the points made
 - to review the decision and prepare a report for Council offering any advice, views or recommendations it may have to the council on the proposal for dismissal

Appropriate training should be provided for Independent Panel members.

Members of an Independent Panel may claim out of pocket expenses in relation to their work on the Panel.

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FINANCIAL REGULATIONS

INTRODUCTION

Background

1. The Local Government Act 1972 section 151 requires the Council to make arrangements for the proper administration of its financial affairs. Together with the Contract Standing Orders, they regulate the conduct of Council business.
2. These Financial Regulations must be available to and apply to every councillor and employee of the Council and anyone acting on its behalf. They will apply to agents and consultants acting for the Council and to services carried out under agency arrangement, unless specifically excepted by the relevant Group Head and the Chief Finance Officer.
3. They will also apply to all arms-length organisations, wholly owned companies, agencies and partnerships with whom the Council does business and for whom the Council is the relevant accounting body. Where the Council is not the relevant accounting body, but is a responsible partner, staff must ensure that the accounting body has in place adequate Regulations and proper schemes of delegation and ensure that the arrangements are agreed with the Section 151 Officer.
4. Copies of Financial Regulations are provided to the Chief Executive, Deputy Chief Executives, Chief Finance Officer, all Group Heads and Service Managers and are included in the Council's Constitution.
5. To help you understand the terminology used in Financial Regulations, a Glossary of Terms is attached at the end.

Scope & Review

6. It is the responsibility of the Chief Executive, Deputy Chief Executives, Chief Finance Officer and Group Heads to ensure Financial Regulations are followed.
7. Group Heads are responsible for ensuring that all staff in their departments are aware of the existence and content of the Financial Regulations and that they comply with them. Equally, staff have a reciprocal responsibility to comply with the regulations.
8. All councillors and employees have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value. In doing so, proper consideration must be given at all times to matters of probity and propriety in managing the assets, income and expenditure of the Council.
9. Failure to follow Financial Regulations and Contract Standing Orders will be reported to the Chief Finance Officer immediately and may, in consultation with Human Resources, be treated as a disciplinary offence.

10. Financial Regulations should be reviewed in line with inflation every two years by the Chief Finance Officer in consultation with the Chair and Vice Chair of Corporate Corporate Policy and Resources Committee.

Financial Regulation A – Financial Accountabilities and Management

- A1 Financial management covers all financial accountabilities in relation to the running of the Council including the policy framework and budget and should be read in conjunction with the Council's Constitution and in particular the Budget and Policy Framework Procedure Rules.

COUNCIL

- A2 The Council has the general responsibility for setting the Council's policy and budget framework.
- A3 The Council is responsible for:-
- a. adopting and changing the Council's Constitution and Members' Code of Conduct;
 - b. approving the policy framework, including the Capital Strategy, the Treasury Management Strategy and the Revenue Budget and Reserves Strategy within which the Council operates;
 - c. approving and monitoring compliance with the Council's overall framework of accountability and control. The framework is set out in the Council's Constitution;
 - d. monitoring compliance with the agreed policy, related strategy decisions by Corporate Policy and Resources Committee and Local Code of Corporate Governance; and
 - e. approving procedures for recording and reporting decisions taken. This includes those key decisions delegated by and decisions taken by the Council and its committees. These delegations and details of who has responsibility for which decisions are set out in the Constitution.

Corporate Policy and Resources Committee

- A4 The Council is responsible for delegating the following functions to the Corporate Policy and Resources Committee in accordance with the the Constitution:
- a) proposing the policy framework, its overall community and corporate strategies and budget strategy to the Council; and
 - b) monitoring the performance of Services, projects and programmes; and
 - c) discharging its functions and responsibilities as set out in the Council's Constitution and in accordance with the Policy Framework and Budget approved by Council.

The Corporate Policy and Resources Committee can delegate its decision making powers to a formally constituted sub-committee of the Committee, a staff member or a joint committee in accordance with the scheme of delegation as set out in the Council's Constitution.

ROLE OF OFFICERS

STATUTORY OFFICERS

Chief Executive (Head of Paid Service)

- A5 The Chief Executive as Head of Paid Service for the purposes of the Local Government Act 1989 is responsible for overall corporate and strategic management and has operational responsibility for the management of the Council as a whole. They must report as necessary to the Council and to the Corporate Policy and Resources Committee (and other strategic committees). They are responsible for provision of professional advice to all parties in the decision making process. The Chief Executive is also responsible together with the Monitoring Officer, for the system of record keeping in relation to all the Council's decisions.

Group Head of Corporate Governance (Monitoring Officer)

- A6 The Group Head of Corporate Governance as the Monitoring Officer will contribute to the promotion and maintenance of high standards of conduct through provision of support to the Standards Committee. The Group Head of Corporate Governance will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all councillors. He/she is also responsible for reporting any actual or potential breaches of the law or maladministration to the Council and/or to Corporate Policy and Resources Committee, and for ensuring that procedures for recording and reporting key decisions are operating effectively.
- A7 The Group Head of Corporate Governance will ensure that relevant staff reports and background papers are made publicly available as soon as possible. He/she must also ensure that councillors are aware of decisions made by committees and employees who have delegated responsibility in accordance with the Council's Constitution.

Deputy Chief Executive (Chief Finance Officer)

- A8 Under Section 151 of the Local Government Act 1972 and the general direction of the Corporate Policy and Resources Committee, the Chief Finance Officer is responsible for the proper administration of the Council's financial affairs.
- A9 Under Section 114 of the Local Government Act 1988, the Chief Finance Officer (CFO) is also responsible for reporting to the Council if councillors or staff make or are about to make a decision involving unlawful expenditure, loss or deficiency, or if proposed expenditure is likely to exceed available resources.
- A10 The Chief Finance Officer, as defined in the Constitution has statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. The statutory duties arise from:
- a) Section 151 of the Local Government Act 1972
 - b) Local Government Finance Act 1988
 - c) The Local Government and Housing Act 1989

- d) The Accounts and Audit Regulations (England) 2015
- e) The Local Government Act 2003

A11 The CFO is responsible for:

- a) the proper administration of the Council's financial affairs
- b) setting and monitoring compliance with accounting and financial management procedures and standards
- c) maintaining an effective and adequate internal audit and all audit arrangements
- d) advising on the corporate financial position
- e) key financial controls necessary to secure sound financial management providing financial information
- f) preparing and controlling forward financial plans, budget strategies, the Revenue Budget, the Capital Strategy and Capital Programme
- g) treasury management and banking arrangements financial and related IT systems
- h) procedures and controls for ordering services, supplies and works
- i) payment of accounts and collection of income
- j) pay and pensions;
- k) providing advice and training to budget holders including advice on financial and operational controls.

A12 Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer to report to the Council and External Audit if the Council or its staff:

- has made, or is about to make a decision which involves or would involve unlawful expenditure
- has taken or is about to take a course of action which if pursued to its conclusion would be unlawful and likely to result in a loss or deficiency by the Council; or
- is about to make an unlawful entry in the Council's accounts

A13 The Chief Finance Officer must also make a report under this section if it appears that the expenditure of the authority (including expenditure it is proposing to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to meet that expenditure. In preparing a report the Chief Finance Officer shall consult as far as practicable with the Chief Executive, as the Head of the Council's Paid Service, and with the Group Head of Corporate Governance under the Local Government and Housing Act 1989.

A14 Section 114 of the 1988 Act also requires that the Deputy Chief Finance Officer performs these functions in the absence of the Chief Finance Officer. The Chief Accountant is the Council's statutory Deputy Chief Finance Officer.

- A15 The Council is required to provide the Chief Finance Officer with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under section 114.
- A16 The Chief Finance Officer is responsible for advising the Corporate Policy and Resources Committee or the Council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be ‘contrary to the budget’ include:
- a) initiating new policies and financial commitments
 - b) committing expenditure in future years above budget
 - c) budget or spending transfers above virement limits
- A17 The Chief Finance Officer is responsible for considering and approving requests to waive the regulations and will consult the Chief Executive and councillors where they consider this appropriate. All waivers will be reported by the Chief Finance Officer to the Corporate Policy and Resources Committee.
- A18 **Delegated Authorities**
- Under delegations to officers authority to make financial transactions is delegated to the Chief Executive, Deputy Chief Executives and Chief Finance Officer. However, some delegation to other staff is necessary for practical purposes. These delegations form lines of accountability which should be clear, well communicated and regularly reviewed. They also provide control through appropriate levels of authorisation, limited numbers and separation of duties.
- A19 Deputy Chief Executives will keep a list of their staff authorised to make financial transactions, copy that list to Chief Finance Officer for entry onto the financial system, and review it regularly.
- A20 An authorised signatory matrix is available to record delegated authorities. Essential details are staff member’s name, grade, specimen signature, transaction type, value limit of authority and evidence of approval by the Deputy Chief Executives, Management Team and the CFO.
- A21 In an emergency the Chief Executive, Deputy Chief Executives or Chief Finance Officer may authorise such expenditure as is necessary, to be later ratified by the Corporate Policy and Resources Committee.
- A22 A Group Head is a staff member fully responsible to a Deputy Chief Executive or Chief Executive (as applicable), for the management and provision of an identifiable service in accordance with service plans and strategies.
- A23 Group Heads are responsible for:
- a) ensuring that the Corporate Policy and Resources Committee or relevant strategic committee is advised of the financial implications of all proposals and that the financial implications have been agreed by the Chief Finance Officer;
 - b) operating financial processes within their departments. To do this they must ensure that adequate operational controls are in place;

- c) controlling expenditure and income, monitoring performance and taking the necessary action to remain within budgets and cash limits;

A24 It is the responsibility of Group Heads to consult with the Chief Finance Officer and seek approval regarding any matters which are liable to affect the Council's finances materially, before any commitments are incurred.

MANAGING EXPENDITURE: SCHEME OF VIREMENT (BUDGET TRANSFERS)

A25 The Scheme of Virement is intended to enable the Corporate Policy and Resources Committee, Chief Executive, Deputy Chief Executives and Group Heads and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Council and therefore, to optimise the use of resources.

A26 The Council is responsible for agreeing procedures for virement of expenditure between budget headings.

A27 Virements are the temporary transfer of surplus budget provisions between 'estimate' headings. These do not affect the base budgets for future years.

A28 Group Heads are responsible for agreeing in-year virements within delegated limits, in consultation with the Chief Finance Officer where required.

A29 Key controls for the Scheme of Virement are:

- a) It is administered by the Chief Finance Officer within guidelines set by the Council. Any variation from this scheme requires the approval of the Corporate Policy and Resources Committee.
- b) The overall budget is agreed by the Corporate Policy and Resources Committee and approved by the Council. The Deputy Chief Executives, Group Heads and budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. The rules below cover virement. For this purpose, a service comprises a separate page or column in the published budget.
- c) Virement does not create additional overall budget liability. Virements are not permitted on the following revenue expenditure heads unless the Chief Finance Officer has approved their use:
 - a) Business rates resulting from revaluation
 - b) Insurance
 - c) Capital financing charges
 - d) Members' allowances
 - e) Government grants
 - f) And any others identified by the Chief Finance Officer

A30 The Chief Executive, Deputy Chief Executives and Group Heads are expected to exercise their overall discretion in managing their budgets

reasonably and prudently. For example they should aim to avoid supporting recurring expenditure from on-off sources of savings or additional income of creating future commitments, including full-year effects of decisions made partway through a year for which they have not identified future resources.

- A31 The Chief Executive, and Deputy Chief Executives may transfer or "vire" funds between revenue budget heads (~~both revenue and capital~~) within their services, subject to the following general parameters:
- (a) All corporate guidelines and policies will be followed;
 - (b) Conditions of Service will be complied with;
 - (c) A single 'one-off' budget may not be transferred to fund a new ongoing item of expenditure; and
 - (d) Budgets not under effective control of the budget holder may not be vired eg rates and insurance.
- A32 Any such transfer will be agreed with the Group Head and discussed with the service accountant before implementation and agreed by the Chief Finance Officer.
- A33 Any proposal to transfer funds between services requires the approval of the Management Team (MAT) and the Corporate Policy and Resources Committee.
- A34 Any revenue virement (~~revenue or capital~~) with a value greater than £100,000 must be approved by the Corporate Policy and Resources Committee.

A35 Any capital virement must be approved by the Corporate Policy and Resources Committee.

(Note to officers - all numbering hereafter needs adjusting).

Supplementary Estimates

- A35 If an essential increase in spending cannot be contained within existing budgets through the transfer arrangements described above, the relevant Deputy Chief Executive will consult with the Chief Finance Officer and report to the Corporate Policy and Resources Committee (where applicable), to obtain a supplementary estimate. No expenditure may be incurred until the supplementary estimate has been approved.
- A36 The Chief Finance Officer in consultation with the Chair and Vice Chair of Corporate Policy and Resources Committee is authorised to approve a total supplementary expenditure in a year not exceeding **5%** of the approved Net Revenue Budget, and **£20,000** on any approved capital scheme.
- The Corporate Policy and Resources Committee is authorised to approve a total supplementary expenditure in a year not exceeding **10%** of the approved Net Budget, Requirement of the Council and **£1,000,000** on any approved capital scheme.
- A37 The Chief Finance Officer shall maintain a record of all supplementary estimates approved.

- A38 If a claim is made against the Council which is not recoverable under an insurance policy, the Leader has authority to spend as necessary in resisting the claim, and/or in deciding and meeting the terms of any settlement made in the best interests of the Council. The Chief Executive is authorised to decide the terms of any settlement involving expenditure not exceeding £30,000, and to spend such amounts subject to report on the circumstances of the claim and settlement to the next meeting of the Corporate Policy and Resources Committee.

Treatment of year-end balances

- A39 The Chief Finance Officer is responsible for agreeing procedures for the carrying forward of underspendings on budget headings.
- A40 The rules below cover arrangements for the transfer of resources between accounting years, i.e a carry-forward. For this purpose, a budget head is a line in the estimates report or, as a minimum, at an equivalent level to the standard service subdivision as defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) in its Service Expenditure Analysis.

Responsibilities of the Chief Finance Officer

- A41 To administer the scheme of carry forward.
- A42 To report all major underspendings (£50k) on services estimates to the Corporate Policy and Resources Committee
- A43 To report all major overspends (£50k) service estimates to the Corporate Policy and Resources Committee and to the Council.
- A44 To monitor the spending of any carry forwards and report to Management Team.

Responsibilities of the Corporate Policy and Resources Committee

- A45 To consider and approve as appropriate the items put forward on the carry forward list.

Responsibilities of Deputy Chief Executives and Group Heads

- A46 Any overspending on service estimates in total on budgets under the control of the Chief Executive, Deputy Chief Executive or Group Heads must be explained to the Chief Finance Officer. The Chief Finance Officer will report the extent of major over and under spendings to the Corporate Policy and Resources Committee and in the case of major overspendings also to the Council.

ACCOUNTING POLICIES

- A47 The Chief Finance Officer is responsible for determining accounting policies and financial systems and ensuring that they are applied consistently. The Chief Finance Officer is responsible for the preparation of the Council's Statement of Accounts, in accordance with proper practices as set out in the format required by the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC)

for each financial year ending 31 March, and the Accounts and Audit (England) Regulations 2015.

- A48 The key controls for accounting policies are:
- a) Systems of internal control are in place that ensure financial transactions are lawful;
 - b) Suitable accounting policies are selected and applied consistently;
 - c) Proper accounting records are maintained; and
 - d) Financial statements are prepared which present fairly the financial position of the Council and its expenditure and income.
 - e) External audit of these financial statements.

Responsibilities of the Chief Finance Officer

- A49 To select suitable accounting policies and to ensure that they are applied consistently.
- A50 To exercise supervision over financial and accounting records and systems with a view to ensuring their uniformity, co-ordination and compatibility.
- A51 To prepare and publish reports containing the statements on the overall finances of the Council, including the Council's Annual Report and Accounts.
- A52 To make proper arrangements for the audit of the Council's accounts in accordance with the provisions of the Accounts & Audit Regulations Act 1996 (as amended and updated);
- A53 To prepare and publish the audited accounts in accordance with the statutory timetable for the approval of the Audit Committee before the national target date; and
- A54 To ensure Services have in place suitable arrangements for compiling and submitting all claims for funds, including grants, by the due date.

Responsibilities of the Deputy Chief Executives and Group Heads

- A55 To adhere to the accounting policies and guidelines approved by the Chief Finance Officer.
- A56 To obtain the approval of the Chief Finance Officer before introducing any books, forms or procedures or other records relating to cash, stores or other accounts of the Council which may affect the Council's finances.
- A57 To submit to the Chief Finance Officer any information as the latter considers necessary for accounting and costing purposes and allow the Chief Finance Officer access at all reasonable times to all accounting records and documents which may affect the Council's finances.
- A58 To consult the Chief Finance Officer when preparing publications containing financial information.

ACCOUNTING RECORDS AND RETURNS

- A59 The Chief Finance Officer is responsible for determining the accounting procedures and records for the Council.

- A60 All accounting procedures and records will be approved by the Chief Finance Officer.
- A61 All accounts and accounting records will be compiled by the Chief Finance Officer or under their direction. The form and content of records maintained in other services will be approved by the Chief Finance Officer.
- A62 The following principles will apply in accounting procedures:
- a. calculating, checking and recording of sums due to or from the Council will be separated as completely as possible from their collection or payment;
 - b. staff responsible for examining and checking cash transaction accounts will not process any of these transactions themselves;
 - c. reconciliation procedures are carried out to ensure transactions are correctly recorded;
 - d. procedures are in place to enable accounting records to be reconstituted in the event of systems failure; and
 - e. prime documents are retained in accordance with legislative and other requirements.
- A63 The Chief Finance Officer is responsible for ensuring financial management and accounting information is available for all services administered by the Council, in either electronic or hard copy format.
- A64 The need to balance speed and accuracy with cost in producing accounting statements will be considered and determined by the Chief Finance Officer, after consulting the Group Head concerned.

The Annual Statement of Accounts

- A65 The Audit Committee is responsible for approving the annual statement of accounts, which have to be signed by the Chief Finance Officer and the Chairman of the Audit Committee. The Chair of Corporate Policy and Resources Committee and Chief Executive also to sign off the Annual Governance Statement incorporated into the Statement of Accounts

FINANCIAL REGULATION B: FINANCIAL PLANNING

B1 The Council is responsible for agreeing the Council's policy framework and budget, which will be proposed by the Corporate Policy and Resources Committee. . In terms of financial planning, the key elements are:

- the corporate strategy in the form of the Corporate Plan;
- service plans;
- the medium term financial strategy;
- the Outline Budget;
- the Revenue Budget;
- the Reserves Strategy
- Treasury Management Strategy
- the Capital Strategy and
- the Capital Programme.

THE BUDGET PROCESS

Introduction

B2 Each year, the Chief Finance Officer and Chief Accountant will prepare timetables for the preparation, submission and approval of the Outline Budget, Capital Budget and detailed Revenue Budget. These budgets will comply with the Code of Practice on a Prudential Approach to Local Authority Commitments.

B3 The order of paragraphs in this section roughly follows the order in which the budget process is carried out.

Capital Programme

B4 The Chief Executive, and Deputy Chief Executives will prepare provisional estimates of income and expenditure on capital schemes for each of their services, for each of the next four financial years, together with details of any revenue implications. The Chief Finance Officer will specify the form these estimates should take and the timetable for their submission.

B5 Capital expenditure differs from revenue expenditure in several ways, and falls into the following general categories:

- a) purchase or construction of an asset;
- b) enhancement of an asset; and
- c) grants for capital purposes.

B6 Council assets include land, buildings, vehicles, plant and equipment. The Council makes grants for capital purposes such as improvement grants and grants to housing associations which are classed as capital expenditure.

B7 Capital expenditure is often of high value and the benefit is expected to be spread over a number of years. Revenue expenditure is the annual running costs in relation to the provision of a service.

- B8 Provisional estimates will distinguish between committed and uncommitted expenditure. A scheme can only be included in provisional estimates after detailed evaluation by Management Team in accordance with agreed criteria.
- B9 Management Team will consider the provisional capital programme. After making any necessary amendments, the Chief Finance Officer will submit the summarised programme and estimated resources to the the Corporate Policy and Resources Committee, together with a report on the revenue implications of the programme and any other relevant information.
- B10 The programme recommended by services and a report by the Chief Finance Officer will be submitted to the Corporate Policy and Resources Committee, for final consideration in the context of the Council Tax to be levied.

Outline Budget Forecast

- B11 Management Team will prepare information needed to produce an Outline Budget Forecast for each of their services. The Chief Finance Officer will specify the form this Forecast should take and the timetable for its submission.
- B12 This information will include :-
- i. an indication of the continued need for the service at its current level and in its current form;
 - ii. the impact on the service of known or likely legal or contractual changes over the next four years;
 - iii. the impact over the next four years of any policy changes already approved by the Management Team
 - iv. The impact other changes on service levels and net income such as anticipated population growth, state of the economy

- B13 Management Team will consider the initial Outline Budget Forecast. After making any necessary amendments, the Chief Finance Officer will submit it to the Corporate Policy and Resources Committee, together with a report on the possible central government funding levels as set out in the Local Authorities Provisional Settlement ,other grant funding and anticipated retained business rates income, availability of reserves and implications for the Council Tax.
- B14 The Corporate Policy and Resources Committee will consider this and determine the overall level of resources to be made available, and the limits within which detailed budgets can be prepared.

Detailed Revenue Budget

- B15 Management Team will prepare provisional detailed estimates of income and expenditure on the revenue account in accordance with the Corporate Plan for each of their services for the next financial year. The Chief Finance Officer will specify the form these estimates should take and the timetable for their submission.
- B16 These estimates will reflect the Outline Budget Forecast and the decisions of the Corporate Policy and Resources Committee detailed at paragraph B13 above.
- B17 All revenue budgets will be prepared at current costs, and converted to outturn prices by Financial Services. The forecast for inflation will be decided by the Chief Finance Officer.

- B18 Each budget head will be cash limited, and any minor variations in spending will be met from the approved budget. A budget head is an individual sum specified in the published service budget.
- B19 The Chief Finance Officer will submit the detailed draft Revenue Budget to Management Team for consideration and approval and subsequently submit it to the Corporate Policy and Resources Committee.

Approval of the Annual Revenue Budget

- B20 By 1 March at the latest each year, the Corporate Policy and Resources Committee will submit to the Council estimates of income and expenditure on the revenue account which it recommends for the next financial year, together with statements of precepting authorities' requirements, and its recommendation for the Council Tax necessary to meet the expenses of both the Council and precepting authorities.
- B21 The Council will meet by 1 March each year to consider the total budget proposals submitted by the Corporate Policy and Resources Committee and decide the amount of Council Tax to be levied for the next financial year.
- B22 Once approved by the Council, amounts detailed in the Annual Budget may only be applied to the objects specified under their relevant budget head, or "voted". See paragraph A31 above for procedures to vary these approvals.

BUDGETARY CONTROL

- B23 Budgetary control ensures that once budget has been approved by the Council, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

CAPITAL

Authorisation of Capital Expenditure

- B24 Capital expenditure on a scheme not included in estimates or budgets may only be incurred after full evaluation of that scheme by the Corporate Policy and Resources Committee and/or its Development sub-committee (as appropriate) (if under £1 million). Any proposed capital expenditure over £1 million must be evaluated and agreed by majority of Council Members. This will include a statement explaining the scheme's purpose, the need for it and a detailed analysis of capital costs involved. Exceptions are any payments authorised under paragraph A35 above. If the estimated expenditure is expected to cover more than one financial year, the estimate will show:

- i. the total estimated expenditure, and
- ii. the proposed levels of spend for each financial year involved.

This paragraph (B24) shall take priority over any other clause or paragraph within this Constitution that may be, or appear to be, in conflict.

- B25 The scheme evaluation will also include a statement of estimated revenue expenditure and income generated by the scheme:
- (a) during the construction period, and
 - (b) for the first three years following the completion of the project.
- B26 The Deputy Chief Executives can authorise reasonable expenditure on necessary preliminary works, fees and salaries on schemes for which they are responsible, within the approved capital programme.
- B27 Accountability for each capital project is to be accepted by a named manager.

Capital Expenditure Monitoring

- B28 No Group Head responsible for the implementation of a capital scheme may incur capital expenditure greater than the approved budget for that year.
- B29 As soon as a staff member becomes aware of a likely overspend on a Capital Scheme, they must report to Management Team and the Corporate Policy and Resources Committee (as applicable), requesting a supplementary estimate in accordance with A35 and expenditure under A36.
- B30 The Group Head for Neighbourhood Services is authorised to purchase new equipment other than programmed replacements, provided such purchases are contained within Neighbourhood Services' revenue plan as agreed in advance with the Chief Finance Officer.

RESPONSIBILITIES OF THE CHIEF FINANCE OFFICER

- B31 To prepare capital estimates jointly with the Chief Executive, Deputy Chief Executives and Group Heads and to report them to the Corporate Policy and Resources Committee for approval. The Corporate Policy and Resources Committee will make recommendations on the capital estimates and on any associated financing requirements to the Council.
- B32 To prepare and submit reports to the Corporate Policy and Resources Committee on the projected income, expenditure and resources compared with the approved estimates.
- B33 To issue guidance concerning capital schemes and controls, for example on project appraisal techniques.
- B34 To approve the re-phasing of capital schemes within the approved capital programme between financial years, subject to the availability of resources to make the most effective use of those resources.

Responsibilities of Chief Executive, Deputy Chief Executives and Group Heads

- B35 To comply with guidance concerning capital schemes and controls issued by the Chief Finance Officer.
- B36 To ensure that all major capital proposals have undergone a project appraisal in accordance with the Council's project management methodology.
- B37 To ensure that adequate records are maintained for all capital contracts.

- B38 To proceed with projects only when there is adequate provision in the capital programme.
- B39 To prepare and submit reports jointly with the Chief Finance Officer to the Corporate Policy and Resources Committee on any variation in contract costs greater than the approved limits.
- B40 To ensure all credit arrangements such as leasing arrangements, are not entered into without the prior approval of the Chief Finance Officer.

Prudential Code

- B41 Under the Local Government Act 2003 the Council is required by regulation to have regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities (the Code). The key objectives of the Prudential Code are to ensure that within a clear framework, the capital investment plans of local authorities are affordable, prudent and sustainable. A further objective is to ensure that treasury management is undertaken in a manner that supports prudence, affordability and sustainability.
- B42 The Council is responsible for approving prior to the commencement of the financial year the prudential indicators for the forthcoming financial year and at least the two subsequent financial years required by the Code. The indicators required as a minimum are:

For the three year period:

Estimates of the ratio of financing costs to net revenue stream;
 Estimates of the Council Tax that would result from the totality of the authority's plan;
 Estimates of capital expenditure;
 Estimate of capital financing requirement (underlying need to borrow for a capital purpose);
 Authorised limit for external debt;
 Operational boundary for external debt; and
 aAny locally determined indicators considered appropriate

After the year end actual values are to be calculated for:

Ratio of financing costs to net revenue stream;
 Capital expenditure;
 Capital financing requirement; and
 External debt.

Responsibilities of the Chief Finance Officer

- B43 The Chief Finance Officer is responsible for establishing procedures to both monitor performance against all forward looking prudential indicators and for ensuring that net external borrowing does not exceed the capital financing requirement. The Chief Finance Officer will report to Council any significant deviations from expectations. The Chief Finance Officer will ensure that regular monitoring is undertaken in year against the key measures of affordability and sustainability, by reviewing estimates of financing costs to revenue and the

capital financing requirement. Significant variation in the estimates used to calculate these prudential indicators, for example caused by major overruns of expenditure on projects or not achieving in-year capital receipts, will require a report to Council setting out management action.

REVENUE

Authorisation of Revenue Expenditure

B44 Subject to Financial Regulations, Contract Standing Orders and any other specific limitations, the Chief Executive, and each Deputy Chief Executive is authorised to spend those sums voted to their areas of responsibility for the financial year. With the exception of Regulations B47-B52 below, revenue expenditure may only be incurred for purposes specified in the Annual Budget, and is strictly limited to the amounts voted under relevant budget heads.

Key Controls

B45 The key controls for managing budgets are:

There is a nominated budget manager for each cost centre heading;

Budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities;

Budget managers follow an approved certification process for all expenditure; and

Income and expenditure are properly accounted for.

Responsibilities of the Chief Finance Officer

B46 To establish an appropriate framework of budgetary management and control that ensures that:

- a) Budget management is exercised within annual cash limits;
- b) Each Deputy Chief Executive and Group Head has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities;
- c) Ensure each cost centre has a single named Manager determined by the, relevant Deputy Chief Executive or Group Head. As a general principle, budgetary responsibility should be aligned as closely as possible to the decision making processes that commits expenditure;
- d) To be responsible for providing appropriate financial information to enable budgets to be monitored effectively;
- e) To administer the Council's scheme of virement; and
- f) To prepare and submit reports on the Council's projected income and expenditure compared with the budget to Management Team, Group Heads and Corporate Policy and Resources Committee on a regular basis.

Responsibilities of the Chief Executive, Deputy Chief Executives and Group Heads

- B47 The Chief Executive, Deputy Chief Executives are responsible for supervising income and expenditure within their services. Similarly Group Heads are responsible for supervising income and expenditure within their departments.
- B48 To control income and expenditure within their areas and to monitor performance taking account of financial information provided by the Chief Finance Officer. They should take any action necessary to avoid exceeding their budget allocation and alert the Chief Finance Officer to any problems.
- B49 To maintain budgetary control within their services and to ensure that all income and expenditure is properly recorded and accounted for.
- B50 To ensure that spending remains within a services's overall cash limit and that individual budget heads are not overspent by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast.
- B51 To ensure compliance with the scheme of virement.
- B52 To agree with the relevant Chief Executive, Deputy Chief Executive or Group Head where it appears that a budget proposal, including a virement proposal may impact materially on another service area.

REPORTS WITH FINANCIAL IMPLICATIONS

- B53 The Chief Finance Officer will be consulted on any report on any matter affecting or likely to affect the Council's finances.
- B54 This consultation will take place as early as possible, before any meeting of staff or councillors at which the report is first considered.
- B55 Any Committee report with financial implications will first be submitted to Management Team.

FINANCIAL REGULATION C: CONTROL OF RESOURCES

INTRODUCTION

- C1 It is essential that robust systems are maintained for identifying and evaluating all significant operational risks to the Council on an integrated basis. This includes the active participation of all staff associated with planning and delivering services

Risk management

- C2 Risk Management is the whole process of identifying, and evaluating and controlling the strategic and operational risks of the Council. A risk is the chance or possibility of loss, damage, injury or failure to achieve objectives by an unwanted or uncertain action or event. This includes the risk of 'missed opportunities'.
- C3 As the Council is the custodian of public funds risk management is particularly significant and the level of risk that can be tolerated in its activities will need to be carefully considered with risks and reward carefully evaluated.
- C4 The sections below outline key components of the Council's adopted risk management framework.
- C5 The key controls for risk management are:-
- a) establishing clear roles, responsibilities and reporting lines within the Council for risk management;
 - b) maintaining a clear Corporate Risk Register and Policy;
 - b) incorporating risk management considerations into all operations and decision making processes;
 - c) maintaining documented procedures for the control of risk and the provision of suitable information, training and supervision;
 - d) maintaining an appropriate incident reporting and recording system with investigation procedures to establish cause and prevent recurrence;
 - e) offering a framework for allocating resources to identified priority risk areas;
 - f) operating appropriate project management methodologies proportionate to the scale of projects;
 - g) reinforcing the importance of effective risk management as part of the everyday work of employees by offering training;
 - h) maintaining effective communication and the active involvement of every councillor and employee of the Council;
 - i) including risk management as an agenda item at meetings as appropriate and holding Corporate Risk Management Group meetings;
 - j) providing opportunities for shared learning on risk management across the Council; and
 - k) preparing contingency plans in areas where there is a potential for an occurrence having a catastrophic effect on the Council and its business capability.

- C6 The Chief Finance Officer is responsible for ensuring regular corporate assessments of risk and Group Heads for reviewing risks annually.
- C7 The Chief Finance Officer is responsible for developing specific programmes and procedures for establishing and maintaining risk management activities and to ensure the dispersal of vital information and, where appropriate, provide guidance, interpretation and understanding of the systems involved.
- C8 The Chief Finance Officer has implemented a risk management structure involving the Management Team, a Corporate Risk Management Group, Internal Audit and Group Heads to support their responsibilities.
- C9 Group Heads will take responsibility for risk management in their department having regard to advice from the Chief Finance Officer and other specialist staff (e.g. health and safety, internal audit).

INSURANCE

- C10 The Chief Finance Officer will arrange all insurance cover, keep a register of insurances and ensure the Council's insurance arrangements are reviewed each year.
- C11 Before the annual renewal of insurance cover, the Chief Finance Officer will provide the Deputy Chief Executives as necessary with a summary of all current insurances to check and review their adequacy.
- C12 Each Group Head will provide the Chief Finance Officer immediately with details of all new risks to be insured, and of any alterations affecting existing insurable risks.
- C13 Each Deputy Chief Executive will forward any new or renewal contract terms to the Chief Finance Officer for risk analysis before any contract is let and appropriate insurance cover arranged.
- C14 Each Deputy Chief Executive will ensure that any proposals for new buildings or alterations to existing buildings are copied to the Chief Finance Officer before any tenders are requested, for risk analysis and arrangement of appropriate insurance cover.
- C15 The appointment of insurance brokers to act on behalf of the Council will be reviewed every three years by the Chief Finance Officer.
- C16 Any event which may result in an insurance claim will be immediately notified to the Chief Finance Officer, to make all claims on the Council's Insurers. Where an incident has occurred Group Heads must take steps to mitigate any future incident, but where a repair is required should first take a photograph for evidence purposes.
- C17 No staff member will admit liability, take any action or enter into any correspondence admitting liability on behalf of the Council.
- C18 All staff and voluntary workers on Council business are included in a suitable fidelity guarantee policy.

Internal control

- C19 Internal Control is a key component in the Council's Risk Management process. It relates to the whole system of policies, processes and checks employed to mitigate risks.
- C20 Internal control refers to the systems of control to ensure that the Council's objectives are achieved in a manner which promotes economical, efficient and effective use of resources, that the Council's assets and interests are safeguarded, and that organisational goals will be achieved.
- C21 The Chief Finance Officer is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.
- C22 It is the responsibility of Group Heads to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to control risks.

Internal Audit requirements

- C23 The authority of the Internal Audit function is derived from legislation and for local authorities this is implied by Section 151 of the Local Government Act 1972, which requires that authorities shall *'make arrangements for the proper administration of their financial affairs and shall ensure that one of their officers has responsibility for the administration of those affairs'*.

The Accounts and Audit (England) Regulations 2015 more specifically state *'A local government body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper practices in relation to internal control'*.

All audit work must be conducted in accordance with the Public Sector Internal Audit Standards.

- C24 Significant issues arising from audit reports will be reported to the relevant Deputy Chief Executive, and periodic reports will be made to Management Team and the Audit Committee.
- C25 The Chief Finance Officer and the Chief Internal Auditor provided by Southern Internal Audit Partnership or their authorised representatives shall have authority where necessary in the performance of Council duties to:
- enter any Council premises or land in the occupation of the Council;
 - have access to all records, documents and correspondence relating to any financial and other transaction of the Council;

- require and receive oral or written explanations from any employee as he/she thinks necessary concerning any matter under examination; and
- require any employee of the Council to produce cash, stores or any other Council property under their control.

C26 The Audit Committee is to approve the annual audit plan prepared by the Chief Internal Auditor provided by Southern Internal Audit Partnership to take account of the characteristics and relative risks of the activities involved.

C27 Any suspected fraud or irregularity must be reported to the Chief Finance Officer who will refer the matter to Internal Audit for investigation.

Internal Audit will have organisational independence through direct reporting lines to the Section 151 Officer, the Chief Executive and Audit Committee.

The Audit Committee will approve the Annual Governance Statement

Responsibilities of Chief Executive, Deputy Chief Executives and Group Heads

C28 To ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets which the auditors consider necessary for their work.

C29 To ensure that auditors are given any information and explanations they seek in the course of their work.

C30 To consider and respond promptly to recommendations in audit reports.

C31 To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.

C32 To ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the Chief Internal Auditor provided by Southern Internal Audit Partnership before implementation.

C33 The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs who have statutory rights of access.

Preventing fraud and corruption

C34 The Council is a public body and therefore will not tolerate any fraud and corruption in the administration of its responsibilities, whether from inside or outside the authority. All councillors and employees are expected to lead by example on all aspects of honesty, propriety and accountability. The Council also expects that individuals and organisations with whom it comes into contact (e.g. suppliers, contractors, service providers, and partners) will act towards the authority with integrity.

- C35 The Council's Anti-fraud, Bribery and Corruption policy sets the culture for the organisation to address the risk of fraud and corruption, and summarises the methods of prevention, detection and investigation in place.
- C36 All managers are responsible for developing and maintaining procedures to prevent fraud and corruption.

FINANCIAL IRREGULARITIES

- C37 The Chief Finance Officer will be notified of any irregularity in the financial affairs of the Council or in the exercise of its functions.
- C38 Irregularities will be reported as appropriate to the Chief Executive and councillors.
- C39 Any councillor or staff member who is aware of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property, resources or systems, should immediately report it to their Group Head, Chief Finance Officer, Chief Internal Auditor provided by Southern Internal Audit Partnership, Chief Executive, Deputy Chief Executives, Monitoring Officer or External Auditor, having regard to the Council's Anti-Fraud, Bribery and Corruption Policy. Pending investigation and reporting, the Group Head should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration
- C40 If officers feel they cannot raise their concerns through any of these routes, they may contact Protect (0203 117 2520), a registered charity whose services are free and strictly confidential.
- C41 Where irregularities involve either councillors or staff the Chief Finance Officer, in consultation with the Chief Executive, is responsible for deciding whether to involve the police.

Assets

- C42 Group Heads must ensure that records and assets are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.
- C43 Separate registers are maintained for the following fixed assets:
- land and buildings (maintained on the Property Terrier);
 - vehicles and plant;
 - ICT equipment
 - furniture and equipment financed from capital; and
 - infrastructure expenditure.
- C 44 It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and the approval of the Deputy Chief Executives.

- C45 If the Council decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with its approved intellectual property procedures.

SECURITY

General

- C46 The Deputy Chief Executives, along with the Group Heads, are responsible for the security of buildings, stocks, stores, furniture, equipment, cash etc under their control. The Chief Finance Officer will be consulted where security may be failing or where special security arrangements may be needed.

Data Protection and Information Security

- C47 The Chief Executive, and Deputy Chief Executives are responsible for the security and privacy of information held within their services and for ensuring compliance with Data Protection, Copyright and Computer Misuse Acts.
- C48 All staff members will be made aware of their obligations under the Acts and the Council's policy regarding data and systems security as set out in the Finance Procedure Manual and on Spelnet. This includes physical security, privacy and passwords, back ups, viruses and software copyright.

Responsibilities of the Chief Finance Officer

- C49 The Chief Finance Officer is responsible through the Group Head for Regeneration and Growth, for strategic management and maintenance issues.
- C50 The Chief Finance Officer is responsible in liaison with Accountancy, ICT Services and Asset Management for maintaining the Council's Asset Register.
- C51 To ensure that asset registers are maintained in accordance with good practice for fixed assets. The function of asset registers is to provide the Council with information about fixed assets so that they are:
- safeguarded;
 - used efficiently and effectively; and
 - adequately maintained.

To ensure that assets are valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC).

- C52 To report to the Corporate Policy and Resources Committee any significant (over £50k) write-off of stocks and stores.

Responsibilities of Chief Executive, and Deputy Chief Executives

C53 The Chief Executive, Deputy Chief Executives and Group Heads are responsible for day to day management of assets used within their services and are accountable for ad hoc maintenance.

Responsibilities of Group Heads

C54 The Group Head for Regeneration and Growth must maintain an Asset Register in a form approved by the Chief Finance Officer for all land and buildings. The Group Head for Neighbourhood Services is to maintain asset registers in a form approved by the Chief Finance Officer for vehicles and plant currently owned or used by the Council. The Group Head for Commissioning and Transformation to maintain an asset register of all ICT equipment in a form approved by the Chief Finance Officer. Any use of property by a department or establishment other than for direct service delivery, with the exception of investment properties, should be supported by documentation identifying terms, responsibilities and duration of the use.

C55 The Group Head for Neighbourhood Services is responsible for organising ad hoc maintenance of Neighbourhood Services' assets.

C56 Group Heads are to ensure the proper security of all buildings and other assets under their control. Investment property let to third parties is their responsibility to secure.

C57 To pass the title deeds to the Group Head of Corporate Governance, who is responsible for custody of all title deeds.

C58 To ensure that the department maintains an inventory of moveable assets in accordance with guidance defined by the Chief Finance Officer.

C59 To ensure that controls are in place to ensure that staff members do not carry out private work in Council time and that staff are aware of an employer's rights with regard to intellectual property.

All assets

C60 To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the Council.

C61 To record all disposal or part exchange of assets and notify the Finance team. Individual assets valued at £1,200 or more should be disposed of or part exchanged by competitive tender or public auction unless the Chief Finance Officer agrees otherwise.

C62 To arrange for the valuation of assets for accounting purposes to meet requirements specified by the Chief Finance Officer.

- C63 To seek advice from the relevant Deputy Chief Executive, or Chief Executive on the disposal of surplus or obsolete materials, stores or equipment, subject to paragraph C61 above.
- C64 To ensure that income received for disposal of an asset is properly banked and coded.
- C65 Assets for disposal should be identified and disposed of:
- a) at the most appropriate time;
 - b) when it is in the Council's best interests; and
 - c) for the best price (taking into account factors such as environmental issues).

Land, buildings and other assets

- C66 To ensure that leaseholders and other prospective occupiers of Council land are not allowed to take possession of or enter the land until a lease or agreement, in a form approved by the relevant Deputy Chief Executive, has been established as appropriate.

Moveable assets

- C67 To ensure that assets are identified, their location recorded and that they are appropriately marked.
- C68 The Deputy Chief Executives and Group Heads are responsible for all furniture and equipment in their departments. Wherever practicable, items will be marked as the property of the Council.
- C69 A central inventory of all furniture, fittings and equipment, plant and machinery will be maintained by the Group Head of Regeneration and Growth , with each Service providing details of all acquisitions and disposals. Services are to liaise with the Finance team
- C70 Council property may not be removed unless on Council business and with the written agreement of the Chief Executive, or Deputy Chief Executive concerned.
- C71 All items on the inventory will be checked annually by Group Heads, and any discrepancies reported to the Chief Finance Officer. As part of the annual check services are to review the condition of assets and take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as laptops, computer equipment, cameras and recording equipment should be identified with security markings as belonging to the Council.
- C72 The Chief Finance Officer will approve write-off of discrepancies, except where the authority of the Corporate Policy and Resources Committee is required under paragraphs D20 to D22 below.
- C73 The Deputy Chief Executives and Group Head for Neighbourhood Services may authorise the disposal of furniture and equipment with an estimated market value of up to £1,200 (per item or collectively). The Chief Finance Officer will approve disposal of more valuable items in writing.

- C74 To make sure that property is only used in the course of the Council's business unless the Chief Executive, or Deputy Chief Executive concerned has given permission otherwise.

Stocks and stores

- C75 The Chief Executive, Deputy Chief Executives and the Group Head for Neighbourhood Services are responsible for all stores held in their services. Wherever practicable, all items will be effectively marked as the property of the Council.
- C76 Stores held will not exceed reasonable requirements.
- C77 All goods received will be checked against the copy order at time of delivery and the supplier immediately notified of rejected goods.
- C78 All receipts, issues and balance of stock items will be properly recorded in a form agreed by the Chief Finance Officer.
- C79 The Chief Executive, Deputy Chief Executives and the Group Head for Neighbourhood Services will regularly check that items are accounted for, and arrange for continuous and independent stocktaking to be carried out. Any material shortfalls will be reported to the Chief Finance Officer. The Chief Executive, Deputy Chief Executives and the Group Head Neighbourhood Services will also arrange for stocktakes and the provision of signed stock certificates as at 31 March each year, as good management and to satisfy external audit requirements.
- C80 The write-off of shortfalls will be approved in writing by the Chief Finance Officer, except where the authority of the Policy and Resources Committee is required under paragraphs D20 to D22 below
- C81 The Deputy Chief Executives and Group Head for Neighbourhood Services may authorise the disposal of stores with an estimated market value of up to £1,200 (per item or collectively). The Chief Finance Officer will approve disposal of more valuable items in writing.
- C82 Where the disposal value is less than £1,200, the Group Head must dispose of the item in a fair and effective manner and keep a record of the disposal.
- C83 Procedures for disposal of such stocks and equipment where their value is over £1,200 should be by competitive quotations or auction unless the Chief Finance Officer advises otherwise in a particular case.

Cash

- C84 Maximum limits for cash holdings will be agreed with the Chief Finance Officer and not exceeded without their permission. Group Heads are to ensure cash holdings on premises are kept within the agreed limits. Group Heads to ensure that keys to safes and similar receptacles are carried on the person of those responsible whilst the site is occupied and removed from the premises when the site is unoccupied and to ensure that access codes, combinations and passwords remain confidential and are made available to the Finance team.

TREASURY MANAGEMENT

- C85 Treasury Management covers all activities associated with any monies borrowed (Loans) or invested (Investments) on behalf of the Council irrespective of the time period covered by the transactions. It also embraces the management and control of the Council's banking arrangements.
- C86 The Council has adopted CIPFA's "Code of Practice for Treasury Management in Local Authorities".
- C87 A Treasury Policy Statement setting out its strategy and procedures has been adopted by the Council, and its implementation and monitoring delegated to the Corporate Policy and Resources Committee.
- C88 All money (as defined in the Treasury Policy Statement) in the hands of the Council will be aggregated for the purposes of Treasury Management and be under the control of the Chief Finance Officer as the officer designated for the purposes of Section 151 of the Local Government Act, 1972.
- C89 The Chief Finance Officer is responsible for reporting to the Council a proposed treasury management and annual investment strategy for the coming financial year at or before the start of each financial year. The report will set out the proposed levels for the prudential treasury management indicators required by the CIPFA Prudential Code for Capital Finance in Local Authorities.
- C90 All executive decisions on borrowing, investment or financing will be delegated to the Chief Finance Officer, who is required to act in accordance with CIPFA's "Code of Practice for Treasury Management in Local Authorities", the Treasury Policy Statement and Systems Documentation.
- C91 All investments of the Council's funds will be made in the name of the Council by the Chief Finance Officer, unless the Council has authorised its investments to be made by an outside agent, when they should be in the name of Trustees for the Council.
- C92 All loans to the Council will be negotiated by the Chief Finance Officer and paid direct by the lender or their agent into the Council's bank account.
- C93 All stocks of interim loan receipts, temporary loan receipts and bond certificates will be controlled by the Chief Finance Officer.
- C94 The Chief Finance Officer is the only primary authorised signatory to any form of loan receipts, including such receipts issued under seal.
- C95 Repayment of loans will, wherever possible, be made through the head office of the Council's bankers in exchange for the original loan receipt.
- C96 The Chief Finance Officer is authorised to borrow temporarily pending receipt of money from Business Rates, loans, Council Tax, Government Grants and other income properly due to the Council, within the limit agreed by the Council each year.
- C97 The Chief Finance Officer will report to the Corporate Policy and Resources Committee twice each financial year on the activities of the Treasury

Management operation, and on the exercise of Treasury Management powers delegated to them. One of these reports will be an Annual Report on Treasury Management to be presented by 30 September of the succeeding financial year.

BANKING ARRANGEMENTS

- C98 The Chief Finance Officer is responsible for operating and supervising the Council's Bank and Giro Accounts, including ordering, custody and issue of all cheques. The Chief Finance Officer will review the Council's banking arrangements at least every 5 years.
- C99 The Chief Finance Officer, the Deputy Chief Finance Officer and the 1st signatory, and others approved in writing by the Chief Finance Officer, each have authority, in accordance with the mandate given to the bank, to sign cheques and be accepted as satisfactory signatories for any other purpose in connection with the Council's Bank and Giro Accounts.
- C100 All payment instructions for amounts of £21,000 and above require two authorising signatures, namely, the Chief Finance Officer or the Deputy Chief Finance Officer as the 1st signatory, and others approved in writing by the Chief Finance Officer as the 2nd signatory.
- C107 Where the Chief Finance Officer's signature or name, or that of their predecessor, is pre-printed on cheques or Giro-cheques, or is printed by computer or by cheque signing machine, adequate security arrangements will be made for the custody and control of both cheques and signature plates.
- C101 All banking accounts will be reconciled with the cash book each month.

PETTY CASH ACCOUNTS

- C102 When there is no easy access to the Cashiers at the Council offices, the Chief Finance Officer will advance petty cash balances to responsible staff members. An account of total petty cash spent with vouchers, certified by the Chief Executive, Deputy Chief Executives or person authorised by them, will be passed to the Chief Finance Officer for reimbursement. The petty cash account will be kept in a form and manner agreed by the Chief Finance Officer.
- C103 Use of petty cash will be kept to a minimum and limited to expenses which are unavoidably or conveniently payable in this manner. They will not include items over £30 unless agreed by the Chief Finance Officer.
- C104 Income received on behalf of the Council will not be paid into a petty cash account, but paid to the Council in accordance with paragraphs D8 –D19 below.
- C105 Officers responsible for petty cash accounts will give the Chief Finance Officer an annual certificate for each account balance by 15 April.
- C106 On returning a petty cash account, a staff member will account to the Chief Finance Officer for the amount advanced to them.
- C107 Petty cash and other floats will be available for inspection by audit.

Credit Cards

C108 Maximum limits for credit card facilities will be agreed by the Chief Finance Officer and these will not be exceeded without their permission. Group Heads and Service Managers are to authorise the monthly expenditure incurred by their staff who are authorised credit card users. No personal expenditure is to be incurred on an authorised council credit card and it is the responsibility of the authorised card holder to keep PIN numbers safe and immediately advise their manager and credit card provider if the card becomes cloned or lost.

Unofficial Funds

C109 Management Team is responsible for ensuring the proper administration of unofficial funds, that is any funds associated with Council business, supervised or managed by Council staff, but not part of the Council's funds, such as social funds in Day Centres.

C110 The Chief Finance Officer will be notified of any unofficial funds and give advice on keeping and auditing them.

C111 Any staff member holding unofficial funds will produce an accurate account in writing of all financial transactions, with associated supporting documentation.

PROTECTION OF PRIVATE PROPERTY IN THE TEMPORARY CUSTODY OF THE AUTHORITY/LOST PROPERTY

C112 The Chief Executive, and Deputy Chief Executives will ensure that details of any lost property is recorded before removal, that two officers certify the accuracy of the record, and that items are held securely until disposal.

C113 The Chief Executive, and Deputy Chief Executives will obtain proof of ownership prior to release of property.

C114 The Chief Executive, and Deputy Chief Executives will agree how to dispose of unclaimed items with the Chief Finance Officer.

SALARIES AND WAGES

C115 The Chief Finance Officer is responsible for the payment of all salaries, wages, compensation and any other sums to current and former employees.

C116 The Chief Executive, and Deputy Chief Executives will notify the Chief Finance Officer immediately of all appointments, resignations, or any other events affecting terms of employment or pay, including all sick absences, accidents on or off duty, or special leave without pay.

C117 Where required, time sheets in a form approved by the Chief Finance Officer will:-

- (a) be completed by the employees themselves unless illiterate, when the supervisor will complete them, with a note of the circumstances;
- (b) be certified by the appropriate supervisor unless otherwise agreed by the Chief Finance Officer; and
- (c) be forwarded to the Chief Finance Officer at a time agreed by them.

C118 Claims for expenses will be in a form approved by the Chief Finance Officer and signed by the Chief Executive, or Deputy Chief Executive concerned or their nominated staff member, to certify their accuracy and reasonableness. Claims must be submitted within seven days of the end of the month in which the expenditure was incurred.

CODE OF CONDUCT FOR EMPLOYEES

C119 The Staff Code of Conduct (Part 5b of this Constitution) applies to and will be followed by all staff members. It covers:

Standards, disclosure of information, political neutrality, relationships, appointments and other employment matters, outside commitments, personal interests, equality issues, separation of roles during tendering, sponsorship, gifts and hospitalit, and use of financial resources.

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Financial Regulation D – Systems and Procedures

- D1 Sound systems and procedures are essential to an effective framework of accountability and control.

General

- D2 The Chief Finance Officer is responsible for the operation of the Council's IT systems for financial and business-related purposes, for accounting systems, the form of accounts and the supporting financial records. Any changes made to the existing financial systems or the establishment of new systems must be approved by the Chief Finance Officer. However, Group Heads are responsible for the proper operation of financial processes in their own departments.
- D3 Any changes to agreed procedures by Group Heads to meet their own specific service needs should be agreed with the Chief Finance Officer.
- D4 Group Heads should ensure that their staff receive relevant financial training which has been approved by the Chief Finance Officer.
- D5 Group Heads must ensure that, where appropriate, details of system containing personal data are provided to the Data Protection Officer so that where applicable they are registered in accordance with Data Protection legislation.
- D6 Group Heads must ensure that staff are aware of their responsibilities under the freedom of information legislation and comply with guidance issued by the Group Head of Commissioning and Transformation or the Group Head of Corporate Governance.

Income and expenditure

- D7 It is the responsibility of Group Heads to ensure that a proper scheme of delegation has been established within their area and is operating effectively. The scheme of delegation should identify staff members authorised to act on the Group Heads' behalf in respect of payments, income collection and for placing orders together with the limits of their authority.

The Chief Finance Officer is responsible for specifying the procedure to be followed in ordering, making payments, collecting income and approving procedures for writing off debts as part of the overall control framework of accountability and control.

INCOME

Setting Fees and Charges

- D8 Fees and charges will be reviewed at least annually as part of the budget setting process.

- D9 Any changes or new charges will be agreed by the Corporate Policy and Resources Committee or the Chief Executive or Deputy Chief Executives, as set out in the constitution.

Invoicing and Collection of Income Due

Responsibilities of the Chief Finance Officer

- D10 The Chief Finance Officer is responsible for agreeing arrangements for the collection of all income due to the Council and approving the procedures, systems and documentation for its collection.
- D11 All receipt forms, books, tickets and similar items will be ordered and supplied to Services by the Chief Finance Officer.
- D12 The Chief Finance Officer is responsible for paying all monies received into the Council's bank, normally not later than the next business day.
- D13 To approve all debts to be written-off in accordance with the scheme of delegation.

Responsibilities of Chief Executive, Deputy Chief Executives, and Group Heads

- D14 The Chief Executive, or each of the Deputy Chief Executives will provide the Chief Finance Officer with details of all amounts due.
- D15 All monies received by a staff member on behalf of the Council will be paid without delay to the Chief Finance Officer as follows, unless direct deposit with the Council's bankers is arranged.
- Cash – daily
cheques exceeding £1,000 – daily
cheques not exceeding £1000 – within 3 days
- All cheques and postal orders received in any part of the Council will be crossed with "Account Borough of Spelthorne".
- D16 Every sum received by a member of Council staff will be immediately acknowledged by the issue of an official receipt, ticket or voucher, except for cheques where the Chief Finance Officer may agree other arrangements.
- D17 Every transfer of official money from one staff member to another will be immediately acknowledged by the issue of a receipt or, where appropriate, by signature in a cash accounting record.
- D18 The Chief Finance Officer shall be notified of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the Council.
- D19 The Chief Executive, Deputy Chief Executives and Group Heads will notify the Chief Finance Officer of all income due before the end of the financial year but not yet invoiced, in accordance with the closure timetable prepared each year by the Chief Finance Officer.

WRITE-OFFS OF INCOME, STOCKS, FURNITURE AND EQUIPMENT

- D20 The Chief Finance Officer may write off income or physical items with a value not exceeding £5,000 or unlimited where there is bankruptcy, liquidation proceedings, administration or receivership proceedings have been instigated.
- D21 Group Heads and the Deputy Group Head for Customer Services and Deputy Chief Executive (Chief Finance Officer) may write off debts for individual outstanding balances up to the following values:
- Council Tax to the value of £5,000
 - Business Rates to the value of £9,000
 - Housing Benefits to the value of £5,000
 - Sales Ledger to the value of £3,000
- D22 An up to date record of all income written-off will be maintained by the Chief Finance Officer, and an independent reconciliation of write-off sums to approved lists for write-off will be made periodically.

SPONSORSHIP

- D23 Where an outside organisation wishes to sponsor or is asked to sponsor a local government activity, whether by invitation, tender, negotiation or voluntarily, the basic conventions concerning acceptance of gifts and hospitality applies, as detailed in the Code of Conduct for Employees.
- D24 A Gifts, Hospitality and Sponsorship Register is maintained by Corporate Governance, where details of any sponsorship accepted by staff on behalf of the authority will be entered.

ORDERS FOR WORKS, GOODS AND SERVICES

Responsibilities of the Chief Finance Officer

- D25 The Chief Finance Officer will approve the form and control of all official orders.

Responsibilities of Chief Executive, Deputy Chief Executives and Group Heads

- D27 The Chief Executive, Deputy Chief Executives and Group Heads are responsible for the control and use of official orders in their respective services.
- D28 The Chief Finance Officer will be notified in writing of staff authorised to issue orders on behalf of the Chief Executive and Deputy Chief Executives, with specimen signatures and details of authority limits, in accordance with the delegations approved under paragraphs A20-A23 above. Group Heads are to ensure that their department reviews periodically a list of staff members approved to authorise invoices.
- D29 All orders will be issued through the financial system except in agreed circumstances, such as for supplies of gas and electricity services, petty cash purchases or where a formal contract is to be prepared.

- D30 If it is not practicable to issue an official order when an order is placed, one will be completed immediately afterwards by the staff member placing the order, and marked "Confirmation of telephone or verbal order"
- D31 Wherever possible the Council will seek to transmit to suppliers by electronic means official purchase orders.
- D32 Official orders will be goods receipted by the staff member responsible for the works or receiving goods. It is important to provide separation of duties between staff raising and goods receipting orders. The Chief Finance Officer will agree accounts to evidence of receipt before making payment.
- D33 As a general principle and subject to Contract Standing Orders, all purchases will be open to competition wherever reasonable and cost effective.

PAYMENT OF ACCOUNTS

Responsibilities of the Chief Finance Officer

- D34 The Chief Finance Officer is responsible for examining, verifying and certifying invoices and any other payment vouchers or accounts through the financial system. Any exceptions will be returned to originating officers for certification. Details of staff members authorised to sign such records will be sent to the Chief Finance Officer by the Chief Executive and each Deputy Chief Executive, together with specimen signatures and authority limits, in accordance with the delegations described at paragraphs A18-A21 above.
- D35 To ensure that all payments for works, goods, and services are made within the statutory 30 days (Late Payment of Commercial Debts (Interest) Act 1988) unless any other terms or conditions have been agreed in writing. Any interest incurred under that act will be recharged to the cost centre of the original payment.
- D36 The Chief Finance Officer will pay accounts due at set intervals, usually not less than once every week.
- D37 A register of periodical payments will be maintained by the Chief Finance Officer for control and monitoring purposes.

Responsibilities of Chief Executive, Deputy Chief Executives and Group Heads

- D38 The certifying officer will ensure:
- (a) the work, goods or services to which the account relates have been received, carried out, examined and approved;
 - (b) the prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct and agree with the official order or contract;
 - (c) the relevant expenditure has been properly incurred and is within the relevant budget;
 - (d) appropriate entries have been made in inventories, stores records or other records as required;
 - (e) the account has not been previously passed for payment and is a proper liability of the Council; and

- (f) the correct expenditure code has been inserted in respect of each item.
- D39 For purchase of land or property, details of the purchase, the name of the vendor and the purchase price and acquisition expenses will be given in a statement for certification by the Chief Executive. Full details of such purchases will be entered in the official Asset Register, to be kept by the Chief Finance Officer.
- D40 The Chief Executive, and Deputy Chief Executives will notify the Chief Finance Officer of all outstanding expenditure relating to the previous financial year in accordance with the agreed closure timetable prepared each year by the Chief Finance Officer .
- D41 Group Heads are to ensure that invoices are passed for payment promptly to ensure they can be paid within 30 days.

CONTRACTS FOR BUILDING, CONSTRUCTION OR ENGINEERING WORK, ASSOCIATED MAINTENANCE CONTRACTS AND EMPLOYMENT OF CONSULTANTS

Contract Standing Orders

- D42 The Chief Executive, and Deputy Chief Executives will ensure compliance with the Council's Contract Standing Orders.

Tenders

- D43 The Chief Finance Officer will investigate the financial status of tenderers as necessary.
- D44 No contract will be entered into unless the Chief Executive, or relevant Deputy Chief Executive is confident of the tenderer's ability to complete the contract.
- D45 The Chief Executive, and Deputy Chief Executives will provide the Chief Finance Officer and the Corporate Procurement Manager with details of all contracts for entry into the contracts register.

Contract Register

- D46 The Chief Finance Officer will maintain an online up to date register of all contracts with a total value of more than £5,000. Purchase orders which have been properly authorised in accordance with the Contract Standing Orders, will not for this purpose constitute contracts.
- D47 The Deputy Chief Executives and Group Heads will be responsible for notifying the Chief Finance Officer and the Corporate Procurement Manager with details of all new contracts and forthcoming contracts necessary to enable the register to be maintained.

Contract Payments

- D48 Payments on account to contractors will only be made on a certificate issued by the supervising officer and signed by the relevant Group Head.
- D49 The payment certificate will show the total amount of the contract, the sum paid to date, the instalment certified, the balance remaining, the retention monies, and Value Added Tax (VAT).

D50 The Chief Executive, or Deputy Chief Executive concerned is responsible for obtaining all necessary sub-contractors' tax certificates and forwarding them to the Chief Finance Officer prior to payment.

D51 Under the Inland Revenue Construction Industry Scheme (IR14/15(CIS)) introduced 1 August 1999, payments cannot be made to sub-contractors unless a tax certificate has been obtained.

Variations

D52 Where practical changes are necessary which do not alter the essential nature of the original contract, as opposed to additional works, goods or service, the Chief Executive, or relevant Deputy Chief Executive may approve such variations after consultation with the Chief Finance Officer, provided the cost of the proposed variation can be met from within the total budget approved for the contract and such variation also accords to the procedures in Contract Standing Orders.

D53 Where the approved budget would be exceeded, approval for any variation must be obtained in accordance with the provisions for amendments to budgets within these regulations.

D54 The reasons for and details, including cost, of every variation must be recorded on the relevant contract file, specifically authorised in writing by the supervising officer and endorsed by the Chief Executive or appropriate Deputy Chief Executive, and a copy supplied to the Chief Finance Officer at the time of issue.

D55 Documented variation orders are not required where site instructions are issued for routine repairs under a maintenance contract, such as for park seat repairs, street cleaning or clearance of fly tipping, provided a budget is built into the contract to cover such work.

Final Account

D56 The final certificate of completion will not be issued until the supervising officer has provided the Chief Finance Officer with a detailed statement of account and all relevant documents required.

D57 The Chief Finance Officer will examine contract final accounts, make all necessary enquiries and receive any information and explanations they require to confirm the accuracy of the accounts.

D58 Claims from contractors for matters not clearly within the terms of any existing contract will be referred to the Group Head of Corporate Governance to consider the Council's legal liability and, where necessary, to the Chief Finance Officer for financial consideration before a settlement is reached.

Agency Arrangements

D59 As far as practicable, Financial Regulations apply to works entered into on behalf of a body from whom the Council has accepted delegated powers, or for whom the Council acts as an agent. The requirements of any such body should be followed if they differ from these Financial Regulations or Contract Standing Orders.

Consultants

D60 In the case of contracts entered into by the Council and supervised by consultants, any agreement with the latter should include a requirement to comply with the Council's Financial Regulations.

VALUE ADDED TAX (VAT)

D61 The Chief Finance Officer is responsible for maintaining all records, accounts and claims as directed by the Valued Added Tax Act, 1983.

VAT on Payments

D62 The Chief Finance Officer will take reasonable steps to ensure that the payment documentation provided by all suppliers of goods, works, or services conforms to the requirements of a proper VAT invoice.

VAT on Receipts

D63 Each staff member responsible for raising invoices on behalf of the Council will ensure within reason that the Council has complied with relevant Value Added Tax legislation regarding the supply of its services.

Exempt Supplies

D64 For services where VAT supplies are classified as Exempt under VAT regulations, officers will ensure that all activities are fully evaluated for VAT purposes and any tax implications are identified before any expenditure is committed or contractual arrangements made.

D65 The following are usually classified as Exempt activities under VAT rules:

Land & Buildings (unless have opted to tax)	Social Services	Education	Burial & Cremation
Insurance	Finance	Health	

Payments to employees and Councillors and co-opted members

D66 The Chief Finance Officer is responsible for paying all employees and allowances to Councillors and co-opted members.

MEMBERS' ALLOWANCES

D67 The Chief Finance Officer will make payments to any Members or co-opted members entitled to claim allowances on receipt of the proper form, completed and certified in accordance with the Council's scheme for allowances.

Taxation

D68 The Chief Finance Officer is responsible for advising Management Team/Group Heads, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council.

D69 The Chief Finance Officer is responsible for maintaining the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

Financial Regulation E – External Arrangements

- E1 The Council provides a distinctive leadership role in the community. As part of the Community Strategy it brings together other local public, private, voluntary and community sector organisations in partnership to address local needs.
- E2 A partner can be an organisation undertaking part funding or participating as a beneficiary in a project, or a body whose nature or status give it a right or obligation to support the project, or a body working on a joint venture with the Council for the delivery or acquisition of services.

Partnerships

- E3 The Corporate Policy and Resources Committee is responsible for approving partnership arrangements with other public, private, voluntary and community sector organisations to address local needs.
- E4 The Council and strategic committees can delegate functions – including those relating to partnerships – to staff. These are set out in the scheme of delegation that forms part of the Council’s Constitution and any subsequent delegations.
- E5 The Chief Executive is responsible for ensuring the due diligence and legality for all partnership arrangements.
- E6 Group Heads are responsible for informing the Chief Finance Officer and Group Head of Corporate Governance of partnership arrangements entered into so that they can ensure that accounting arrangements adopted relating to partnerships and joint ventures are satisfactory and that the overall corporate governance arrangements are satisfactory when contracts are arranged with external bodies. The Chief Finance Officer must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

External funding

- E7 The Chief Finance Officer is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council’s accounts.

Work for third parties

- E8 The Chief Finance Officer and the Group Head of Corporate Governance are responsible for approving the contractual framework for any work for third parties or external bodies.

GLOSSARY OF TERMS

Accrual	A sum included in the final accounts to cover income or expenditure attributable to that year but for which payment was not received/made during that year. Local authorities only accrue for revenue expenditure; capital expenditure is recorded on a receipts and payments basis.
Appropriation	The transfer of ownership of land or buildings from one service to another. Transfer of the purpose for holding land from one purpose to another.
Budget	A statement of the authority's plans for revenue and capital expenditure and income over a specified period of time.
Budget Head	A specific area of activity where expenditure may be incurred or income collected.
Capital Discharged	The amount of capital expenditure which has been paid for out of revenue or other sources.
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Capital Receipts	Proceeds from the sale of assets and other receipts of a capital nature over £10,000.
Capital Receipts Unapplied	Capital receipts not yet used for repayment of debt, or to finance capital expenditure.
Deferred Capital Receipts	Deferred Capital Receipts are the amounts derived from sales of assets which will be received in instalments over agreed periods of time.
Fidelity Guarantee	Insurance against fraudulent losses.
Government Grants	Sums paid by central Government towards either specific services or in aid of services generally.

Net Revenue Budget	
Outturn	The actual income and expenditure for a period or financial year as disclosed by the quarterly reports or final accounts.
Precept	A rate which the Council is required to levy on behalf of a non-rating authority, e.g. Surrey County Council.
Rateable Value	The annual assumed rental value of a property, to which rate poundages are applied to arrive at rates payable.
Reserves	Funds set aside to meet future revenue and capital expenditure on specific items or as a contingency against future losses.
Revenue Contributions to Capital Outlay (REFCUS)	The financing of capital expenditure directly from revenue, as permitted under statute.
Revenue Expenditure	The day to day costs of providing services, i.e., staff costs and overheads, such as, advertising, subscriptions and vehicle running costs.
Value for Money	<p>The National Audit Office (NAO) uses three criteria to assess the value for money of government spending i.e. the optimal use of resources to achieve the intended outcomes:</p> <p>Economy: minimising the cost of resources used or required (inputs) – spending less;</p> <p>Efficiency: the relationship between the output from goods or services and the resources to produce them – spending well; and</p> <p>Effectiveness: the relationship between the intended and actual results of public spending (outcomes) – spending wisely.</p>
Virement	The transfer of funds between budget heads, once approved by the Chief Financial Officer

Voted	Sums approved by councillors for expenditure against budget heads.
Working Balances	Sum provided within the accounts to meet those expenses which are incurred in advance of the receipt of income as well as for unforeseen contingencies.

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FINANCIAL REGULATIONS

INTRODUCTION

Background

1. The Local Government Act 1972 section 151 requires the Council to make arrangements for the proper administration of its financial affairs. Together with the Contract Standing Orders, they regulate the conduct of Council business.
2. These Financial Regulations must be available to and apply to every councillor and employee of the Council and anyone acting on its behalf. They will apply to agents and consultants acting for the Council and to services carried out under agency arrangement, unless specifically excepted by the relevant Group Head and the Chief Finance Officer.
3. They will also apply to all arms-length organisations, wholly owned companies, agencies and partnerships with whom the Council does business and for whom the Council is the relevant accounting body. Where the Council is not the relevant accounting body, but is a responsible partner, staff must ensure that the accounting body has in place adequate Regulations and proper schemes of delegation and ensure that the arrangements are agreed with the Section 151 Officer.
4. Copies of Financial Regulations are provided to the Chief Executive, Deputy Chief Executives, Chief Finance Officer, all Group Heads and Service Managers and are included in the Council's Constitution.
5. To help you understand the terminology used in Financial Regulations, a Glossary of Terms is attached at the end.

Scope & Review

6. It is the responsibility of the Chief Executive, Deputy Chief Executives, Chief Finance Officer and Group Heads to ensure Financial Regulations are followed.
7. Group Heads are responsible for ensuring that all staff in their departments are aware of the existence and content of the Financial Regulations and that they comply with them. Equally, staff have a reciprocal responsibility to comply with the regulations.
8. All councillors and employees have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value. In doing so, proper consideration must be given at all times to matters of probity and propriety in managing the assets, income and expenditure of the Council.
9. Failure to follow Financial Regulations and Contract Standing Orders will be reported to the Chief Finance Officer immediately and may, in consultation with Human Resources, be treated as a disciplinary offence.

10. Financial Regulations should be reviewed in line with inflation every two years by the Chief Finance Officer in consultation with the Chair and Vice Chair of Corporate Corporate Policy and Resources Committee.

Financial Regulation A – Financial Accountabilities and Management

- A1 Financial management covers all financial accountabilities in relation to the running of the Council including the policy framework and budget and should be read in conjunction with the Council's Constitution and in particular the Budget and Policy Framework Procedure Rules.

COUNCIL

- A2 The Council has the general responsibility for setting the Council's policy and budget framework.
- A3 The Council is responsible for:-
- a. adopting and changing the Council's Constitution and Members' Code of Conduct;
 - b. approving the policy framework, including the Capital Strategy, the Treasury Management Strategy and the Revenue Budget and Reserves Strategy within which the Council operates;
 - c. approving and monitoring compliance with the Council's overall framework of accountability and control. The framework is set out in the Council's Constitution;
 - d. monitoring compliance with the agreed policy, related strategy decisions by Corporate Policy and Resources Committee and Local Code of Corporate Governance; and
 - e. approving procedures for recording and reporting decisions taken. This includes those key decisions delegated by and decisions taken by the Council and its committees. These delegations and details of who has responsibility for which decisions are set out in the Constitution.

Corporate Policy and Resources Committee

- A4 The Council is responsible for delegating the following functions to the Corporate Policy and Resources Committee in accordance with the the Constitution:
- a) proposing the policy framework, its overall community and corporate strategies and budget strategy to the Council; and
 - b) monitoring the performance of Services, projects and programmes; and
 - c) discharging its functions and responsibilities as set out in the Council's Constitution and in accordance with the Policy Framework and Budget approved by Council.

The Corporate Policy and Resources Committee can delegate its decision making powers to a formally constituted sub-committee of the Committee, a staff member or a joint committee in accordance with the scheme of delegation as set out in the Council's Constitution.

ROLE OF OFFICERS

STATUTORY OFFICERS

Chief Executive (Head of Paid Service)

- A5 The Chief Executive as Head of Paid Service for the purposes of the Local Government Act 1989 is responsible for overall corporate and strategic management and has operational responsibility for the management of the Council as a whole. They must report as necessary to the Council and to the Corporate Policy and Resources Committee (and other strategic committees). They are responsible for provision of professional advice to all parties in the decision making process. The Chief Executive is also responsible together with the Monitoring Officer, for the system of record keeping in relation to all the Council's decisions.

Group Head of Corporate Governance (Monitoring Officer)

- A6 The Group Head of Corporate Governance as the Monitoring Officer will contribute to the promotion and maintenance of high standards of conduct through provision of support to the Standards Committee. The Group Head of Corporate Governance will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all councillors. He/she is also responsible for reporting any actual or potential breaches of the law or maladministration to the Council and/or to Corporate Policy and Resources Committee, and for ensuring that procedures for recording and reporting key decisions are operating effectively.
- A7 The Group Head of Corporate Governance will ensure that relevant staff reports and background papers are made publicly available as soon as possible. He/she must also ensure that councillors are aware of decisions made by committees and employees who have delegated responsibility in accordance with the Council's Constitution.

Deputy Chief Executive (Chief Finance Officer)

- A8 Under Section 151 of the Local Government Act 1972 and the general direction of the Corporate Policy and Resources Committee, the Chief Finance Officer is responsible for the proper administration of the Council's financial affairs.
- A9 Under Section 114 of the Local Government Act 1988, the Chief Finance Officer (CFO) is also responsible for reporting to the Council if councillors or staff make or are about to make a decision involving unlawful expenditure, loss or deficiency, or if proposed expenditure is likely to exceed available resources.
- A10 The Chief Finance Officer, as defined in the Constitution has statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. The statutory duties arise from:
- a) Section 151 of the Local Government Act 1972
 - b) Local Government Finance Act 1988
 - c) The Local Government and Housing Act 1989

- d) The Accounts and Audit Regulations (England) 2015
- e) The Local Government Act 2003

A11 The CFO is responsible for:

- a) the proper administration of the Council's financial affairs
- b) setting and monitoring compliance with accounting and financial management procedures and standards
- c) maintaining an effective and adequate internal audit and all audit arrangements
- d) advising on the corporate financial position
- e) key financial controls necessary to secure sound financial management providing financial information
- f) preparing and controlling forward financial plans, budget strategies, the Revenue Budget, the Capital Strategy and Capital Programme
- g) treasury management and banking arrangements financial and related IT systems
- h) procedures and controls for ordering services, supplies and works
- i) payment of accounts and collection of income
- j) pay and pensions;
- k) providing advice and training to budget holders including advice on financial and operational controls.

A12 Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer to report to the Council and External Audit if the Council or its staff:

- has made, or is about to make a decision which involves or would involve unlawful expenditure
- has taken or is about to take a course of action which if pursued to its conclusion would be unlawful and likely to result in a loss or deficiency by the Council; or
- is about to make an unlawful entry in the Council's accounts

A13 The Chief Finance Officer must also make a report under this section if it appears that the expenditure of the authority (including expenditure it is proposing to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to meet that expenditure. In preparing a report the Chief Finance Officer shall consult as far as practicable with the Chief Executive, as the Head of the Council's Paid Service, and with the Group Head of Corporate Governance under the Local Government and Housing Act 1989.

A14 Section 114 of the 1988 Act also requires that the Deputy Chief Finance Officer performs these functions in the absence of the Chief Finance Officer. The Chief Accountant is the Council's statutory Deputy Chief Finance Officer.

- A15 The Council is required to provide the Chief Finance Officer with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under section 114.
- A16 The Chief Finance Officer is responsible for advising the Corporate Policy and Resources Committee or the Council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be ‘contrary to the budget’ include:
- a) initiating new policies and financial commitments
 - b) committing expenditure in future years above budget
 - c) budget or spending transfers above virement limits
- A17 The Chief Finance Officer is responsible for considering and approving requests to waive the regulations and will consult the Chief Executive and councillors where they consider this appropriate. All waivers will be reported by the Chief Finance Officer to the Corporate Policy and Resources Committee.
- A18 **Delegated Authorities**
- Under delegations to officers authority to make financial transactions is delegated to the Chief Executive, Deputy Chief Executives and Chief Finance Officer. However, some delegation to other staff is necessary for practical purposes. These delegations form lines of accountability which should be clear, well communicated and regularly reviewed. They also provide control through appropriate levels of authorisation, limited numbers and separation of duties.
- A19 Deputy Chief Executives will keep a list of their staff authorised to make financial transactions, copy that list to Chief Finance Officer for entry onto the financial system, and review it regularly.
- A20 An authorised signatory matrix is available to record delegated authorities. Essential details are staff member’s name, grade, specimen signature, transaction type, value limit of authority and evidence of approval by the Deputy Chief Executives, Management Team and the CFO.
- A21 In an emergency the Chief Executive, Deputy Chief Executives or Chief Finance Officer may authorise such expenditure as is necessary, to be later ratified by the Corporate Policy and Resources Committee.
- A22 A Group Head is a staff member fully responsible to a Deputy Chief Executive or Chief Executive (as applicable), for the management and provision of an identifiable service in accordance with service plans and strategies.
- A23 Group Heads are responsible for:
- a) ensuring that the Corporate Policy and Resources Committee or relevant strategic committee is advised of the financial implications of all proposals and that the financial implications have been agreed by the Chief Finance Officer;
 - b) operating financial processes within their departments. To do this they must ensure that adequate operational controls are in place;

- c) controlling expenditure and income, monitoring performance and taking the necessary action to remain within budgets and cash limits;

A24 It is the responsibility of Group Heads to consult with the Chief Finance Officer and seek approval regarding any matters which are liable to affect the Council's finances materially, before any commitments are incurred.

MANAGING EXPENDITURE: SCHEME OF VIREMENT (BUDGET TRANSFERS)

A25 The Scheme of Virement is intended to enable the Corporate Policy and Resources Committee, Chief Executive, Deputy Chief Executives and Group Heads and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Council and therefore, to optimise the use of resources.

A26 The Council is responsible for agreeing procedures for virement of expenditure between budget headings.

A27 Virements are the temporary transfer of surplus budget provisions between 'estimate' headings. These do not affect the base budgets for future years.

A28 Group Heads are responsible for agreeing in-year virements within delegated limits, in consultation with the Chief Finance Officer where required.

A29 Key controls for the Scheme of Virement are:

- a) It is administered by the Chief Finance Officer within guidelines set by the Council. Any variation from this scheme requires the approval of the Corporate Policy and Resources Committee.
- b) The overall budget is agreed by the Corporate Policy and Resources Committee and approved by the Council. The Deputy Chief Executives, Group Heads and budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. The rules below cover virement. For this purpose, a service comprises a separate page or column in the published budget.
- c) Virement does not create additional overall budget liability. Virements are not permitted on the following revenue expenditure heads unless the Chief Finance Officer has approved their use:
 - a) Business rates resulting from revaluation
 - b) Insurance
 - c) Capital financing charges
 - d) Members' allowances
 - e) Government grants
 - f) And any others identified by the Chief Finance Officer

A30 The Chief Executive, Deputy Chief Executives and Group Heads are expected to exercise their overall discretion in managing their budgets

reasonably and prudently. For example they should aim to avoid supporting recurring expenditure from on-off sources of savings or additional income of creating future commitments, including full-year effects of decisions made partway through a year for which they have not identified future resources.

- A31 The Chief Executive, and Deputy Chief Executives may transfer or "vire" funds between revenue budget heads within their services, subject to the following general parameters:
- (a) All corporate guidelines and policies will be followed;
 - (b) Conditions of Service will be complied with;
 - (c) A single 'one-off' budget may not be transferred to fund a new ongoing item of expenditure; and
 - (d) Budgets not under effective control of the budget holder may not be vired eg rates and insurance.
- A32 Any such transfer will be agreed with the Group Head and discussed with the service accountant before implementation and agreed by the Chief Finance Officer.
- A33 Any proposal to transfer funds between services requires the approval of the Management Team (MAT) and the Corporate Policy and Resources Committee.
- A34 Any revenue virement with a value greater than £100,000 must be approved by the Corporate Policy and Resources Committee.
- A35 Any capital virement must be approved by the Corporate Policy and Resources Committee.

(Note to officers - all numbering hereafter needs adjusting)

Supplementary Estimates

- A36 If an essential increase in spending cannot be contained within existing budgets through the transfer arrangements described above, the relevant Deputy Chief Executive will consult with the Chief Finance Officer and report to the Corporate Policy and Resources Committee (where applicable), to obtain a supplementary estimate. No expenditure may be incurred until the supplementary estimate has been approved.
- A37 The Chief Finance Officer in consultation with the Chair and Vice Chair of Corporate Policy and Resources Committee is authorised to approve a total supplementary expenditure in a year not exceeding **5%** of the approved Net Revenue Budget, and **£20,000** on any approved capital scheme.
- The Corporate Policy and Resources Committee is authorised to approve a total supplementary expenditure in a year not exceeding **10%** of the approved Net Budget, Requirement of the Council and **£1,000,000** on any approved capital scheme.
- A38 The Chief Finance Officer shall maintain a record of all supplementary estimates approved.

- A39 If a claim is made against the Council which is not recoverable under an insurance policy, the Leader has authority to spend as necessary in resisting the claim, and/or in deciding and meeting the terms of any settlement made in the best interests of the Council. The Chief Executive is authorised to decide the terms of any settlement involving expenditure not exceeding £30,000, and to spend such amounts subject to report on the circumstances of the claim and settlement to the next meeting of the Corporate Policy and Resources Committee.

Treatment of year-end balances

- A40 The Chief Finance Officer is responsible for agreeing procedures for the carrying forward of underspendings on budget headings.
- A41 The rules below cover arrangements for the transfer of resources between accounting years, i.e a carry-forward. For this purpose, a budget head is a line in the estimates report or, as a minimum, at an equivalent level to the standard service subdivision as defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) in its Service Expenditure Analysis.

Responsibilities of the Chief Finance Officer

- A42 To administer the scheme of carry forward.
- A43 To report all major underspendings (£50k) on services estimates to the Corporate Policy and Resources Committee
- A44 To report all major overspends (£50k) service estimates to the Corporate Policy and Resources Committee and to the Council.
- A45 To monitor the spending of any carry forwards and report to Management Team.

Responsibilities of the Corporate Policy and Resources Committee

- A46 To consider and approve as appropriate the items put forward on the carry forward list.

Responsibilities of Deputy Chief Executives and Group Heads

- A47 Any overspending on service estimates in total on budgets under the control of the Chief Executive, Deputy Chief Executive or Group Heads must be explained to the Chief Finance Officer. The Chief Finance Officer will report the extent of major over and under spendings to the Corporate Policy and Resources Committee and in the case of major overspendings also to the Council.

ACCOUNTING POLICIES

- A48 The Chief Finance Officer is responsible for determining accounting policies and financial systems and ensuring that they are applied consistently. The Chief Finance Officer is responsible for the preparation of the Council's Statement of Accounts, in accordance with proper practices as set out in the format required by the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC)

for each financial year ending 31 March, and the Accounts and Audit (England) Regulations 2015.

- A49 The key controls for accounting policies are:
- a) Systems of internal control are in place that ensure financial transactions are lawful;
 - b) Suitable accounting policies are selected and applied consistently;
 - c) Proper accounting records are maintained; and
 - d) Financial statements are prepared which present fairly the financial position of the Council and its expenditure and income.
 - e) External audit of these financial statements.

Responsibilities of the Chief Finance Officer

- A50 To select suitable accounting policies and to ensure that they are applied consistently.
- A51 To exercise supervision over financial and accounting records and systems with a view to ensuring their uniformity, co-ordination and compatibility.
- A52 To prepare and publish reports containing the statements on the overall finances of the Council, including the Council's Annual Report and Accounts.
- A53 To make proper arrangements for the audit of the Council's accounts in accordance with the provisions of the Accounts & Audit Regulations Act 1996 (as amended and updated);
- A54 To prepare and publish the audited accounts in accordance with the statutory timetable for the approval of the Audit Committee before the national target date; and
- A55 To ensure Services have in place suitable arrangements for compiling and submitting all claims for funds, including grants, by the due date.

Responsibilities of the Deputy Chief Executives and Group Heads

- A56 To adhere to the accounting policies and guidelines approved by the Chief Finance Officer.
- A57 To obtain the approval of the Chief Finance Officer before introducing any books, forms or procedures or other records relating to cash, stores or other accounts of the Council which may affect the Council's finances.
- A58 To submit to the Chief Finance Officer any information as the latter considers necessary for accounting and costing purposes and allow the Chief Finance Officer access at all reasonable times to all accounting records and documents which may affect the Council's finances.
- A59 To consult the Chief Finance Officer when preparing publications containing financial information.

ACCOUNTING RECORDS AND RETURNS

- A60 The Chief Finance Officer is responsible for determining the accounting procedures and records for the Council.

- A61 All accounting procedures and records will be approved by the Chief Finance Officer.
- A62 All accounts and accounting records will be compiled by the Chief Finance Officer or under their direction. The form and content of records maintained in other services will be approved by the Chief Finance Officer.
- A63 The following principles will apply in accounting procedures:
- a. calculating, checking and recording of sums due to or from the Council will be separated as completely as possible from their collection or payment;
 - b. staff responsible for examining and checking cash transaction accounts will not process any of these transactions themselves;
 - c. reconciliation procedures are carried out to ensure transactions are correctly recorded;
 - d. procedures are in place to enable accounting records to be reconstituted in the event of systems failure; and
 - e. prime documents are retained in accordance with legislative and other requirements.
- A64 The Chief Finance Officer is responsible for ensuring financial management and accounting information is available for all services administered by the Council, in either electronic or hard copy format.
- A65 The need to balance speed and accuracy with cost in producing accounting statements will be considered and determined by the Chief Finance Officer, after consulting the Group Head concerned.

The Annual Statement of Accounts

- A66 The Audit Committee is responsible for approving the annual statement of accounts, which have to be signed by the Chief Finance Officer and the Chairman of the Audit Committee. The Chair of Corporate Policy and Resources Committee and Chief Executive also to sign off the Annual Governance Statement incorporated into the Statement of Accounts

FINANCIAL REGULATION B: FINANCIAL PLANNING

B1 The Council is responsible for agreeing the Council's policy framework and budget, which will be proposed by the Corporate Policy and Resources Committee. . In terms of financial planning, the key elements are:

- the corporate strategy in the form of the Corporate Plan;
- service plans;
- the medium term financial strategy;
- the Outline Budget;
- the Revenue Budget;
- the Reserves Strategy
- Treasury Management Strategy
- the Capital Strategy and
- the Capital Programme.

THE BUDGET PROCESS

Introduction

B2 Each year, the Chief Finance Officer and Chief Accountant will prepare timetables for the preparation, submission and approval of the Outline Budget, Capital Budget and detailed Revenue Budget. These budgets will comply with the Code of Practice on a Prudential Approach to Local Authority Commitments.

B3 The order of paragraphs in this section roughly follows the order in which the budget process is carried out.

Capital Programme

B4 The Chief Executive, and Deputy Chief Executives will prepare provisional estimates of income and expenditure on capital schemes for each of their services, for each of the next four financial years, together with details of any revenue implications. The Chief Finance Officer will specify the form these estimates should take and the timetable for their submission.

B5 Capital expenditure differs from revenue expenditure in several ways, and falls into the following general categories:

- a) purchase or construction of an asset;
- b) enhancement of an asset; and
- c) grants for capital purposes.

B6 Council assets include land, buildings, vehicles, plant and equipment. The Council makes grants for capital purposes such as improvement grants and grants to housing associations which are classed as capital expenditure.

B7 Capital expenditure is often of high value and the benefit is expected to be spread over a number of years. Revenue expenditure is the annual running costs in relation to the provision of a service.

- B8 Provisional estimates will distinguish between committed and uncommitted expenditure. A scheme can only be included in provisional estimates after detailed evaluation by Management Team in accordance with agreed criteria.
- B9 Management Team will consider the provisional capital programme. After making any necessary amendments, the Chief Finance Officer will submit the summarised programme and estimated resources to the the Corporate Policy and Resources Committee, together with a report on the revenue implications of the programme and any other relevant information.
- B10 The programme recommended by services and a report by the Chief Finance Officer will be submitted to the Corporate Policy and Resources Committee, for final consideration in the context of the Council Tax to be levied.

Outline Budget Forecast

- B11 Management Team will prepare information needed to produce an Outline Budget Forecast for each of their services. The Chief Finance Officer will specify the form this Forecast should take and the timetable for its submission.
- B12 This information will include :-
- i. an indication of the continued need for the service at its current level and in its current form;
 - ii. the impact on the service of known or likely legal or contractual changes over the next four years;
 - iii. the impact over the next four years of any policy changes already approved by the Management Team
 - iv. The impact other changes on service levels and net income such as anticipated population growth, state of the economy

- B13 Management Team will consider the initial Outline Budget Forecast. After making any necessary amendments, the Chief Finance Officer will submit it to the Corporate Policy and Resources Committee, together with a report on the possible central government funding levels as set out in the Local Authorities Provisional Settlement ,other grant funding and anticipated retained business rates income, availability of reserves and implications for the Council Tax.
- B14 The Corporate Policy and Resources Committee will consider this and determine the overall level of resources to be made available, and the limits within which detailed budgets can be prepared.

Detailed Revenue Budget

- B15 Management Team will prepare provisional detailed estimates of income and expenditure on the revenue account in accordance with the Corporate Plan for each of their services for the next financial year. The Chief Finance Officer will specify the form these estimates should take and the timetable for their submission.
- B16 These estimates will reflect the Outline Budget Forecast and the decisions of the Corporate Policy and Resources Committee detailed at paragraph B13 above.
- B17 All revenue budgets will be prepared at current costs, and converted to outturn prices by Financial Services. The forecast for inflation will be decided by the Chief Finance Officer.

- B18 Each budget head will be cash limited, and any minor variations in spending will be met from the approved budget. A budget head is an individual sum specified in the published service budget.
- B19 The Chief Finance Officer will submit the detailed draft Revenue Budget to Management Team for consideration and approval and subsequently submit it to the Corporate Policy and Resources Committee.

Approval of the Annual Revenue Budget

- B20 By 1 March at the latest each year, the Corporate Policy and Resources Committee will submit to the Council estimates of income and expenditure on the revenue account which it recommends for the next financial year, together with statements of precepting authorities' requirements, and its recommendation for the Council Tax necessary to meet the expenses of both the Council and precepting authorities.
- B21 The Council will meet by 1 March each year to consider the total budget proposals submitted by the Corporate Policy and Resources Committee and decide the amount of Council Tax to be levied for the next financial year.
- B22 Once approved by the Council, amounts detailed in the Annual Budget may only be applied to the objects specified under their relevant budget head, or "voted". See paragraph A31 above for procedures to vary these approvals.

BUDGETARY CONTROL

- B23 Budgetary control ensures that once budget has been approved by the Council, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

CAPITAL

Authorisation of Capital Expenditure

- B24 Capital expenditure on a scheme not included in estimates or budgets may only be incurred after full evaluation of that scheme by the Corporate Policy and Resources Committee and/or its Development sub-committee (as appropriate) (if under £1 million). Any proposed capital expenditure over £1 million must be evaluated and agreed by majority of Council Members. This will include a statement explaining the scheme's purpose, the need for it and a detailed analysis of capital costs involved. Exceptions are any payments authorised under paragraph A35 above. If the estimated expenditure is expected to cover more than one financial year, the estimate will show:
- i. the total estimated expenditure, and
 - ii. the proposed levels of spend for each financial year involved.

This paragraph (B24) shall take priority over any other clause or paragraph within this Constitution that may be, or appear to be, in conflict.

- B25 The scheme evaluation will also include a statement of estimated revenue expenditure and income generated by the scheme:
- (a) during the construction period, and
 - (b) for the first three years following the completion of the project.
- B26 The Deputy Chief Executives can authorise reasonable expenditure on necessary preliminary works, fees and salaries on schemes for which they are responsible, within the approved capital programme.
- B27 Accountability for each capital project is to be accepted by a named manager.

Capital Expenditure Monitoring

- B28 No Group Head responsible for the implementation of a capital scheme may incur capital expenditure greater than the approved budget for that year.
- B29 As soon as a staff member becomes aware of a likely overspend on a Capital Scheme, they must report to Management Team and the Corporate Policy and Resources Committee (as applicable), requesting a supplementary estimate in accordance with A35 and expenditure under A36.
- B30 The Group Head for Neighbourhood Services is authorised to purchase new equipment other than programmed replacements, provided such purchases are contained within Neighbourhood Services' revenue plan as agreed in advance with the Chief Finance Officer.

RESPONSIBILITIES OF THE CHIEF FINANCE OFFICER

- B31 To prepare capital estimates jointly with the Chief Executive, Deputy Chief Executives and Group Heads and to report them to the Corporate Policy and Resources Committee for approval. The Corporate Policy and Resources Committee will make recommendations on the capital estimates and on any associated financing requirements to the Council.
- B32 To prepare and submit reports to the Corporate Policy and Resources Committee on the projected income, expenditure and resources compared with the approved estimates.
- B33 To issue guidance concerning capital schemes and controls, for example on project appraisal techniques.
- B34 To approve the re-phasing of capital schemes within the approved capital programme between financial years, subject to the availability of resources to make the most effective use of those resources.

Responsibilities of Chief Executive, Deputy Chief Executives and Group Heads

- B35 To comply with guidance concerning capital schemes and controls issued by the Chief Finance Officer.
- B36 To ensure that all major capital proposals have undergone a project appraisal in accordance with the Council's project management methodology.
- B37 To ensure that adequate records are maintained for all capital contracts.

- B38 To proceed with projects only when there is adequate provision in the capital programme.
- B39 To prepare and submit reports jointly with the Chief Finance Officer to the Corporate Policy and Resources Committee on any variation in contract costs greater than the approved limits.
- B40 To ensure all credit arrangements such as leasing arrangements, are not entered into without the prior approval of the Chief Finance Officer.

Prudential Code

- B41 Under the Local Government Act 2003 the Council is required by regulation to have regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities (the Code). The key objectives of the Prudential Code are to ensure that within a clear framework, the capital investment plans of local authorities are affordable, prudent and sustainable. A further objective is to ensure that treasury management is undertaken in a manner that supports prudence, affordability and sustainability.
- B42 The Council is responsible for approving prior to the commencement of the financial year the prudential indicators for the forthcoming financial year and at least the two subsequent financial years required by the Code. The indicators required as a minimum are:

For the three year period:

Estimates of the ratio of financing costs to net revenue stream;
Estimates of the Council Tax that would result from the totality of the authority's plan;
Estimates of capital expenditure;
Estimate of capital financing requirement (underlying need to borrow for a capital purpose);
Authorised limit for external debt;
Operational boundary for external debt; and
aAny locally determined indicators considered appropriate

After the year end actual values are to be calculated for:

Ratio of financing costs to net revenue stream;
Capital expenditure;
Capital financing requirement; and
External debt.

Responsibilities of the Chief Finance Officer

- B43 The Chief Finance Officer is responsible for establishing procedures to both monitor performance against all forward looking prudential indicators and for ensuring that net external borrowing does not exceed the capital financing requirement. The Chief Finance Officer will report to Council any significant deviations from expectations. The Chief Finance Officer will ensure that regular monitoring is undertaken in year against the key measures of affordability and sustainability, by reviewing estimates of financing costs to revenue and the

capital financing requirement. Significant variation in the estimates used to calculate these prudential indicators, for example caused by major overruns of expenditure on projects or not achieving in-year capital receipts, will require a report to Council setting out management action.

REVENUE

Authorisation of Revenue Expenditure

B44 Subject to Financial Regulations, Contract Standing Orders and any other specific limitations, the Chief Executive, and each Deputy Chief Executive is authorised to spend those sums voted to their areas of responsibility for the financial year. With the exception of Regulations B47-B52 below, revenue expenditure may only be incurred for purposes specified in the Annual Budget, and is strictly limited to the amounts voted under relevant budget heads.

Key Controls

B45 The key controls for managing budgets are:

There is a nominated budget manager for each cost centre heading;

Budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities;

Budget managers follow an approved certification process for all expenditure; and

Income and expenditure are properly accounted for.

Responsibilities of the Chief Finance Officer

B46 To establish an appropriate framework of budgetary management and control that ensures that:

- a) Budget management is exercised within annual cash limits;
- b) Each Deputy Chief Executive and Group Head has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities;
- c) Ensure each cost centre has a single named Manager determined by the, relevant Deputy Chief Executive or Group Head. As a general principle, budgetary responsibility should be aligned as closely as possible to the decision making processes that commits expenditure;
- d) To be responsible for providing appropriate financial information to enable budgets to be monitored effectively;
- e) To administer the Council's scheme of virement; and
- f) To prepare and submit reports on the Council's projected income and expenditure compared with the budget to Management Team, Group Heads and Corporate Policy and Resources Committee on a regular basis.

Responsibilities of the Chief Executive, Deputy Chief Executives and Group Heads

- B47 The Chief Executive, Deputy Chief Executives are responsible for supervising income and expenditure within their services. Similarly Group Heads are responsible for supervising income and expenditure within their departments.
- B48 To control income and expenditure within their areas and to monitor performance taking account of financial information provided by the Chief Finance Officer. They should take any action necessary to avoid exceeding their budget allocation and alert the Chief Finance Officer to any problems.
- B49 To maintain budgetary control within their services and to ensure that all income and expenditure is properly recorded and accounted for.
- B50 To ensure that spending remains within a services's overall cash limit and that individual budget heads are not overspent by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast.
- B51 To ensure compliance with the scheme of virement.
- B52 To agree with the relevant Chief Executive, Deputy Chief Executive or Group Head where it appears that a budget proposal, including a virement proposal may impact materially on another service area.

REPORTS WITH FINANCIAL IMPLICATIONS

- B53 The Chief Finance Officer will be consulted on any report on any matter affecting or likely to affect the Council's finances.
- B54 This consultation will take place as early as possible, before any meeting of staff or councillors at which the report is first considered.
- B55 Any Committee report with financial implications will first be submitted to Management Team.

FINANCIAL REGULATION C: CONTROL OF RESOURCES

INTRODUCTION

- C1 It is essential that robust systems are maintained for identifying and evaluating all significant operational risks to the Council on an integrated basis. This includes the active participation of all staff associated with planning and delivering services

Risk management

- C2 Risk Management is the whole process of identifying, and evaluating and controlling the strategic and operational risks of the Council. A risk is the chance or possibility of loss, damage, injury or failure to achieve objectives by an unwanted or uncertain action or event. This includes the risk of 'missed opportunities'.
- C3 As the Council is the custodian of public funds risk management is particularly significant and the level of risk that can be tolerated in its activities will need to be carefully considered with risks and reward carefully evaluated.
- C4 The sections below outline key components of the Council's adopted risk management framework.
- C5 The key controls for risk management are:-
- a) establishing clear roles, responsibilities and reporting lines within the Council for risk management;
 - b) maintaining a clear Corporate Risk Register and Policy;
 - b) incorporating risk management considerations into all operations and decision making processes;
 - c) maintaining documented procedures for the control of risk and the provision of suitable information, training and supervision;
 - d) maintaining an appropriate incident reporting and recording system with investigation procedures to establish cause and prevent recurrence;
 - e) offering a framework for allocating resources to identified priority risk areas;
 - f) operating appropriate project management methodologies proportionate to the scale of projects;
 - g) reinforcing the importance of effective risk management as part of the everyday work of employees by offering training;
 - h) maintaining effective communication and the active involvement of every councillor and employee of the Council;
 - i) including risk management as an agenda item at meetings as appropriate and holding Corporate Risk Management Group meetings;
 - j) providing opportunities for shared learning on risk management across the Council; and
 - k) preparing contingency plans in areas where there is a potential for an occurrence having a catastrophic effect on the Council and its business capability.

- C6 The Chief Finance Officer is responsible for ensuring regular corporate assessments of risk and Group Heads for reviewing risks annually.
- C7 The Chief Finance Officer is responsible for developing specific programmes and procedures for establishing and maintaining risk management activities and to ensure the dispersal of vital information and, where appropriate, provide guidance, interpretation and understanding of the systems involved.
- C8 The Chief Finance Officer has implemented a risk management structure involving the Management Team, a Corporate Risk Management Group, Internal Audit and Group Heads to support their responsibilities.
- C9 Group Heads will take responsibility for risk management in their department having regard to advice from the Chief Finance Officer and other specialist staff (e.g. health and safety, internal audit).

INSURANCE

- C10 The Chief Finance Officer will arrange all insurance cover, keep a register of insurances and ensure the Council's insurance arrangements are reviewed each year.
- C11 Before the annual renewal of insurance cover, the Chief Finance Officer will provide the Deputy Chief Executives as necessary with a summary of all current insurances to check and review their adequacy.
- C12 Each Group Head will provide the Chief Finance Officer immediately with details of all new risks to be insured, and of any alterations affecting existing insurable risks.
- C13 Each Deputy Chief Executive will forward any new or renewal contract terms to the Chief Finance Officer for risk analysis before any contract is let and appropriate insurance cover arranged.
- C14 Each Deputy Chief Executive will ensure that any proposals for new buildings or alterations to existing buildings are copied to the Chief Finance Officer before any tenders are requested, for risk analysis and arrangement of appropriate insurance cover.
- C15 The appointment of insurance brokers to act on behalf of the Council will be reviewed every three years by the Chief Finance Officer.
- C16 Any event which may result in an insurance claim will be immediately notified to the Chief Finance Officer, to make all claims on the Council's Insurers. Where an incident has occurred Group Heads must take steps to mitigate any future incident, but where a repair is required should first take a photograph for evidence purposes.
- C17 No staff member will admit liability, take any action or enter into any correspondence admitting liability on behalf of the Council.
- C18 All staff and voluntary workers on Council business are included in a suitable fidelity guarantee policy.

Internal control

- C19 Internal Control is a key component in the Council's Risk Management process. It relates to the whole system of policies, processes and checks employed to mitigate risks.
- C20 Internal control refers to the systems of control to ensure that the Council's objectives are achieved in a manner which promotes economical, efficient and effective use of resources, that the Council's assets and interests are safeguarded, and that organisational goals will be achieved.
- C21 The Chief Finance Officer is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.
- C22 It is the responsibility of Group Heads to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to control risks.

Internal Audit requirements

- C23 The authority of the Internal Audit function is derived from legislation and for local authorities this is implied by Section 151 of the Local Government Act 1972, which requires that authorities shall *'make arrangements for the proper administration of their financial affairs and shall ensure that one of their officers has responsibility for the administration of those affairs'*.

The Accounts and Audit (England) Regulations 2015 more specifically state *'A local government body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper practices in relation to internal control'*.

All audit work must be conducted in accordance with the Public Sector Internal Audit Standards.

- C24 Significant issues arising from audit reports will be reported to the relevant Deputy Chief Executive, and periodic reports will be made to Management Team and the Audit Committee.
- C25 The Chief Finance Officer and the Chief Internal Auditor provided by Southern Internal Audit Partnership or their authorised representatives shall have authority where necessary in the performance of Council duties to:
- enter any Council premises or land in the occupation of the Council;
 - have access to all records, documents and correspondence relating to any financial and other transaction of the Council;

- require and receive oral or written explanations from any employee as he/she thinks necessary concerning any matter under examination; and
- require any employee of the Council to produce cash, stores or any other Council property under their control.

C26 The Audit Committee is to approve the annual audit plan prepared by the Chief Internal Auditor provided by Southern Internal Audit Partnership to take account of the characteristics and relative risks of the activities involved.

C27 Any suspected fraud or irregularity must be reported to the Chief Finance Officer who will refer the matter to Internal Audit for investigation.

Internal Audit will have organisational independence through direct reporting lines to the Section 151 Officer, the Chief Executive and Audit Committee.

The Audit Committee will approve the Annual Governance Statement

Responsibilities of Chief Executive, Deputy Chief Executives and Group Heads

C28 To ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets which the auditors consider necessary for their work.

C29 To ensure that auditors are given any information and explanations they seek in the course of their work.

C30 To consider and respond promptly to recommendations in audit reports.

C31 To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.

C32 To ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the Chief Internal Auditor provided by Southern Internal Audit Partnership before implementation.

C33 The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs who have statutory rights of access.

Preventing fraud and corruption

C34 The Council is a public body and therefore will not tolerate any fraud and corruption in the administration of its responsibilities, whether from inside or outside the authority. All councillors and employees are expected to lead by example on all aspects of honesty, propriety and accountability. The Council also expects that individuals and organisations with whom it comes into contact (e.g. suppliers, contractors, service providers, and partners) will act towards the authority with integrity.

- C35 The Council's Anti-fraud, Bribery and Corruption policy sets the culture for the organisation to address the risk of fraud and corruption, and summarises the methods of prevention, detection and investigation in place.
- C36 All managers are responsible for developing and maintaining procedures to prevent fraud and corruption.

FINANCIAL IRREGULARITIES

- C37 The Chief Finance Officer will be notified of any irregularity in the financial affairs of the Council or in the exercise of its functions.
- C38 Irregularities will be reported as appropriate to the Chief Executive and councillors.
- C39 Any councillor or staff member who is aware of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property, resources or systems, should immediately report it to their Group Head, Chief Finance Officer, Chief Internal Auditor provided by Southern Internal Audit Partnership, Chief Executive, Deputy Chief Executives, Monitoring Officer or External Auditor, having regard to the Council's Anti-Fraud, Bribery and Corruption Policy. Pending investigation and reporting, the Group Head should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration
- C40 If officers feel they cannot raise their concerns through any of these routes, they may contact Protect (0203 117 2520), a registered charity whose services are free and strictly confidential.
- C41 Where irregularities involve either councillors or staff the Chief Finance Officer, in consultation with the Chief Executive, is responsible for deciding whether to involve the police.

Assets

- C42 Group Heads must ensure that records and assets are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.
- C43 Separate registers are maintained for the following fixed assets:
- land and buildings (maintained on the Property Terrier);
 - vehicles and plant;
 - ICT equipment
 - furniture and equipment financed from capital; and
 - infrastructure expenditure.
- C 44 It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and the approval of the Deputy Chief Executives.

- C45 If the Council decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with its approved intellectual property procedures.

SECURITY

General

- C46 The Deputy Chief Executives, along with the Group Heads, are responsible for the security of buildings, stocks, stores, furniture, equipment, cash etc under their control. The Chief Finance Officer will be consulted where security may be failing or where special security arrangements may be needed.

Data Protection and Information Security

- C47 The Chief Executive, and Deputy Chief Executives are responsible for the security and privacy of information held within their services and for ensuring compliance with Data Protection, Copyright and Computer Misuse Acts.
- C48 All staff members will be made aware of their obligations under the Acts and the Council's policy regarding data and systems security as set out in the Finance Procedure Manual and on Spelnet. This includes physical security, privacy and passwords, back ups, viruses and software copyright.

Responsibilities of the Chief Finance Officer

- C49 The Chief Finance Officer is responsible through the Group Head for Regeneration and Growth, for strategic management and maintenance issues.
- C50 The Chief Finance Officer is responsible in liaison with Accountancy, ICT Services and Asset Management for maintaining the Council's Asset Register.
- C51 To ensure that asset registers are maintained in accordance with good practice for fixed assets. The function of asset registers is to provide the Council with information about fixed assets so that they are:
- safeguarded;
 - used efficiently and effectively; and
 - adequately maintained.

To ensure that assets are valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC).

- C52 To report to the Corporate Policy and Resources Committee any significant (over £50k) write-off of stocks and stores.

Responsibilities of Chief Executive, and Deputy Chief Executives

C53 The Chief Executive, Deputy Chief Executives and Group Heads are responsible for day to day management of assets used within their services and are accountable for ad hoc maintenance.

Responsibilities of Group Heads

C54 The Group Head for Regeneration and Growth must maintain an Asset Register in a form approved by the Chief Finance Officer for all land and buildings. The Group Head for Neighbourhood Services is to maintain asset registers in a form approved by the Chief Finance Officer for vehicles and plant currently owned or used by the Council. The Group Head for Commissioning and Transformation to maintain an asset register of all ICT equipment in a form approved by the Chief Finance Officer. Any use of property by a department or establishment other than for direct service delivery, with the exception of investment properties, should be supported by documentation identifying terms, responsibilities and duration of the use.

C55 The Group Head for Neighbourhood Services is responsible for organising ad hoc maintenance of Neighbourhood Services' assets.

C56 Group Heads are to ensure the proper security of all buildings and other assets under their control. Investment property let to third parties is their responsibility to secure.

C57 To pass the title deeds to the Group Head of Corporate Governance, who is responsible for custody of all title deeds.

C58 To ensure that the department maintains an inventory of moveable assets in accordance with guidance defined by the Chief Finance Officer.

C59 To ensure that controls are in place to ensure that staff members do not carry out private work in Council time and that staff are aware of an employer's rights with regard to intellectual property.

All assets

C60 To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the Council.

C61 To record all disposal or part exchange of assets and notify the Finance team. Individual assets valued at £1,200 or more should be disposed of or part exchanged by competitive tender or public auction unless the Chief Finance Officer agrees otherwise.

C62 To arrange for the valuation of assets for accounting purposes to meet requirements specified by the Chief Finance Officer.

- C63 To seek advice from the relevant Deputy Chief Executive, or Chief Executive on the disposal of surplus or obsolete materials, stores or equipment, subject to paragraph C61 above.
- C64 To ensure that income received for disposal of an asset is properly banked and coded.
- C65 Assets for disposal should be identified and disposed of:
- a) at the most appropriate time;
 - b) when it is in the Council's best interests; and
 - c) for the best price (taking into account factors such as environmental issues).

Land, buildings and other assets

- C66 To ensure that leaseholders and other prospective occupiers of Council land are not allowed to take possession of or enter the land until a lease or agreement, in a form approved by the relevant Deputy Chief Executive, has been established as appropriate.

Moveable assets

- C67 To ensure that assets are identified, their location recorded and that they are appropriately marked.
- C68 The Deputy Chief Executives and Group Heads are responsible for all furniture and equipment in their departments. Wherever practicable, items will be marked as the property of the Council.
- C69 A central inventory of all furniture, fittings and equipment, plant and machinery will be maintained by the Group Head of Regeneration and Growth , with each Service providing details of all acquisitions and disposals. Services are to liaise with the Finance team
- C70 Council property may not be removed unless on Council business and with the written agreement of the Chief Executive, or Deputy Chief Executive concerned.
- C71 All items on the inventory will be checked annually by Group Heads, and any discrepancies reported to the Chief Finance Officer. As part of the annual check services are to review the condition of assets and take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as laptops, computer equipment, cameras and recording equipment should be identified with security markings as belonging to the Council.
- C72 The Chief Finance Officer will approve write-off of discrepancies, except where the authority of the Corporate Policy and Resources Committee is required under paragraphs D20 to D22 below.
- C73 The Deputy Chief Executives and Group Head for Neighbourhood Services may authorise the disposal of furniture and equipment with an estimated market value of up to £1,200 (per item or collectively). The Chief Finance Officer will approve disposal of more valuable items in writing.

- C74 To make sure that property is only used in the course of the Council's business unless the Chief Executive, or Deputy Chief Executive concerned has given permission otherwise.

Stocks and stores

- C75 The Chief Executive, Deputy Chief Executives and the Group Head for Neighbourhood Services are responsible for all stores held in their services. Wherever practicable, all items will be effectively marked as the property of the Council.
- C76 Stores held will not exceed reasonable requirements.
- C77 All goods received will be checked against the copy order at time of delivery and the supplier immediately notified of rejected goods.
- C78 All receipts, issues and balance of stock items will be properly recorded in a form agreed by the Chief Finance Officer.
- C79 The Chief Executive, Deputy Chief Executives and the Group Head for Neighbourhood Services will regularly check that items are accounted for, and arrange for continuous and independent stocktaking to be carried out. Any material shortfalls will be reported to the Chief Finance Officer. The Chief Executive, Deputy Chief Executives and the Group Head Neighbourhood Services will also arrange for stocktakes and the provision of signed stock certificates as at 31 March each year, as good management and to satisfy external audit requirements.
- C80 The write-off of shortfalls will be approved in writing by the Chief Finance Officer, except where the authority of the Policy and Resources Committee is required under paragraphs D20 to D22 below
- C81 The Deputy Chief Executives and Group Head for Neighbourhood Services may authorise the disposal of stores with an estimated market value of up to £1,200 (per item or collectively). The Chief Finance Officer will approve disposal of more valuable items in writing.
- C82 Where the disposal value is less than £1,200, the Group Head must dispose of the item in a fair and effective manner and keep a record of the disposal.
- C83 Procedures for disposal of such stocks and equipment where their value is over £1,200 should be by competitive quotations or auction unless the Chief Finance Officer advises otherwise in a particular case.

Cash

- C84 Maximum limits for cash holdings will be agreed with the Chief Finance Officer and not exceeded without their permission. Group Heads are to ensure cash holdings on premises are kept within the agreed limits. Group Heads to ensure that keys to safes and similar receptacles are carried on the person of those responsible whilst the site is occupied and removed from the premises when the site is unoccupied and to ensure that access codes, combinations and passwords remain confidential and are made available to the Finance team.

TREASURY MANAGEMENT

- C85 Treasury Management covers all activities associated with any monies borrowed (Loans) or invested (Investments) on behalf of the Council irrespective of the time period covered by the transactions. It also embraces the management and control of the Council's banking arrangements.
- C86 The Council has adopted CIPFA's "Code of Practice for Treasury Management in Local Authorities".
- C87 A Treasury Policy Statement setting out its strategy and procedures has been adopted by the Council, and its implementation and monitoring delegated to the Corporate Policy and Resources Committee.
- C88 All money (as defined in the Treasury Policy Statement) in the hands of the Council will be aggregated for the purposes of Treasury Management and be under the control of the Chief Finance Officer as the officer designated for the purposes of Section 151 of the Local Government Act, 1972.
- C89 The Chief Finance Officer is responsible for reporting to the Council a proposed treasury management and annual investment strategy for the coming financial year at or before the start of each financial year. The report will set out the proposed levels for the prudential treasury management indicators required by the CIPFA Prudential Code for Capital Finance in Local Authorities.
- C90 All executive decisions on borrowing, investment or financing will be delegated to the Chief Finance Officer, who is required to act in accordance with CIPFA's "Code of Practice for Treasury Management in Local Authorities", the Treasury Policy Statement and Systems Documentation.
- C91 All investments of the Council's funds will be made in the name of the Council by the Chief Finance Officer, unless the Council has authorised its investments to be made by an outside agent, when they should be in the name of Trustees for the Council.
- C92 All loans to the Council will be negotiated by the Chief Finance Officer and paid direct by the lender or their agent into the Council's bank account.
- C93 All stocks of interim loan receipts, temporary loan receipts and bond certificates will be controlled by the Chief Finance Officer.
- C94 The Chief Finance Officer is the only primary authorised signatory to any form of loan receipts, including such receipts issued under seal.
- C95 Repayment of loans will, wherever possible, be made through the head office of the Council's bankers in exchange for the original loan receipt.
- C96 The Chief Finance Officer is authorised to borrow temporarily pending receipt of money from Business Rates, loans, Council Tax, Government Grants and other income properly due to the Council, within the limit agreed by the Council each year.
- C97 The Chief Finance Officer will report to the Corporate Policy and Resources Committee twice each financial year on the activities of the Treasury

Management operation, and on the exercise of Treasury Management powers delegated to them. One of these reports will be an Annual Report on Treasury Management to be presented by 30 September of the succeeding financial year.

BANKING ARRANGEMENTS

- C98 The Chief Finance Officer is responsible for operating and supervising the Council's Bank and Giro Accounts, including ordering, custody and issue of all cheques. The Chief Finance Officer will review the Council's banking arrangements at least every 5 years.
- C99 The Chief Finance Officer, the Deputy Chief Finance Officer and the 1st signatory, and others approved in writing by the Chief Finance Officer, each have authority, in accordance with the mandate given to the bank, to sign cheques and be accepted as satisfactory signatories for any other purpose in connection with the Council's Bank and Giro Accounts.
- C100 All payment instructions for amounts of £21,000 and above require two authorising signatures, namely, the Chief Finance Officer or the Deputy Chief Finance Officer as the 1st signatory, and others approved in writing by the Chief Finance Officer as the 2nd signatory.
- C107 Where the Chief Finance Officer's signature or name, or that of their predecessor, is pre-printed on cheques or Giro-cheques, or is printed by computer or by cheque signing machine, adequate security arrangements will be made for the custody and control of both cheques and signature plates.
- C101 All banking accounts will be reconciled with the cash book each month.

PETTY CASH ACCOUNTS

- C102 When there is no easy access to the Cashiers at the Council offices, the Chief Finance Officer will advance petty cash balances to responsible staff members. An account of total petty cash spent with vouchers, certified by the Chief Executive, Deputy Chief Executives or person authorised by them, will be passed to the Chief Finance Officer for reimbursement. The petty cash account will be kept in a form and manner agreed by the Chief Finance Officer.
- C103 Use of petty cash will be kept to a minimum and limited to expenses which are unavoidably or conveniently payable in this manner. They will not include items over £30 unless agreed by the Chief Finance Officer.
- C104 Income received on behalf of the Council will not be paid into a petty cash account, but paid to the Council in accordance with paragraphs D8 –D19 below.
- C105 Officers responsible for petty cash accounts will give the Chief Finance Officer an annual certificate for each account balance by 15 April.
- C106 On returning a petty cash account, a staff member will account to the Chief Finance Officer for the amount advanced to them.
- C107 Petty cash and other floats will be available for inspection by audit.

Credit Cards

C108 Maximum limits for credit card facilities will be agreed by the Chief Finance Officer and these will not be exceeded without their permission. Group Heads and Service Managers are to authorise the monthly expenditure incurred by their staff who are authorised credit card users. No personal expenditure is to be incurred on an authorised council credit card and it is the responsibility of the authorised card holder to keep PIN numbers safe and immediately advise their manager and credit card provider if the card becomes cloned or lost.

Unofficial Funds

C109 Management Team is responsible for ensuring the proper administration of unofficial funds, that is any funds associated with Council business, supervised or managed by Council staff, but not part of the Council's funds, such as social funds in Day Centres.

C110 The Chief Finance Officer will be notified of any unofficial funds and give advice on keeping and auditing them.

C111 Any staff member holding unofficial funds will produce an accurate account in writing of all financial transactions, with associated supporting documentation.

PROTECTION OF PRIVATE PROPERTY IN THE TEMPORARY CUSTODY OF THE AUTHORITY/LOST PROPERTY

C112 The Chief Executive, and Deputy Chief Executives will ensure that details of any lost property is recorded before removal, that two officers certify the accuracy of the record, and that items are held securely until disposal.

C113 The Chief Executive, and Deputy Chief Executives will obtain proof of ownership prior to release of property.

C114 The Chief Executive, and Deputy Chief Executives will agree how to dispose of unclaimed items with the Chief Finance Officer.

SALARIES AND WAGES

C115 The Chief Finance Officer is responsible for the payment of all salaries, wages, compensation and any other sums to current and former employees.

C116 The Chief Executive, and Deputy Chief Executives will notify the Chief Finance Officer immediately of all appointments, resignations, or any other events affecting terms of employment or pay, including all sick absences, accidents on or off duty, or special leave without pay.

C117 Where required, time sheets in a form approved by the Chief Finance Officer will:-

- (a) be completed by the employees themselves unless illiterate, when the supervisor will complete them, with a note of the circumstances;
- (b) be certified by the appropriate supervisor unless otherwise agreed by the Chief Finance Officer; and
- (c) be forwarded to the Chief Finance Officer at a time agreed by them.

C118 Claims for expenses will be in a form approved by the Chief Finance Officer and signed by the Chief Executive, or Deputy Chief Executive concerned or their nominated staff member, to certify their accuracy and reasonableness. Claims must be submitted within seven days of the end of the month in which the expenditure was incurred.

CODE OF CONDUCT FOR EMPLOYEES

C119 The Staff Code of Conduct (Part 5b of this Constitution) applies to and will be followed by all staff members. It covers:

Standards, disclosure of information, political neutrality, relationships, appointments and other employment matters, outside commitments, personal interests, equality issues, separation of roles during tendering, sponsorship, gifts and hospitalit, and use of financial resources.

Financial Regulation D – Systems and Procedures

- D1 Sound systems and procedures are essential to an effective framework of accountability and control.

General

- D2 The Chief Finance Officer is responsible for the operation of the Council's IT systems for financial and business-related purposes, for accounting systems, the form of accounts and the supporting financial records. Any changes made to the existing financial systems or the establishment of new systems must be approved by the Chief Finance Officer. However, Group Heads are responsible for the proper operation of financial processes in their own departments.
- D3 Any changes to agreed procedures by Group Heads to meet their own specific service needs should be agreed with the Chief Finance Officer.
- D4 Group Heads should ensure that their staff receive relevant financial training which has been approved by the Chief Finance Officer.
- D5 Group Heads must ensure that, where appropriate, details of system containing personal data are provided to the Data Protection Officer so that where applicable they are registered in accordance with Data Protection legislation.
- D6 Group Heads must ensure that staff are aware of their responsibilities under the freedom of information legislation and comply with guidance issued by the Group Head of Commissioning and Transformation or the Group Head of Corporate Governance.

Income and expenditure

- D7 It is the responsibility of Group Heads to ensure that a proper scheme of delegation has been established within their area and is operating effectively. The scheme of delegation should identify staff members authorised to act on the Group Heads' behalf in respect of payments, income collection and for placing orders together with the limits of their authority.

The Chief Finance Officer is responsible for specifying the procedure to be followed in ordering, making payments, collecting income and approving procedures for writing off debts as part of the overall control framework of accountability and control.

INCOME

Setting Fees and Charges

- D8 Fees and charges will be reviewed at least annually as part of the budget setting process.

- D9 Any changes or new charges will be agreed by the Corporate Policy and Resources Committee or the Chief Executive or Deputy Chief Executives, as set out in the constitution.

Invoicing and Collection of Income Due

Responsibilities of the Chief Finance Officer

- D10 The Chief Finance Officer is responsible for agreeing arrangements for the collection of all income due to the Council and approving the procedures, systems and documentation for its collection.
- D11 All receipt forms, books, tickets and similar items will be ordered and supplied to Services by the Chief Finance Officer.
- D12 The Chief Finance Officer is responsible for paying all monies received into the Council's bank, normally not later than the next business day.
- D13 To approve all debts to be written-off in accordance with the scheme of delegation.

Responsibilities of Chief Executive, Deputy Chief Executives, and Group Heads

- D14 The Chief Executive, or each of the Deputy Chief Executives will provide the Chief Finance Officer with details of all amounts due.
- D15 All monies received by a staff member on behalf of the Council will be paid without delay to the Chief Finance Officer as follows, unless direct deposit with the Council's bankers is arranged.
- Cash – daily
cheques exceeding £1,000 – daily
cheques not exceeding £1000 – within 3 days
- All cheques and postal orders received in any part of the Council will be crossed with "Account Borough of Spelthorne".
- D16 Every sum received by a member of Council staff will be immediately acknowledged by the issue of an official receipt, ticket or voucher, except for cheques where the Chief Finance Officer may agree other arrangements.
- D17 Every transfer of official money from one staff member to another will be immediately acknowledged by the issue of a receipt or, where appropriate, by signature in a cash accounting record.
- D18 The Chief Finance Officer shall be notified of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the Council.
- D19 The Chief Executive, Deputy Chief Executives and Group Heads will notify the Chief Finance Officer of all income due before the end of the financial year but not yet invoiced, in accordance with the closure timetable prepared each year by the Chief Finance Officer.

WRITE-OFFS OF INCOME, STOCKS, FURNITURE AND EQUIPMENT

- D20 The Chief Finance Officer may write off income or physical items with a value not exceeding £5,000 or unlimited where there is bankruptcy, liquidation proceedings, administration or receivership proceedings have been instigated.
- D21 Group Heads and the Deputy Group Head for Customer Services and Deputy Chief Executive (Chief Finance Officer) may write off debts for individual outstanding balances up to the following values:
- Council Tax to the value of £5,000
 - Business Rates to the value of £9,000
 - Housing Benefits to the value of £5,000
 - Sales Ledger to the value of £3,000
- D22 An up to date record of all income written-off will be maintained by the Chief Finance Officer, and an independent reconciliation of write-off sums to approved lists for write-off will be made periodically.

SPONSORSHIP

- D23 Where an outside organisation wishes to sponsor or is asked to sponsor a local government activity, whether by invitation, tender, negotiation or voluntarily, the basic conventions concerning acceptance of gifts and hospitality applies, as detailed in the Code of Conduct for Employees.
- D24 A Gifts, Hospitality and Sponsorship Register is maintained by Corporate Governance, where details of any sponsorship accepted by staff on behalf of the authority will be entered.

ORDERS FOR WORKS, GOODS AND SERVICES

Responsibilities of the Chief Finance Officer

- D25 The Chief Finance Officer will approve the form and control of all official orders.

Responsibilities of Chief Executive, Deputy Chief Executives and Group Heads

- D27 The Chief Executive, Deputy Chief Executives and Group Heads are responsible for the control and use of official orders in their respective services.
- D28 The Chief Finance Officer will be notified in writing of staff authorised to issue orders on behalf of the Chief Executive and Deputy Chief Executives, with specimen signatures and details of authority limits, in accordance with the delegations approved under paragraphs A20-A23 above. Group Heads are to ensure that their department reviews periodically a list of staff members approved to authorise invoices.
- D29 All orders will be issued through the financial system except in agreed circumstances, such as for supplies of gas and electricity services, petty cash purchases or where a formal contract is to be prepared.

- D30 If it is not practicable to issue an official order when an order is placed, one will be completed immediately afterwards by the staff member placing the order, and marked "Confirmation of telephone or verbal order"
- D31 Wherever possible the Council will seek to transmit to suppliers by electronic means official purchase orders.
- D32 Official orders will be goods receipted by the staff member responsible for the works or receiving goods. It is important to provide separation of duties between staff raising and goods receipting orders. The Chief Finance Officer will agree accounts to evidence of receipt before making payment.
- D33 As a general principle and subject to Contract Standing Orders, all purchases will be open to competition wherever reasonable and cost effective.

PAYMENT OF ACCOUNTS

Responsibilities of the Chief Finance Officer

- D34 The Chief Finance Officer is responsible for examining, verifying and certifying invoices and any other payment vouchers or accounts through the financial system. Any exceptions will be returned to originating officers for certification. Details of staff members authorised to sign such records will be sent to the Chief Finance Officer by the Chief Executive and each Deputy Chief Executive, together with specimen signatures and authority limits, in accordance with the delegations described at paragraphs A18-A21 above.
- D35 To ensure that all payments for works, goods, and services are made within the statutory 30 days (Late Payment of Commercial Debts (Interest) Act 1988) unless any other terms or conditions have been agreed in writing. Any interest incurred under that act will be recharged to the cost centre of the original payment.
- D36 The Chief Finance Officer will pay accounts due at set intervals, usually not less than once every week.
- D37 A register of periodical payments will be maintained by the Chief Finance Officer for control and monitoring purposes.

Responsibilities of Chief Executive, Deputy Chief Executives and Group Heads

- D38 The certifying officer will ensure:
- (a) the work, goods or services to which the account relates have been received, carried out, examined and approved;
 - (b) the prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct and agree with the official order or contract;
 - (c) the relevant expenditure has been properly incurred and is within the relevant budget;
 - (d) appropriate entries have been made in inventories, stores records or other records as required;
 - (e) the account has not been previously passed for payment and is a proper liability of the Council; and

- (f) the correct expenditure code has been inserted in respect of each item.

- D39 For purchase of land or property, details of the purchase, the name of the vendor and the purchase price and acquisition expenses will be given in a statement for certification by the Chief Executive. Full details of such purchases will be entered in the official Asset Register, to be kept by the Chief Finance Officer.
- D40 The Chief Executive, and Deputy Chief Executives will notify the Chief Finance Officer of all outstanding expenditure relating to the previous financial year in accordance with the agreed closure timetable prepared each year by the Chief Finance Officer .
- D41 Group Heads are to ensure that invoices are passed for payment promptly to ensure they can be paid within 30 days.

CONTRACTS FOR BUILDING, CONSTRUCTION OR ENGINEERING WORK, ASSOCIATED MAINTENANCE CONTRACTS AND EMPLOYMENT OF CONSULTANTS

Contract Standing Orders

- D42 The Chief Executive, and Deputy Chief Executives will ensure compliance with the Council's Contract Standing Orders.

Tenders

- D43 The Chief Finance Officer will investigate the financial status of tenderers as necessary.
- D44 No contract will be entered into unless the Chief Executive, or relevant Deputy Chief Executive is confident of the tenderer's ability to complete the contract.
- D45 The Chief Executive, and Deputy Chief Executives will provide the Chief Finance Officer and the Corporate Procurement Manager with details of all contracts for entry into the contracts register.

Contract Register

- D46 The Chief Finance Officer will maintain an online up to date register of all contracts with a total value of more than £5,000. Purchase orders which have been properly authorised in accordance with the Contract Standing Orders, will not for this purpose constitute contracts.
- D47 The Deputy Chief Executives and Group Heads will be responsible for notifying the Chief Finance Officer and the Corporate Procurement Manager with details of all new contracts and forthcoming contracts necessary to enable the register to be maintained.

Contract Payments

- D48 Payments on account to contractors will only be made on a certificate issued by the supervising officer and signed by the relevant Group Head.
- D49 The payment certificate will show the total amount of the contract, the sum paid to date, the instalment certified, the balance remaining, the retention monies, and Value Added Tax (VAT).

- D50 The Chief Executive, or Deputy Chief Executive concerned is responsible for obtaining all necessary sub-contractors' tax certificates and forwarding them to the Chief Finance Officer prior to payment.
- D51 Under the Inland Revenue Construction Industry Scheme (IR14/15(CIS)) introduced 1 August 1999, payments cannot be made to sub-contractors unless a tax certificate has been obtained.

Variations

- D52 Where practical changes are necessary which do not alter the essential nature of the original contract, as opposed to additional works, goods or service, the Chief Executive, or relevant Deputy Chief Executive may approve such variations after consultation with the Chief Finance Officer, provided the cost of the proposed variation can be met from within the total budget approved for the contract and such variation also accords to the procedures in Contract Standing Orders.
- D53 Where the approved budget would be exceeded, approval for any variation must be obtained in accordance with the provisions for amendments to budgets within these regulations.
- D54 The reasons for and details, including cost, of every variation must be recorded on the relevant contract file, specifically authorised in writing by the supervising officer and endorsed by the Chief Executive or appropriate Deputy Chief Executive, and a copy supplied to the Chief Finance Officer at the time of issue.
- D55 Documented variation orders are not required where site instructions are issued for routine repairs under a maintenance contract, such as for park seat repairs, street cleaning or clearance of fly tipping, provided a budget is built into the contract to cover such work.

Final Account

- D56 The final certificate of completion will not be issued until the supervising officer has provided the Chief Finance Officer with a detailed statement of account and all relevant documents required.
- D57 The Chief Finance Officer will examine contract final accounts, make all necessary enquiries and receive any information and explanations they require to confirm the accuracy of the accounts.
- D58 Claims from contractors for matters not clearly within the terms of any existing contract will be referred to the Group Head of Corporate Governance to consider the Council's legal liability and, where necessary, to the Chief Finance Officer for financial consideration before a settlement is reached.

Agency Arrangements

- D59 As far as practicable, Financial Regulations apply to works entered into on behalf of a body from whom the Council has accepted delegated powers, or for whom the Council acts as an agent. The requirements of any such body should be followed if they differ from these Financial Regulations or Contract Standing Orders.

Consultants

D60 In the case of contracts entered into by the Council and supervised by consultants, any agreement with the latter should include a requirement to comply with the Council's Financial Regulations.

VALUE ADDED TAX (VAT)

D61 The Chief Finance Officer is responsible for maintaining all records, accounts and claims as directed by the Valued Added Tax Act, 1983.

VAT on Payments

D62 The Chief Finance Officer will take reasonable steps to ensure that the payment documentation provided by all suppliers of goods, works, or services conforms to the requirements of a proper VAT invoice.

VAT on Receipts

D63 Each staff member responsible for raising invoices on behalf of the Council will ensure within reason that the Council has complied with relevant Value Added Tax legislation regarding the supply of its services.

Exempt Supplies

D64 For services where VAT supplies are classified as Exempt under VAT regulations, officers will ensure that all activities are fully evaluated for VAT purposes and any tax implications are identified before any expenditure is committed or contractual arrangements made.

D65 The following are usually classified as Exempt activities under VAT rules:

Land & Buildings (unless have opted to tax)	Social Services	Education	Burial & Cremation
Insurance	Finance	Health	

Payments to employees and Councillors and co-opted members

D66 The Chief Finance Officer is responsible for paying all employees and allowances to Councillors and co-opted members.

MEMBERS' ALLOWANCES

D67 The Chief Finance Officer will make payments to any Members or co-opted members entitled to claim allowances on receipt of the proper form, completed and certified in accordance with the Council's scheme for allowances.

Taxation

D68 The Chief Finance Officer is responsible for advising Management Team/Group Heads, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council.

D69 The Chief Finance Officer is responsible for maintaining the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

Financial Regulation E – External Arrangements

- E1 The Council provides a distinctive leadership role in the community. As part of the Community Strategy it brings together other local public, private, voluntary and community sector organisations in partnership to address local needs.
- E2 A partner can be an organisation undertaking part funding or participating as a beneficiary in a project, or a body whose nature or status give it a right or obligation to support the project, or a body working on a joint venture with the Council for the delivery or acquisition of services.

Partnerships

- E3 The Corporate Policy and Resources Committee is responsible for approving partnership arrangements with other public, private, voluntary and community sector organisations to address local needs.
- E4 The Council and strategic committees can delegate functions – including those relating to partnerships – to staff. These are set out in the scheme of delegation that forms part of the Council’s Constitution and any subsequent delegations.
- E5 The Chief Executive is responsible for ensuring the due diligence and legality for all partnership arrangements.
- E6 Group Heads are responsible for informing the Chief Finance Officer and Group Head of Corporate Governance of partnership arrangements entered into so that they can ensure that accounting arrangements adopted relating to partnerships and joint ventures are satisfactory and that the overall corporate governance arrangements are satisfactory when contracts are arranged with external bodies. The Chief Finance Officer must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

External funding

- E7 The Chief Finance Officer is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council’s accounts.

Work for third parties

- E8 The Chief Finance Officer and the Group Head of Corporate Governance are responsible for approving the contractual framework for any work for third parties or external bodies.

GLOSSARY OF TERMS

Accrual	A sum included in the final accounts to cover income or expenditure attributable to that year but for which payment was not received/made during that year. Local authorities only accrue for revenue expenditure; capital expenditure is recorded on a receipts and payments basis.
Appropriation	The transfer of ownership of land or buildings from one service to another. Transfer of the purpose for holding land from one purpose to another.
Budget	A statement of the authority's plans for revenue and capital expenditure and income over a specified period of time.
Budget Head	A specific area of activity where expenditure may be incurred or income collected.
Capital Discharged	The amount of capital expenditure which has been paid for out of revenue or other sources.
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Capital Receipts	Proceeds from the sale of assets and other receipts of a capital nature over £10,000.
Capital Receipts Unapplied	Capital receipts not yet used for repayment of debt, or to finance capital expenditure.
Deferred Capital Receipts	Deferred Capital Receipts are the amounts derived from sales of assets which will be received in instalments over agreed periods of time.
Fidelity Guarantee	Insurance against fraudulent losses.
Government Grants	Sums paid by central Government towards either specific services or in aid of services generally.

Net Revenue Budget	
Outturn	The actual income and expenditure for a period or financial year as disclosed by the quarterly reports or final accounts.
Precept	A rate which the Council is required to levy on behalf of a non-rating authority, e.g. Surrey County Council.
Rateable Value	The annual assumed rental value of a property, to which rate poundages are applied to arrive at rates payable.
Reserves	Funds set aside to meet future revenue and capital expenditure on specific items or as a contingency against future losses.
Revenue Contributions to Capital Outlay (REFCUS)	The financing of capital expenditure directly from revenue, as permitted under statute.
Revenue Expenditure	The day to day costs of providing services, i.e., staff costs and overheads, such as, advertising, subscriptions and vehicle running costs.
Value for Money	<p>The National Audit Office (NAO) uses three criteria to assess the value for money of government spending i.e. the optimal use of resources to achieve the intended outcomes:</p> <p>Economy: minimising the cost of resources used or required (inputs) – spending less;</p> <p>Efficiency: the relationship between the output from goods or services and the resources to produce them – spending well; and</p> <p>Effectiveness: the relationship between the intended and actual results of public spending (outcomes) – spending wisely.</p>
Virement	The transfer of funds between budget heads, once approved by the Chief Financial Officer

Voted	Sums approved by councillors for expenditure against budget heads.
Working Balances	Sum provided within the accounts to meet those expenses which are incurred in advance of the receipt of income as well as for unforeseen contingencies.

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Council



27 February 2025

Title	Appointment of Monitoring Officer
Purpose of the report	To make a decision
Report Author	Daniel Mouawad, Chief Executive
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	Not applicable
Corporate Priority	This item is not in the current list of Corporate Priorities but still requires a Committee decision.
Recommendations	Council is asked to designate Linda Heron as Monitoring Officer from 3 March 2025
Reason for Recommendation	To comply with the Local Government and Housing Act 1989. It is the legal duty of the Council to have a Monitoring Officer and to designate one of its officers as such.

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> The Council’s previous Monitoring Officer retired from the Council on 31 December 2024, and an Interim Monitoring Officer has been serving until a permanent appointment is made 	<ul style="list-style-type: none"> It is the legal duty of the Council to have a Monitoring Officer and to designate one of its officers as such.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> Appoint a Monitoring Officer so the Council can fulfil its legal duties 	<ul style="list-style-type: none"> Appoint a Monitoring Officer

1.1 This report seeks to appoint a Monitoring Officer following the recruitment process for a permanent Monitoring Officer and Head of Corporate Governance.

1.2 Following advertisement of the post, the Council received 9 applications. With the assistance of an external advisor and Human Resources, four candidates were shortlisted to be interviewed by the Appointments and Appeals Committee on 11 February 2025.

1.3 Following a full day of interviews, the Appointments and Appeals Committee unanimously recommended Linda Heron for the role of Monitoring Officer. Linda Heron is currently serving as the Council's Interim Head of Corporate Governance and Interim Monitoring Officer.

2. Key issues

2.1 Under section 5 of the Local Government and Housing Act 1989, the Council has a duty to appoint a Monitoring Officer. Neither the Head of Paid Service nor the Chief Finance Officer can hold the position of Monitoring Officer.

2.2 There is no statutory requirement for the position to be held by a legally qualified officer but given the nature of the duties it is expected that the role should be undertaken by a qualified lawyer as it is in most other Councils.

2.3 The Monitoring Officer has a number of statutory duties and responsibilities relating to the Council's Constitution and the arrangements for effective governance. These duties include maintaining the Constitution, ensuring that no decision or omission of the Council is likely to give rise to illegality or maladministration and promoting high standards of conduct.

2.4 Article 10.1 of the Constitution provides that it is the responsibility of the Council to designate the Monitoring Officer.

2.5 Article 10.7 of the Constitution states that the recruitment, selection and dismissal of Chief Officers (which includes the Monitoring Officer) will comply with the Officer Employment Procedure Rules set out in Part 4 of the Constitution.

2.6 Part 4 of the Constitution – the Officer Employment Procedure Rules states that the appointment of a Chief Officer should be made by a committee or sub-committee of the Council. That is, the decision to make the appointment to the substantive position of Group Head of Corporate Governance is a committee responsibility but the decision to designate that person as Monitoring Officer is one for the Council; both elements are required.

3. Options analysis and proposal

3.1 The Council may or may not agree the unanimous recommendation from the Appointments and Appeals Committee but does require to have suitable arrangements for a Monitoring Officer.

4. Financial management comments

4.1 No substantial implications.

5. Risk management comments

5.1 Not appointing a Monitoring Officer will not enable the Council to fulfil a number of statutory duties and all Councils are expected to have a Monitoring Officer.

5.2 The appointment of a Monitoring Officer will comply with the Council's legal duty to designate one of its officers as such.

6. Procurement comments

6.1 Not applicable.

7. Legal comments

- 7.1 The legal requirements of the Local Government and Housing Act 1989 are set out above.
- 8. Other considerations**
- 8.1 None.
- 9. Equality and Diversity**
- 9.1 No implications.
- 10. Sustainability/Climate Change Implications**
- 10.1 No implications.
- 11. Timetable for implementation**
- 11.1 The appointment of Linda Heron as Monitoring Officer will take effect on 3 March 2025.
- 12. Contact**
- 12.1 Daniel Mouawad, DCM.CEX@spelthorne.gov.uk

Background papers: There are none.

Appendices: There are none.

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Council

27 February 2025



Title	Appointment of Vice-Chair of Standards Committee
Purpose of the report	To make a decision
Report Author	Linda Heron, Interim Monitoring Officer
Wards Affected	All Wards
Exempt	No but Appendix A exempt
Exemption Reason	Report - Not applicable Appendix A - On the grounds that it contains information relating to an individual and is likely to involve the disclosure of exempt information as defined in Paragraph 1 (Information relating to any individual) of Part 1 of Schedule 12A of the Local Government Act 1972.
Corporate Priority	This item is not in the current list of Corporate Priorities but still requires a Council decision.
Recommendations	Council is asked to appoint: Martin Hull as the Vice-Chair of the Standards Committee for two years, until February 2027.
Reason for Recommendation	Following a recruitment process, Mr Hull was considered the most suitable applicant for the role.

1. Requirement for appointments

- 1.1 The Council's constitution specifies that the Standards Committee shall consist of 9 councillors and two independent members who are not staff or councillors.
- 1.2 The Chair and Vice-Chair of the Committee shall be the two independent members. They are present in an advisory capacity and are not entitled to vote at meetings. Initial appointments are for two years with a possibility of renewing the appointments once for another two-year period.
- 1.3 The current Vice-Chair, Dylan Price has held his position since 2020 and consequently a vacancy now exists for that role.

2. Recruitment process

- 2.1 A recruitment process has been undertaken. The recruitment pack included a person specification stating the essential and desirable requirements for the role, these being:

(a) Essential

As well as being of good character, Independent members of the Standards Committee must:

1. Bring the qualities of impartiality to any decisions which have to be made by the committee;
2. Possess the ability to take an objective approach to decision making without being swayed by popular opinions or influenced by more powerful and articulate councillors taking part in the decision making;
3. Demonstrate the ability to consider contentious matters fairly;
4. Understand and weigh up evidence objectively;
5. Be able to deal with substantial documentation and to analyse and interpret that which is important, meaningful and relevant;
6. Respect others and have respect for strong ethical values;
7. Be a good listener with an open mind;
8. Be able to constructively challenge the accepted views of others and put forward clear and logical alternatives; and
9. Possess good written and oral communication skills.

(b) Desirable

It would be desirable for the Independent member to the Standards Committee to have:

1. Had involvement in or knowledge of public authorities or voluntary organisations;
2. Experience for working in a committee setting, research groups, investigations panels or other similar situations;
3. Experience in dealing with complaints;
4. Knowledge of the role of Councillors in a public authority; and/or
5. Knowledge of the Nolan Principles.

- 2.2 The role was advertised on the Council's website, in its e-newsletter and on all social media channels from 16 December 2024 until 20 January 2025.
- 2.3 There was a positive response to the advertisement with four applications for the role. Three candidates were interviewed.
- 2.4 The interviews were undertaken by the Chief Executive, Interim Monitoring Officer and Paul Hoey as an independent advisor. Paul Hoey was selected to be on the interview panel due to his expertise in this area. He was Director of Strategy at Standards for England from 2001 until its closure in 2013, and he has worked with over 400 authorities in one form or another through provision of training, investigative support and wider governance advice. He most recently assisted the Council to deliver its training to Standards Committee at the induction in 2023.

2.5 The interview panel were unanimous in their decision on the recommendation to put before the Council.

3. Recommendation for appointments

3.1 It is recommended that the Council appoints Martin Hull as Vice-Chair of the Standards Committee as he clearly demonstrated the essential and desirable skills, knowledge, abilities and personal qualities required for the role.

3.2 Mr Hull is a business leader with 25 years of international experience steering organisations through complex transitions, as well as dealing with public reporting, ethical standards, and potential conflicts of interest. He also has experience of managing sensitive executive remuneration discussions. Mr Hull demonstrated an ability to handle contentious issues fairly and diplomatically, remaining open-minded and impartial in decision-making processes. Further details regarding Mr Hull's professional background are contained at Appendix A.

3.3 Mr Hull demonstrated a good knowledge and understanding of local government and respect for the Nolan Principles.

4. Next steps

4.1 If the Council is minded to approve the appointment, training for the Standards Committee Vice-Chair would be provided prior to the next scheduled meeting of the Committee in June 2025.

APPENDICES

Exempt Appendix A – Summary of Mr Hull's professional background

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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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Commercial Assets Sub-Committee

Decisions taken at the meeting held on Monday, 16 December 2024.

Meeting Time:

1.30 pm

Meeting Venue:

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

PRESENT: Councillor Lawrence Nichols (Chair), Councillor Sean Beatty (Vice-Chair), Councillor Denise Saliagopoulos and Councillor Howard Williams

5. FORWARD PLAN

The Sub-Committee **resolved** to note the forward plan for future committee business.

7. COMMERCIAL PORTFOLIO UPDATE

The Sub-Committee **resolved** to note the updates.

8. NEW LETTING , 36B KINGSTON ROAD TO ULTRAMECH LTD

The Sub-Committee **resolved** to:

- 1) Approve a letting of 36b Kingston Road to Ultramech Ltd on the terms set out in the report
- 2) Authorise the Group Head of Assets in consultation with the Chair and Vice-Chair of the Commercial Assets Sub-Committee to agree to any variations to the proposed terms and authorise the Group Head of Corporate Governance to enter the new lease and associated documentation.

9. URGENT ACTIONS

The Sub-Committee **resolved** to note the urgent action that had been taken by the Chief Executive in consultation with the Chair and Vice-Chair of the Sub-Committee.

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 Corporate Policy and Resources 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.*
- (6) *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 Corporate Policy and Resources Committee.*
- (7) *Where the call-in cannot wait until the next ordinary meeting, the Monitoring Officer will arrange an extraordinary meeting of the Corporate Policy and Resources Committee to review the decision subject to call-in at the earliest possible opportunity.*
- (8) *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 Corporate Policy and Resources Committee.*
- (9) *In reviewing a matter referred to it under the call-in scrutiny procedure rules, the Corporate Policy and Resources Committee shall follow the procedure for dealing with call-in scrutiny at its meetings as set out in Part 4b of the Constitution.*
- (10) *The deadline of three working days for "call in" in relation to the above decisions by the Committee is the close of business on 19 December 2024.*

Decisions taken at the meeting held on Monday, 27 January 2025.

Meeting Time:

1.30 pm

Meeting Venue:

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

PRESENT: Councillor Lawrence Nichols (Chair), Councillor Sean Beatty (Vice-Chair), Councillor Malcolm Beecher, Councillor Darren Clarke, Councillor Howard Williams, and Mark Bunney (Independent Member)

7. EXCLUSION OF PUBLIC AND PRESS (EXEMPT BUSINESS)

It was proposed by Councillor Beatty, seconded by Councillor Williams and resolved to exclude the public and press for the following agenda items, in accordance with paragraph 3 of part 1 of Schedule 12A of the Local Government Act 1972 (as amended) because it was likely to disclose information 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 being able to undertake even-handed negotiations and finalising acceptable contract terms.

8. COMMERCIAL PORTFOLIO UPDATE

The Sub-Committee **resolved** to note the updates.

9. ELMSLEIGH PROPERTY MANAGEMENT UPDATE

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

10. LEASE RENEWAL UNIT 4 ELMSLEIGH SHOPPING CENTRE, STAINES-UPON-THAMES TW18 4QB

The Sub-Committee **resolved** to agree to the recommendations as set out in the report.

11. SUMMIT CENTRE, SUNBURY-ON-THAMES, SITE SALE

The Sub-Committee **resolved** to agree to the recommendations as set out in the report.

12. INVESTMENT & REGENERATION ASSETS BUSINESS PLANS

The Sub-Committee **resolved** to note the annual Business Plans for Communications House, Porter Building, Thames Tower, and World Business Centre 4.

13. GROUND FLOOR LETTING, CHARTER BUILDING

The Sub-Committee **resolved** to agree to the recommendations as set out in the report.

14. LEASE RENEWAL, COMMUNICATIONS HOUSE

The Sub-Committee **resolved** to agree to the recommendations as set out in the report.

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;*
 - (a) *Decisions to award a contract following a lawful procurement process;*
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- (1) *Those matters to which Note (1) applies, if any, are identified with an asterisk [*] in the above Minutes.*
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- (4) *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 Corporate Policy and Resources Committee.*
- (8) *Where the call-in cannot wait until the next ordinary meeting, the Monitoring Officer will arrange an extraordinary meeting of the Corporate Policy and Resources 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 Corporate Policy and Resources Committee.*
- (10) *In reviewing a matter referred to it under the call-in scrutiny procedure rules, the Corporate Policy and Resources 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 30 January 2025.*

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Decisions taken at the meeting held on Tuesday, 7 January 2025.

Meeting Time:

7.00 pm

Meeting Venue:

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

PRESENT: Councillor Sue Doran (Chair), Councillor Michelle Arnold, Councillor Maureen Attewell, Councillor Chris Bateson, Councillor Lisa Brennan, Councillor Sandra Dunn, Councillor Adam Gale, Councillor Rebecca Geach, Councillor Kathy Grant, Councillor Anant Mathur and Councillor Paul Woodward

5. COMMUNITY WELLBEING & HOUSING DRAFT DETAILED BUDGET FOR 2025/26

Committee **resolved** to agree the Community Wellbeing draft detailed budget for 2025/26 and made a recommendation to Corporate Policy and Resources Committee to approve the proposed budget.

6. COMMUNITY WELLBEING & HOUSING - DRAFT DETAILED CAPITAL BUDGET FOR 2025/26

Committee **resolved** to agree the Community Wellbeing draft detailed capital budget for 2025/26 and made a recommendation to Corporate Policy and Resources Committee to approve the proposed budget.

7. ANNUAL GRANT AWARDS 2025/2026*

Committee **resolved** to:

1. Approve the recommendations of the Grants Panel regarding the proposed recipients of the 2025/2026 community grants, and made a recommendation to Council.
2. Approve the recommendations of the Grants Panel regarding indicative grant funding for the 5 core funded organisations for 2026/2027.
3. Note the other support that Spelthorne Borough Council provides to the voluntary/charity sector.
4. Note the proposal that 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

8. ECLIPSE LEISURE CENTRE ADDITIONAL SPEND

Committee **resolved** to:

1. Approve option one (Non-Combustible Timber Upstand) and a budget of £3000 in relation to the sauna coals.
2. Approve option 4, subject to exploring alternative hedging solutions and a budget of £10,000 in relation to the barrier to protect the turfed area.
3. Delegate approval of the final solution in relation to the design barrier to protect the turfed area to the Group Head Community Wellbeing in consultation with the Chair and Vice Chair of Community Wellbeing and Housing Committee.

9. LEISURE AND CULTURE STRATEGY

Committee **resolved** to:

1. Approve and adopt the Spelthorne Leisure & Culture Strategy 2025-2035
2. Agree delegated authority to the Group Head, Community Wellbeing in consultation with Chair and Vice Chair of Community Wellbeing and Housing Committee to make necessary changes to the Spelthorne Leisure and Culture Strategy, 2025 – 2035.

10. HOUSEHOLD SUPPORT FUND PHASE 6

Committee **resolved** to:

1. Agree the proposed scheme of distribution of Household Support Fund Phase 6 as per preferred option 3.
2. Agree that in the event of any funds being unallocated that they are moved to the “General Allocation Pot” at the end of March 2025.

11. COMMUNITY CENTRE SATURDAY OPENING

Committee **resolved** to:

1. Continue to endorse the Council’s approach of expanding the Community Centres provision to take account of the impact of current cost of living, energy and social isolation crisis on our communities.
2. Continue with the provision of opening at least one community centre within the borough of Spelthorne for 6 days a week, which is currently in place, engaging centre staff to provide the additional provision as per option 2.
3. To agree delegated authority to Deputy Chief Executive Terry Collier in consultation with Chair and Vice Chair of Community Wellbeing and Housing Committee to agree a continuation every 6 months within the permitted budget envelope.

13. OPTIONS FOR PRICING MEALS ON WHEELS

The Committee **resolved** to make a recommendation to Corporate Policy and Resources Committee to increase the unit price of meals on wheels based on option 3.

14. OPTIONS FOR PRICING OPAL (OLDER PERSONS ACTIVE LIVING) GROUP

The Committee **resolved** to make a recommendation to Corporate Policy and Resources Committee to increase the unit price of OPAL Group based on option 2.

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;*
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- (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 Corporate Policy and Resources 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 Corporate Policy and Resources Committee.*
- (8) *Where the call-in cannot wait until the next ordinary meeting, the Monitoring Officer will arrange an extraordinary meeting of the Corporate Policy and Resources 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 Corporate Policy and Resources Committee.*
- (10) *In reviewing a matter referred to it under the call-in scrutiny procedure rules, the Corporate Policy and Resources 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 13 January 2025.***

Decisions taken at the meeting held on Tuesday, 14 January 2025.

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 Lisa Brennan, Councillor Tony Burrell, Councillor Jolyon Caplin, Councillor John Doran, Councillor Sue Doran, Councillor Anant Mathur, Councillor Joanne Sexton, Councillor John Turner, Councillor Howard Williams and Councillor Paul Woodward

5. ENVIRONMENT & SUSTAINABILITY - DRAFT DETAILED BUDGET FOR 2025/26

The Committee **resolved** to recommend to Corporate Policy and Resources Committee to approve the proposed budget with the agreed amendments.

6. ENVIRONMENT & SUSTAINABILITY - DRAFT DETAILED CAPITAL BUDGET FOR 2025/26

The Committee **resolved** to recommend to Corporate Policy and Resources Committee to approve the proposed budget.

7. AUDITED FINANCIAL STATEMENTS FOR SPELTHORNE DIRECT SERVICES LTD (SDS) FOR THE YEAR END 31 MARCH 2024

The Committee **resolved** to note the report, and particularly the unqualified audit report.

8. HEATHROW EASTERLIES ALTERATION CONSULTATION*

The Committee **resolved** by majority to make comments to the Planning Committee advising that the Environment and Sustainability Committee agrees with the officer's attached draft report to raise **objection** on unacceptable noise impact on Spelthorne properties in Stanwell Moor.

9. CONSERVATION AREA APPRAISALS

The Committee **resolved** to

1. Note the comments received on each Conservation Area Appraisal; and
2. Agree the Laleham Conservation Area Appraisal and boundary revisions;
3. Agree the Lower Halliford Conservation Area Appraisal and boundary revisions;
4. Agree the Lower Sunbury Conservation Area Appraisal with additional text at S5.0 Summary of Issues and boundary revisions with alterations at Swan Island;
5. Agree the Manygate Lane Conservation Area Appraisal;
6. Agree the Shepperton Conservation Area Appraisal and boundary revisions;
7. Agree the Stanwell Village Conservation Area Appraisal and boundary revisions;
8. Agree the Upper Halliford Conservation Area Appraisal with text amendments at S4.0 Summary of Issues, and boundary revisions with retention of 34 Upper Halliford Road.

10. UPDATE TO SANDBAG POLICY

The Committee **resolved** to approve the update to the Sandbag Policy.

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:*
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 - (a) *Decisions to award a contract following a lawful procurement process;*
 - (b) *Those decisions:*
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 - ii. *on regulatory matters*
 - iii. *on member conduct issues.*
- (1) *Those matters to which Note (1) applies, if any, are identified with an asterisk [*] in the above Minutes.*
- (2) *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 Corporate Policy and Resources 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.*
- (3) *The members exercising the right of call-in must not be members of the Committee which considered the matter.*
- (4) *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 Corporate Policy and Resources Committee.*
- (8) *Where the call-in cannot wait until the next ordinary meeting, the Monitoring Officer will arrange an extraordinary meeting of the Corporate Policy and Resources 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 Corporate Policy and Resources Committee.*
- (10) *In reviewing a matter referred to it under the call-in scrutiny procedure rules, the Corporate Policy and Resources 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 20 January 2025.*

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Decisions taken at the meeting held on Thursday, 16 January 2025.

Meeting Time:

7.00 pm

Meeting Venue:

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

PRESENT: Councillor Howard Williams (Chair), Councillor John Boughtflower (Vice-Chair), Councillor Chris Bateson, Councillor Malcolm Beecher, Councillor Jon Button, Councillor Tony Burrell, Councillor Jolyon Caplin, Councillor Darren Clarke, Councillor Anant Mathur and Councillor Sinead Mooney

8. BUSINESS, INFRASTRUCTURE AND GROWTH DRAFT DETAILED BUDGET

The Committee **resolved** to recommend to Corporate Policy and Resources Committee to approve the proposed budget.

9. GRANT APPLICATION BY THE SPELTHORNE BUSINESS FORUM

The Committee **resolved** to recommend to Council to approve the grant application made by the Spelthorne Business Forum.

10. EXCLUSION OF PUBLIC AND PRESS (EXEMPT BUSINESS)

It was proposed by Councillor Boughtflower, seconded by Councillor Bateson and **resolved** to exclude the public and press for the following agenda items, in accordance with paragraph 3 of part 1 of Schedule 12A of the Local Government Act 1972 (as amended) because it was likely to disclose information 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 being able to undertake even-handed negotiations and finalising acceptable contract terms.

11. SUMMIT CENTRE, SUNBURY-ON-THAMES, SITE SALE

The Committee **resolved** to agree to the recommendations as set out in the report.

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 Corporate Policy and Resources 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.
- (1) The members exercising the right of call-in must not be members of the Committee which considered the matter.
- (2) 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 Corporate Policy and Resources Committee.
- (8) Where the call-in cannot wait until the next ordinary meeting, the Monitoring Officer will arrange an extraordinary meeting of the Corporate Policy and Resources 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 Corporate Policy and Resources Committee.
- (10) In reviewing a matter referred to it under the call-in scrutiny procedure rules, the Corporate Policy and Resources 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 21 January 2025.

Decisions taken at the meeting held on Monday, 20 January 2025.

Meeting Time:

7.00 pm

Meeting Venue:

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

PRESENT:

2. MINUTES

The minutes of the meeting held on 09 December 2024 were agreed as a correct record.

3. DISCLOSURES OF INTEREST

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

Councillor Nichols declared that he sat on the Knowle Green Estates board of directors.

4. QUESTIONS FROM MEMBERS OF THE PUBLIC

There were no questions received from members of the public.

5. CORPORATE POLICY AND RESOURCES DRAFT DETAILED BUDGET FOR 2025/26*

The Committee **resolved** to:

Approve the Draft Detailed Budget for the Corporate Policy & Resources Committee before it was presented back to this Committee as part of the overall budget for this Council for 2025/26.

6. CORPORATE POLICY AND RESOURCES DRAFT CAPITAL PROGRAMME FOR 2025/26

The Committee **resolved** to note the draft Capital Programme for 2025/26.

7. TREASURY MANAGEMENT STRATEGY MID-YEAR REVIEW

The Committee **resolved** to note the performance of the Treasury Department during the first six months of 2024/25.

8. TREASURY MANAGEMENT DRAFT STRATEGY 2025-26

The Committee **resolved** to:

1. Recommend to Council that it approves the Treasury Management Strategy for

2025-26 as set out in the report; and

2. Advise Council that by approving the report, they will be agreeing to the Treasury Management Practices (TMP), MRP statement, Operational Boundary and Authorised Limits.

9. REFRESHED SINKING FUND MODEL

The Committee asked for additional information to be provided on the proposed Sinking Fund Model and training to be given to all committee members before they agreed to note the report.

A demonstration of the model is to be provided to members of this committee and the Commercial Assets Sub-Committee before the model is refined and brought back to this committee.

10. REVISED CORPORATE COMPLAINTS POLICY*

The Committee **resolved** to approve the adoption of the proposed revised Corporate Complaints Policy.

11. 2023-24 AUDITED ACCOUNTS FOR KGE

The Committee **resolved** to note the contents of the report and in particular the unqualified audit report.

12. ECLIPSE LEISURE CENTRE ADDITIONAL SPEND

The Committee requested that a more clear and concise report be brought back to this committee for them to consider the current budget position for the construction of the Eclipse Leisure Centre.

13. CORPORATE PLAN PROGRESS REPORT

The Committee were advised that this item had been deferred to the next meeting of the Committee on 10 February 2025.

14. TERMS OF REFERENCE FOR KGE TASK & FINISH GROUP*

The Committee **resolved** to agree the Terms of Reference for Knowle Green Estates Task & Finish Group.

15. TERMS OF REFERENCE FOR REORGANISATION BOARD

The Committee agreed that this item would be taken to the Extraordinary Council Meeting to be held on 06 February 2025.

16. URGENT ACTIONS

The Committee were advised that no urgent actions had been taken since the last meeting of the committee on 09 December 2024.

17. FORWARD PLAN

The Committee resolved to note the contents of the Forward Plan for this committee.

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 Corporate Policy and Resources 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 Corporate Policy and Resources Committee.*
- (8) *Where the call-in cannot wait until the next ordinary meeting, the Monitoring Officer will arrange an extraordinary meeting of the Corporate Policy and Resources 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 Corporate Policy and Resources Committee.*
- (10) *In reviewing a matter referred to it under the call-in scrutiny procedure rules, the Corporate Policy and Resources 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 **28 February 2025**.*

Decisions taken at the meeting held on Monday, 10 February 2025.

Meeting Time:

7.00 pm

Meeting Venue:

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

PRESENT:

4. PROPOSED FEES AND CHARGES FOR 2025-26

The Committee **resolved** to agree the Fees and Charges for 2025-26.

5. DETAILED BUDGET FOR 2025/26

The Committee **resolved** to recommend that Council consider and approve the following:

1. To approve a 2.9% increase on the Spelthorne Borough Council element of the Council Tax for 2025-26. Moreover:
 - a. The Revenue estimates as set out in Appendix 1 be approved.
 - b. £400,100 as set out in this report are to be appropriated from Earmarked Reserves other than sinking fund reserves in support of Spelthorne's local Council Tax for 2025-26.
 - c. Net use of £5,037,300 of Earmarked Sinking Funds reserves.
 - d. To agree that the Council Tax Base for the year 2025-26 is 40,620 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 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 Section 25 and 26 of the Local Government Act 2003.

5. The Council Tax Base for the whole Council area for 2025-26. (Item T in the formula in Section 31b(3) of the Local Government Finance Act 1992, as amended (the 'act')) should be 40,620 band D equivalent dwellings and calculate that the Council Tax requirement for the Council's own purpose for 2025-26 is £228.86 Per Band D equivalent dwelling.

That the following sums be now calculated by the Council for the year 2025-26 in accordance with Section 31 to 36 of the Local Government Act 1992.

A	11,762,300	The Council's estimated gross expenditure - 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	-112,446,000	The Council's estimated gross income - being the aggregate of the amount which the Council estimates for the items set out in Section 31A (3) of the Act
C	9,296,300	The Council's estimated net expenditure or budget requirement - 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	228.86	The average band D Council Tax - 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	The sum of the parish precepts - being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
F	228.86	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.

That the following amounts be calculated for the year 2025-26 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011.

A	B	C	D	E	F	G	H
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£	£	£	£	£	£	£	£
152.57	178.00	203.43	228.86	279.72	330.58	381.43	457.72

6. CAPITAL STRATEGY 2025/26 TO 2026/27

Committee **resolved** to recommend that Council approves the Capital Strategy as set out in the report.

7. ESTIMATED 2025/26 TO 2028/29 CAPITAL PROGRAMME

The Committee **resolved** to recommend that Council approves the proposed Capital Programme for 2025/26 to 2028/29.

8. CAR PARK MANAGEMENT SYSTEM AWARD*

The Committee **resolved** to:

1. Approve the tender award as set out in this report; and
2. Delegate authority to the Group Head of Corporate Governance to enter into necessary legal documentation to formalise the appointment of the preferred contractor.

9. PAY POLICY 2025/26

The Committee **resolved** to recommend to Council that the Pay Policy Statement is approved.

10. CORPORATE PLAN PROGRESS REPORT

The Committee **resolved** to:

1. Note the update on progress with the planned actions under each of the Corporate Plan priorities, which are summarised in Appendix A; and
2. Agree to a review of the planned actions under the Corporate Plan to take account of the factors outlined in this report, in particular the proposed reorganisation of Local Government in Surrey and for progress with any revised prioritisation of actions to be reported back to the next meeting of this Committee.

11. URGENT ACTIONS

The Committee **resolved** to note the two urgent actions that had been taken since the last meeting.

12. FORWARD PLAN

The Committee **resolved** to note the contents of 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;*
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- (2) *Those matters to which Note (1) applies, if any, are identified with an asterisk [*] in the above Minutes.*
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- (8) *Where the call-in cannot wait until the next ordinary meeting, the Monitoring Officer will arrange an extraordinary meeting of the Corporate Policy and Resources 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 Corporate Policy and Resources Committee.

- (10) In reviewing a matter referred to it under the call-in scrutiny procedure rules, the Corporate Policy and Resources 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 **13 February 2025**.*

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Report of the Chair on the Work of the Planning Committee

This report gives an overview of the key items considered by the Committee at its meetings on 08 January 2025 and 05 February 2025.

1. Planning Committee Meeting – 08 January 2025

- 1.1 The Committee considered three reports.
- 1.2 Application No. 24/01268/RVC Development Site at Former the Old Telephone Exchange, Elmsleigh Road, Staines-upon-Thames, TW18 4PN Variation of Condition 2 (plan numbers) relating to planning permission 20/01199/FUL for the demolition of the former Masonic Hall and redevelopment of site to provide 206 dwellings together with car and cycle parking, hard and soft landscaping and other associated works. To update the approved plans to remove reference to Affordable Housing.
- 1.3 The Committee agreed to **defer** the decision on this application until the next meeting to allow time to discuss alternative provision with RentPlus.
- 1.4 Application No. 24/01434/FUL Sunbury Leisure Centre, Nursery Road, Sunbury-on-Thames, TW16 6LG Installation of Air Source Heat Pumps on flat roof.
- 1.5 The application was **approved** subject to the agreed condition that the acoustic level at the boundary of properties must not exceed [value to be advised], in the interest of residential amenity
- 1.6 Houses in Multiple Occupation (HMOs) - To consider a report on the Article 4 Direction made on 21 August 2024 in respect of Staines, Ashford North and Stanwell South, and Stanwell North wards. This item was carried over from the meeting on 10 December 2024.
- 1.7 The Committee **resolved** to confirm the Article 4 Direction made on 21 August 2024 in respect of Staines, Ashford North and Stanwell South, and Stanwell North wards, and serve an Article 4 Direction under the Town & Country Planning Act 1990 to remove Permitted Development Rights for HMOs across all ten remaining wards within Spelthorne to come into effect in twelve months' time

2. Planning Committee – 5 February 2025

- 2.1 The Committee considered 2 reports.
- 2.2 Application No. 24/01370/MIS Northern Runway, Heathrow Airport, Hounslow Adjoining Authority Consultation - Consultation by the London Borough of Hillingdon for enabling works to allow implementation of full

runway alternation during easterly operations at Heathrow Airport including the creation of a new 'hold area' at the western end of the northern runway, the construction of new access and exit taxiways, the construction of an acoustic noise barrier to the south of Longford Village and temporary construction compounds (Hillingdon ref: 41573/APP/2024/2838)

- 2.3 The Committee **resolved** to raise objection to the neighbouring authority consultation on noise grounds
- 2.4 Application No. 24/01268/RVC Development Site at Former the Old Telephone Exchange, Elmsleigh Road, Staines-upon-Thames, TW18 4PN Variation of Condition 2 (plan numbers) relating to planning permission 20/01199/FUL for the demolition of the former Masonic Hall and redevelopment of site to provide 206 dwellings together with car and cycle parking, hard and soft landscaping and other associated works. to update the approved plans to remove reference to Affordable Housing.
- 2.5 The Committee **resolved** to approve the application subject to the prior completion of a Section 106 agreement.

Motion for Council 27 February 2025

Proposer – Councillor H Williams

Secunder – Councillor C Bateson

Home delivery services via motorcycles, e-bikes and pedal cycles grew during Covid lockdowns and remain popular. However, they also raise some unwanted consequences.

In Spelthorne, high streets and shopping centres face growing need for parking spaces by delivery riders and, too often, that is leading to inconsiderate, dangerous and illegal parking on the pavement to the detriment and safety of pedestrians and there is currently no agreed response from Spelthorne Borough Council.

Therefore, this Council agrees to:

Ask that the Spelthorne Local Planning Authority (LPA) consider the requirements for motorcycle and e-bike parking in new retail developments and change of use applications, and include any necessary policy and supplementary planning documents to support this.

Write to fast-food delivery companies to highlight the issue of delivery riders parking on pavements and issues caused by riding on pavements.

Convene a round-table meeting with all delivery companies to discuss best practice guidelines in Spelthorne.

Work closely with partners, the Police and Surrey County Council to enforce current parking restrictions, and to identify measures to discourage all motorised vehicles from accessing the footway.

Highlight parking areas in Spelthorne that can be accessed by delivery riders and work to identify possible new alternative parking areas.

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