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Date: 11 January 2016

## Notice of meeting

### Overview and Scrutiny Committee

**Date:** Tuesday, 19 January 2016

**Time:** 7.30 pm

**Place:** Council Chamber, Council Offices, Knowle Green, Staines-upon-Thames

#### To: Members of the Overview and Scrutiny Committee

Councillors:

A.E. Friday (Chairman)  
D. Patel (Vice-Chairman)  
S.J. Burkmar  
S. Capes  
R. Chandler

K. Flurry  
N.J. Gething  
I.T.E. Harvey  
A.T. Jones  
J.G. Kavanagh

S.C. Mooney  
A. Neale  
O. Rybinski  
B.B. Spoor  
H.R.D. Williams

**Spelthorne Borough Council, Council Offices, Knowle Green**

**Staines-upon-Thames TW18 1XB**

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## AGENDA

| Description  | Lead                                  | Timings | Page Number. |
|--|---------------------------------------|---------|--------------|
| <b>1. Apologies</b><br>To receive any apologies for non-attendance.  | Chairman                              | 7.30 pm |              |
| <b>2. Minutes</b><br>To confirm the minutes of the meeting held on 10 November 2015.   | Chairman                              |         | 1 - 4        |
| <b>3. Disclosures of Interest</b><br>To receive any disclosures of interest from councillors in accordance with the Council's Code of Conduct for members.   | Chairman                              |         |              |
| <b>4. Call-in of Cabinet decisions</b><br>No decisions have been called in for review.   |                                       |         |              |
| <b>5. Presentation on proposals for devolution</b><br>To receive a presentation from Surrey County Council's Chief Executive, David McNulty and a member of his Policy team on proposals for devolution. | David McNulty SCC Chief Executive     | 7.35 pm |              |
| <b>6. Corporate Project Management update</b><br>To receive an update report on Corporate Project Management.  | Linda Norman                          | 8.35 pm | 5 - 26       |
| <b>7. Performance Review of Contracts</b><br>To receive a report on the performance review method of the Council's main contracts from the relevant Heads of Service and the Principal Solicitor.        | Victoria Statham and Heads of Service | 8.55 pm | 27 - 44      |
| <b>8. Treasury Management half-yearly report</b><br>To receive the Treasury Management half-yearly report.   | Ryan Maslen                           | 9.40 pm | 45 - 56      |
| <b>9. 6-month Capital Monitoring Report</b><br>To receive and note the 6 month Capital spend position.   | Adrian Flynn                          |         | 57 - 62      |
| <b>10. 6-month Revenue Monitoring Report</b><br>To receive and note the 6 month Revenue  | Adrian Flynn                          |         | 63 - 70      |

| Description  | Lead                  | Timings  | Page<br>Number. |
|--|-----------------------|----------|-----------------|
| spend position.  |                       |          |                 |
| <b>11. Leader's Task Groups update report</b><br>To note updates on the work of the Leaders' Task Groups for 'Knowle Green' and 'All other Assets'.  | Cllr<br>Saliagopoulos | 10.00 pm | 71 - 74         |
| <b>12. Cabinet Forward Plan</b><br>A copy of the latest Forward Plan is attached.<br><br>If any members of the Committee have any issues they want to raise in relation to the MAT Forward Plan, please inform Terry Collier, Deputy Chief Executive, 24 hours in advance of the meeting with reasons for the request. | Chairman              |          | 75 - 78         |
| <b>13. Work Programme</b><br>The Chairman will update the Committee on the proposed work programme for the remainder of the Municipal Year, at the meeting.  | Chairman              |          | 79 - 80         |

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**Minutes of the Overview and Scrutiny Committee  
10 November 2015**

**Present:**

Councillor A.E. Friday (Chairman)

Councillors:

|              |               |                 |
|--------------|---------------|-----------------|
| S.J. Burkmar | I.T.E. Harvey | O. Rybinski     |
| S. Capes     | A.T. Jones    | B.B. Spoor      |
| R. Chandler  | J.G. Kavanagh | H.R.D. Williams |
| K. Flurry    | S.C. Mooney   |                 |

**Apologies:** Councillors D. Patel and A. Neale

**283/15 Minutes**

The minutes of the meeting held on 15 September 2015 were agreed as a correct record.

**284/15 Disclosures of Interest**

There were none.

**285/15 Call-in of Cabinet decisions**

No Cabinet decisions had been called in for review.

**286/15 Assets and Income Generation**

The Staines-upon-Thames Regeneration Manager and Joint Head of Asset Management gave a presentation (attached to these minutes), outlining how the Council is using its assets for income generation and the impact on car park provision in the Borough.

They set out the latest position with regards to current and potential projects and explained that the income from these would help enable the Council to:

- balance its books over the medium term, through re-investment;
- build and strengthen the asset base through purchasing property for investment;

- provide benefits to local communities, e.g. environmental, facilities, housing on an invest to save basis;
- set up development company(ies) to deliver various types of housing and possibly other assets.

In the longer term the use of the Council's assets for income generation would bring opportunities to place shape communities, improve service provision for residents and make the Council self-sustaining.

The Portfolio Holder for Economic Development and Fixed Assets, Councillor Nick Gething, advised the Committee that reducing income from central government grants meant that the Council needed to continue to find ways to fund services to residents and not have to worry about cuts to them in the future.

**Resolved** to note the presentation on assets and income presentation in conjunction with the following presentation on the 2016/17 budget.

### **287/15 2016-17 Budget and beyond: The challenge of delivering a sustainable financial future**

The Portfolio Holder for Finance, Councillor Tim Evans, supported by the Chief Finance Officer, gave a presentation (attached to these minutes) outlining the context of the budget for 2016/17 and the challenges of delivering a sustainable financial future due to both the known demands and pressures on the budget and those that were difficult to forecast.

He reminded the Committee that the Council had a statutory obligation to balance the budget but in doing so its main purpose was to be able to have a Council that is sustainable and can provide the services and housing to residents that they need.

In order to achieve this sustainable future, Councillor Evans summarised the three areas of focus as:

- income generation through maximising investment returns and obtaining value and ongoing income from assets;
- relocating the Council offices to cheaper more flexible accommodation and generating housing rental income on the current site; and
- looking at alternative delivery models for some services.

Members of the Committee queried how the Council planned to make its contribution to the £40m shortfall sought by the Environment Agency from affected neighbouring authorities and local partners to fund the River Thames Scheme. The Deputy Chief Executive, Terry Collier informed the Committee that the Council was very much involved in discussions about the Scheme and had already built a small share, of the total contribution required, into the budget of £49k per annum for this and the next four years to help progress the detailed planning of the Scheme. He agreed to the request that a statement be published to raise awareness of the Council's involvement in the scheme.

**Resolved** that the Committee:

1. expresses concern that proper provision is made to provide adequate flood prevention measures for the Borough and
2. accepts the vital importance of the Towards a Sustainable Future programme and urges the Cabinet to use the inevitable delay caused by the change in Leadership to ensure that detailed policies are in place to enable implementation of this strategy as swiftly as possible.

### **288/15 Capital Monitoring Report**

The Committee received the Capital Monitoring report covering the period April to August 2015.

The Committee noted that for the period ending August 2015, capital expenditure including commitments was £350k (17.9%) of the original budget and (17.1%) of the revised budget (excluding the Knowle Green and Housing opportunity projects).

**Resolved** to note the current capital spend position.

### **289/15 Revenue Monitoring Report**

The Committee received the Revenue Monitoring Report providing the net revenue spend figures to the end of August 2015.

The Committee noted the forecast outturn at net expenditure level was £14.290m against the revised budget of £14.536m; which was a projected favourable variance of £246k. The Committee noted that after taking into account the use of carry forwards, the net position is approximately £245k favourable variance.

**Resolved** to note the current net revenue spend and forecast position.

### **290/15 Leader's Task Groups**

The Committee received an update on progress with the work of the Leader's Sub-Task Group for Assets and Regeneration in relation to Knowle Green from the chairman of the Group, Councillor Harvey.

The Portfolio Holder, Councillor Gething, noted that the Council would need to buy in professional expertise to acquire and develop the sites we were looking to develop in the future, as it had not employed staff with such skills for many years.

**Resolved** to note the work undertaken to date by the Leader's Task Group.

## **291/15 Cabinet Forward Plan**

The Committee received the Cabinet Forward Plan.

**Resolved** to note the Forward Plan.

## **292/15 Work Programme**

The Chairman referred to a topic identified by the Committee at its July meeting for inclusion in the work programme which was due to be considered at the January 2016 meeting, on a performance review of the Council's main contracts. He read out a list of the Council's main contracts which it was proposed to be included in the report:

1. Grounds maintenance
2. Vehicle supply – including contract for the hire of street cleansing and refuse collection vehicles
3. Leisure centres management
4. CCTV - Agreement for the provision of monitoring and maintenance services
5. Contract for the provision of general office cleaning at Knowle Green, Car Park Office, Fordbridge and Greeno Day Centres
6. Contract for the management of Staines Market
7. Provision of services for bulking, processing and disposal of co-mingled dry recyclables
8. Replacement of roof at Greeno Centre, Shepperton
9. Contract for the hire of vehicles for the Council's Meals on Wheels service

The Committee agreed the inclusion of all these contracts, with the exception of replacement of roof at Greeno Centre, Shepperton, in the report for the January 2016 meeting.

**Resolved** to note the Committee's Work Programme for the remainder of the Municipal Year.



# Overview and Scrutiny Committee

19 January 2016



|                              |  |                     |    |
|------------------------------|--|---------------------|----|
| <b>Title</b>                 | Corporate Project Management Report.   |                     |    |
| <b>Purpose of the report</b> | To note  |                     |    |
| <b>Report Author</b>         | Linda Norman   |                     |    |
| <b>Cabinet Member</b>        | Councillor Quentin Edgington   | <b>Confidential</b> | No |
| <b>Corporate Priority</b>    | Value for money Council  |                     |    |
| <b>Cabinet Values</b>        | Accountability   |                     |    |
| <b>Recommendations</b>       | <p><b>Overview and Scrutiny Committee is asked to:</b></p> <p><b>1. receive the report on the progress being made with:</b></p> <p style="padding-left: 40px;"><b>(a) The TaSF programme and work stream updates</b></p> <p style="padding-left: 40px;"><b>(b) The status of the Corporate Projects dashboard and Spelthorne Projects map;</b></p> <p><b>2. note the work the Corporate Project Team is undertaking to promote good practice and support project managers.</b></p> |                     |    |

## 1. Key issues

- 1.1 This report provides an update to MAT, Cabinet and Overview and Scrutiny on the progress of the Council's Priority projects and the Towards a Sustainable Future (TaSF) programme. Detailed reporting of all projects continues through Internal Project Boards. The latest detailed dashboards can be viewed on the Projects made Simple area on Spelnet.
- 1.2 Separate dashboards continue to be maintained for the TaSF programme (Appendix 1) and the Corporate Projects (Appendix 2) to record and track the progress of the key projects and work streams.
- 1.3 The structural review has been deferred to allow Management team to fully appraise the Leader of their plans and allow the new political administration an opportunity to reflect on and confirm its corporate priorities and therefore ensure the new structure will be aligned to help deliver those priorities.
- 1.4 Progress since September 2015
  - (a) Increase in number of TaSF projects from 13 to 16
  - (b) Increase in number of Corporate projects from 12 to 13
  - (c) Decrease in number of projects of TaSF projects at green from 10 to 8 mainly due to external factors such as delay in Heathrow expansion report and preferred bidder withdrawing from process
  - (d) Collation of corporate project register by service area for 2015/16 year

## **2. TaSF Project Dashboard update**

- 2.1 The new temporary Project Officer started in post on 21 September 2015 and has made good progress with the Agile Working strand of the TaSF programme. She is currently mapping out current and future office space requirements for each service area as well as progressing the Environmental Health hot-desking pilot. She will also be working with HR to review the Council's existing policies around work location, work style and staff consultation.
- 2.2 There are currently 16 project areas defined on the TaSF project map (see Appendix 3). These include Income Generation (Use of Assets Programme) (8), Knowle Green Programme (6) and Structural review (2).
- 2.3 This has increased from 13 from the previous quarter and the number of projects identified is likely to increase further as the Housing delivery projects start to come on stream moving forward.
- 2.4 The secondments for the Staines-upon-Thames Regeneration Manager and the Joint Head of Asset Management have been extended to 31 March 2016 to enable the continuity of the programme to continue.
- 2.5 Progress is being made on the various aspects of the Knowle Green Programme. The Programme Board meets quarterly and includes project managers, the project sponsor, key stakeholders such as ICT and Legal. A detailed project plan for the programme has been created.
- 2.6 The Council has appointed Vail Williams to oversee the acquisition of an existing building in an alternative location which will allow the Council to move from Knowle Green and redevelop it for residential usage. Three potential sites have been visited with regards to suitability.
- 2.7 Discussions have been regularly held with relevant stakeholders and work is continuing to find a suitable location to acquire a building within the borough as directed by Cabinet.
- 2.8 If very quick decisions have to be made on property acquisitions in connection with the office relocation (which are outside normal Council timescales for decision making) then the relevant authorisations will need to be requested from (and received by) the chairman of Overview and Scrutiny and extraordinary Cabinet meetings held to ensure the Council are able to act quickly in a fast moving environment.
- 2.9 Consideration for one or two customer facing 'shop fronts' or spaces with other public buildings has been included in the brief for Vail Williams should any new location not be easily accessible to the public.
- 2.10 Stakeholder communication continues through team meetings, TaSF updates on Spelnet and newsletters.
- 2.11 Two new projects have emerged from the Knowle Green Relocation strand. The Telephony relocation project is being over seen by The Head of Customer Services whilst the ICT infrastructure relocation project is being managed by the Head of ICT.
- 2.12 Work is continuing on the roll out of the EDMS (Electronic Document Management System) project with Planning now live on the new system and Building Control and Licensing following in December 2015. The 'people'

based strand will commence during the Spring 2016 with an anticipated completion date of March 2017. These projects are both on the critical path to enabling the Council to relocate to smaller offices in 2017.

- 2.13 The Corporate Project Manager (Jayne Brownlow) has started to scope out and develop the strategic framework for the Housing projects (Appendix 5).
- 2.14 Work on the other income generation projects is continuing with an expected completion date of March 2016 for Short Lane. Progress is on target for Bridge Street car park, with a planning application submitted in mid-December.
- 2.15 The TaSF Structural Review has been deferred to allow the new leader to align the new corporate priorities with the new structure to deliver these priorities.
- 2.16 Work on the Democratic Review cannot proceed until the Structural Review has been completed.
- 2.17 Progress is being made on the Alternative Delivery Models (ADM) with the Applied Resilience contract now live.
- 2.18 A Project Manager has now been appointed to deliver the West Surrey Building Control Partnership. Surrey Treasurers and Surrey HR Managers have met to discuss funding and impact on staffing and a meeting of Surrey Chief Executives is expected in the spring 2016 to discuss further. Guildford are the lead authority on this partnership.
- 2.19 Legal are progressing their business case. Three councils are now involved. The sponsors from all three councils will meet in January to confirm objectives and direction for the implementation of the project with a view to a report being presented to Cabinet as soon as possible thereafter.
- 2.20 Environmental Health are commencing a hot-desking pilot and undertaking further analysis regarding how their model will impact on support services.

### **3. Corporate Project Management Update**

- 3.1 Excluding the TaSF related projects, there are now 13 corporate projects of different categories which are currently being reported through the Internal Boards and the Spelthorne Projects map (Appendix 4). These are split into Priority (2), Statutory, (0) Income generating (1) and Service Delivery (10).
- 3.2 The corporate project team have developed a set of guidance templates (Appendix 6) on project planning and will set up some training sessions in the New Year to focus on this area.
- 3.3 The Project Assurance Officer has compiled a Corporate Project Register by Service area (Appendix 7) which comprises all new projects contained within Departmental Service plans for 2015/16.
- 3.4 The Project Assurance Officer will be focusing on procurement during the next quarter and updating the Project Consideration Document to ensure Project Manager's consider their procurement requirements at the start of the project process.

### **4. Financial considerations**

- 4.1 Funding and approval for new projects still needs to be carefully considered by all parties. Projects should not be initiated unless there are clear funding streams available with costs identified at the project planning stage.

- 4.2 Funding for the TaSF programme continues to be quantified in all areas of the programme and managed closely. Funding of project resources, consultants and capital purchase of new building(s) will be required and be mainly sourced from reserves and capital receipts on an 'invest to save' basis.
- 4.3 Work is currently being undertaken on the 2016-17 budget to identify any additional funding required for the ongoing delivery of the TaSF Programme.

## **5. Other Considerations**

- 5.1 Despite the current focus being on the TaSF programme, the Council is still managing a portfolio of flagship projects which will need to be managed, tracked and monitored.
- 5.2 With the 'TaSF' programme looking to deliver a self-funding Council by March 2020, many new projects with concurrent work streams are still emerging particularly around the Council's Housing requirements.
- 5.3 These projects will need to be delivered under robust programme management methodology which will enable the Council to deliver our strategy and manage the transformation.
- 5.4 Both the Corporate and the TaSF risk registers will need to be kept up to date and actively monitored as the 'TaSF' programmes progress.

### **Background papers:**

There are none

### **Appendices:**

- 1. Appendix 1 – TaSF Dashboard
- 2. Appendix 2 – Corporate Dashboard
- 3. Appendix 3 – TaSF Project map
- 4. Appendix 4 – Corporate Project map
- 5. Appendix 5 – High level Housing projects
- 6. Appendix 6 – Project planning guidance
- 7. Appendix 7 – Corporate Project Register by Service area

| Knowle Green Programmes – Asset Management Board  |        |                             |                      |                |                        |           |                 |                 |  |   |
|---|--------|-----------------------------|----------------------|----------------|------------------------|-----------|-----------------|-----------------|--|---|
| Project Name  | Budget | Progress against Milestones | Benefits Realisation | Risks & Issues | Stakeholder Engagement | Resources | Project Manager | Project Sponsor | Anticipated Completion Date                            | Project Status  |
| Knowle Green: Relocation  | Green  | Amber                       | Amber                | Green          | Green                  | Green     | DP              | TC              | March 2019   | <b>Project Status: Green</b><br>Latest Highlight Report received: <b>17/11/15</b><br>Knowle Green Relocation updates at Team Meeting level have completed and feedback would suggest that these sessions are welcomed by Staff and Managers alike. Vail Williams have been appointed as consultants (03 <sup>rd</sup> Nov.) for Relocation (Nov. '15). Potential sites continue to be viewed and progressed as per process requirement (Nov. '15). Three sites (Thameside House and Venture House, both in Staines-upon-Thames and a building on Windmill Industrial Estate in Sunbury Common) have been viewed by members of the project team and are currently being considered further. Consideration of one or two customer facing 'shop fronts' or spaces within other public buildings have been included in the brief to Vail Williams, should any new location not be easily accessible to the public. Relevant authorisations will need to be sought and received from the chairman of Overview and Scrutiny and Cabinet if very quick decisions have to be made on property acquisitions (which are 'outside' normal Council timescales for decision making |
| Knowle Green: Redevelopment   | Green  | Amber                       | Amber                | Green          | Green                  | Green     | HM              | TC              | March 2019   | <b>Project Status: Green</b><br>Latest Highlight Report received: <b>30/11/15</b><br>Discussions with Cabinet, senior officers and KG Task Group around the options which are available to the Council regarding more innovative forms of housing delivery on the site which will still enable the Council to retain the freehold/an interest in then site plus an on-going income stream   |
| Knowle Green: EDMS IDOX Document Management System Implementation                         | Amber  | Amber                       | Green                | Green          | Green                  | Green     | JB              | HD              | IDOX: Nov. 15<br>Civica Jul. '16<br>Sharepoint Mar '17 | <b>Project status: Green</b><br>Latest Highlight Report received <b>07/12/15</b> .<br>IDOX property based EDMS is now live in Planning in September 2015.The IDOX online planning portal also live on the website and mirrors the new look and feel. All required staff have completed training on the new system. Building Control data was extracted from Uniform and uploaded into test system in October 2015 and expected to be live by December 2015. Notice given to Civica for the Planning module and associated scanners etc. at the end December 2015. Review of existing corporate scanners took place w/c 23/11/15. Decision on future requirements linked to the corporate scanning decision. Next phase of EDMS (people based information) due to commence January 2016.   |
| Knowle Green Agile Working  | Green  | Amber                       | Amber                | Amber          | Green                  | Amber     | SH              | LN              | 31 <sup>st</sup> Jan 2017                              | <b>Project Status: Amber</b><br>Latest Highlight Report received:: <b>26/11/15</b><br>EH pilot progressing with a view to 'new office' being used live by the end of Mar '16 so that further in-house analysis may take place as to how we tackle and deliver the Agile Working principles and requirements when we relocate to new premises. (Dec. 15).<br>The Project Manager is meeting with the Service Heads to correlate the current desk allocation versus future expectation and reviewing HR policies on work location and style   |
| Relocation Telephony  | Green  | Green                       | Green                | Green          | Green                  | Green     | LN              | DP              | July 2017  | <b>Project Status: Green</b><br>Latest Highlight Report received: <b>03/12/15</b><br>Current telephony requirements specified for both CS and organisation including agile working requirements. 3 <sup>rd</sup> Party Consultant (4C) reviewed SBC's telephony policies and deployment of services. Initial findings are that current solution should remain with the two telephony providers as cost prohibitive to replicate for a single provider. Further work required to look at lead in times to replicate at new location  |
| ICT Infrastructure Relocation   | Green  | Green                       | Green                | Green          | Green                  | Green     | HD              | DP              | July 2017  | <b>Project Status: Green</b><br>Latest Highlight Report received: <b>03/12/15</b><br>Project Kick-off meeting held on 02 <sup>nd</sup> Sept. '15.<br>Costings data provided by ICT which include the provision of monies for the engagement of a 3 <sup>rd</sup> Party Consultant, and Contractors, to assist in the management and delivery of the associated relocation tasks.<br>Progress Review meeting held with the inclusion of MAT (24 <sup>th</sup> Nov. '15) from which ICT have undertaken tasks to provide research information on costings and options which shall assist in the direction which shall be agreed by the Knowle Green Programme Board and be subject to MAT's approval. ICT to develop ICT strategy in conjunction with consultant from SOCTIM. Work to commence January 2016   |
| Use of Assets Programmes – Strategic Housing & Community Board and Asset Management Board |        |                             |                      |                |                        |           |                 |                 |  |   |
| SBC Local Housing Company   |        |                             |                      |                |                        |           |                 |                 |  | <b>Project status: Pre-project Planning</b>   |
| SBC Local Lettings Agency   |        |                             |                      |                |                        |           |                 |                 |  | <b>Project status: Pre-project Planning</b>   |
| Airport Parking   | N/A    | Green                       | Amber                | Amber          | Amber                  | Green     | CM              | TC              | TBA  | <b>Project Status :Amber</b><br>Latest Highlight Report received: <b>30/11/15</b> .<br>Application to Secretary of State for change of use made. Planning permission for change of has been postponed pending the decision on the expansion of Heathrow Airport. New site for allotments has been identified and stakeholders updated.  |

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|  |               |                                    |                             |                           |                               |                  |                        |                        |   |  |
|--|---------------|------------------------------------|-----------------------------|---------------------------|-------------------------------|------------------|------------------------|------------------------|---|--|
| <b>SUT Development</b><br>Development of Bridge Street Car Park<br><b>(Priority 3 (2))</b>               | Green         | Green                              | Amber                       | Green                     | Green                         | Green            | HM                     | RT                     | development completed<br>01/10/17             | <b>Project status: Green</b><br>Latest Highlight Report received: <b>30/11/15</b><br>Meeting with SCC highways has taken place over the changes to right of way routes required to facilitate the planning proposal. Further pre-application planning meetings have been held. Liaison with Instinctif (Bellway's comms team) re public exhibition and FAQ's developed and put on Council website to deal with queries post public consultation<br><br>Meeting with SCC highways has taken place over the changes to Right of Way routes. Further pre-applications have been held. Liaison with Instinctif (Bellway comms) re public exhibition and FAQ's developed and put on Council website to deal with queries post public consultation   |
| <b>SUT Development</b><br>Development Riverside Car Park<br><b>(Priority 3 (3))</b>                      | Green         | Amber                              | Green                       | Amber                     | Green                         | Green            | HM                     | RT                     | Scheduled development completion:<br>01/06/16 | <b>Project status: Amber</b><br>Latest Highlight Report received: <b>30/11/15</b><br>Discussions are being held with Cabinet Member on merit of linking this site with Tothill car park and Elmsleigh Phase IV as part of a wider regeneration. Meetings are being held with various interested parties on possible wider redevelopment opportunities including this site.   |
| <b>SUT Development</b><br>Staines-upon-Thames promotional document and website<br><b>Priority 3 (4))</b> | Green         | Amber                              | Green                       | Green                     | Green                         | Green            | HM                     | RT                     | 20/03/15 (with revised scope)                 | <b>Project status: Green</b><br>Latest Highlight Report received: <b>30/11/15</b><br>The final video has been received for consideration. The voice over has been recorded with Cabinet Member Councillor Saliagopoulos. Discussions are being held with ST about 'additional footage.   |
| <b>Short Lane</b>  | N/A           | Green                              | Green                       | Green                     | Green                         | Green            | CM                     | TC                     | Mar 16  | <b>Project Status: Green</b><br>Latest Highlight Report received: <b>30/10/15</b> .<br>Pre planning application meetings with preferred bidder arranged and who have already surveyed the site. Planning application to be considered by the Planning committee.   |
| Ashford Multi Storey Car Park Development<br><b>(Priority 4)</b>   | N/A           | Amber                              | Amber                       | Amber                     | Green                         | Green            | CM                     | TC                     | Mar 16  | <b>Project Status: Amber</b><br>Latest Highlight Report received: <b>30/11/15</b> .<br>The successful company has now withdrawn from the process so the Council are now reviewing the other two bids.  |
| Structural Review  |               |                                    |                             |                           |                               |                  |                        |                        |   |  |
| <b>Project Name</b>  | <b>Budget</b> | <b>Progress against Milestones</b> | <b>Benefits Realisation</b> | <b>Risks &amp; Issues</b> | <b>Stakeholder Engagement</b> | <b>Resources</b> | <b>Project Manager</b> | <b>Project Sponsor</b> |   |  |
| Corporate Structural Review  | Amber         | Red                                | Red                         | Amber                     | Green                         | Amber            | TBA                    | MAT                    | Mar 16  | <b>Project Status: Red</b><br>Latest Highlight Report received: <b>09/11/15</b><br>The structural review has been deferred to allow Management team to fully appraise the Leader of their plans and allow the new political administration an opportunity to reflect on and confirm its corporate priorities and therefore ensure the new structure will be aligned to help deliver those priorities. Secondment arrangements have been reviewed and MAT have agreed to extend them to the 31 March 2016 so that current projects and service cover can continue.  |
| Alternative Delivery Models (ADMs)   | Green         | Red                                | Amber                       | Amber                     | Amber                         | Amber            | MP                     | MAT                    |   | <b>Project Status: Amber</b><br>Latest Highlight Report received: <b>03/12/15</b><br><b>Legal</b> are progressing their business case. Three councils are now involved. The sponsors from all three councils will meet in January to confirm objectives and direction for the implementation of the project with a view to a report being presented to Cabinet as soon as possible thereafter.<br><b>Building Control</b> , West Surrey partnership progressing and have appointed a Project Manager to move forward. A feasibility study has been conducted and a report is being prepared which shall include a delivery timeline. Results of the report are expected to be presented in January 2016.<br><b>Environmental Health's</b> are commencing a hot desking pilot and undertaking further analysis regarding how their model will impact on support services. |
| Democratic Review  |               |                                    |                             |                           |                               |                  |                        |                        |   |  |

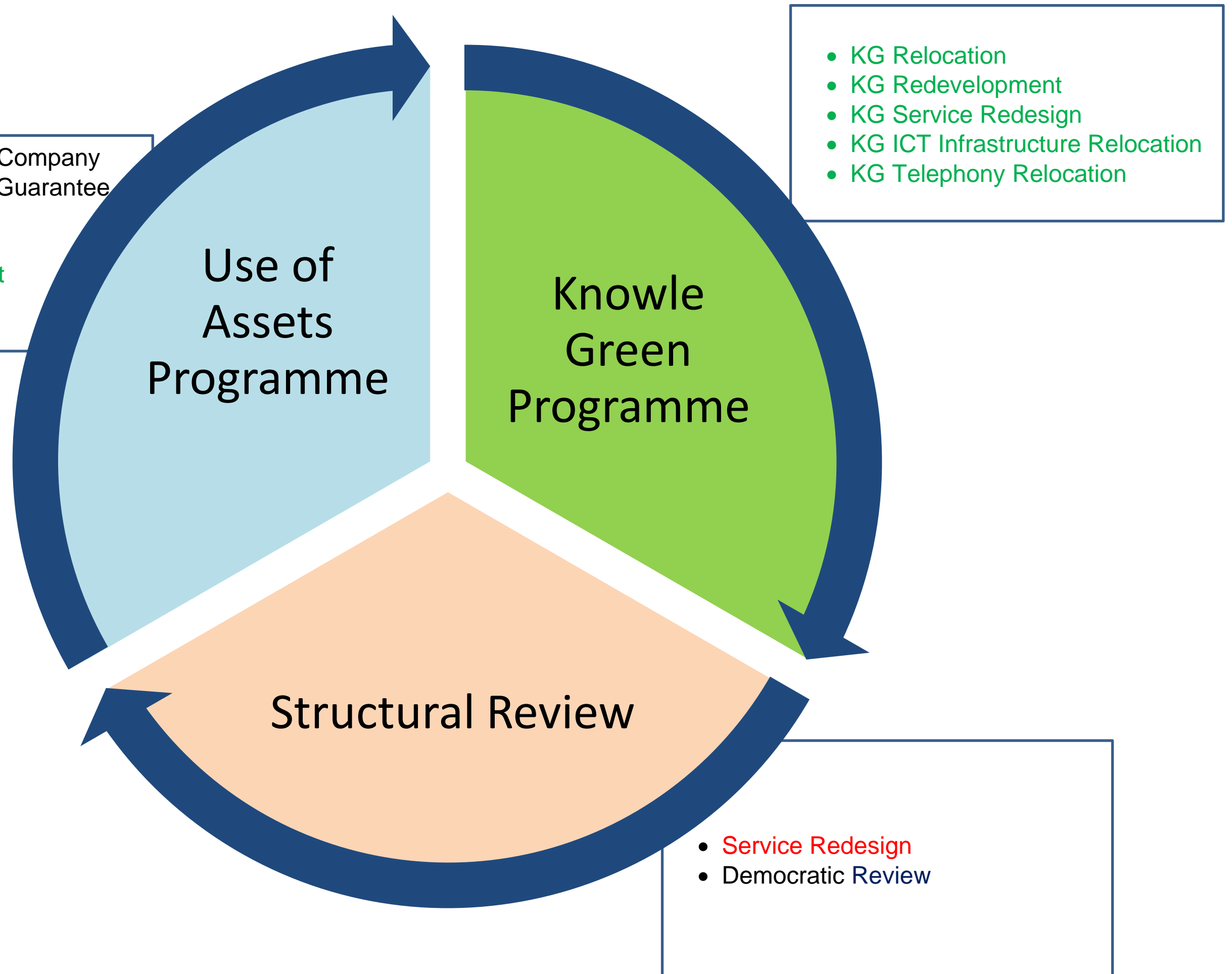
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Appendix 2 Priority and Flagship Project Status Dashboard - December 2015

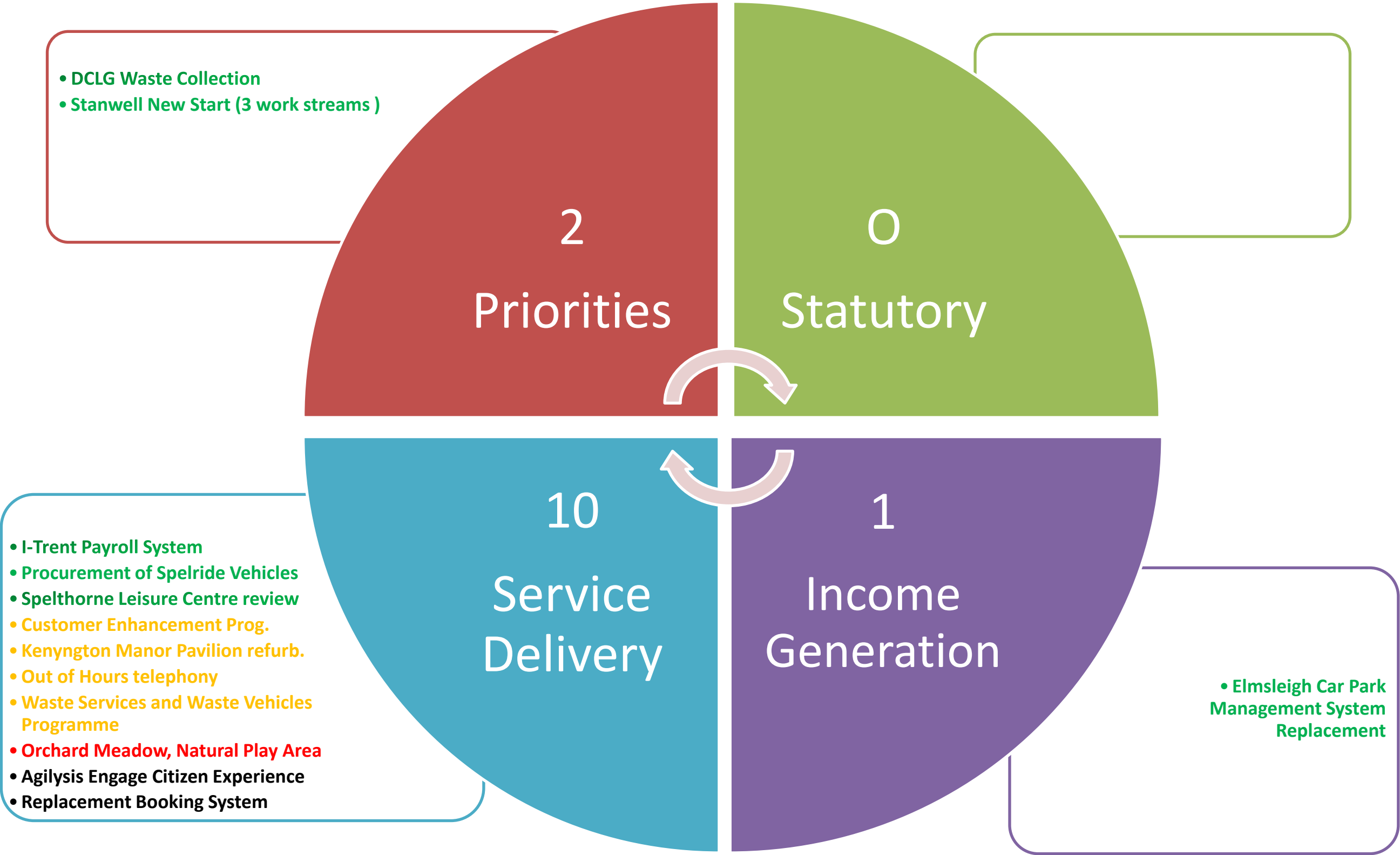
| Priority Flagship Projects – Strategic Housing Group |        |                             |                      |                  |                        |           |                 |                 |                                     |   |
|--|--------|-----------------------------|----------------------|------------------|------------------------|-----------|-----------------|-----------------|-------------------------------------|---|
| Project Name   | Budget | Progress against Milestones | Benefits Realisation | Risks & Issues   | Stakeholder Engagement | Resources | Project Manager | Project Sponsor | Anticipated Completion Date         | Project Status  |
| Stanwell New Start<br>(Priority 6)                   | Green  | Green                       | Amber                | Amber            | Green                  | Green     | KS              | TC              | 2015/16<br>(incl. phase IV)         | <b>Project status: Green</b><br><br>Latest <b>highlight report</b> received: 18/11/15. <b>‘No further updates to report.’</b><br><br>Phase 3: The units are currently undergoing final snagging checks, after which the units will be ready for occupation.<br>Phase 4: The detailed Planning Application was approved at July 2015 Planning Committee. The proposal is for 46 dwellings, 23 being affordable.  |
| Priority Flagship Projects – Waste Management Board  |        |                             |                      |                  |                        |           |                 |                 |                                     |   |
| Project Name   | Budget | Progress against Milestones | Benefits Realisation | Risks and Issues | Stakeholder Engagement | Resources | Project Manager | Project Sponsor | Anticipated Completion Date         | Project Status  |
| CLG Waste Collection Project<br>(Priority 5)         | Green  | Green                       | Green                | Green            | Green                  | Green     | JW              | JT              | Mar-16                              | <b>Project Status: Green</b><br><br>Latest <b>highlight report</b> received: 02/12/15<br><br>Since the last report in August 2015, approximately 193 properties have been moved on to the new collection system. The weigh bridge tickets show an increase in recycling.  |
| Flagship Projects – Procurement Board                |        |                             |                      |                  |                        |           |                 |                 |                                     |   |
| Project Name   | Budget | Progress against Milestones | Benefits Realisation | Risks Issues     | Stakeholder Engagement | Resources | Project Manager | Project Sponsor | Anticipated project Completion Date | Project Status  |
| Waste Services & Waste Vehicles Project              | Amber  | Green                       | Amber                | Amber            | Green                  | Amber     | SM              | LO’N            | September/<br>October 2016          | <b>Project status: Amber</b><br><br>Latest <b>highlight report</b> received: 04/12/15<br><br>A Waste Services Group meeting took place on 03/12/15. All recommendations have been agreed as per the Project Activities table. A meeting is to be arranged to obtain Councillor Attewell’s views on changing collection frequency. Following this, a report with the Waste Services Board’s recommendations has been prepared for the Procurement Board and MAT on 22/12/15. |
| Procurement of Spelride Vehicles                     | Green  | Amber                       | Green                | Green            | Green                  | Green     | JT              | TC              | March 2016                          | <b>Project Status: Green</b><br><br>Latest <b>update</b> received: 18/11/15<br><br>Evaluating tenders and looking to view mini buses with a view to place orders by December for April/May delivery of new vehicles.  |
| Flagship Projects – ICTSIG Board                     |        |                             |                      |                  |                        |           |                 |                 |                                     |   |
| Project Name   | Budget | Progress against Milestones | Benefits Realisation | Risks & Issues   | Stakeholder Engagement | Resources | Project Manager | Project Sponsor | Anticipated Completion Date         | Project Status  |
| Enhancing the Customer Experience - CRM Eden Phase 2 | Green  | Red                         | Amber                | Green            | Green                  | Red       | MP              | LN              | March 2016                          | <b>Project status: Red</b><br><br>Latest <b>highlight report</b> received: 04/12/15<br>Due to other work related issues, ICT have not been able to spend the development time on Phase 2. This has now been split into 2 parts with Phase 2a in user acceptance testing and phase 2b development work scheduled for January 2016. Options to overcome resource issues are being investigated. Prioritise schedule of work in relation to the phase 2 deliverables.          |

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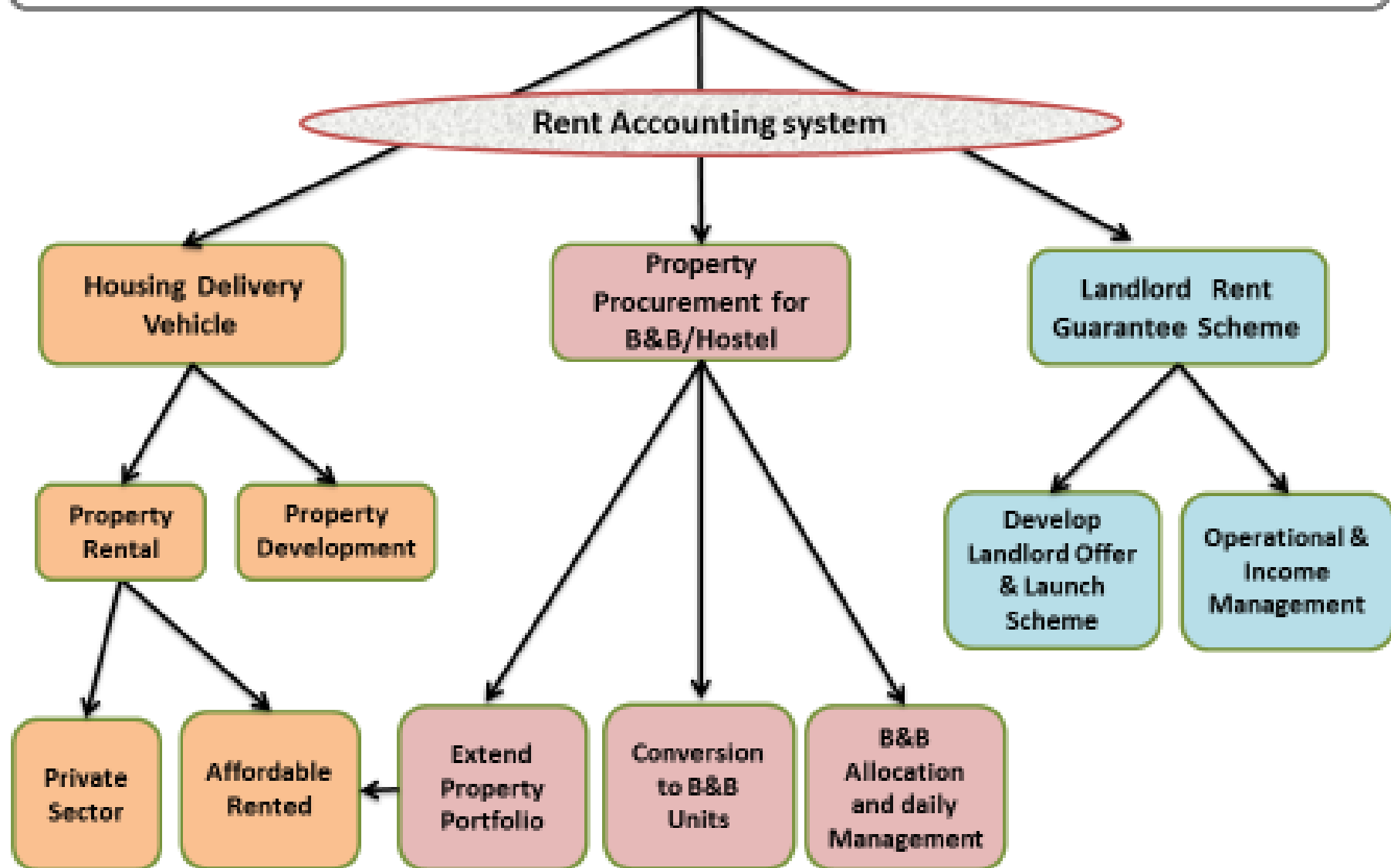


**Project Status Key**

- |                                       |                                     |
|---------------------------------------|-------------------------------------|
| <div></div> Escalate to Project Board | <div></div> Project not on track    |
| <div></div> No current issues         | <div></div> Project not yet started |

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## TaSF: Income Generation Workstream (Housing)



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# Key questions to ask when Project Planning

what

- Consider the scope of the project
- Consider the views of stakeholders
- Consider what resources are needed
- Consider the project type i.e. service, flagship or priority project

why

- To ensure timescales are met
- To ensure deliverables are delivered
- To ensure that resources are available

how

- Identify how the tasks will be undertaken
- Identify key milestones
- Monitor and update project plan on a regular basis
- Ensure the correct documentation is being submitted to the appropriate Board

when

- Decide a timescale which the task should be completed by
- Analyse key milestones
- Updated in the form of monthly highlight reports

who

- Identify who will undertake the tasks
- Review resource requirements
- Who are the stakeholders
- Who needs to be involved in the communication plan

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| Corporate Project Register by Service       |               |  |                  |                 |  |                                   |
|---|---------------|--|------------------|-----------------|--|-----------------------------------|
| Projects contained in 2015/16 Service Plans |               | Project  | Project Manager  | Project Sponsor | Project Board                              | Delivery Date                     |
| Accountancy                                 |               | Implementing E-Series 2 <ul style="list-style-type: none"> <li>Testing</li> <li>Implementation</li> </ul>  | Adrian Flynn     | Terry Collier   |  |                                   |
| Asset Management and Office Services        | Use of Assets | Airport Parking <ul style="list-style-type: none"> <li>Survey</li> <li>Relocate allotment plot-holders</li> <li>Negotiations – to achieve maximum annual income stream for the Council through a lease</li> </ul>  | Cathy Munro      | Terry Collier   | Asset Management                           | Dec 2015                          |
|   |               | Ashford Multi Storey car park <ul style="list-style-type: none"> <li>Review</li> <li>Plan future use – with view to maximise capital receipt for Council for reinvestment whilst seeking to retain as much public parking capacity as possible</li> </ul>  | Cathy Munro      | Terry Collier   | Asset Management                           | Dec 2015                          |
|   |               | Local Housing/ Development Co <ul style="list-style-type: none"> <li>Procure new buildings/dwellings</li> <li>Convert SBC buildings</li> <li>Extend property portfolio and generate an annual income stream for the Council</li> <li>Development of affordable and private sector housing</li> </ul> | Jayne Brownlow   | Terry Collier   | Strategic Housing Group / Asset Management | Mar 2017                          |
|   |               | Short Lane <ul style="list-style-type: none"> <li>Renovate and clean-up site</li> <li>Options for future use – to maximise annual income stream for the Council through lease</li> </ul>   | Cathy Munro      | Terry Collier   | Asset Management                           | Nov 2015                          |
|   |               | Staines-upon-Thames programme <ul style="list-style-type: none"> <li>Promotional document and website</li> <li>Bridge Street</li> <li>Riverside car park</li> </ul>  | Heather Morgan   | Roberto Tambini | Asset Management                           | Oct 2017<br>June 2016<br>Dec 2017 |
|   |               |  |                  |                 |  |                                   |
|   | Knowle Green  | Agile working <ul style="list-style-type: none"> <li>Home working / Mobile working / Hot desking</li> <li>Software solutions</li> <li>Community Hubs</li> </ul>  | Sonia Hazlehurst | Linda Norman    | Asset Management                           | Jan 2017                          |
|   |               | ICT Infrastructure relocation <ul style="list-style-type: none"> <li>An infrastructure which shall be able to continue to function, grow and develop as technology advances and so as to meet changing demands of the Council's services</li> </ul>  | Helen Dunn       | Dave Philips    | ICTSIG                                     | TBA                               |
|   |               | Telephone relocation <ul style="list-style-type: none"> <li>Co-ordinate telephone requirements for the relocation to new offices</li> </ul>  | Linda Norman     | Dave Phillips   | ICTSIG                                     |                                   |
|   |               | Implementation of Corporate Electronic Document Management <ul style="list-style-type: none"> <li>Electronic Document Management options (EDMS)</li> <li>Business Analysis</li> <li>Document Retention Policy</li> <li>Project delivery</li> </ul>   | Jayne Brownlow   | Linda Norman    | ICTSIG                                     | June 2017                         |
|   |               | Redevelopment of Knowle Green <ul style="list-style-type: none"> <li>Options analysis</li> <li>Delivery</li> </ul>   | Heather Morgan   | Terry Collier   | Asset Management                           | March 2019                        |
|   |               | Relocation of Council Offices <ul style="list-style-type: none"> <li>Options analysis</li> <li>move</li> </ul>   | Dave Phillips    | Terry Collier   | Asset Management                           | March 2019                        |

Appendix 7 – Corporate Project Register by Service Area 2015/16

| Service                              |   | Project  | Project Manager                       | Project Sponsor | Project Board    | Delivery Date  |
|--------------------------------------|---|--|---------------------------------------|-----------------|------------------|----------------|
| Asset Management and Office Services | Structure Review                              | Alternative Service Delivery models <ul style="list-style-type: none"><li>• Mutuels</li><li>• LATCs</li><li>• Partnerships</li></ul>   | Lee O'Neil / various Heads of Service | MAT             | MAT              | March 2017     |
|                                      |   | Service Redesign <ul style="list-style-type: none"><li>• Corporate Plan</li><li>• Service delivery</li><li>• Performance Management</li></ul>  | TBA                                   | MAT             | MAT              | Jan 2016       |
|                                      |   | Democratic review <ul style="list-style-type: none"><li>• Portfolio</li><li>• Cabinet</li></ul>  | TBA                                   | MAT             | MAT              | TBA            |
|                                      | Service                                       | Spelthorne Leisure Centres <ul style="list-style-type: none"><li>• Feasibility study</li><li>• Next steps</li></ul>  | Cathy Munro                           | Lee O'Neil      | Asset Management | Dec 2015       |
| Communications                       |   | No projects identified   |                                       |                 |                  |                |
| Community Development                |   | No projects identified   |                                       |                 |                  |                |
| Customer Services                    | Enhancing the customer experience programme   | Customer Relationship Management (CRM) <ul style="list-style-type: none"><li>• Transactional contact through web self service<ul style="list-style-type: none"><li>○ Booking engine - Artifax – new on-line booking system - Residents to book events through the website</li><li>○ Garden waste - S.Sheet</li><li>○ Missed Bins - S.Sheet</li><li>○ Revs and Bens - Capita</li><li>○ Building control/Planning and Environmental Health - Caps</li><li>○ Allotments – Access db.</li><li>○ Parking – SPUR- cancelled</li><li>○ AUDDIS compliant for Sundry Debts</li><li>○ Graffiti and fly tipping –Access db.</li></ul></li></ul> | Michael Pegado                        | Linda Norman    | ICTSIG           | March 2016     |
|                                      | Transitional contact through web self service | Business Rate Hub <ul style="list-style-type: none"><li>• Business rates retention to maximize income</li></ul>  | Ian Buddery                           | Linda Norman    | ICTSIG           | March 2016     |
|                                      |   | Expansion of AVR (Automated Voice Recognition AVR payment system) to miscellaneous payments  | Michael Pegado                        | Linda Norman    | ICTSIG           | March 2016     |
|                                      |   | Out of hours telephony <ul style="list-style-type: none"><li>• Fast track Recover – Sept 2015</li><li>• Phase III - Customer satisfaction survey – Feb 2016</li><li>• Miscellaneous payment module</li></ul>   | Michael Pegado                        | Linda Norman    | ICTSIG           | Various phases |
|                                      |   | Telephony Relocation   | Linda Norman                          | Dave Phillips   | ICTSIG           | TBC            |
|                                      |   | ICT Infrastructure Relocation  | Helen Dunn                            | Dave Phillips   | ICTSIG           | TBC            |
|                                      |   | Re launch of Capita mobile app   | Linda Norman                          | N/A             | N/A              | Oct 2015       |
|                                      |   | Agilyses Engage Citizen experience <ul style="list-style-type: none"><li>• To improve the customer journey across the Council's website</li></ul>  |                                       | Linda Norman    | ICTSIG           | 2016/17        |
|                                      |   |  |                                       |                 |                  |                |
| Economic Development                 |   | Implement and make best use of CoStar <ul style="list-style-type: none"><li>• Desktop browser based suite verified source of commercial property data</li><li>• 2 licenses purchased (Economic development – business enquiries) (Customer Services for identifying new business rate payers</li><li>• To support inward investment, local businesses and SBC</li></ul>  | Keith McGroary /Sam Ridley            | Terry Collier   | ICTSIG           | September 2015 |



Appendix 7 – Corporate Project Register by Service Area 2015/16

| Service  |                                | Project   | Project Manager                               | Project Sponsor          | Project Board           | Delivery Date                             |
|--|--------------------------------|---|---|--------------------------|-------------------------|---|
| Environmental Health and Building Control      |                                | Environmental Health LATC <ul style="list-style-type: none"><li>Explore and develop the potential to establish a LATC</li></ul>   | Tracey Wilmott-French                         | Lee O’Neil               | MAT                     | March 2016                                |
|  |                                | Implement the Council’s ICT strategy changes within Environmental Health <ul style="list-style-type: none"><li>Introduction of the Document Management System</li><li>Uniform 10 - upgrade</li><li>Introduction of Idox enterprise</li><li>Implementation of selective back-scanning</li></ul>  | Lorraine Macey                                | Tracy Willmott-French    | ICTSIG                  | In accordance with the Councils programme |
| Housing and Independent living                 | Service plan not yet available | Stanwell New Start  | Karen Sinclair                                | Terry Collier            | Housing and Community   |   |
|  |                                | Housing / Development Company <ul style="list-style-type: none"><li>Procure new buildings/dwellings</li><li>Convert SBC buildings</li><li>Extend property portfolio and generate an annual income stream for the Council</li><li>Development of affordable and private sector housing</li></ul> | Heather Morgan / Cathy Munro / Jayne Brownlow | Terry Collier            | Strategic Housing Group |   |
|  |                                | Landlord Rent Guarantee scheme <ul style="list-style-type: none"><li>Develop Landlord offer</li><li>Operational Management</li><li>Launch scheme</li></ul>  | Jayne Brownlow                                | Terry Collier            | Strategic Housing Group |   |
|  |                                | Property Procurement for B&B/Hostel <ul style="list-style-type: none"><li>Extend property portfolio</li><li>Conversion to B&amp;B units</li><li>B&amp;B allocation and ongoing management</li></ul>   | Jayne Brownlow                                | Terry Collier            | Strategic Housing Group |   |
| Human Resources                                |                                | Support the Towards a Sustainable Future programme <ul style="list-style-type: none"><li>Staff changes</li><li>Staff transfers to alternative delivery models</li><li>Senior management restructure</li><li>Support new managers</li></ul>  | Jan Hunt                                      | MAT                      | MAT                     |   |
|  | High Service                   | I-trent - Integrated HR/Payroll system including capability for automated processes <ul style="list-style-type: none"><li>Extension of self service</li><li>Manager access</li><li>Introduction of workflows</li><li>Feasibility of developing E-recruitment process</li></ul>                  | Debbie O’Sullivan                             | Jan Hunt / Terry Collier | ICTSIG                  | Autumn 2015 but dependent on HR work      |
| ICT  |                                | Supporting CRM project in particular Replacement of Artifact room booking system  | Helen Dunn                                    |                          |                         | End of calendar year                      |
|  | Flagship                       | EDMS / IDOX Enterprise -Document Management System Implementation <ul style="list-style-type: none"><li>Planning</li><li>Building Control</li><li>Environmental Health</li><li>Licensing</li><li>Streetscene</li><li>Sustainability</li><li>Rent deposit scheme</li></ul>                       | Jayne Brownlow                                | Helen Dunn               | ICTSIG                  | EDMS – Oct 2015<br>IDOX Nov 2015          |
| Internal Audit                                 |                                | No projects identified  |   |                          |                         |   |
| Legal Service including Land charges and ctees | Service Plans not available    | Service plans not available   |   |                          |                         |   |
| Leisure Services                               |                                | Part of a Surrey Wide project to co-ordinate the Community Activation project<br>Action Surrey have been awarded funding in liaison with several borough councils   | Mary West                                     | Sandy Muirhead           | N/A                     |   |
|  |                                | Part of Spelthorne Leisure Centre project   |   |                          |                         |   |

## Appendix 7 – Corporate Project Register by Service Area 2015/16

|                               | High Service | Kenyngton Manor Pavilion Refurbishment prior to self-management <ul style="list-style-type: none"> <li>Refurbish to create fit for purpose facility</li> <li>Self-management by Colne Valley ladies football club</li> </ul>   | Mary West                           | Sandy Muirhead                  | Asset Management      | Sept 2015  |
|-------------------------------|--------------|--|-------------------------------------|---------------------------------|-----------------------|--|
| Corporate Project Register    |              |  |                                     |                                 |                       |  |
| Service                       |              | Project  | Project Manager                     | Project Sponsor                 | Project Board         | Delivery Date  |
| Leisure Services              |              | Orchard Meadow Natural Play Area <ul style="list-style-type: none"> <li>Select contractor</li> <li>Obtain planning permission</li> <li>Management of installation of play area</li> </ul>  | Lisa Stonehouse                     | Sandy Muirhead                  | Asset Management      | Dependent on out come of public consultation and obtaining planning permission |
|                               |              | Stanwell BMX / Skate Park <ul style="list-style-type: none"> <li>Contractor selected</li> <li>Awaiting final planning condition sign off</li> <li>Build in autumn</li> </ul>   | Lisa Stonehouse / Dave Phillips     | Lisa Stonehouse / Dave Phillips | Asset Management      | Autumn 2015  |
|                               |              | BMX Track Hengrove Park, Ashford<br>Project cost £70k  | Sabena Sims<br>(Anniqah supporting) |                                 |                       |  |
| Planning and Housing Strategy |              | Part of Towards a Sustainable Future programme <ul style="list-style-type: none"> <li>Digital working and document storage to support remote working</li> <li>Updating the Local Plan?</li> </ul>  | John Brooks                         |                                 | ICTSIG                | Dec 2016   |
| Streetscene                   |              | DCLG waste collection <ul style="list-style-type: none"> <li>Weekly collection of rubbish, Weekly collection co mingled recycling and weekly food waste to 2000 difficult properties across the borough, who are unable to access the wider alternate weekly collection service</li> </ul>   | James Weedon                        | Jackie Taylor                   | Waste Management      | March 2016   |
|                               | High         | Law Enforcement Team (JET Scheme) <ul style="list-style-type: none"> <li>Pilot scheme between SBC and Surrey Police</li> <li>Covers all aspects of enforcement</li> </ul>  | Keith McGroary/ Steve Connor        | Lee O'Neil                      | Housing and Community | Dec 2015   |
|                               | Flagship     | Procurement of New Spelride fleet <ul style="list-style-type: none"> <li>4 of 5 buses to be replaced</li> <li>Procure through a Yorkshire Purchasing Organisation (YPO) framework</li> </ul>   | Jackie Taylor                       | Terry Collier                   | Procurement           | March 2016<br>Revised 01/07/16<br>Budget carry forward 16/17                   |
|                               | Flagship     | Secondary Shopping Centre Regeneration <ul style="list-style-type: none"> <li></li> <li>Obtain matching funding from SCC</li> <li>Identify potential sites</li> <li>Identify risks to the potential sites</li> <li>Communication plan for each site identified and involvement of stakeholders including SCC</li> <li>3 weeks of public consultation of proposals</li> </ul> | TBA                                 | Jackie Taylor / MAT             | MAT                   | TBC  |
| Sustainability                | Flagship     | Waste Service and waste vehicles programme <ul style="list-style-type: none"> <li>Research opportunities to increase kerbside recycling rates</li> <li>Provide a more efficient rubbish and recycling collection service</li> <li>Recommend the model of refuse vehicles and tender for delivery</li> </ul>  | Sandy Muirhead                      | Lee O'Neil                      | Procurement           |  |
|                               | Low          | Solar PV generation on day centre buildings <ul style="list-style-type: none"> <li>Feasibility study</li> <li>Next steps</li> </ul>  |                                     | Sandy Muirhead                  |                       |  |
|                               | High         | Replace payment system in Elmsleigh surface and multi storey car park <ul style="list-style-type: none"> <li>Procurement</li> <li>Installation</li> </ul>  | Tomasz Sapinski                     | Sandy Muirhead                  | Procurement           | Oct 2015   |
|                               | Low          | Energy reduction measures introduced across the council's estate <ul style="list-style-type: none"> <li>Identify measures needed</li> <li>Installation</li> </ul>  |                                     | Sandy Muirhead                  |                       |  |

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# Overview and Scrutiny Committee

19 January 2016



|                              |   |                     |    |
|------------------------------|---|---------------------|----|
| <b>Title</b>                 | Performance review of contracts   |                     |    |
| <b>Purpose of the report</b> | To note   |                     |    |
| <b>Report Author</b>         | Victoria Statham  |                     |    |
| <b>Cabinet Member</b>        | Councillor Joanne Sexton  | <b>Confidential</b> | No |
| <b>Corporate Priority</b>    | Value for money Council   |                     |    |
| <b>Cabinet Values</b>        | Accountability  |                     |    |
| <b>Recommendations</b>       | <b>Overview and Scrutiny Committee is asked to note the contents of the report.</b> |                     |    |

## 1. Key issues

- 1.1 Attached to this report are details of the performance monitoring of the top spend contracts for the Council. The contracts have either been procured through a tender exercise run by the Council or via a framework agreement.
- 1.2 For information a framework agreement is a contract which has been procured by a public body or a purchasing body which allows other public authorities (the Council) to “call off” the goods, works and services which have been procured under that framework. The terms and conditions of the call off are set by the framework agreement and cannot be amended.
- 1.3 If goods/ works/ services are procured by the Council through a tender process the terms of the contract are either drafted by the Council’s in-house legal team or, in the case of some of the contracts detailed in the appendices, the terms were drafted by external legal advisors.
- 1.4 The performance monitoring provisions of these contracts are carefully considered to ensure they are appropriate to the goods/ works/ services being provided and to ensure effective monitoring by the contract managers. The performance monitoring provisions of council contracts are exercised and in one incident were robust to ensure that a contract was terminated with immediate effect when there were serious concerns over the contractor’s performance.
- 1.5 The Council has adopted the industry standard Joint Contracts Tribunal (JCT) suite of contracts for all of the works’ contracts. These have a number of performance monitoring provisions and have robust liquidated damages provisions.
- 1.6 In terms of the types of service contracts which the Council enters into, the performance monitoring provisions are centred on reporting mechanisms together with default notice provisions. Council officers serve default notices

where appropriate and a number of the contracts are based on a “three strikes and you are out” principle. Where they can be appropriately measured, key performance indicators and systems of service credits are used e.g. with the answering of telecare equipment.

- 1.7 To achieve added value from the contractor, the long term contracts centre on a “partnership” approach rather than arbitrary enforcement. This is demonstrated and recognised to achieve better results.
  - 1.8 It is noted that a number of the contracts in the list have already been reviewed by Internal Audit and Audit Committee. During such review the performance arrangements for contracts have been discussed. Contract management is one of the areas kept under review on the corporate risk register.
- 2. Options analysis and proposal**
- 2.1 Overview and Scrutiny Committee is asked to note the contents of the report.
  - 2.2 Officers will continue to enter into contracts on the most appropriate terms for the individual procurements, taking into consideration the method of procurement and the type of goods, works or services being procured.
- 3. Financial implications**
- 3.1 The financial considerations of each contract were considered at the time of the contract being awarded.
- 4. Other considerations**
- 4.1 None

**Background papers: None**

**Appendices:**

**Appendix 1 – Grounds maintenance**

**Appendix 2 – Vehicle supply – including contract for the hire of street cleansing and refuse collection vehicles**

**Appendix 3 – Leisure centres management**

**Appendix 4 - CCTV - Agreement for the provision of monitoring and maintenance services**

**Appendix 5 - Contract for the provision of general office cleaning at Knowle Green, Car Park Office, Fordbridge and Greeno Day Centres**

**Appendix 6 - Contract for the management of Staines Market**

**Appendix 7 - Provision of services for bulking, processing and disposal of co-mingled dry recyclables**

**Appendix 8 - Contract for the hire of vehicles for the Council's Meals on Wheels service**



Overview and Scrutiny Committee – 19 January 2016  
Performance Review of Contracts

|   |                          |                |            |
|---|--------------------------|----------------|------------|
| <b>Name of Contract:</b>  | Grounds maintenance      |                |            |
|   |                          |                |            |
| <b>Supplier/Contractor:</b>   | VPS Lotus Landscapes Ltd |                |            |
|   |                          |                |            |
| <b>Value:</b>   | £1,453,454               |                |            |
|   |                          |                |            |
| <b>Length:</b>  | 5 + 5 years              | <b>Expiry:</b> | March 2019 |
|   |                          |                |            |
| <b>Contract Manager:</b>  | Jackie Taylor            |                |            |
|   |                          |                |            |
| <b>Scope of Contract:</b><br>Spelthorne has over 750 acres of parks and open spaces, including several miles of riverside walks.<br>The grounds maintenance contract to manage these 750 acres is based on a number of specific operational areas centred on the major parks and cemeteries.<br>The scope of the services within the contract include:-<br>Grass & shrub bed maintenance<br>Maintenance of hedges<br>Seasonal bedding supply & maintenance<br>Litter management, sweeping & cleaning including:- leaf clearance, litter & dog waste bins<br>Sports pitch maintenance including:-football pitches, cricket square, artificial surfaces<br>Provision of staff for serviced water feature<br>Gate opening & locking service<br>Maintenance of cemeteries and burials<br>Play/sports area maintenance and inspections |                          |                |            |
| <b>Contract performance measures:</b><br>There are no KPI's set within this contract. The specification sets the standard as "output" rather than the less flexible arrangements under an input based frequency. e.g. grass shall not exceed 65mm rather than grass shall be cut 2 x per month. This means that grass is cut as often or little as needed to meet the specification standards the majority of which are based around British Standard Industry codes of practice. These standards are monitored by the JET officers during both scheduled and unscheduled visits to all areas.<br>Time plans have been produced by the contractor that provide a clear maintenance plan so that it is easier for unqualified staff to establish what tasks are being undertaken and when.   |                          |                |            |

|   |  |
|---|--|
| <p>Monthly recorded meetings are held with contract managers</p> <p>The contractors are also required under their ISO 9001 quality standard to monitor performance on all aspects of the contract, the details of which are passed to SBC for random checking.</p> <p>Play area inspections are carried out to industry standards and recorded at varying frequencies but no less than weekly within specialist software managed and maintained by the contractor.</p> <p>Residents are also encouraged to report issues or areas of concern via the on-line "report it" forms.</p> |  |
| <b>How often is contract performance reviewed?</b>  | Monthly via contract meetings  |
|   |  |
| <b>When did last review take place?</b>   | December 2015  |
|   |  |
| <p><b>How was the review undertaken?</b></p> <p>Monthly contract meetings where all aspects of the contract are discussed individually and any concerns including customer/client complaints are raised. Forward planning for events and future workloads/proposals are also discussed and recorded</p>   |  |
|   |  |
| <b>Was Customer satisfaction monitored?</b>   | There was no requirement for this built into the contract but customers are encouraged via the online report it form to report any issues/concerns |
|   |  |
| <b>If yes, by what means?</b>   |  |
|   |  |
| <p><b>What was the outcome of the review?</b> Reviews are undertaken monthly and outcomes from issues raised as new or from previous meetings are logged and monitored through to completion and/or closure in agreement with the contract manager.</p> <p>A review of the grounds maintenance contract was also undertaken by the Audit committee in June 2015</p>   |  |

## Overview and Scrutiny Committee – 19 January 2016

## Performance Review of Contracts

|  |  |   |             |
|--|--|---|-------------|
| <b>Name of Contract:</b>   | Vehicle supply- contract hire of street cleansing & refuse collection vehicles |   |             |
|  |  |   |             |
| <b>Supplier/Contractor:</b>  | Riverside Truck Rental Ltd   |   |             |
|  |  |   |             |
| <b>Value:</b>  | £653,000 plus ad-hoc repairs   |   |             |
|  |  |   |             |
| <b>Length:</b>   | 3 & 5 years  | <b>Expiry:</b>  | August 2016 |
|  |  |   |             |
| <b>Contract Manager:</b>   | Jackie Taylor  |   |             |
|  |  |   |             |
| <b>Scope of Contract:</b><br>Contract hire with maintenance for the supply of refuse collection & street cleansing vehicles on a fixed term basis, linked in with lease of the depot workshop facilities   |  |   |             |
| <b>Contract performance measures:</b><br>There are no KPI's set within this contract. The specification sets the standard for key aspects of the contract i.e. vehicle downtime and replacement in event of failure which are key in delivering the services that these vehicles are used for. |  |   |             |
| <b>How often is contract performance reviewed?</b>   |  | 1.Three monthly via contract meetings with the SBC & Riverside transport managers<br>2.Six monthly with the SBC head of service and senior managers from Riverside. |             |
|  |  |   |             |
| <b>When did last review take place?</b>  |  | 1.October 2015<br>2.December 2015   |             |
|  |  |   |             |
| <b>How was the review undertaken?</b> Contract meeting where all aspects of the contract are discussed individually and any concerns are raised and addressed.   |  |   |             |
|  |  |   |             |
| <b>Was Customer satisfaction monitored?</b>  |  | In this contract SBC are the customers as it relates to direct vehicle provision, any service failures are recorded and monitored by the transport manager          |             |
|  |  |   |             |
| <b>If yes, by what means?</b> Transport manager deals with monitoring at regular   |  |   |             |

contract meetings and also monitors daily in terms of fleet maintenance and provision.

**What was the outcome of the review?** At this late stage it is unlikely that a further review will be undertaken other than those scheduled by the transport manager as all vehicles will be coming to the end of their lease life in August/September 2016. A procurement exercise will be undertaken early in January 2016 which will include a new specification based on vehicle type/need and also take into consideration the use of the depot workshop facilities.

Overview and Scrutiny Committee – 19 January 2016  
Performance Review of Contracts

|                                       |   |                |            |
|---------------------------------------|---|----------------|------------|
| <b>Name of Contract:</b>              | Leisure Centre  |                |            |
| <b>Supplier/Contractor:</b>           | SLM (Everyone Active is SLM's consumer brand and the name that can be seen at the centres)  |                |            |
| <b>Value:</b>                         | Approx. £2.6m. Contract price in year 1 of contract was £171,486. The price SLM pay SBC for managing Spelthorne increases each year based on the RPI. SBC pay SLM £3657 per annum for them to manage Sunbury.   |                |            |
| <b>Length:</b>                        | 15 years  | <b>Expiry:</b> | March 2021 |
| <b>Contract Manager:</b>              | Claire Moore  |                |            |
| <b>Scope of Contract:</b>             | Provision of 2 leisure centre facilities including pools and gyms in accordance with the specification and to the reasonable satisfaction of the council  |                |            |
| <b>Contract performance measures:</b> | <p>Information/reports on attendance, customer comments, microbiological water test results, maintenance and cleaning sent through/collected on a monthly basis.</p> <p>Monthly and quarterly meetings held between SBC representative and centre managers/operations managers with the agenda covering cleanliness, staffing, building and maintenance, facility development, marketing and customer comments amongst other things.</p> <p>Bi-annual meetings are held between senior SBC representatives, the cabinet member and SLM's senior management and centre managers. Reports are produced by SLM detailing their performance over the previous period and their plans for the next period.</p> <p>SBC representative meets with centre operations managers throughout the year to check risk assessments, Quest action plans, staff training records, accidents/incidents reports, insurance certificates, electrical certificates and fire certificates.</p> <p>Attendance statistics for both leisure centres are reported as part of Spelthorne Borough Council's corporate performance indicators quarterly.</p> |                |            |

|   |                  |
|---|------------------|
| <b>How often is contract performance reviewed?</b>  | Monthly          |
|   |                  |
| <b>When did last review take place?</b>   | 24 November 2015 |
|   |                  |
| <b>How was the review undertaken?</b><br>A meeting was held between SBC contract manager and SLM's centre managers. Minutes were recorded. Information and reports were also sent through to the SBC contract manager as part of the performance measures.  |                  |
|   |                  |
| <b>Was Customer satisfaction monitored?</b>   | Yes              |
|   |                  |
| <b>If yes, by what means?</b> Customer comment reports detailing the customer comments received are sent through to SBC. SLM break down the comment summary into categories and into positive and negative comments. A graph is plotted each month showing the comments received in each category. As part of the report SLM also highlight how they dealt with the customer comment and what action was taken. |                  |
|   |                  |
| <b>What was the outcome of the review?</b><br><br>SLM performing satisfactorily. If any issues are identified, either as part of a review or on an ongoing basis, SLM action and feedback.  |                  |

Overview and Scrutiny Committee – 19 January 2016  
Performance Review of Contracts

|   |  |  |                          |
|---|--|--|--------------------------|
| <b>Name of Contract:</b>  | Agreement for the Provision of Monitoring and Maintenance Services of CCTV |  |                          |
|   |  |  |                          |
| <b>Supplier/Contractor:</b>   | Runnymede Borough Council  |  |                          |
|   |  |  |                          |
| <b>Value:</b>   | £108,440   |  |                          |
|   |  |  |                          |
| <b>Length:</b>  | 10 years   | <b>Expiry:</b>   | 9 <sup>th</sup> May 2021 |
|   |  |  |                          |
| <b>Contract Manager:</b>  | Keith McGroary   |  |                          |
|   |  |  |                          |
| <b>Scope of Contract:</b>   |  |  |                          |
| <p>The monitoring of all CCTV cameras within the scope of the contract 24 hours a day, 356 days a year.</p> <p>The maintenance of the above CCTV cameras excluding parts</p>  |  |  |                          |
| <b>Contract performance measures:</b>   |  |  |                          |
| <p>To keep recordings of all pictures taken for 1 calendar month</p> <p>Ensure that faults are repaired within 7 days unless the camera is required for operational reasons when it will be repaired within 48 hours.</p> <p>Maintain a log of all faults and record of attention to such faults</p> <p>Ensure that faults are reported within 1 hour of coming to notice</p> <p>Notify SBC regarding any acts of vandalism or misuse of CCTV / any incident to which the police would be normally called but is over in a short time period / any event where there is evidence of criminal or anti-social behaviour</p> |  |  |                          |
| <b>How often is contract performance reviewed?</b>  |  | It is a living document with the conditions being tested almost every week |                          |
|   |  |  |                          |
| <b>When did last review take place?</b>   |  | 12.12.2014   |                          |
|   |  |  |                          |

**How was the review undertaken?**

A meeting with the Manager of the CCTV control room and the Community Safety Manager take place once a year to discuss delivery of the contract as well as future potential developments

Due to the ongoing nature and frequent contact with RBC, most elements of the contract are continually being discussed and arrangements made to rectify any problems. There is familiarity of the contractual expectations by SBC staff managing the CCTV.

Community Safety Team staff also meet the Control Room manager on an ad hoc basis once or twice a year to discuss issues / developments and report back to the Community Safety Manager

Secondary users, specifically Surrey Police are asked for feedback and they have reported very positively with regards to the service they receive when requiring evidential material from the CCTV records or indeed, requests for CCTV to be targeted at particular hot-spot locations.

Monthly performance reports are provided by RBC with regards to all incidents that our CCTV network have been used to capture

Have received reports in the last week of damage to a CCTV camera in Stanwell (costs to be recovered via SBC Insurance)

Dialogue with the contractor (RBC) occur several times a week regarding CCTV

**Was Customer satisfaction monitored?**

It is not a measure in the contract

**If yes, by what means?****What was the outcome of the review?**

The contract is being delivered as agreed. The contract was built with the flexibility to add changes; since it was first agreed an additional 4 cameras have been added to the original contract, but the same conditions apply.

There have been no circumstances to date where there has been any disagreement with compliance with the contract.

The contract has now been in place for over 4 years and has provided for consistency of approach, service and expectations from both SBC and RBC.



## Overview and Scrutiny Committee – 19 January 2016

## Performance Review of Contracts

|   |   |                |                           |
|---|---|----------------|---------------------------|
| <b>Name of Contract:</b>  | Cleaning Contract for Council Offices at Knowle Green, plus Fordrdbridge & Greeno Community Centres |                |                           |
|   |   |                |                           |
| <b>Supplier/Contractor:</b>   | Ocean Contract Cleaning London LTD  |                |                           |
|   |   |                |                           |
| <b>Value:</b>   | £69,074.57  |                |                           |
|   |   |                |                           |
| <b>Length:</b>  | From<br>1/11/2011for<br>5years  | <b>Expiry:</b> | 31 <sup>st</sup> Oct 2016 |
|   |   |                |                           |
| <b>Contract Manager:</b>  | Head of Asset Management & Office Services  |                |                           |
|   |   |                |                           |
| <b>Scope of Contract:</b><br>To provide cleaning services to the various sites including the provision of all staff materials and equipment   |   |                |                           |
|   |   |                |                           |
| <b>Contract performance measures:</b><br>Day to day problems passed on to Ocean site supervisor<br>Regular meeting between SBC caretakers/community centre managers and Ocean site supervisor.<br>Complaints received from office users reported by Caretakers to Ocean and outcome monitored<br>Escalating if necessary with line managers.<br>Annual meeting (or as required) between Head of Asset Management and Ocean management.<br>All cost and invoicing inspected by Offices services and authorised by Head of Asset Management & Offices Services<br><br>The contract has a performance default mechanism which can be used if the standards of cleanliness are not to those set out in the specification or if there are other problems concerning the performance of the contract. A formal default notice has been served on the contractor previously concerning their performance. The errors of the contractor were subsequently rectified following the default |   |                |                           |

|   |                    |
|---|--------------------|
| notice.   |                    |
| <b>How often is contract performance reviewed?</b>  | Continuous/Ongoing |
|   |                    |
| <b>When did last review take place?</b>   | December 2015      |
|   |                    |
| <b>How was the review undertaken?</b>   |                    |
| Meeting with head of Service, Caretakers & Ocean cleaning Team Leader   |                    |
|   |                    |
| <b>Was Customer satisfaction monitored?</b>   | Yes                |
|   |                    |
| <b>If yes, by what means?</b>   |                    |
| Verbal<br>E- mails  |                    |
|   |                    |
| <b>What was the outcome of the review?</b>  |                    |
| <p>Communications between Ocean cleaning manager and site supervisor to be reviewed as found to be unsatisfactory.<br/>Supplies to site to be reviewed as found not to be timely. All deliveries now come to office services/caretakers to enable monitoring/action</p> <p>Options/Re- tendering of a new contract will be influenced by the progress of the Knowle Green re-location/development project.<br/>Consideration may be given to a possible extension of the existing contract subject to the performance of the existing contractor.</p> |                    |

Overview and Scrutiny Committee – 19 January 2016  
Performance Review of Contracts

|   |  |  |   |
|---|--|--|---|
| <b>Name of Contract:</b>  | Management of Staines market             |  |   |
|   |  |  |   |
| <b>Supplier/Contractor:</b>   | Bray Associates Ltd t/a worldwide events |  |   |
|   |  |  |   |
| <b>Value:</b>   | £ 89,960                                 |  |   |
|   |  |  |   |
| <b>Length:</b>  | 3 + 2 years                              | <b>Expiry:</b>   | November 2016 with option to extend for a further 2 years |
|   |  |  |   |
| <b>Contract Manager:</b>  | Jackie Taylor                            |  |   |
|   |  |  |   |
| <b>Scope of Contract:</b><br>Contract to operate Staines upon Thames market on behalf of the Council for 3 days per week (Wednesday, Friday & Saturday) . The contractor to manage the day to day operation on the Councils behalf including stall erection and dismantling, cash collection and all other aspects of market management.  |  |  |   |
| <b>Contract performance measures:</b><br>There are no KPI's set within this contract. The specification requires the contractor to maintain market income at the highest level possible which is monitored by the Head of Service and seek to encourage new traders to maintain a healthy & vibrant market environment. The contract also sets out clear standards for the monitoring of the sale of illegal goods. |  |  |   |
| <b>How often is contract performance reviewed?</b>  |  | Six monthly contract meetings are held with the contractor and the Neighbourhood Manager.  |   |
|   |  |  |   |
| <b>When did last review take place?</b>   |  | The neighbourhood manager met with market contractors in July 2015 and the Head of Service has met with senior management to look at potential opportunities for 2016. Internal Audit has also recently undertaken a full review of market operations. |   |
|   |  |  |   |
| <b>How was the review undertaken?</b> Contract meeting with senior management from Bray Associates Ltd looking at all aspects of current & potential income generation ideas, plus the internal audit review.   |  |  |   |

|   |   |
|---|---|
|   |   |
|   |   |
| <b>Was Customer satisfaction monitored?</b>   | Bray Associates Ltd provide an annual customer service questionnaire but very few shoppers choose to be part of it. |
|   |   |
| <b>If yes, by what means?</b> Contractor's staff identify and make themselves available on a given day. In addition to this the contractors have also taken up a vacant SBC porta cabin at the rear of Staines high street which can be visited by both traders and shoppers.   |   |
|   |   |
| <b>What was the outcome of the review?</b> It is clear that whilst the contractors are doing their utmost to retain traders markets are in decline as they are coming up against stiff competition from shops such as Poundland and the Pound shop who sell market type goods. Tesco's also closed its doors on the 2 rivers this year and this created a decline in footfall on to the high street and subsequently the market, which impacted on traders. A number of large markets such as Blackbush and Wembley have also closed down in the last year which shows how the trade is falling into decline. Despite this market income remains very high albeit that it is reducing and the contractors are always looking at new ways to replace lost traders and new ideas to create new opportunities and experiences for both traders and shoppers. |   |

Overview and Scrutiny Committee – 19 January 2016  
Performance Review of Contracts

|   |  |                |            |
|---|--|----------------|------------|
| <b>Name of Contract:</b>  | Processing of Recyclables  |                |            |
|   |  |                |            |
| <b>Supplier/Contractor:</b>   | Grundon Ltd  |                |            |
|   |  |                |            |
| <b>Value:</b>   | £125,000 per anum (dependent on tonnage of recycling material produced and gate fee charged) |                |            |
|   |  |                |            |
| <b>Length:</b>  | 7 years  | <b>Expiry:</b> | April 2017 |
|   |  |                |            |
| <b>Contract Manager:</b>  | Sandy Muirhead Head of Sustainability and Leisure  |                |            |
|   |  |                |            |
| <b>Scope of Contract:</b>   |  |                |            |
| <p>The contract for processing of Spelthorne's recycling material joint with Elmbridge Borough Council. As the amount of recyclate produced annually within Spelthorne varies in terms of tonnage produced the total cost of the contract per year also varies as it is dependent on the gate fee.</p> <p>The contract has served Elmbridge and Spelthorne well as we currently have the lowest gate fees in Surrey for processing recyclate. This has been achieved through close working with Grundon during a period of considerable turmoil in the recycling markets with prices for recycled materials varying greatly and now a greater emphasis on quality by processors and legislation (Materials Code of Conduct and Waste Amendment Regulations 2011). The emphasis on quality and reducing contamination in our recycling has helped keep gate fees down to date. With the current state of the market it is likely in April we will see a significant rise in the gate fee but it will still be below other Surrey and neighbouring authorities.</p> |  |                |            |
| <b>Contract performance measures:</b>   |  |                |            |
| <p>contract meetings with Grundon and Elmbridge.<br/>Ad hoc discussions on issues as and when arise.</p>  |  |                |            |
| <b>How often is contract performance reviewed?</b>  |  | Quarterly      |            |
|   |  |                |            |
| <b>When did last review take place?</b>   |  | November 2015  |            |

|   |     |
|---|-----|
| <b>How was the review undertaken?</b>   |     |
| Reviews with Elmbridge and Grundon focus around the gate, plant operation (downtimes/issues) and considerable discussion around global markets, reprocessing and legislation currently being implemented and monitored by the Environment Agency. These local and global issues potentially have significant impacts on both the gate fee and contamination in our loads of recycling taken to the Colnbrook Grundon plant (or Leatherhead for Elmbridge) |     |
| <b>Was Customer satisfaction monitored?</b>   | N/A |
| <b>If yes, by what means?</b>   |     |
| N/A   |     |
| <b>What was the outcome of the review?</b>  |     |
| At the November review we were told the gate fee would remain at its current level for the final quarter of the financial year but likely to rise significantly in April (gate fee to be given at next meeting in February 2016 but indicative figures provided to allow budgeting for 16/17)   |     |

Overview and Scrutiny Committee – 19 January 2016  
Performance Review of Contracts

|   |   |                |              |
|---|---|----------------|--------------|
| <b>Name of Contract:</b>  | Meals on Wheels supply of Vehicles and food |                |              |
|   |   |                |              |
| <b>Supplier/Contractor:</b>   | Apetito                                     |                |              |
|   |   |                |              |
| <b>Value:</b>   | £455,000                                    |                |              |
|   |   |                |              |
| <b>Length:</b>  | 5 Years                                     | <b>Expiry:</b> | 31 July 2019 |
|   |   |                |              |
| <b>Contract Manager:</b>  | Janice Lowin/Niky Rentall                   |                |              |
|   |   |                |              |
| <b>Scope of Contract:</b>   |   |                |              |
| To supply 4 vehicles for the council to lease in order to deliver meals on wheels to vulnerable residents of the borough, and to supply individual meals and desserts to suit various dietary and ethnic requirements |   |                |              |
| <b>Contract performance measures:</b>   |   |                |              |
| Supply 4 vehicles to required specification and a temporary vehicle within 24 hours for any non-planned events.<br>Supply individual meals and desserts to suit all dietary and ethnic requirements                   |   |                |              |
| <b>How often is contract performance reviewed?</b>  |   | As required    |              |
|   |   |                |              |
| <b>When did last review take place?</b>   |   | 7 May 2015     |              |
|   |   |                |              |
| <b>How was the review undertaken?</b>   |   |                |              |
| Telephone meeting.  |   |                |              |
| Any queries outside of meeting are called through or emailed. E.g. a broken oven will be telephoned through.  |   |                |              |
|   |   |                |              |
| <b>Was Customer satisfaction monitored?</b>   |   | No             |              |
|   |   |                |              |

**If yes, by what means?**

When any customer feedback is received, relating to meals, this is passed through to Apetito

**What was the outcome of the review?**

Spelthorne to contact Apetito if we look to explore other options for food (e.g. soups, Centres)

Due to the nature of the service, should any queries arise, these will be addressed at the time and not left until a meeting. There have been very few occasions where a response has been slow in coming, and these have been resolved by immediate escalation.



# Overview and Scrutiny Committee

19 January 2016



|                              |   |                     |    |
|------------------------------|---|---------------------|----|
| <b>Title</b>                 | Treasury Management Half Yearly Report 2015/16  |                     |    |
| <b>Purpose of the report</b> | To note   |                     |    |
| <b>Report Author</b>         | Ryan Maslen   |                     |    |
| <b>Cabinet Member</b>        | Councillor Tim Evans  | <b>Confidential</b> | No |
| <b>Corporate Priority</b>    | Value for money Council   |                     |    |
| <b>Cabinet Values</b>        | Accountability  |                     |    |
| <b>Recommendations</b>       | <b>Overview and Scrutiny are asked to note the treasury position achieved during the first six months of 2015/16 and the financial environment in global markets.</b> |                     |    |

## 1. Key issues

- 1.1 Treasury Management is “the management of the Council’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
- 1.2 The Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code which requires the Council to report on performance of the treasury management function at least twice yearly (mid-year and at year end).
- 1.3 The Council’s Treasury Management Strategy for 2015/16 was reviewed and approved by Cabinet in January 2015 and has been consistently applied since the beginning of the financial year.
- 1.4 This report is an interim statement of treasury activities for the first six months of the financial year, to the end of September 2015. The Council has 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. This report covers treasury activity and the associated monitoring and control of risks.

## Strategy for the year

- 1.5 The overall treasury policy objective is the prudent investment of treasury balances. It is our aim to achieve the maximum return commensurate with proper levels of security and liquidity.
- 1.6 The Council seeks professional advice from Arlingclose and closely adheres to the advice set out in the Department for Communities and Local

Government (DCLG) guidance. Given Spelthorne's dependency on investment returns to balance the budget, the Council's investment strategy is also kept under constant review and regular quarterly review meetings are held with Arlingclose, the Council's treasury advisors. All investment and borrowing decisions are made in consultation with our advisors.

- 1.7 The credit quality of counter-parties (issuers and issues) and investment instruments is assessed by reference to credit ratings issued by Fitch, Moody's and Standard and Poor's. The Council's counter-party credit policy is based on creditworthiness criteria recommended by our advisors and is reviewed on an ongoing basis to ensure that risk to the Council of counter-party defaults remains low.
- 1.8 All three credit ratings agencies have reviewed their ratings in the past six months to reflect the loss of government support for most financial institutions and the potential for varying loss given defaults as a result of new bail-in regimes in many countries. Despite reductions in government support many institutions have seen upgrades due to an improvement in their underlying strength and an assessment that the level of loss given default is low.

### **Compliance with Treasury Limits**

- 1.9 During the first six months of the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Policy Statement, and the annual Treasury Management Strategy Statement and Annual Investment Strategy approved by Council in January 2015.

### **Economic Background**

- 1.10 The UK economy has remained resilient over the last six months. Although economic growth slowed in Q1 2015 to 0.4%, year/year growth to March 2015 was a relatively healthy 2.7%. Q2 2015 GDP growth bounced back and was confirmed at 0.7%, with year/year growth showing slight signs of slowing, decreasing to 2.4%.
- 1.11 Gross Domestic Product (GDP) has now increased for ten consecutive quarters, breaking a pattern of slow and erratic growth from 2009. The annual rate for Consumer Price Inflation (CPI) briefly turned negative in April, falling to -0.1%, before fluctuating between 0.0% and 0.1% over the next few months. In the August Quarterly Inflation Report, the Bank of England projected that GDP growth will continue around its average rate since 2013.
- 1.12 The Bank of England's projections for inflation remained largely unchanged from the May report with them expecting inflation to gradually increase to around 2% over the next 18 months and then remain there in the near future. Further improvement in the labour market saw the unemployment rates for the three months to July fall to 5.5%. In the September report, average earnings excluding bonuses for the three months to July rose 2.9% year/year.
- 1.13 The outcome of the UK general election, largely fought over the parties' approach to dealing with the consequences of the structural deficit and the pace of its removal, saw some very big shifts in the political landscape and put the key issue of the UK's relationship with the EU at the heart of future politics.

- 1.14 Earlier in the financial year, economic data was largely overshadowed by events in Greece. Whilst the Greek exit from the Euro remained a very serious possibility, it was announced in July that the terms for a third bailout of Greece had been reached. The deal amounting to €86 billion was agreed under the terms that Greece would see tax increases, pension reforms and privatisations. A new coalition Government was formed following a snap election in September 2015, but the continuing economic crisis in the area remains a cause for concern.
- 1.15 The summer also saw attention shift towards China as the Shanghai composite index (representing China's main stock market), which had risen a staggering 50%+ since the beginning of 2015, dropped by 43% in less than three months with a reported \$3.2 trillion loss to investors. On 24th August, Chinese stocks suffered their steepest one-day fall on record, driving down other equity markets around the world and soon becoming known as another 'Black Monday'. Chinese stocks have recovered marginally since and are trading around the same level as the start of the year. Concerns remain about slowing growth and potential deflationary effects.
- 1.16 The US economy slowed to 0.6% in Q1 2015 due to bad weather, spending cuts by energy firms and the effects of a strong dollar. However, Q2 GDP showed a large improvement at a twice-revised 3.9% (annualised). The decision on whether to raise US interest rate remains key not only to the US but the global economy as well. The Committee decided not to act at its September meeting as many had been anticipating but have signalled rates rising before the end of the year.

## 2. Options analysis and proposal

### **Borrowing Activity to 30<sup>th</sup> September 2015**

- 2.1 At 30th September 2015, the Council had no outstanding short term borrowings. Activity in this area is limited and is currently restricted to meeting daily cash flow requirements. However, short term borrowing may occur during February and March when levels of Council Tax and Business Rate instalments significantly reduce.

### **Investment Activity to 30<sup>th</sup> September 2015**

- 2.2 The ability to maximise interest returns is paramount to generate sufficient funds to support the General Fund. The Council have therefore in consultation with Arlingclose made a few minor changes to the pooled investment fund portfolio, with the aim of maximising return. Fixed rate deposits have also been made when cash flow requirements permit.
- 2.3 As at 30th September 2015, the Council's investment portfolio was a total of £25.815m and a breakdown of the investments is attached as **Appendix A**. The availability of funds for investment is dependent upon the timing of precept payments, receipt of grants and progress on the capital programme. Consequently the core cash balance available for longer term investment is £20.74m. The cash flow investments, £4.9m in the table in Appendix A, are only available on a temporary basis pending cash flow activities.
- 2.4 Since the beginning of the financial year the Council has made an investment of £175,000 in a company called Funding Circle, who provide a peer-to-peer lending platform which is an alternative borrowing mechanism for small

businesses. This is being viewed as a diversification tool within the treasury management investment portfolio, and also an economic development opportunity enabling the Council to support local businesses when demand exists. As shown in Appendix A, the investment is proving successful with the average return to date being 6.61%. A further small additional investment in this area has recently been agreed with the portfolio holder and will be made imminently.

- 2.5 The core investment portfolio of £20.74m now includes £9.49m in pooled equity, bond and property funds and a list of the individual investments and their current performance is detailed in **Appendix B**.

### **Investment Performance Monitoring**

- 2.6 All investment performance is monitored on a monthly basis. The original estimate for net investment income to be credited to the General Fund in 2015/16 was £635,000, a significant increase from 2014/15 (£335,300). This reflected the significant capital receipts that were anticipated by the Council within 2015/16 when the budget was originally agreed. These would have been received and immediately re-invested.
- 2.7 As at 30th September 2015 the total net investment income earned to date was £199,000 of which £142,600 was from pooled funds. With interest rates continuing to remain at historically low levels (0.5% since March 2009), these pooled investment funds are fundamental to meeting the investment income target for the year. Investment income is always received in arrears, sometimes on a half yearly basis. This explains why income received to date seems at such a low level when compared to the annual budget.
- 2.8 Assuming that interest rates remain static in this financial year and pooled fund dividends remain at their current levels, the outturn for the full year is estimated to be £580,000. Action will be taken wherever possible to maximise return by taking advantage of enhanced deposit rates that may be available.
- 2.9 At the end of the financial year, any shortfall in interest received when compared to the annual budget will be funded from the interest equalisation reserve. This is a reserve that has been accumulated in previous financial years when interest earnings have exceeded the annual budget, and can be used to mitigate situations such as the one outlined above.
- 2.10 The overall average annualised rate of return for the first six months is 2.25%. This is 0.42% higher than for the equivalent period last year. This improved performance is due to the continued positive performance of the Council's current pooled funds and bond investments and also the usage of newly identified investment opportunities when possible to maximise return.

### **Conclusions and Outlook for 2016/17**

- 2.11 The investment strategy is kept under constant review so that the Council can adapt quickly to the constantly changing environment. The Council continues to be proactive in seeking ways of maintaining and improving current levels of return against a very challenging global investment environment.
- 2.12 Arlingclose believes that Bank Rate will remain at 0.50% until quarter three of the 2016 calendar year and cash rates for deposits are likely to remain at historically low levels for the foreseeable future.

- 2.13 The pace of interest rate rises will be gradual and the extent of rises limited. The appropriate level for Bank Rate for the post-crisis UK economy is likely to be lower than the previous norm. We would suggest this is between 2.0% and 3.0%.
- 2.14 Arlingclose provides a monthly update of the credit ratings of major financial institutions. Counterparty credit quality is assessed and monitored with reference to the rating agencies Fitch, Moody's and Standard and Poor's; credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP; sovereign support mechanisms and potential support from a well-resourced parent institution and share price. This information is used for reference and decision making purposes and will continue to be monitored closely.
- 2.15 The full list of approved investment instruments is attached in **Appendix C and D**; this reflects the application of the creditworthiness criteria recommended by the Council's advisors, Arlingclose.

### **Proposals**

- 2.16 The use of pooled investment funds within the portfolio has been fundamental to the continued positive performance and should help maintain overall investment returns into the future. These investments will also enable the Council to diversify the assets and underlying risk in the investment portfolio and should provide the potential for enhanced returns.
- 2.17 Further diversification and growth of the investment portfolio is planned, especially considering the significant capital receipts the Council are expecting in the near future. Recent discussions have been held with Arlingclose and the portfolio holder to ensure that a planned approach for this is agreed and implemented.
- 2.18 In order to realise potential income generating asset related opportunities including the purchase of new Council office accommodation, it may be necessary for the Council to borrow if there is a robust business case. It is likely that borrowing costs would be at a lower rate than would be forgone if we drew down on some of our existing long term investments. The Council is therefore also having ongoing discussions with Arlingclose to develop a potential borrowing strategy, again in conjunction with the portfolio holder.

## **3. Financial implications**

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

## **4. Other considerations**

- 4.1 The Council fully complies with best practice as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities, the Department for Communities and Local Government (DCLG) Guidance on Investments issued in March 2004

and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management in the Public Sector 2009 and Cross Sectional Guidance Notes.

- 4.2 Nothing in the Council's current strategy is intended to preclude or inhibit capital investment in local projects deemed beneficial to the local community and which have been approved by the Council.

## **5. Timetable for implementation**

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

**Background papers:** There are none

**Appendices:** Appendices A – D are attached

**Details of Investments Held as at 30<sup>th</sup> September 2015**

| <b>Investment Type</b>   | <b>Initial Inv. Amount<br/>£m</b> | <b>Yield %</b> | <b>Start Date</b>      | <b>Maturity Date</b> |
|--|-----------------------------------|----------------|------------------------|----------------------|
| <u>Pooled Investment Funds</u><br>(see Appendix B for details) |                                   |                |                        |                      |
| Charteris Elite Equity Income                                  | 0.8                               | 3.91*          | 11 May 2012            | N/A                  |
| Schroders UK Corporate Bond                                    | 1.5                               | 6.38*          | 11 May 2012            | N/A                  |
| M&G Optimal Income Sterling                                    | 1.69                              | 3.00*          | 13 Apr 2015            | N/A                  |
| M&G Global Dividend  | 1.0                               | 3.98*          | 27 Jun 2012            | N/A                  |
| Schroders Income Maximiser                                     | 1.0                               | 6.72*          | 06 Jul 2012            | N/A                  |
| Schroders Income Maximiser                                     | 1.0                               | 6.72*          | 24 Jul 2015            | N/A                  |
| CCLA Property Fund (LAMIT)                                     | 1.5                               | 5.53*          | 31 Mar 2013            | N/A                  |
| CCLA Property Fund (LAMIT)                                     | 1.0                               | 5.53*          | 30 Apr 2014            | N/A                  |
| <b>Total</b>   | <b>9.49</b>                       | <b>4.89*</b>   |                        |                      |
| <u>Variable Rate Deposits</u>                                  |                                   |                |                        |                      |
| Yorkshire Building Society                                     | 1.0                               | 2.20           | 09 Apr 2014            | 23 Mar 2016          |
| <u>Fixed Rate Deposits (short term)</u>                        |                                   |                |                        |                      |
| Nordea Bank AB   | 1.25                              | 0.80           | 29 Jul 2015            | 15 Dec 2015          |
| Landesbank Hessen-Thuringen                                    | 2.0                               | 0.69           | 31 Jul 2015            | 29 Jan 2016          |
| Santander  | 2.0                               | 0.73           | 04 Aug 2015            | 04 Feb 2016          |
| Nationwide Building Society                                    | 2.0                               | 0.66           | 15 Sep 2015            | 15 Mar 2016          |
| Newbury Building Society                                       | 1.0                               | 0.50           | 14 Aug 2015            | 16 Nov 2015          |
| Standard Chartered CD  | 2.0                               | 0.72           | 06 May 2015            | 06 Nov 2015          |
| <b>Total</b>   | <b>10.25</b>                      | <b>0.69</b>    |                        |                      |
| <b>Total - Core Inv. Portfolio</b>                             | <b>20.74</b>                      | <b>2.51</b>    | <b>Average</b>         |                      |
| <u>Cash Flow Investments</u>                                   |                                   |                |                        |                      |
| Standard Life Investments                                      | 1.1                               | 0.49           |                        | Instant Access       |
| Insight Investments  | 0.7                               | 0.51           |                        | Instant Access       |
| BNP Paribas  | 3.1                               | 0.53           |                        | Instant Access       |
| <b>Total</b>   | <b>4.9</b>                        | <b>0.52</b>    |                        |                      |
| <u>Funding Circle</u>  |                                   |                |                        |                      |
| Loans to small businesses                                      | 0.175                             | 6.61           | 16 Apr 2015            |                      |
| <b>Total Investments at 30.9.15</b>                            | <b>25.815</b>                     | <b>2.25</b>    | <b>Overall Average</b> |                      |

*\* Yields on pooled funds are estimates based on the returns on initial investment achieved in 2013/14 and 2014/15.*

**Pooled Funds as at 30<sup>th</sup> September 2015**

| <b>Fund</b>                      | <b>Date of Purchase</b> | <b>Initial Investment</b> | <b>Dividends Received to 30/9/15</b> | <b>Annualised Dividend Yield</b> | <b>Capital Gain at 30/9/15</b> | <b>Total Return at 30/9/15</b> |
|----------------------------------|-------------------------|---------------------------|--------------------------------------|----------------------------------|--------------------------------|--------------------------------|
|                                  |                         | <b>£</b>                  | <b>£</b>                             | <b>£</b>                         | <b>£</b>                       | <b>£</b>                       |
| Charteris Elite Income Fund      | 11/05/12                | 800,000                   | 16,239                               | 4.06%                            | - 101,365                      | - 85,126                       |
| Schroders UK Corporate Bond Fund | 11/05/12                | 1,500,000                 | 35,808                               | 4.77%                            | 74,648                         | 110,456                        |
| Schroders Income Maximizer Fund  | 06/07/12                | 1,000,000                 | 32,423                               | 6.48%                            | 82,957                         | 115,380                        |
| Schroders Income Maximizer Fund  | 24/07/15                | 1,000,000                 | -                                    | 0.00%                            | - 119,625                      | - 119,625                      |
| M&G Optimal Income Sterling      | 13/04/15                | 1,690,636                 | -                                    | 0.00%                            | - 53,675                       | - 53,675                       |
| M&G Global Dividend Fund         | 27/06/16                | 1,000,000                 | 22,616                               | 4.52%                            | 94,720                         | 117,336                        |
| CCLA Property Fund (LAMIT)       | 31/03/13                | 1,500,000                 | 21,813                               | 2.91%                            | 400,573                        | 422,386                        |
| CCLA Property Fund (LAMIT)       | 30/04/14                | 1,000,000                 | 12,455                               | 2.49%                            | 85,197                         | 97,652                         |
| <b>Value 30/9/2015</b>           |                         | <b>9,490,636</b>          | <b>141,355</b>                       | <b>2.98%</b>                     | <b>463,428</b>                 | <b>604,783</b>                 |

**Pooled Fund Performance to 30<sup>th</sup> September 2015**

The Capital appreciation of these investments as at 30/9/15 equates to 4.88%. However, capital gains and losses may fluctuate throughout the period the investments are held. Any gains would only be realised when the funds are sold.

Dividends are received at various times during the year, some are paid quarterly and others half yearly. For two of the recent investment amendments we have made dividends are yet to be received. The income yield as at 30/9/15 is 1.49% and the estimated annualised income yield on these funds is expected to be in the region of 4.9%.



**Approved Counterparties**

The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the cash limits (per counterparty) and the time limits shown.

The cash limits shown reflect the capital receipt that the Council may receive during 2015/16. This approach has been agreed in conjunction with our treasury advisors, to enable the Council to have sufficient flexibility within the strategy being set to manage the funds appropriately if they are received. If and when this is realised the Council will manage the funds appropriately, looking to diversify investments as much as possible and keep exposure to approximately 5% per counterparty wherever possible.

| <b>Credit Rating</b> | <b>Banks Unsecured</b>              | <b>Banks Secured</b> | <b>Government</b>       | <b>Corporates</b> | <b>Registered Providers</b> |
|----------------------|-------------------------------------|----------------------|-------------------------|-------------------|-----------------------------|
| UK Govt              | n/a                                 | n/a                  | £ Unlimited<br>50 years | n/a               | n/a                         |
| AAA                  | £5m<br>5 years                      | £5m<br>20 years      | £5m<br>50 years         | £5m<br>20 years   | £5m<br>20 years             |
| AA+                  | £5m<br>5 years                      | £5m<br>10 years      | £5m<br>25 years         | £5m<br>10 years   | £5m<br>10 years             |
| AA                   | £5m<br>4 years                      | £5m<br>5 years       | £5m<br>15 years         | £5m<br>5 years    | £5m<br>10 years             |
| AA-                  | £5m<br>3 years                      | £5m<br>4 years       | £5m<br>10 years         | £5m<br>4 years    | £5m<br>10 years             |
| A+                   | £5m<br>2 years                      | £5m<br>3 years       | £5m<br>5 years          | £5m<br>3 years    | £5m<br>5 years              |
| A                    | £5m<br>13 months                    | £5m<br>2 years       | £5m<br>5 years          | £5m<br>2 years    | £5m<br>5 years              |
| A-                   | £5m<br>6 months                     | £5m<br>13 months     | £5m<br>5 years          | £5m<br>13 months  | £5m<br>5 years              |
| BBB+                 | £5m<br>100 days                     | £5m<br>6 months      | £5m<br>2 years          | £5m<br>6 months   | £5m<br>2 years              |
| BBB or<br>BBB-       | £5m<br>next day only                | £5m<br>100 days      | n/a                     | n/a               | n/a                         |
| None                 | £1m<br>6 months                     | n/a                  | £1m<br>25 years         | £1m<br>5 years    | £1m<br>5 years              |
| Pooled funds         | £5m per fund at point of investment |                      |                         |                   |                             |

This table must be read in conjunction with the notes below

**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. Unsecured investment with banks rated BBB or BBB- are restricted to overnight deposits at the Authority's current account bank, Lloyds Bank plc.

**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 highest 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.

**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 an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

**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 will only be made as part of a diversified pool in order to spread the risk widely.

**Registered Providers:** Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain a high likelihood of receiving government support if needed.

**Pooled Funds:** Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Money Market Funds that offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority 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, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

### **Specified Investments**

The DCLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
  - the UK Government,
  - a UK local authority, parish council or community council, or
  - a body or investment scheme of “high credit quality”.

The Council defines “high credit quality” organisations and securities as those having a credit rating of [A-] or higher that are domiciled in the UK or a foreign country with a sovereign rating of [AA+] or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of [A-] or higher.

### **Non-Specified Investments**

Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality.

### **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 banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as shown below. As detailed in Appendix C, the cash limits shown reflect the capital receipt that the Council may receive during 2015/16 and have been agreed in conjunction with our treasury advisors to provide the Council with an element of flexibility to be able to invest the funds in the most appropriate manner at the time.

|   | <b>Cash limit</b>                      |
|---|--|
| Any single organisation, except the UK Central Government | £5m each                               |
| UK Central Government                                     | unlimited                              |
| Any group of organisations under the same ownership       | £5m per group                          |
| Any group of pooled funds under the same management       | £5m per manager at point of investment |
| Negotiable instruments held in a broker’s nominee account | £30m per broker                        |
| Foreign countries   | £5m per country                        |
| Registered Providers                                      | £10m in total                          |
| Unsecured investments with Building Societies             | £20m in total                          |
| Loans to unrated corporates                               | £2m in total                           |
| Money Market Funds  | £20m in total                          |

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# Overview and Scrutiny Committee

19 January 2016



|                              |                                     |                     |    |
|------------------------------|-------------------------------------|---------------------|----|
| <b>Title</b>                 | Capital Monitoring Report           |                     |    |
| <b>Purpose of the report</b> | To note                             |                     |    |
| <b>Report Author</b>         | Adrian Flynn                        |                     |    |
| <b>Cabinet Member</b>        | Councillor Tim Evans                | <b>Confidential</b> | No |
| <b>Corporate Priority</b>    | Value for money Council             |                     |    |
| <b>Cabinet Values</b>        | Accountability                      |                     |    |
| <b>Recommendations</b>       | To note the current spend position. |                     |    |

## 1. Expenditure to Date and expected Outturn

1.1 Attached as Appendix A & B is the actual spend to date on capital covering the period April to September 2015.

1.2 For the period ending September 2015, capital expenditure including commitments was £428k (22%) of the original budget (excluding the Knowle Green and Housing opportunity projects) and (21%) of the revised budget (excluding the Knowle Green and Housing opportunity projects).

The projected outturn shows that we are anticipating to spend £1.736m which represents (85%) of the revised budget (excluding the Knowle Green and Housing opportunity projects).

### Key Issues

1.3 The £9m that has been allocated for Housing and Knowle Green relocation projects may not be spent in the current financial year and may need to be carried forward at year end.

Cabinet has approved a supplementary estimate of £70k for the installation of a BMX track at Hengrove Park.

“In 2008 Cabinet agreed to Hengrove Park being extracted for gravel and it was also agreed that of the £700k capital receipt £100k of it would be set aside for park improvements. In the consultation carried out with local residents at the time we were about to let Streeter’s extract the gravel, the popular choice was for a BMX/skate park to be installed. This was rechecked with residents via Ashford Residents Association in late 2014/beginning of 2015 and was still the favoured improvement given the constraints of the budget. The costs of the BMX/skate Park are likely to be around £70k with some being set aside for ongoing maintenance. Items such as bins and benches will be as before but likely to be relocated to the BMX/Skate park

and the new path around the park. Designs for the BMX/skate Park will be obtained and checked with residents. The suggested site in the park is furthest from neighbouring properties.”

Cabinet has approved a £50k supplementary estimate to support 3 proposed Agile working projects endorsed by the asset management board and management team. The project will agree and implement new working practices which will facilitate the move of staff and partners from Knowle Green to a new location by summer 2017.

The project will focus on 3 pilot projects

- 1) Home Working
- 2) Remote/Mobile Working
- 3) Hot Desking/Flexible working

The £50k will be split £25k each on devices and software implementation.

### **Significant Developments / Variances**

- 1.4 1) Small Scale Area Regeneration £350K: Approx £200k is estimated to be spent this year with the remaining £150k re-phased to 2016/17. We are in discussion with Surrey County Council regarding their matched funding contribution. A report will be presented to Management team in Mid-December by the Head of Service with some options but given that the 2 lead cabinet members are now not involved with this project this funding may need to be carried forward to 2016/17.

2) Laleham Park £200k: The project is currently being redefined and will be re-phased to 2016/17.

## **2. Options analysis and proposal**

- 2.1 Overview and Scrutiny Committee is asked to note the current spend position

## **3. Financial implications**

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

## **4. Other considerations**

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

## **5. Timetable for implementation**

- 5.1 Bi monthly monitoring reports are prepared for Management team and incorporate revised actual figures.

**Background papers: There are none**

**Appendices: A&B**

## CAPITAL MONITORING REPORT AT 30 SEPTEMBER 2015

| Portfolio Member  | ORIGINAL<br>BUDGET | CARRY<br>FORWARDS | SUPPLEMENTARY<br>ESTIMATE | REVISED<br>BUDGET | ACTUALS<br>YTD | COMMIT<br>MENTS | MANAGERS<br>PROJECTED<br>OUTTURN | MANAGERS<br>PROJECTION TO<br>REVISED BUDGET |
|---|--------------------|-------------------|---------------------------|-------------------|----------------|-----------------|----------------------------------|---|
| Cllr Pinkerton - Housing, Health, Wellbeing, Ind Living & Leisure | 2,285,600          | -                 | -                         | 2,285,600         | 45,654         | 1,301           | 189,974                          | (2,095,626)                                 |
| Cllr Attewell - Environment                                       | 1,177,900          | 8,000             | -                         | 1,185,900         | 68,767         | 136,332         | 835,000                          | (350,900)                                   |
| Cllr Gething - Asset Management                                   | 7,111,800          | 20,000            | -                         | 7,131,800         | (29,781)       | 10,051          | 231,800                          | (6,900,000)                                 |
| Cllr Harman - ICT   | 230,000            | 57,400            | -                         | 287,400           | 95,565         | 100,492         | 328,900                          | 41,500                                      |
| Cllr Mitchell - Comm Safety                                       | 150,000            | -                 | -                         | 150,000           | -              | -               | 150,000                          | -   |
|   | <b>10,955,300</b>  | <b>85,400</b>     | <b>-</b>                  | <b>11,040,700</b> | <b>180,206</b> | <b>248,175</b>  | <b>1,735,674</b>                 | <b>(9,305,026)</b>                          |

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CAPITAL MONITORING REPORT AT 30 SEPTEMBER 2015

| Portfolio Member / Service Head   | Cost Centre | Description                            | Original Budget  | Carry Forwards | Supplementary Estimate | Revised Budget   | Actuals YTD | Commit ments | Managers Projected Outturn | Managers Projection to Revised Budget | Comments   |
|---|-------------|--|------------------|----------------|------------------------|------------------|-------------|--------------|----------------------------|---------------------------------------|--|
| Housing Investment Programme  |             |  |                  |                |                        |                  |             |              |                            |                                       |  |
| Cllr Pinkerton - Housing, Health, Wellbeing, Independent Living & Leisure |             |  |                  |                |                        |                  |             |              |                            |                                       |  |
| Lee O'Neil  | 40203       | Disabled Facilities Mandatory          | 460,000          | -              | 62,921                 | 522,921          | 247,269     | -            | 480,000                    | (42,921)                              | Based on current approvals and applications being processed, DFG payments are expected to be £480k for the year. DCLG have awarded us an additional grant of £62,921.  |
| Lee O'Neil  | 40204       | Disabled Facilities Discretion         | 29,600           | -              | -                      | 29,600           | -           | -            | 29,600                     | -                                     | This is expected to be spent by end of the year.   |
|   |             | Less Specified Capital Grant           | (285,000)        | -              | (62,921)               | (347,921)        | (173,961)   | -            | (347,921)                  | -                                     |  |
|   |             | Net Cost of Disabled Facilities Grants | 204,600          | -              | -                      | 204,600          | 73,308      | -            | 161,679                    | (42,921)                              |  |
| Lee O'Neil  | 40209       | Home Improvement Agency grant          | 81,000           | -              | -                      | 81,000           | -           | -            | 81,000                     | -                                     | Annual Invoice to be received later in this financial year. Additional funding of £52705 for Home Improvement to be received from Surrey County Council  |
|   |             | HIA Funding                            | -                | -              | -                      | -                | (26,353)    | -            | (52,705)                   | (52,705)                              |  |
|   |             | Total                                  | 81,000           | -              | -                      | 81,000           | (26,353)    | -            | 28,295                     | (52,705)                              |  |
| Total For HIP   |             |  | 285,600          | -              | -                      | 285,600          | 46,956      | -            | 189,974                    | (95,626)                              |  |
| Other Capital Programme   |             |  |                  |                |                        |                  |             |              |                            |                                       |  |
| Cllr Pinkerton - Housing, Health, Wellbeing, Independent Living & Leisure |             |  |                  |                |                        |                  |             |              |                            |                                       |  |
| Deborah Ashman  | 41622       | Affordable Housing Opportunity         | 2,000,000        | -              | -                      | 2,000,000        | -           | -            | -                          | (2,000,000)                           | Continuing to look for the opportunities and in touch with Registered Social Landlords Partners.   |
| Deborah Ashman  | 42271       | Fordbridge Day Centre                  | -                | -              | -                      | -                | (1,301)     | 1,301        | -                          | -                                     | Special Creditor Retention payment waiting to be cleared   |
|   |             | Total                                  | 2,000,000        | -              | -                      | 2,000,000        | (1,301)     | 1,301        | -                          | (2,000,000)                           |  |
| Cllr Attewell - Environment   |             |  |                  |                |                        |                  |             |              |                            |                                       |  |
| Jackie Taylor   | 41506       | Spelride Bus Replacement               | 250,000          | -              | -                      | 250,000          | -           | -            | 250,000                    | -                                     | The project is still underway,however there has been a delay on the procurement exercise. Project is still expected to be completed by the end of this financial year.   |
| Jackie Taylor   | 41507       | Streetscene Van Replacement            | 25,000           | -              | -                      | 25,000           | 23,300      | -            | 23,300                     | (1,700)                               | Vans have been delivered and project has also been completed. Funded through Department for Communities of Local Govt(DCLG)Grant   |
| Jackie Taylor   | 41601       | DCLG Bins                              | -                | -              | -                      | -                | 8,660       | -            | 8,660                      | 8,660                                 |  |
|   |             | DCLG Funding                           | -                | -              | -                      | -                | (8,660)     | -            | (8,660)                    | (8,660)                               |  |
| Jackie Taylor   | 41619       | Small Scale Area Regeneration          | 700,000          | -              | -                      | 700,000          | -           | -            | 550,000                    | (150,000)                             | Expected expenditure of £200,000 at this stage. Any residual amount then will be re-phased to 2016-2017  |
| Jackie Taylor   | 41620       | External Funding Wheelie Bins          | (350,000) 50,000 | -              | -                      | (350,000) 50,000 | - 11,663    | - 56,136     | (350,000) 50,000           | -                                     | Orders will be placed throughout this financial year depending on need as and when identified. Commitments of over £20k are being moved.   |
|   |             | Total                                  | 675,000          | -              | -                      | 675,000          | 34,963      | 56,136       | 523,300                    | (151,700)                             |  |
| Lee O'Neil  | 41314       | Air Quality                            | 17,100           | 8,000          | -                      | 25,100           | -           | -            | 25,100                     | -                                     | The contract is now signed with the consultant and now waiting for the work to start. Project is expected to be completed by end of March 2017. Balance will again be requested to be carried forward in the next financial year.  |
|   |             | Total                                  | 17,100           | 8,000          | -                      | 25,100           | -           | -            | 25,100                     | -                                     |  |
| Sandy Muirhead  | 42007       | Energy Saving Measures                 | 15,000           | -              | -                      | 15,000           | -           | -            | 15,000                     | -                                     | The project is expected to commence in winter months.  |
| Sandy Muirhead  | 42047       | Bring Site Initiative                  | -                | -              | -                      | -                | (11,780)    | 11,780       | -                          | -                                     | Special Creditor waiting to be cleared   |
|   |             | Total                                  | 15,000           | -              | -                      | 15,000           | (11,780)    | 11,780       | 15,000                     | -                                     |  |
| Sandy Muirhead  | 41006       | Kenyngton Manor Pavilion               | 98,900           | -              | -                      | 98,900           | -           | -            | 99,700                     | 800                                   | A contractor has been appointed. The work is expected to start subject to the lease is signed by Football club. It is expected that the project will be completed by end of February 2016.   |
|   |             | External Funding                       | (79,700)         | -              | -                      | (79,700)         | -           | -            | (79,700)                   | -                                     |  |
| Sandy Muirhead  | 41026       | Laleham Park Upgrade                   | 200,000          | -              | -                      | 200,000          | -           | -            | -                          | (200,000)                             | This project is currently being redefined to address changes to the project and the views of the task group are also being sought. It is highly unlikely that this project is completed in this financial year and requested to be carried forward or re-phased in the next financial year |
|   |             | Total                                  | 219,200          | -              | -                      | 219,200          | -           | -            | 20,000                     | (199,200)                             |  |
| Sandy Muirhead  | 41317       | Car Park Improvements                  | 110,600          | -              | -                      | 110,600          | 45,584      | 68,416       | 110,600                    | -                                     | Work has already started. Project is expected to be completed by end of October 2015   |

# CAPITAL MONITORING REPORT AT 30 SEPTEMBER 2015

| Portfolio Member /<br>Service Head | Cost<br>Centre | Description                   | Original Budget | Carry<br>Forwards | Supplementary<br>Estimate | Revised<br>Budget | Actuals<br>YTD | Commit<br>ments | Managers<br>Projected<br>Outturn | Managers<br>Projection to<br>Revised Budget | Comments  |
|------------------------------------|----------------|-------------------------------|-----------------|-------------------|---------------------------|-------------------|----------------|-----------------|----------------------------------|---|---|
| Sandy Muirhead                     | 41320          | Pay & Display Machines        | 141,000         | -                 | -                         | 141,000           | -              | -               | 141,000                          | -   | Machines are expected to be installed in winter time. Project is expected to be completed by end of this financial year   |
|                                    |                |                               |                 |                   |                           |                   |                |                 |                                  |   |   |
|                                    |                | Total                         | 251,600         | -                 | -                         | 251,600           | 45,584         | 68,416          | 251,600                          | -   |   |
| Cllr Gething - Asset Management    |                |                               |                 |                   |                           |                   |                |                 |                                  |   |   |
| Dave Phillips                      | 41007          | Stanwell Skate Park           | 50,000          | -                 | -                         | 50,000            | -              | 49,964          | 50,000                           | -   | Contractor has been directed to start the work and the installation date is expected to be in the beginning of November   |
|                                    |                | External Funding              | (50,000)        | -                 | -                         | (50,000)          | -              | (49,964)        | (50,000)                         | -   |   |
| Dave Phillips                      | 41015          | Runnymede Estates             | 55,600          | -                 | -                         | 55,600            | (20,157)       | -               | 55,600                           | -   | Special Creditors are waiting to be cleared.Capitalised Planned Maintenance to be transferred at the end of the financial year  |
| Dave Phillips                      | 41028          | Fire Alarm Systems            | -               | -                 | -                         | -                 | (269)          | 1,345           | -                                | -   | Special Creditor Retention payment is wating to be cleared  |
| Dave Phillips                      | 41031          | Fencing                       | -               | -                 | -                         | -                 | (325)          | 1,624           | -                                | -   | Special Creditor Retention payment is wating to be cleared  |
| Dave Phillips                      | 41618          | Esso Site Stanwell            | -               | 20,000            | -                         | 20,000            | 4,272          | -               | 20,000                           | -   | Successful bidder has contacted Planning and currently in ongoing dicussions regarding progress for the site. Project is expected to be completed by November 2015  |
| Dave Phillips                      | 42011          | Replace Council Accommodation | 7,000,000       | -                 | -                         | 7,000,000         | -              | -               | 100,000                          | (6,900,000)                                 | Tenders for consultancy services have now been returned. These will be looked at and Report will be prepared for the Committee in October 2015. Balance will again be requested to be carried forward in the next financial year as the target move is July 2018. |
| Dave Phillips                      | 42036          | Plot 12&13 Towpath Car Park   | 56,200          | -                 | -                         | 56,200            | -              | -               | 56,200                           | -   | Currently in negotiation with residents to develop the site. Project is expected to be completed by end of this financial year.   |
| Dave Phillips                      | 42053          | Knowle Green Heating          | -               | -                 | -                         | -                 | (4,320)        | 3,600           | -                                | -   | Special Creditor Retention payment is wating to be cleared  |
| Dave Phillips                      | 42046          | Greeno Centre Re-roofing      | -               | -                 | -                         | -                 | (8,982)        | 3,482           | -                                | -   | Special Creditor Retention payment is wating to be cleared  |
|                                    |                | Total                         | 7,111,800       | 20,000            | -                         | 7,131,800         | (29,781)       | 10,051          | 231,800                          | (6,900,000)                                 |   |
| Cllr Harman - ICT                  |                |                               |                 |                   |                           |                   |                |                 |                                  |   |   |
| Helen Dunn                         | 43003          | New Software                  | 20,000          | -                 | -                         | 20,000            | 5,600          | -               | 20,000                           | -   | Expected to be spent by the end of this financial year on various software enhancements   |
| Helen Dunn                         | 43004          | Host Replacement              | -               | -                 | -                         | -                 | 40,817         | 2,995           | 45,000                           | 45,000                                      | Funded through Reserves   |
| Helen Dunn                         | 43314          | Integra Upgrade               | -               | 8,000             | -                         | 8,000             | -              | 1,960           | 4,500                            | (3,500)                                     |   |
| Helen Dunn                         | 43608          | Other Hardware                | 60,000          | -                 | -                         | 60,000            | 1,071          | 2,400           | 60,000                           | -   | Expected to be spent by the end of this financial year on various hardware requirements   |
| Helen Dunn                         | 43611          | Mobiles and Tablets           | -               | -                 | -                         | -                 | (1,334)        | 881             | -                                | -   | Payment not required on the accruals  |
|                                    |                | Total                         | 80,000          | 8,000             | -                         | 88,000            | 46,154         | 8,236           | 129,500                          | 41,500                                      |   |
| Linda Norman                       | 43505          | CRM Solution                  | -               | 46,200            | -                         | 46,200            | 4,140          | 38,466          | 46,200                           | -   | Work on Phase II has now been completed. Development work has also started. User Acceptance Testing to start in November. Project is expected to be completed by end of this financial year   |
| Linda Norman                       | 43515          | Corporate EDMS Project        | 150,000         | -                 | -                         | 150,000           | 45,271         | 50,610          | 150,000                          | -   | New software has been installed and data migration work has already competed for Planning Service. The data migration work is now being undertaken for other services. Project is expected to be completed by March 2016.   |
| Linda Norman                       | 43308          | Liquid Voice                  | -               | 3,200             | -                         | 3,200             | -              | 3,180           | 3,200                            | -   | Work on Phase III has started. Software is due to be installed in November followed by User Acceptance Testing and expected to go live in January 2016.   |
|                                    |                | Total                         | 150,000         | 49,400            | -                         | 199,400           | 49,411         | 92,256          | 199,400                          | -   |   |
| Michael Graham                     | 43504          | Elections IER Equipment       | -               | -                 | 4,548                     | 4,548             | 4,548          | 798             | 4,548                            | -   | IER funding through Cabinet Office  |
|                                    |                | External Funding              | -               | -                 | (4,548)                   | (4,548)           | (4,548)        | (798)           | (4,548)                          | -   |   |
|                                    |                | Total                         | -               | -                 | -                         | -                 | -              | (0)             | -                                | -   |   |
| Cllr Mitchell - Community Safety   |                |                               |                 |                   |                           |                   |                |                 |                                  |   |   |
| Keith McGroary                     | 41621          | CCTV Enhancement              | 150,000         | -                 | -                         | 150,000           | -              | -               | 150,000                          | -   | Draft specification has now been completed and tenders will be invited by end of October. Project is expected to be completed by the end of this financial year   |
|                                    |                | Total                         | 150,000         | -                 | -                         | 150,000           | -              | -               | 150,000                          | -   |   |
| Total For Other                    |                |                               | 10,669,700      | 85,400            | -                         | 10,755,100        | 133,250        | 248,175         | 1,545,700                        | (9,209,400)                                 |   |
| Total Expenditure                  |                |                               | 11,720,000      | 85,400            | 67,469                    | 11,872,869        | 393,727        | 248,973         | 2,629,208                        | (9,243,661)                                 |   |
| Total Funding                      |                |                               | (764,700)       | -                 | (67,469)                  | (832,169)         | (213,521)      | (798)           | (893,534)                        | (61,365)                                    |   |
| GRAND TOTAL                        |                |                               | 10,955,300      | 85,400            | -                         | 11,040,700        | 180,206        | 248,175         | 1,735,674                        | (9,305,026)                                 |   |

# Overview and Scrutiny Committee

19 January 2016



|                              |                                     |                     |    |
|------------------------------|-------------------------------------|---------------------|----|
| <b>Title</b>                 | Revenue Monitoring Report           |                     |    |
| <b>Purpose of the report</b> | To note                             |                     |    |
| <b>Report Author</b>         | Adrian Flynn                        |                     |    |
| <b>Cabinet Member</b>        | Councillor Tim Evans                | <b>Confidential</b> | No |
| <b>Corporate Priority</b>    | Value for money Council             |                     |    |
| <b>Cabinet Values</b>        | Accountability                      |                     |    |
| <b>Recommendations</b>       | To note the current spend position. |                     |    |

## 1. Overall Projected Outturn

- 1.1 To provide Overview and Scrutiny Committee with the net revenue spend figures to the end of September 2015.
- The forecast outturn at net expenditure level is £14.525m against the revised budget of £14.536m; A projected favourable variance of £11k
  - After taking into account the use of carry forwards, the net position is approximately £9k favourable variance.

- 1.2 Interest earnings are forecast to be lower than the budget due to the delayed sale of Bridge street car park by approximately £53k. This shortfall will be covered by a transfer from our interest equalisation reserve.

### Key Issues

- 1.3 There is a forecasted £232k adverse variance on bed and Breakfast expenditure for the current financial year due to increased usage. Officers are working on options to mitigate further demand increases.
- 1.4 Vacant staff posts provide short term savings but can result in having an adverse effect on operational issues. As part of the 2016/17 budget process we are looking at the council's pay policies to ensure that they are competitive to other neighbouring council's as a measure to counter act higher rates of pay to professional groups of officer's in other authorities. One of these areas is recruitment and retention allowances.

## **2. Options analysis and proposal**

2.1 Overview and Scrutiny Committee is asked to note the current net revenue spend and forecast position.

2.2 The following highlights the more significant or material variances:

### **Housing, Health, Wellbeing, Independent Living and Leisure**

Democratic Representation and Management - £40k adverse variance: Four yearly councillors' computer costs incurred following the Borough elections.

Housing Benefit Administration - £49k favourable variance: Vacant posts and reduction in working hours.

### **Leader**

People and Partnerships-£18k favourable variance: Members neighbourhood allocation budget overstated.

### **ICT and Business Continuity**

ICT- £30k adverse variance: Vacant post being covered by agency staff and Microsoft maintenance costs increasing.

### **Finance**

MAT Secretariat & Support-£13k favourable variance: Executive Assistant secondment ended 31<sup>st</sup> May.

Insurance-£170k adverse variance: Further provision may be required to meet historic Municipal Mutual Insurance liabilities.

### **Planning**

Land Charges - £10k: adverse variance: Vacant post savings offset by reduction in income and additional search fee costs.

Planning Policy - £71k: favourable variance: Vacant posts. Fee income is currently under budget but is anticipated to recover due to potential large scale planning applications being received over the coming months.

Building Control - £42k favourable variance: Vacant post and increased income.

### **Community Safety**

Community Safety - £44k adverse variance: CCTV expenditure higher than budget due to procurement delays in bringing in a new system but offset by restructure savings and increased income.

### **Waste, Environment & Parking**

Recycling - £134k favourable variance: Lower than anticipated gate fees for processing materials

Grounds maintenance - £39k favourable variance: savings on Highways verges staffing and increased income from the agency agreement with SCC.

Cemeteries - £27k adverse variance: Increased use of pre-paid plots.

Staines market - £20k adverse variance: increased competition from pound shops and discount stores.

Depot-£28k adverse variance: Increased insurance excess claims.

Streetscene Management and Support-£136k favourable variance:  
Enforcement income not budgeted for, plus vacant posts.

### **Economic Development and Fixed Assets**

Asset Management - £214k favourable variance: Knowle Green relocation budget will not be spent in full in 2015-16, savings from a vacant post offset by higher insurance and consultant fees. A carry forward request will be made at year end.

### **3. Financial implications**

3.1 As set out within the report and appendices

### **4. Other considerations**

4.1 There are none

### **5. Timetable for implementation**

5.1 Bi – monthly reports are produced for Management team

### **Background papers:**

### **Appendices: A&B**

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## APPENDIX A

**2015/16 Net Revenue Budget Monitoring**  
**As at end of 30 SEPTEMBER 2015**

|  | 15/16             | 15/16             | 15/16             | 15/16           |
|--|-------------------|-------------------|-------------------|-----------------|
|  | Budget            |                   | Forecast          | Variance        |
|  | Original          | Revised           | Outturn           | to Revised      |
|  | £                 | £                 | £                 | £               |
| Gross Expenditure  | 55,882,600        | 56,107,500        | 57,763,480        | 1,655,980       |
| Less Benefits (offset by grant)                            |                   |                   |                   |                 |
| Total Gross Expenditure excluding Benefits                 | 55,882,600        | 56,107,500        | 57,763,480        | 1,655,980       |
| Less Housing Benefit grant                                 | (31,376,700)      | (31,376,700)      | (32,310,700)      | (934,000)       |
| Less Specific fees and charges income                      | (9,755,000)       | (9,755,000)       | (10,487,468)      | (732,468)       |
| <b>Net Expenditure - broken down as below</b>              | <b>14,750,900</b> | <b>14,975,800</b> | <b>14,965,312</b> | <b>(10,488)</b> |
| Leader of the Council                                      | 443,800           | 445,000           | 427,247           | (17,753)        |
| ICT & Business Continuity of the Council                   | 697,000           | 706,500           | 737,000           | 30,500          |
| Housing, Health, Wellbeing, Independent Living and Leisure | 2,558,000         | 2,561,400         | 2,758,500         | 197,100         |
| Finance  | 3,491,000         | 3,511,500         | 3,724,365         | 212,865         |
| Planning   | 1,805,500         | 1,888,300         | 1,798,000         | (90,300)        |
| Communication and Procurement                              | 215,500           | 227,000           | 215,400           | (11,600)        |
| Community Safety and Licensing                             | 108,800           | 108,800           | 162,200           | 53,400          |
| Waste, Environment and Parking                             | 3,634,200         | 3,634,200         | 3,449,700         | (184,500)       |
| Economic Development and Fixed Assets                      | 1,797,100         | 1,893,100         | 1,692,900         | (200,200)       |
| <b>NET EXPENDITURE AT SERVICE LEVEL</b>                    | <b>14,750,900</b> | <b>14,975,800</b> | <b>14,965,312</b> | <b>(10,488)</b> |
| Salary expenditure - vacancy monitoring                    | (300,000)         | (300,000)         | (300,000)         | -               |
| Partnership Savings  | (40,000)          | (40,000)          | (40,000)          | -               |
| Pay award  | -                 | -                 | -                 | -               |
| Efficiencies to offset pay award                           | (100,000)         | (100,000)         | (100,000)         | -               |
| Increased Employer contributions due to auto enrollment    | -                 | -                 | -                 | -               |
| <b>NET EXPENDITURE</b>                                     | <b>14,310,900</b> | <b>14,535,800</b> | <b>14,525,312</b> | <b>(10,488)</b> |
| <b>NET EXPENDITURE</b>                                     | <b>14,310,900</b> | <b>14,535,800</b> | <b>14,525,312</b> | <b>(10,488)</b> |
| Interest earnings  | (635,000)         | (635,000)         | (635,000)         | -               |
| Staines Town Development/TaSF                              | (531,276)         | (531,276)         | (313,476)         | 217,800         |
| <b>BUDGET REQUIREMENT</b>                                  | <b>13,144,624</b> | <b>13,369,524</b> | <b>13,576,836</b> | <b>207,312</b>  |
| Baseline NNDR Funding                                      | (3,055,700)       | (3,055,700)       | (3,055,700)       | -               |
| Revenue Support grant                                      | (1,330,600)       | (1,330,600)       | (1,330,600)       | -               |
| New Homes Bonus  | (1,564,400)       | (1,564,400)       | (1,564,400)       | -               |
| <b>NET BUDGET REQUIREMENT</b>                              | <b>7,193,924</b>  | <b>7,418,824</b>  | <b>7,626,136</b>  | <b>207,312</b>  |
| Collection Fund Surplus/(deficit)                          | (266,400)         | (266,400)         | (266,400)         | -               |
| <b>CHARGE TO COLLECTION FUND</b>                           | <b>6,927,524</b>  | <b>7,152,424</b>  | <b>7,359,736</b>  | <b>207,312</b>  |
| 2014/15 Revenue carryforward                               |                   |                   | (216,700)         | (216,700)       |
| <b>Net Position</b>  |                   |                   |                   | <b>(9,388)</b>  |

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|   |                     |                     |                    |
|---|---------------------|---------------------|--------------------|
| <b>Appendix B</b>   |                     |                     |                    |
| <b>REVENUE MONITORING 2015/16</b>                                 |                     |                     |                    |
| <b>EXPENDITURE AND INCOME SUMMARY 30 SEPTEMBER 2015</b>           |                     |                     |                    |
| <b>Results to</b>   | <b>Budget</b>       | <b>Forecast</b>     | <b>Variance</b>    |
| <b>30-Sep-15</b>  | <b>Revised</b>      | <b>Outturn</b>      | <b>to Revised</b>  |
|   | <b>£</b>            | <b>£</b>            | <b>£</b>           |
| <b>Leader of the Council</b>                                      |                     |                     |                    |
| Employees   | 423,600             | 431,600             | 8,000              |
| Other Expenditure   | 94,600              | 70,900              | (23,700)           |
| Income  | (73,200)            | (75,253)            | (2,053)            |
|   | <b>445,000</b>      | <b>427,247</b>      | <b>(17,753)</b>    |
| <b>ICT &amp; Business Continuity of the Council</b>               |                     |                     |                    |
| Employees   | 473,100             | 484,900             | 11,800             |
| Other Expenditure   | 271,800             | 290,700             | 18,900             |
| Income  | (38,400)            | (38,600)            | (200)              |
|   | <b>706,500</b>      | <b>737,000</b>      | <b>30,500</b>      |
| <b>Housing, Health, Wellbeing, Independent Living and Leisure</b> |                     |                     |                    |
| Employees   | 3,416,400           | 3,383,600           | (32,800)           |
| Other Expenditure   | 33,469,200          | 35,265,900          | 1,796,700          |
| Housing Benefit grant income                                      | (31,376,700)        | (32,310,700)        | (934,000)          |
| Income  | (2,947,500)         | (3,580,300)         | (632,800)          |
|   | <b>2,561,400</b>    | <b>2,758,500</b>    | <b>197,100</b>     |
| <b>Finance</b>  |                     |                     |                    |
| Employees   | 3,064,700           | 3,052,200           | (12,500)           |
| Other Expenditure   | 817,600             | 1,057,000           | 239,400            |
| Income  | (370,800)           | (384,835)           | (14,035)           |
|   | <b>3,511,500</b>    | <b>3,724,365</b>    | <b>212,865</b>     |
| <b>Planning</b>   |                     |                     |                    |
| Employees   | 1,911,500           | 1,839,900           | (71,600)           |
| Other Expenditure   | 1,238,200           | 1,255,900           | 17,700             |
| Income  | (1,261,400)         | (1,297,800)         | (36,400)           |
|   | <b>1,888,300</b>    | <b>1,798,000</b>    | <b>(90,300)</b>    |
| <b>Communication and Procurement</b>                              |                     |                     |                    |
| Employees   | 111,300             | 109,700             | (1,600)            |
| Other Expenditure   | 125,700             | 115,700             | (10,000)           |
| Income  | (10,000)            | (10,000)            | -                  |
|   | <b>227,000</b>      | <b>215,400</b>      | <b>(11,600)</b>    |
| <b>Community Safety and Licensing</b>                             |                     |                     |                    |
| Employees   | 203,700             | 194,700             | (9,000)            |
| Other Expenditure   | 142,700             | 210,500             | 67,800             |
| Income  | (237,600)           | (243,000)           | (5,400)            |
|   | <b>108,800</b>      | <b>162,200</b>      | <b>53,400</b>      |
| <b>Waste, Environment and Parking</b>                             |                     |                     |                    |
| Employees   | 3,299,400           | 3,156,400           | (143,000)          |
| Other Expenditure   | 4,715,100           | 4,693,200           | (21,900)           |
| Income  | (4,380,300)         | (4,399,900)         | (19,600)           |
|   | <b>3,634,200</b>    | <b>3,449,700</b>    | <b>(184,500)</b>   |
| <b>Economic Development and Fixed Assets</b>                      |                     |                     |                    |
| Employees   | 277,700             | 248,700             | (29,000)           |
| Other Expenditure   | 2,051,200           | 1,901,980           | (149,220)          |
| Income  | (435,800)           | (457,780)           | (21,980)           |
|   | <b>1,893,100</b>    | <b>1,692,900</b>    | <b>(200,200)</b>   |
| <b>NET EXPENDITURE AT SERVICE LEVEL</b>                           | <b>14,975,800</b>   | <b>14,965,312</b>   | <b>(10,488)</b>    |
| Total Employees   | 13,181,400          | 12,901,700          | (279,700)          |
| Total Other Expenditure   | 42,926,100          | 44,861,780          | 1,935,680          |
| Housing Benefit grant income                                      | (31,376,700)        | (32,310,700)        | (934,000)          |
| Total Income  | (9,755,000)         | (10,487,468)        | (732,468)          |
|   | <b>14,975,800</b>   | <b>14,965,312</b>   | <b>(10,488)</b>    |
| <b>Total Expenditure</b>  | <b>56,107,500</b>   | <b>57,763,480</b>   | <b>1,655,980</b>   |
| <b>Total Income</b>   | <b>(41,131,700)</b> | <b>(42,798,168)</b> | <b>(1,666,468)</b> |
| <b>Net</b>  | <b>14,975,800</b>   | <b>14,965,312</b>   | <b>(10,488)</b>    |

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## ASSET AND REGENERATION TASK GROUP

### SUB GROUP A – KNOWLE GREEN

25 November 2015

#### **Present:**

Cllr Harvey (Chair)    Cllr Dunn                      Cllr Thompson                      Cllr Capes

Staines-Upon-Thames Regeneration Manager (Heather Morgan - HM)

#### **Apologies**

Cllr Saliagopoulos

#### **1 Minutes of previous meeting**

Agreed.

#### **2 Cabinet report on property consultants (decision)**

HM advised that Cabinet had agreed the appointment of property consultants to find an office building through to completion of the sale. Further appointment(s) would be considered at the appropriate time on use of consultants for any refurbishment etc. HM confirmed that the redevelopment appointment will be considered at a later date once the strategic direction had been firmed up.

#### **3 Relocation – possible building/progress**

Task Group (TG) agreed that a civic space was necessary in any new building, but that it needed to be adaptable. HM noted (it is already in the brief to the consultants).

TG discussed better use of space at the Depot, and the principle of accommodating more staff there (subject to adequate parking and planning). HM advised the consultants were aware of this possibility.

A discussion was held around those partner organisations who may well come with us to any building. The valuable service provided by the voluntary sector was noted. The collective view of the TG was that partners should pay a full commercial rate or that a subsidy (for the voluntary sector only) be recognised via the grant funding system (or similar).

The location of possible 'new' office buildings (which were available) were discussed. The Staines-upon-Thames 'offer' was agreed by the TG as an investment purchase only (to let out commercially) for the right price. The Sunbury Common 'offer' was unanimously endorsed and the members re-iterated their preference for this over and above the Staines site. This was due to lower cost (both for Council and partners) and the positive comms message in light of budget pressures.

#### **4 Date of next meeting**

Wednesday 20 January at 7.30pm in the Goddard Room, Knowle Green

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## Meeting Next Steps

**Title: Leader's Task Group – All Other Assets**

**Date: 11 December 2015**

**Present:**

|                   |                  |  |
|-------------------|------------------|--|
| Councillor Harman | Councillor Spoor |  |
|-------------------|------------------|--|

**In attendance:**

|             |  |  |
|-------------|--|--|
| Cathy Munro |  |  |
|-------------|--|--|

**Apologies:** Dave Philips

### Next Steps

| No. | Action  | By whom | When                 |
|-----|---|---------|----------------------|
| 1.  | Apologies   | CM      |                      |
| 2.  | <b>Update - Cathy</b><br>Cathy gave an update on the strategic level asset projects including Airport Parking, Short Lane and the Leisure Centre with expected income, next steps and timescales. | CM      |                      |
| 3.  | <b>Estates</b><br>Cllr Harman requested an email updating the Task Group on the purchase of The Bugle site.   | DP      | w/c 14 December 2015 |
| 4.  | <b>Future of Task Group</b><br>Cllr Harman stated that he was unaware of the Leader's intentions regarding the future of the Task Group so it would meet again in February 2016                   | TH      |                      |
| 5.  | <b>Date of Next Meeting</b><br>The date of the next meeting is Wednesday 10 February 2016 at 10.00 a.m. in the Trevor Baker Room  | All     | 10.02.16             |

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# Spelthorne Borough Council – Forward Plan - 11/01/16

|   | Report title or issue   | Officer           | C/Member           | Key | Exempt      | MAT    | Briefing | Cabinet | Licensing | O&S    | Audit | Council |
|---|---|-------------------|--------------------|-----|-------------|--------|----------|---------|-----------|--------|-------|---------|
| A | Pay Policy Statement 2016-17  | Debbie O'Sullivan | Q.R. Edgington     | No  |             | 08-Dec | 11-Jan   | 27-Jan  |           |        |       | 25-Feb  |
| A | Project Management dashboard update   | Linda Norman      | Q.R. Edgington     | No  |             | 15-Dec | 11-Jan   |         |           | 19-Jan |       |         |
|   | Performance Review of Contracts   | Victoria Statham  | J Sexton           | No  |             | 22-Dec |          |         |           | 19-Jan |       |         |
|   | Review of the Leisure and Culture Strategy action plan for 2015 and proposed action plan for 2016   | Lisa Stonehouse   | J Pinkerton        | No  |             | 22-Dec | 11-Jan   |         |           |        |       |         |
|   | Purchase of a freehold site in Upper Halliford<br>To consider a request for permission to purchase the freehold of the land and buildings forming a site in Upper Halliford.                            | Dave Phillips     | Q.R. Edgington, QE | Yes | Part exempt |        |          | Jan     |           |        |       |         |
|   | Outline Budget 2016-2017<br>To agree the Outline Budget for 2016-17.  | Terry Collier     | T.J.M. Evans,      | Yes | Open        | 22-Dec |          | 27-Jan  |           |        |       |         |
|   | Review of Parking Orders including an amendment to the Bridge Street parking order<br>To approve the review of the Council's parking orders, including an amendment to the Bridge Street parking order. | Sandy Muirhead    | M.M. Attewell,     | Yes |             | 22-Dec | 11-Jan   | 27-Jan  |           |        |       |         |
| A | Fees and Charges 2016-2017<br>To recommend to Council for approval the Schedule of fees and charges for 2016-2017.  | Terry Collier     | T.J.M. Evans,      | Yes | Open        | 22-Dec | 11-Jan   | 27-Jan  |           |        |       |         |
| A | Treasury Management Strategy 2016-17<br>To recommend to Council for approval the Treasury Management Strategy for 2016-17.  | Terry Collier     | T.J.M. Evans,      | Yes | Open        | 22-Dec |          | 27-Jan  |           |        |       | 25-Feb  |
|   | Leaders task groups update report for O&S   |                   |                    | No  |             |        |          |         |           | 19-Jan |       |         |
| A | 6-month Revenue monitoring  | Adrian Flynn      | T.J.M. Evans       | No  |             | 22-Nov | 06-Dec   | Dec     |           | 19-Jan |       |         |
| A | 6-month Capital monitoring  | Adrian Flynn      | T.J.M. Evans       | No  |             | 22-Nov | 06-Dec   | Dec     |           | 19-Jan |       |         |
| A | Treasury Management half-yearly report  | Ryan Maslen       | T.J.M. Evans       | No  |             | 22-Nov | 06-Dec   | Dec     |           |        |       |         |

|   | Report title or issue  | Officer                | C/Member           | Key | Exempt | MAT    | Briefing | Cabinet | Licensing | O&S | Audit | Council |
|---|--|------------------------|--------------------|-----|--------|--------|----------|---------|-----------|-----|-------|---------|
| A | Monthly income and salary monitoring   | Ryan Maslen            | T.J.M. Evans       | No  |        | 26-Jan |          |         |           |     |       |         |
|   | Making Spelthorne sustainable  | Fran Lunn              | M.M. Attewell      | No  |        | 26-Jan | 09-Feb   | 24-Feb  |           |     |       |         |
|   | Acquisition of strategic assets - delegations and budgetary provision  | Heather Morgan         | D. Saliagopoulos   | No  | Open   | 26-Jan | 09-Feb   | 24-Feb  |           |     |       |         |
|   | Waste Services and Waste Vehicles Project<br>To agree the recommendations on service changes to allow procurement of vehicles for collection of rubbish and recycling. | Sandy Muirhead         | M.M. Attewell, MA  | Yes | Open   | 26-Jan | 09-Feb   | 24-Feb  |           |     |       |         |
| A | Annual Grants awards 2016-17   | Joanne Jones           | V.J. Leighton      | No  |        | 26-Jan | 09-Feb   | 24-Feb  |           |     |       |         |
| A | Council Tax and Business Rates write-offs  | Linda Norman           | T.J.M. Evans       | No  |        | 26-Jan | 09-Feb   | 24-Feb  |           |     |       |         |
| A | Revenue Budget 2016-2017 (final)<br>To recommend to Council for approval the Revenue Budget for 2016-17.   | Terry Collier          | T.J.M. Evans,      | Yes | Open   | 26-Jan |          | 24-Feb  |           |     |       | 25-Feb  |
| A | Capital Programme 2016-2017 (final)<br>To recommend to Council for approval the Capital Programme for 2016-17.   | Terry Collier          | T.J.M. Evans,      | Yes | Open   | 26-Jan |          | 24-Feb  |           |     |       | 25-Feb  |
| A | Food and Health and Safety Service Plans 2016-17   | Tracey Willmott-French | J.M. Pinkerton OBE | No  |        | 26-Jan | 09-Feb   | 24-Feb  |           |     |       |         |
| A | Recommendation from Audit Committee on Corporate Risk Management   | Sam Nicholls           | T.J.M. Evans       | No  |        | 26-Jan | 09-Feb   | 24-Feb  |           |     |       |         |
|   | Pest Control Contract  | Tracey Willmott-French | A.J. Mitchell      | No  | Open   | 26-Jan | 09-Feb   | 24-Feb  |           |     |       |         |
| A | Review of Members' Allowances  | Greg Halliwell         | Q.R. Edgington     | No  |        | 02-Feb | 09-Feb   | 24-Feb  |           |     |       | 28-Apr  |
| A | Monthly income and salary monitoring   | Ryan Maslen            | T.J.M. Evans       | No  |        | 23-Feb |          |         |           |     |       |         |



|   | Report title or issue   | Officer           | C/Member                         | Key | Exempt | MAT    | Briefing | Cabinet | Licensing | O&S    | Audit | Council |
|---|---|-------------------|----------------------------------|-----|--------|--------|----------|---------|-----------|--------|-------|---------|
| A | Appraisal timetable   | Debbie O'Sullivan | Q.R. Edgington                   | No  |        | 01-Mar |          |         |           |        |       |         |
|   | Leaders' task groups update report for O&S  |                   |                                  | No  |        |        |          |         |           | 15-Mar |       |         |
|   | Monthly income and salary monitoring  | Ryan Maslen       | T.J.M. Evans                     | No  |        | 29-Mar |          |         |           |        |       |         |
|   | Landlord Rent Guarantee Scheme  |                   | JPinkerton                       | Yes |        | 29-Mar |          | 27-Apr  |           |        |       |         |
|   | Review of the Constitution 2015<br>To consider the annual review of the Council's Constitution. | Michael Graham    | V.J. Leighton,<br>Q.R. Edgington | Yes |        | 05-Apr | 12-Apr   | 27-Apr  |           |        |       | 28-Apr  |
| A | Project Management dashboard update   | Linda Norman      | Q.R. Edgington                   | No  |        | 05-Apr | 12-Apr   |         |           |        |       |         |
| A | Monthly income and salary monitoring  | Ryan Maslen       | T.J.M. Evans                     | No  |        | 19-Apr |          |         |           |        |       |         |
| A | Monthly income and salary monitoring  | Ryan Maslen       | T.J.M. Evans                     | No  |        | 24-May |          |         |           |        |       |         |
| A | Annual Sickness Monitoring to 31 March  | Debbie O'Sullivan | Q.R. Edgington                   | No  | Open   | 31-May |          |         |           |        |       |         |
| A | Monthly income and salary monitoring  | Ryan Maslen       | T.J.M. Evans                     | No  |        | 21-Jun |          |         |           |        |       |         |
| A | Annual turnover and recruitment monitoring  | Debbie O'Sullivan | Q.R. Edgington                   | No  |        | 28-Jun |          |         |           |        |       |         |
| A | Monthly income and salary monitoring  | Ryan Maslen       | T.J.M. Evans                     | No  |        | 19-Jul |          |         |           |        |       |         |
| A | Annual training plan  | Debbie O'Sullivan | Q.R. Edgington                   | No  |        | 26-Jul |          |         |           |        |       |         |
| A | Christmas opening for 2016o   | Debbie O'Sullivan | Q.R. Edgington                   | No  |        | 09-Aug |          |         |           |        |       |         |

|   | Report title or issue                                 | Officer           | C/Member       | Key | Exempt | MAT    | Briefing | Cabinet | Licensing | O&S | Audit | Council |
|---|---|-------------------|----------------|-----|--------|--------|----------|---------|-----------|-----|-------|---------|
| A | Summary of Appraisal feedback 2016                    | Debbie O'Sullivan | Q.R. Edgington | No  |        | 16-Aug |          |         |           |     |       |         |
| A | Monthly income and salary monitoring                  | Ryan Maslen       | T.J.M. Evans   | No  |        | 16-Aug |          |         |           |     |       |         |
| A | Monthly income and salary monitoring                  | Ryan Maslen       | T.J.M. Evans   | No  |        | 20-Sep |          |         |           |     |       |         |
| A | Monthly income and salary monitoring                  | Ryan Maslen       | T.J.M. Evans   | No  |        | 18-Oct |          |         |           |     |       |         |
|   | Monthly income and salary monitoring                  | Ryan Maslen       | T.J.M. Evans   | No  |        | 16-Nov |          |         |           |     |       |         |
| A | Annual Review of recruitment and retention allowances | Debbie O'Sullivan | Q.R. Edgington | No  |        | 13-Dec |          |         |           |     |       |         |
|   | Discretionary Rate relief                             | Linda Norman      | T.J.M. Evans   | No  |        | 21-Feb | 06-Mar   | 22-Mar  |           |     |       |         |

## Overview and Scrutiny Committee Work Programme March 2016

| Date of Meeting | ISSUE   | Lead Officer                  | Objectives  |
|-----------------|---|-------------------------------|---|
| 15 March 2016   | 1. Minutes  | Chairman                      | To agree the minutes of the previous meeting.   |
|                 | 2. Spelthorne Joint Committee   | Michael Graham/Cllr Edgington | To receive a report from Surrey County Council on proposals for a Spelthorne Joint Committee.                                   |
|                 | 3. Review of Community Infrastructure Levy and Infrastructure provision | John Brooks/Cllr Leighton     | To receive a report on a review of the first year's operation of CIL and the effectiveness of the infrastructure delivery plan. |
|                 | 4. Leader's Task Groups update  | Lead Councillor               | To receive update reports on the work of the Task Groups  |
|                 | 5. Work Programme and Cabinet Forward Plan                              | Chairman / Terry Collier      | To note the proposed work programme and consider issues of interest from the Forward Plan.                                      |

Items identified for inclusion in future work programme yet to be scheduled:

- Corporate Plan Review
- Health Service (GP surgeries) provision
- Planning Enforcement Policy
- Complaints procedure
- Small/medium enterprise and job creation
- Staff performance v Council priorities

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