



## Summons to Attend

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# Full Council

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To: The Mayor and Councillors of Haringey Council.

Dear Sir/Madam,

A meeting of the Council of the London Borough of Haringey will be held at the The Civic Centre, High Road, Wood Green, London N22 8LE on MONDAY, 30TH NOVEMBER, 2009 at 19:30 HRS, to transact the following business:

### **AGENDA**

- 1. TO RECEIVE APOLOGIES FOR ABSENCE**
- 2. TO ASK THE MAYOR TO CONSIDER THE ADMISSION OF ANY LATE ITEMS OF BUSINESS IN ACCORDANCE WITH SECTION 100B OF THE LOCAL GOVERNMENT ACT 1972**
- 3. DECLARATIONS OF INTEREST**

A member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature

of that interest at the commencement of that consideration, or when the interest becomes apparent.

A member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgment of the public interest and if this interest affects their financial position or the financial position of a person or body as described in paragraph 8 of the Code of Conduct and/or if it relates to the determining of any approval, consent, licence, permission or registration in relation to them or any person or body described in paragraph 8 of the Code of Conduct.

4. **TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 19 OCTOBER 2009 (PAGES 1 - 10)**
5. **TO RECEIVE SUCH COMMUNICATIONS AS THE MAYOR MAY LAY BEFORE THE COUNCIL**
6. **TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE**
7. **TO RECEIVE THE REPORT OF THE MONITORING OFFICER AND HEAD OF LEGAL SERVICES**
8. **TO MAKE APPOINTMENTS TO OUTSIDE BODIES**
9. **TO CONSIDER REQUESTS TO RECEIVE DEPUTATIONS AND/OR PETITIONS AND, IF APPROVED, TO RECEIVE THEM**
10. **TO CONSIDER OPPOSITION BUSINESS SUBMITTED IN ACCORDANCE WITH COUNCIL PROCEDURE RULE NO.12**
11. **TO ANSWER QUESTIONS, IF ANY, IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NOS. 9 & 10**

**Public Question to the Cabinet Member for Enforcement and Safer Communities from Justin Hinchcliffe:**

Is She aware of the policy of Conservative-run Wandsworth Council, with Labour support there, to introduce compulsory dog chipping? Both parties in that Authority believe it will curb the number of stray, neglected, dangerous and stolen dogs. Owners who refuse to comply may be fined and may lose their right to keep their pet. This scheme is also supported by the National Dogs Trust. Will She have a look at this policy with an open mind and consider following Wandsworth's excellent lead, which I believe will be supported by the majority of our residents from across the borough?

**Oral Question 1 - To the Cabinet Member for Enforcement and Safer Communities from Councillor Peacock:**

How will restructuring the Street Enforcement Service help to tackle environmental crime?

**Oral Question 2 – To the Cabinet Member for Environment and Conservation from Councillor Baker:**

Does the Cabinet member and his colleagues support the campaign for a one hour bus ticket for Haringey's bus users?

**Oral Question 3 - To the Cabinet Member for Enforcement and Safer Communities from Councillor Demirci:**

Could the Cabinet Member explain how enforcement and planning are dealing with rogue landlords who are responsible for multiple occupancy?

**Oral Question 4 - To the Cabinet Member for Housing Services from Councillor Davies:**

When did the Cabinet Member for Housing last review the payment terms offered to leaseholders and how do they compare to neighbouring boroughs?

**Oral Question 5 –To the Cabinet Member for Children and Young People from Councillor Santry:**

Will the Cabinet Member join me in congratulating our Member of the Youth Parliament, Funmi Abrai, for making history as the first person to open a parliamentary debate by under-18s?

**Oral Question 6 – To the Cabinet Member for Adult Social Care and Wellbeing from Councillor Scott:**

How does the future of the St Ann's MHT site fit into the plans for health provision in the Borough?

**Oral Question 7 - To the Cabinet Member for Leisure, Culture and Lifelong Learning from Councillor Dodds:**

Can the Cabinet Member explain the progress the Council have made on planting trees in the Borough?

**Oral Question 8 - To the Cabinet Member for Enforcement and Safer Communities from Councillor Aitken:**

Will the Cabinet member give assurances that the changes to Police bases in Wood Green will not result in any reduction in public access to Police front counter services?

**12. TO RECEIVE REPORTS FROM THE FOLLOWING BODIES (PAGES 11 - 92)**

- a) Special Committee – Report 1 – 2009/10
- b) Cabinet – Reports 6 & 7 – 2009/10

- c) Audit Committee – Report 1 – 2009/10
- d) General Purposes Committee – Report 2 – 2009/10

**13. TO CONSIDER THE FOLLOWING MOTIONS IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NO. 13**

Motion E (2009/10)

Councillor Wilson has given notice that he will move in the following terms:

“This Council notes:

- The government’s proposal to scrap excess payments to local housing allowance claimants where their rent is lower than the rate of the allowance
- That this plan would see over 2,000 of the poorest families in Haringey up to £15 a week and £780 a year worse off
- As a result, £1.5million would be taken out of the local economy

This Council believes

- that these changes undermine the original objectives of local housing allowance which were to bring choice and fairness to the benefits system while combating poverty;

Therefore, this Council resolves

- To write to the Chancellor for the exchequer to reverse the government’s plan to scrap excess payments to local housing allowance claimants.
- Urges local MPs to sign Liberal Democrat Sarah Teather’s EDM 2069 to back the campaign against the change in policy”.

Motion F (2009/10)

Councillor Newton has given notice that he will move in the following terms:

“This Council notes:

1. The Labour Government is currently consulting on plans to review the last year of the 3-year special grant for concessionary fares to support the introduction of the English National Concession which could very well lead to the grant to London Councils being cut by up to £29 million a year;
2. that any move by central Government threatens the future of the much cherished Freedom Pass for elderly and disabled people;
3. that as the concessionary fares scheme in London is currently only 66% funded by Government grant and that if the special grant is withdrawn this would reduce to about 50%;

4. with alarm that London Councils estimate that the possible shortfall in funding could equate to £18 on the average Council Tax bill at a time of economic hardship;

Therefore, this Council resolves to:

1. Call upon the Minister of State at the Department of Transport, Sadiq Khan MP, to announce that he will not be withdrawing the special grant to London.
2. Urge local MPs to write to Ministers and demand funding for London is maintained at the promised level.
3. Continue to support efforts to ensure London gets an equal share of future concessionary fare funding”.

#### Motion G (2009/10)

Councillor Egan has given notice that he will move in the following terms:

“This Council

Notes that:

- The current financial climate is difficult for Haringey residents
- Haringey Council is taking steps to help those residents who are affected by the recession, through schemes such as the Haringey Guarantee
- That all Labour controlled London boroughs have announced plans to help residents by freezing their council tax

Believes:

- That the Council has a responsibility to help our residents when they need it the most
- The Council must spend tax payer's money wisely and ensure value for money
- That excessive Council Tax increases, like those introduced in Lib Dem controlled Kingston, Sutton and Richmond, really hit residents in their pockets

Resolves

- To freeze Council Tax for all Haringey residents next year
- To continue to improve services by moving resources from the back office to the frontline”

Dr Ita O'Donovan  
Chief Executive  
River Park House  
225 High Road  
Wood Green  
London N22 8HQ

Friday, 20 November 2009

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Councillors Vanier (Mayor), Adamou, Adje, Aitken, Alexander, Allison, Amin, Baker, Basu, Beacham, Bevan, Beynon, Bloch, Bull, Butcher, Cooke, Davies, Demirci, Diakides, Dobbie, Dogus, Edge, Egan, Engert, Goldberg, Gorrie, Griffith, Hare, B. Harris, C. Harris, Jones, Rahman Khan, Kober, Lister, Mallett, Meehan, Newton, Oakes, Patel, Peacock, Reid, Reith, Santry, Scott, Stanton, Thompson, Whyte, Williams, Wilson and Winskill

Apologies Councillor Canver, Dodds, Haley, Oatway and Weber

Absent: Councillor Mughal and Rainger.

MINUTE NO.	SUBJECT/DECISION	ACTION BY
<b>CNCL34.</b>	<p><b>TO RECEIVE APOLOGIES FOR ABSENCE</b></p> <p>Apologies for absence were received from Councillors Canver, Dodds, Haley, Oatway and Weber. Apologies for lateness were received from Adamou, Allison, Cooke and Peacock.</p>	
<b>CNCL35.</b>	<p><b>TO ASK THE MAYOR TO CONSIDER THE ADMISSION OF ANY LATE ITEMS OF BUSINESS IN ACCORDANCE WITH SECTION 100B OF THE LOCAL GOVERNMENT ACT 1972</b></p> <p>See Minutes 39 and 46.</p>	
<b>CNCL36.</b>	<p><b>DECLARATIONS OF INTEREST</b></p> <p>The Mayor reported that she had received notification from the Monitoring Officer that Members of the Planning Committee should not take part in the debate and decision on agenda item 13 - Motion D as it might impact on a forthcoming planning application.</p> <p>Councillors Butcher and Thompson both declared a personal interest in item 9 – Deputations as members of Friends of the Earth. Councillor Reith also declared a personal interest in item 9 both as a member of Friends of the Earth and as partner of the deputation’s spokesperson.</p> <p>Councillor Catherine Harris declared a personal interest in item 12 – Report No.4 of the Cabinet - Care Quality Commission Service Inspection Report as she was the Council’s Dignity and Care Champion.</p> <p>Councillors Engert and Reith both declared a personal interest in Item 13 – Motion B as they were members of London Travel Watch.</p> <p>Councillor Dobbie declared a personal interest in Item 13 – Motion D as</p>	

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	<p>he was a member of the Tottenham Hotspur Supporters Club.</p> <p>Councillors Aitken, Demirci, Mallett, Reid and Santry declared interests in item 13 – Motion D. The Monitoring Officer advised that this did not represent either a personal or prejudicial interest for these members, however in accordance with the earlier advice they should not take part in the debate.</p>	
<b>CNCL37.</b>	<p><b>TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 20 JULY 2009</b></p> <p><b>RESOLVED:</b></p> <p>That the minutes of the meeting of the Council held on 20 July 2009 be signed as a true record.</p>	
<b>CNCL38.</b>	<p><b>TO RECEIVE SUCH COMMUNICATIONS AS THE MAYOR MAY LAY BEFORE THE COUNCIL</b></p> <p>1. The Mayor, with great sadness reported the death of Yuniea Semambo - Head of Local Democracy and Member Services, whose funeral took place on Friday 16th October. The Mayor commented that Yuniea joined the Council in 2000 and would be fondly remember for her enthusiasm, her dedication and total professionalism. On behalf of all the members and the officers who worked with Yuniea the Mayor would send this Authority's sincere condolences to Yuniea's family.</p> <p>The Council stood and observed a one minute's silence in memory of Yuniea Semambo.</p> <p>2. The Mayor was delighted to announce that Haringey Council's website has been ranked the second best in the country by a new independent survey. The site was rated highly by web usability agency 'Webcredible'. The site was also rated as a national Top 20 best practice local authority website by the Society of Information Technology Management. The Mayor also passed on her congratulations to all the Web team staff for their hard work and this well deserved recognition.</p>	
<b>CNCL39.</b>	<p><b>TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE</b></p> <p>The Mayor agreed to admit the report as urgent business. The report could not be circulated earlier as information was awaited from the Party Groups. The report needed to be admitted in order that the committee changes could be made for the remainder of municipal year 2009/10.</p> <p><b>RESOLVED:</b></p> <p>1. That the change to Council body membership be agreed as follows:</p>	

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	<ul style="list-style-type: none"> <li>• Councillor Alexander to replace Councillor Davies on General Purposes Committee.</li> </ul> <p>2. That Council Procedure Rule 9.5 (a) be waived to permit an oral question from the Conservative Member.</p>	
<b>CNCL40.</b>	<p><b>TO RECEIVE THE REPORT OF THE MONITORING OFFICER AND HEAD OF LEGAL SERVICES</b> There were no matters to report.</p>	
<b>CNCL41.</b>	<p><b>TO MAKE APPOINTMENTS TO OUTSIDE BODIES</b> There were no appointments to outside bodies.</p>	
<b>CNCL42.</b>	<p><b>TO CONSIDER REQUESTS TO RECEIVE DEPUTATIONS AND/OR PETITIONS AND, IF APPROVED, TO RECEIVE THEM</b> A deputation was received from Mr Quentin Given on behalf of Haringey Friends of the Earth in respect of CO2 emissions.</p> <p>Members asked questions of the deputation and received responses thereto.</p> <p>The Leader of the Council responded to the deputation.</p> <p>The Mayor thanked the deputation for attending.</p>	
<b>CNCL43.</b>	<p><b>CHANGE OF ORDER OF BUSINESS:</b> The Mayor put to the vote a proposal to change the order of business to permit item 13 Motion C to be taken next.</p> <p>The meeting agreed to the proposal.</p>	
<b>CNCL44.</b>	<p><b>TO CONSIDER THE FOLLOWING MOTIONS IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NO. 13</b> <u>Motion C (2009/10)</u></p> <p>It was moved by Councillor Jones and seconded by Councillor Santry:</p> <p>“This Council:</p> <p>Notes</p> <ul style="list-style-type: none"> <li>• Climate change is one of the most important issues facing our way of life and will have a huge impact on our children and future generations.</li> </ul>	

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- The Council's hard work to ensure that Muswell Hill was selected as one of the 10 Low Carbon Zones in London
- The Council has already signed up to the 10:10 campaign, and is currently on target to exceed 10% reductions in CO<sub>2</sub> emissions by 2010.
- That Haringey Council is the first major local authority to sign up to the Friends of the Earth 'Get Serious about CO<sub>2</sub>' campaign that calls for Councils to commit to carbon emission cuts of at least 40% by 2020 and produce an action plan detailing how this target will be achieved.

**Believes**

- There is much that Councils can and should do to tackle climate change, and that this is an important issue that Haringey should lead on.
- Through taking tough action on CO<sub>2</sub> emissions that it will provide help for local households to slash their household fuel bills, helping residents save money particularly those living in fuel poverty as well as being environmentally friendly.
- That signing up to the Friends of the Earth 'Get Serious about CO<sub>2</sub>' will create green jobs and form part of the Council's regeneration agenda.

**Resolves to**

- Develop an action plan with yearly targets to reduce CO<sub>2</sub> emissions by 40% by 2020 to become a leading member of the 'Get Serious about CO<sub>2</sub>' Friends of the Earth campaign".

An amendment to the motion was moved by Councillor Hare and seconded by Councillor Butcher that:

**insert** the following additional bullet point at the end of paragraph 2:

- Believes that carbon reduction targets needs action by Central Government to decarbonise the national electricity grid

**insert** the following additional bullet points at the end of paragraph 3:

- Engage with all political parties on the Council on the Climate Change agenda
- That the Leader or Deputy Leader for the Council and Chief Executive should have overall responsibility for tackling climate change.
- Report annually to Full Council progress on CO<sub>2</sub> reduction targets and action plan
- Engage the Local Strategic Partnership and encourage the local Police force, NHS trusts, universities and colleges to sign up to similar CO<sub>2</sub> reduction targets and report publicly to Council on their progress
- Encourage community participation by investigating a one-stop

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	<p>shop to provide advice to residents on energy efficiency, transport, walking, cycling and renewable energy.</p> <ul style="list-style-type: none"> <li>• Lobby Central Government to 'decarbonise' the national electricity grid</li> <li>• Lobby the GLA and the Mayor of London to make the sea-change improvements needed in walking, cycling and public transport across Haringey and our neighbouring London areas.</li> <li>• Hold an annual Haringey Climate Change summit to enable the Council to engage and advise local residents, businesses, voluntary organisations and partners on reducing their CO2 emissions.</li> </ul> <p>On being put to the vote the amendment was declared CARRIED unanimously.</p> <p>The substantive motion as amended was then put to the vote and declared CARRIED unanimously.</p>	
<p><b>CNCL45.</b></p>	<p><b>TO CONSIDER OPPOSITION BUSINESS SUBMITTED IN ACCORDANCE WITH COUNCIL PROCEDURE RULE NO.12</b></p> <p>The Opposition gave notice of their wish to debate Improving safety in Haringey's housing.</p> <p>Councillor Davies spoke on behalf of the Opposition Group. Councillor Bevan responded on behalf of the Majority Group.</p> <p>The Mayor thanked Councillors for their contributions.</p>	
<p><b>CNCL46.</b></p>	<p><b>TO ANSWER QUESTIONS, IF ANY, IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NOS. 9 &amp; 10</b></p> <p>The Mayor agreed to the admission of this report as urgent business. Under Standing Orders, notice of questions was not requested until eight clear days before the meeting, following which matters raised had to be researched and replies prepared in order to be given at the meeting.</p> <p>There was 1 Public Question and 9 Councillor Questions, and 26 for written answer.</p> <p>The 1 Public Question and 7 oral questions were taken. Questions 8 and 9 were not reached and written responses would be given.</p>	
<p><b>CNCL47.</b></p>	<p><b>TO RECEIVE REPORTS FROM THE FOLLOWING BODIES</b></p> <p><u>CABINET REPORTS 4 &amp; 5 2009/10</u></p> <p>The Leader gave a brief resume of the reports of Cabinet which were before the meeting for consideration. Members questioned details of the reports and the Leader responded accordingly.</p>	

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	<p><b>RESOLVED:</b></p> <p>That the Cabinet Reports numbers 4 and 5 2009/10 be received.</p> <p>(Councillor Dobbie asked that his dissent from item 3 of Report No. 4 – Cabinet response to Scrutiny Review of Animal Welfare be recorded).</p>	
<p><b>CNCL48.</b></p>	<p><b>TO CONSIDER THE FOLLOWING MOTIONS IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NO. 13</b> <u>Motion B (2009/10)</u></p> <p>It was moved by Councillor Newton and seconded by Councillor Baker that:</p> <p>“This Council believes in affordable public transport and in the need to ensure that passengers who use “Pay As You Go” Oyster cards have a fair deal.</p> <p>This Council notes:</p> <ul style="list-style-type: none"> <li>• that in other European capital cities bus passengers have the benefit of a time-limited bus ticket which enables them to use two or three buses within a set time without having to pay again.</li> <li>• that almost a million car journeys every day in London are less than one mile in length and supports effective ways of encouraging a shift to public transport.</li> <li>• that the average bus journey length is 3.54 kilometres (2.2 miles, 9 stops), and that TfL estimate that 16% of bus journeys on Oyster ‘Pay As You Go’ involve using a second bus within 60 minutes of the first and that Haringey has several interchanges where many people transfer buses to continue their journeys.</li> </ul> <p>This Council is concerned, at this time of economic recession, that even short journeys in London may involve using two or three buses and can cost up to £3.00 if more than one bus is needed.</p> <p>This Council supports the proposal for a One Hour Bus Ticket to be available on “Pay As You Go” Oyster card, enabling passengers to use more than one bus during a 60-minute period without paying more than £1.00.</p> <p>Therefore the Council calls on the Leader of the Council and the Cabinet member for Environment and Conservation to write to the Mayor of London supporting the One Hour Bus Ticket proposal, and calls on the Mayor of London to instruct Transport for London to implement it as soon as possible”.</p> <p>An amendment to the motion was moved by Councillor Peacock and seconded by Councillor C. Harris that:</p> <p><b>Delete all after</b> “This Council believes in affordable public transport and</p>	

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in the need to ensure that passengers who use "Pay As You Go" Oyster cards have a fair deal".

**Insert**

"This Council:

- is alarmed by the announcement by Boris Johnson, the Conservative Mayor of London on 15<sup>th</sup> October to:
  - raise the cost of a single bus fare by 20%, from £1 to £1.20
  - raise the cost of a weekly bus pass by over 20%, from £13.80 to £16.60
  - raise the cost of an off-peak tube journey from Haringey into central London by 12.5%, from £1.60 to £1.80
- expresses concern at the commitment of the Mayor of London to abolish the Western Congestion Charge, at an estimated cost to TfL of £70m, and to abolish the £25 gas guzzler charge at an estimated cost to TfL of £50 million.
- notes that as Haringey has comparatively low car ownership, rises in public transport fares affect Haringey residents disproportionately.
- Condemns the use of inflation-busting fare rises to fund Boris Johnson's vanity projects, at the expense of Haringey bus and tube users and calls on the Mayor of London to reverse his decision.

This Council resolves:

- To make clear to Boris Johnson this Council's opposition to these fare rises
- To publicise its opposition to these unfair and un-necessary fare hikes".

Councillor Goldberg moved that "the question be now put". This was seconded and put to the vote and declared CARRIED. The mover of the original motion was given a right of reply.

On being put to the vote the amendment was declared CARRIED.

The substantive motion as amended was then put to the vote and declared CARRIED.

(Councillor Dobbie asked that his dissent be recorded).

Motion D (2009/10)

It was moved by Councillor Bull and seconded by Councillor Goldberg that:

"This Council:

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- The excellent work that is being done by The Football Association, the England 2018 Board and the Government to bring the FIFA World Cup to England in 2018.
- The bid from London to be one of England's host cities for the tournament.
- The 150 million Euro profit Germany made from hosting the World Cup, the 85,000 jobs it created, and the huge economic and employment potential that the World Cup would create for the host nation.
- That Tottenham Hotspur FC were the first club in the 20th century to achieve the League and FA Cup Double, winning both competitions in the 1960-61 season, were the first British club to win a major European trophy - the European Cup Winners' Cup and that Tottenham have won a trophy in each of the last six decades.

Believes

- Haringey is the home of football and the World Cup would be an excellent opportunity for the residents of the borough to see football's largest and most prestigious tournament up close.
- Tottenham Hotspur's bid to be one of the hosts of World Cup matches would present an excellent opportunity to showcase Haringey on an international stage, as well as providing further regeneration opportunities and boosting local businesses.
- Hosting this event in London would provide a huge boost to grassroots football in the borough, as well as inspiring the borough as a whole and a young generation of budding talent.
- That hosting this international event would provide a fantastic opportunity to celebrate Haringey's diverse and multicultural community.
- Haringey would be an excellent place to host the World Cup, particularly given it is not an Olympic Borough, and will not receive the same Olympic dividend as those boroughs

Resolves to

- Support the bid to bring the Games to London and Tottenham.
- Work with partners to help bring the Games home to Haringey
- Instruct the Leader to write to Lord Triesman of the FA and the Sports Minister Gerry Sutcliffe, to notify them of our decision to back the 2018 bid
- To begin to work with Tottenham Hotspur FC to identify a legacy that the World Cup will leave behind for Haringey".

The motion was then put to the vote and declared CARRIED.

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COUNCILLOR BERNICE VANIER

Mayor

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**REPORT OF SPECIAL COMMITTEE No. 01/2009-10  
COUNCIL MEETING - 30 November 2009**

Chair:  
Councillor Clare Kober

**APPOINTMENT OF THE CHIEF EXECUTIVE**

We received a verbal report from our Assistant Chief Executive - People and Organisational Development on 13 November 2009, which advised us that a recruitment exercise had been carried out for the post of Chief Executive. A politically balanced Member group led the recruitment which involved a national advert, executive search, technical assessment, stakeholder engagement, and formal interview by a Member Appointment Panel during the afternoons of 3 and 4 November 2009. The conclusions of the Member Appointment Panel were to recommend to this Special Committee, convened under Part 4, Section K of the Council Constitution, to consider offering Mr Kevin Crompton a permanent employment contract for the post of Chief Executive.

Having considered the recommendations of the Appointment Panel we agreed to recommend to Full Council that it confirms the offer of a permanent employment contract for the post of Chief Executive to Mr Kevin Crompton.

Accordingly Full Council is recommended to confirm the offer of a permanent employment contract for the post of Chief Executive to Mr Kevin Crompton.

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Chair:  
Councillor Clare Kober

Deputy Chair:  
Councillor Lorna Reith

## **INTRODUCTION**

- 1.1 This report covers matters considered by the Cabinet at our meeting on 13 October 2009. For ease of reference the Report is divided into the Cabinet portfolios.
- 1.2 We trust that this report will be helpful to Members in their representative role and facilitate a fruitful dialogue between the Cabinet and all groups of Councillors. These reports are a welcome opportunity for the Cabinet on a regular basis to present the priorities and achievements of the Cabinet to Council colleagues for consideration and comment. The Cabinet values and encourages the input of fellow members.

## **ITEMS OF REPORT**

### **Leisure, Culture and Lifelong Learning**

#### **2. BIO-DIVERSITY FRAMEWORK AND ACTION PLAN**

- 2.1 We considered a report on the Haringey Biodiversity Action Plan (BAP) which aimed to improve biodiversity value across the Borough and support the priorities and targets of both the London and UK plans as well as LB Haringey policies. The plan made reference to existing policies and actions but most importantly included a programme of new action.
- 2.2 In addition to specific actions on selected habitats and species the document included two new strands detailing how the Council would meet its 'Biodiversity Duty' as set out in the 'Natural Environment and Rural Communities Act 2006' and on how to improve performance figures for National Indicator 197 – 'active management of local sites'.
- 2.3 The Biodiversity Duty strand would pull together all of the work currently taking place across the Council which was beneficial to biodiversity and document it in one place for the first time. Delivery of Biodiversity Duty actions would be the responsibility of each individual service and the designated lead officer for each service who would report to the BAP working group at quarterly meetings. This information would be used to guide the choice of actions for the following year which should be complied as part of the Business Plan. A timetable for these actions would be agreed with the Better Haringey Programme Board
- 2.4 It was anticipated that additional service contributions would be added as the Plan was taken forward including actions from Planning, Highways, Property Services and Waste Management. Delivery of National Indicator 197 improvements would be the responsibility of the Nature Conservation Project Officer and Head of Parks who would report back to the BAP working group.
- 2.5 Habitat and Species Action Plans (HAPs and SAPs) each had a lead organisation and working group representative who would present any progress at quarterly meetings. HAP and SAP objectives, actions and progress were also recorded on the national Biological

Action Reporting System (BARS) which could generate reports as and when required. It was the responsibility of the Nature Conservation Project Officer to keep BARS up to date.

2.6 We noted that the formation of an overall BAP Working Group combining each of the three strands would meet quarterly to assess progress and update the Plan on agreement of the Better Haringey Programme Board and we report that we approved the adoption of the Haringey Biodiversity Action Plan.

### **3. TENNIS DEVELOPMENT PLAN**

3.1 The Council will recall that it has previously approved an overall Sport and Physical Activity Strategy for 2005-2010. A core component of this Strategy was to move towards a more localised approach for the provision of facilities and delivery of services that would better serve local residents, particularly younger residents, and improve service accessibility.

3.2 We considered a report which advised us that an audit of the number and quality of tennis courts had also previously been undertaken which had highlighted deficiencies in both respects and officers' had sought to improve the quality and utilisation of existing courts.

The Executive Summary of the Tennis Development Plan which was attached as an Appendix to the report set out 5 overall aims. These were:

- ***Increase Participation:*** To support existing players and introduce new male, female and disability players and diverse communities to tennis.
- ***Raising standards and improve club sustainability:*** To improve the quality of clubs, implement club links with public courts and assist clubs to promote for new members
- ***Developing better players:*** To create a clear pathway for player progression and improve the standard of play across the borough
- ***Workforce development:*** To increase the number of licensed coaches, tennis volunteers and tennis officials in the borough and retain the workforce within the borough.
- ***Facilities development:*** Develop a hierarchy of provision in line with the 'area-based offer' in 'The Haringey Sport and Physical Activity Strategy'.

Key outputs and outcomes from the Plan were:

- To improve the facilities at seven identified sites
- To increase the number of club members
- To increase the number of British Tennis members
- To increase the number of quality assured clubs.
- To increase the number of qualified coaches and improve their standard.
- To create better links between local schools and clubs.
- To increase the number of competitive opportunities/events

Though Tennis Foundation funding would be available for facility improvement works, the Foundation would expect each scheme to support the achievement of improved outcomes against each of the aims. These outcomes would be delivered by a combination of local clubs, the Tennis Development Officer and private organisations. A key component of the approach being pursued by officers to support this work was to identify a core club for each of the proposed investment sites as the lead club for the local area. Clubs would be supported to achieve quality accreditation via officer support, grant funding and facility hire subsidy.

- 3.5 We report that we approved the proposed investment in tennis facility improvements across the Borough and noted that the approach was consistent with the Council's Sport and Physical Activity Strategy as well as supporting the achievement of the Council's Local Area Agreement target for increases in sport and physical activity participation. We also endorsed the indicative priority rating given to the proposed improvement schemes identified in the Tennis Development Plan and agreed, subject to satisfactory agreement around the community programme, the approach recommended in the Plan of seeking to maximise opportunities for private investment. We approved the development of the relationship with the Tottenham Hotspur Foundation to assist it moving from its current focus on direct service delivery towards operational commissioning.
- 3.6 We also placed on record our thanks for the efforts of the Haringey Tennis Forum, Pavilion Tennis and of Mr. Robby Sukhdeo through whose efforts there was a thriving tennis and general sports development programme at Albert Road Recreation Ground with close links to the schools in the area.

## **Enforcement and Safer Communities**

### **4. AUTHORISATION TO OFFICERS OF TOWER HAMLETS ILLEGAL MONEY LENDING TEAM TO ENFORCE PARTS OF THE CONSUMER CREDIT ACT WITHIN HARINGEY**

- 4.1 The Council will be aware that there is considerable concern throughout the country about the activities of illegal moneylenders and that the investigation of their activities was very specialised and resource-intensive work.
- 4.2 We considered a report which advised us that the Department for Business, Innovation and Skills was funding a nationwide network of specialist illegal Money Lending Teams to deal with this. The London team was operated on the capital's behalf by Tower Hamlets Council. This team represented an additional resource available to protect consumers in Haringey from illegal moneylenders.
- 4.3 We noted that the team had been operating successfully in a number of boroughs but that their officers did not have the authority to exercise the powers under the Consumer Credit Act which would maximise their effectiveness. They had to rely on Haringey Council officers being present to exercise those powers and then assist them with the investigations.
- 4.4 The report proposed that authority be delegated to Tower Hamlets Council to investigate offences relating to illegal money lending and to prosecute those responsible. Haringey

officers would be consulted before any prosecutions were started. The project was funded until March 2011 and authorisation was sought until that date. Under the terms of the proposed protocol the Council would have the right to withdraw from the arrangement at any time, although it would only do so if it had good reason. We also noted that approval of the proposed delegation would mean that the additional resources provided by the Government would be used to their best advantage.

- 4.5 We report that we approved the proposed protocol between Haringey Council and Tower Hamlets Council in relation to cross border working and we authorised the Director of Urban Environment to sign the Instrument of Delegation on behalf of Haringey Council to delegate to Tower Hamlets Council enforcement of the provisions of the Consumer Credit Act 1974 and powers to prosecute matters relating to money lending as described in the protocol.

## **5. DRAFT DESIGN GUIDANCE FOR SOUTH TOTTENHAM HOUSE EXTENSIONS**

- 5.1 We considered a report which sought our approval to draft design guidance prepared for house extensions in the South Tottenham area of the Borough for the purposes of public consultation and, until the draft design guidance is formally adopted by the Council, for the principles set out in this guidance to guide the basis for decisions on house extension planning applications by Development Management.
- 5.2 There was a recognised need to relieve overcrowding and to provide for additional habitable accommodation for large families in part of South Tottenham. There was a pressing case for a new planning and design guidance to regularise house extensions in the area that would normally involve roof extensions and to ensure there is both adequate growing space for the occupiers and there were good design justifications.
- 5.3 We noted that these matters had been discussed with local residents and Ward Councillors and a public meeting held in May 2009 followed by a meeting with designated leaders in June. Draft illustrations of roof extensions were tabled for consideration and it had been agreed that three types should be recommended as good and well designed extensions and be subject to formal policy public consultations.
- 5.4 The draft design guidance document had been reported to the Planning Committee in September and they had given their support. We also noted that it was intended that there should be wider public consultation between October and December the outcome of which would inform the next stage of the design guidance. The design guidance would take the form of a Supplementary Planning Document which would be presented to us prior to it being formally adopted by the Council.
- 5.5 We report that we agreed to the issue of the Draft Design Guidance for South Tottenham House Extensions for public consultation and approved the principles for house extension as set out in the Draft Design Guidance for South Tottenham House Extensions forming the basis for assessing the house extensions planning applications by the Development Management Service pending formal adoption of the Guidance by the Council.

## **Housing**

**6. AFFORDABLE WARMTH STRATEGY**

- 6.1 We considered a report which submitted the Affordable Warmth Strategy 2009-19 for approval and adoption as the Council's approach to combating fuel poverty in the Borough.
- 6.2 We noted that the Haringey Strategic Partnership Board's Integrated Housing Board had led on the delivery of this multi-agency Strategy and that they had endorsed the final version of it in September prior to its submission to us for final approval and adoption.
- 6.3 The development of an Affordable Warmth Strategy was identified in the Housing Strategy for 2009-19 and it would set out the strategic direction that the Council and its partners would take over the next ten years to combat fuel poverty in the Borough. It identified four key priorities and set out how actions to address how objectives would be taken forward. The delivery of the Strategy would be supported by an implementation group that would further develop the detail of the action plan. The four key priorities identified in the Strategy were –
- To engage with people to improve awareness and understanding of fuel poverty.
  - To increase the energy efficiency of housing across Haringey.
  - To maximise resources and opportunities for tackling fuel poverty
  - To make the links to other related strategies such as the Greenest Borough Strategy
- 6.4 We approved the adoption of the Affordable Warmth Strategy 2009-19 as the Council's approach to combating fuel poverty in the Borough and we asked that if the planned initiatives and improvements required extra investment then a report should be brought back to us at the earliest opportunity. Officers were also asked to ensure that the materials used for insulation and draught proofing were consistent with the delivery of measures to provide reduced carbon emissions.

**6. TENANCY TERMINATION INCENTIVE SCHEME**

- 6.1 We considered a report which proposed the introduction of a new tenancy termination incentive scheme. We noted that the Audit Commission had highly praised the incentive scheme run by Homes for Islington (a three star ALMO) and it was on this that Homes for Haringey's proposed incentive scheme was based.
- 6.2 The purpose of the scheme was to encourage tenants who were moving out to leave the property in good condition and to allow an inspection and viewings to be held while they were still in occupation. This would decrease void turnaround times and costs. We report that we approved the new tenancy termination incentive scheme and noted that it would be reviewed in January 2011. The information from this review would be used to make a further decision on whether a rechargeable repairs policy should be introduced for leaseholders and tenants in residence.
- 6.3 We also noted the following actions -
- Recharging for work would continue to be publicised in the Tenancy Agreement, Repairs Handbook and Charters.

- A new guide to tenants' responsibilities would be produced clearly stating repair responsibilities and giving advice about home contents insurance.
- That all Contact Centre, Repairs and Tenancy Management staff were fully aware of tenants' repairs responsibilities.
- That tenants' responsibilities and the tenancy termination incentive scheme be publicised regularly in Homes Zone and on Homes for Haringey's website.
- That a new leaflet be produced detailing the new incentive scheme.

## **7. APPOINTMENT OF CONTRACTORS TO PROVIDE SUPPLIER MANAGED PRIVATE SECTOR LEASED SCHEME SERVICES**

- 7.1 We considered a report seeking approval to enter into a framework agreement with six providers of supplier-managed private sector leased accommodation following the completion of a successful tender process.
- 7.2 We noted that in April 2010 a new housing subsidy system would come into effect, changing the formula used to assess the amount of money that Council's could claim towards the cost of providing homeless people with temporary accommodation (TA). For Haringey, the financial implications of these subsidy changes were extremely serious not just because of the high number of households living in TA but also because of its reliance of expensive, nightly charged Emergency Accommodation (EA).
- 7.3 If the Council's use of EA and the unit cost of procuring TA was not reduced significantly, the adverse impact of the subsidy changes on the 2010/11 General Fund TA budget was expected to be in the region of £7 million.
- 7.4 We also noted that an Emergency Accommodation Reduction Project had been established in order to reduce the number of households in EA to 200 by the end of March 2010. Although it was anticipated that the Council would discharge its housing duty towards many of those households in EA by providing them with access to private rented accommodation, financial savings could also be achieved by converting EA to leased accommodation or moving households from EA to alternative, less expensive TA. The proposed framework contract for supplier-managed private sector leased properties would help the Council to reduce its use of Emergency Accommodation and procure a better quality, less expensive alternative to nightly-charged EA.
- 7.5 We report that we agreed to the Council entering into a Framework Agreement with each of the following six providers of supplier-managed private sector leased properties –
- Atlantic Lodge Ltd.
  - Dabora Conway Property Management Ltd.
  - Finefair Consultancy Ltd.
  - Grovehome Residential
  - Omega Lettings Ltd.
  - The Property Company London Ltd.

## **Environment and Conservation**

**8. CABINET RESPONSE TO REVIEW OF RECYCLING – SOURCE SEPARATED AND CO-MINGLED COLLECTION METHODS IN HARINGEY**

- 8.1 We considered a report which proposed a response to the Scrutiny Review of Source Separated and Co-Mingled Collection Methods in Haringey. Whilst recognising the rationale for the recommendations arising from the Review the report set out how the objectives of those recommendations would be achieved, firstly through the procurement of the integrated waste contract through competitive dialogue and, secondly, through on-going engagement with the NLWA procurement process for disposal facilities, as a constituent borough, for which NLWA had stated that source-separated and co-mingled collection methods would be retained into the future.
- 8.2 We report that we approved the approved the proposed responses which were along the lines outlined above and agreed that the Overview and Scrutiny Committee be kept appraised of the progress of both procurements in relation to the issue of recycling collection systems at appropriate points in the course of the procurement projects.

**Children and Young People****9. ADMISSIONS TO SCHOOLS – APPROVAL TO CONSULT**

- 9.1 The Council will be aware that Section 89 of the Schools Standards and Framework Act 1998, as amended by the Education and Inspections Act 2006 and associated Regulations, required admission authorities to consult annually on their admission arrangements for the following academic year.
- 9.2 We noted that the Children and Young People's Service also gave advice to governing bodies who were the admission authorities for other maintained primary and secondary schools in Haringey (i.e. St. Thomas More Catholic School, the John Loughborough School, Fortismere School and Greig City Academy). We also noted that consultation for all admission authorities should be completed by 1 March 2010 and determined by 15 April 2010. The new arrangements would then come into effect from the September 2011 intake.
- 9.3 We report that we approved for consultation the proposed admission arrangements for all community nursery classes, primary and secondary schools and St. Aidan's Voluntary Controlled Primary School for the 2011/12 school year as recommended in the report as well as the proposed consultation on admission arrangements for students starting sixth form study at Alexandra Park School, the Highgate/Hornsey Sixth Form Consortium and the Haringey Sixth Form Centre in September 2011.

**10. CABINET RESPONSE TO SCRUTINY REVIEW OF SUPPORT TO YOUNG PEOPLE AT THE RISK OF SUBSTANCE ABUSE**

- 10.1 We considered a report which proposed a response to the recommendations of the Scrutiny Review on Support to Young People at Risk of Substance Misuse and which provided an action plan.

- 10.2 We noted that throughout the review process views and evidence were considered from relevant Council Departments and service providers and that, additionally, a representative from the Youth Council had been co-opted onto the review to represent young people and provide feedback to the Youth Council. Representation from both secondary schools and NHS Haringey had also been secured through co-option.
- 10.3 The Council will be aware that it owes a duty to children in need under the Children Act 1989 and its related statutory instruments and guidance and the proposed action plan contained recommendations about the provision of services to children in need in the area required to implement those recommendations agreed from the Scrutiny Review.
- 10.4 We report that we approved the response to the Scrutiny Review and we agreed the action plan.

## **Leader**

### **11. THE COUNCIL'S PERFORMANCE: JULY AND AUGUST 2009 (PERIODS 4 AND 5)**

- 11.1 We considered a report which presented on an exception basis financial and performance information for July and August 2009 and asked us to agree budget virements in accordance with financial regulations.
- 11.2 We noted some highlights against targets were as follows -
- Tidy Britain group external assessment of street and environmental cleanliness for litter, detritus, graffiti and fly posting confirms the good performance previously reported.
  - The percentage of young people not in education, training or employment in July is 7.7 exceeding our stretch target of 10.4%.
  - Visits to our museums and libraries continue to exceed target.
- 11.3 We also noted areas where targets were not being met were:
- Levels of recorded offences of serious violent crime and knife crime rates are higher than targets set.
  - Children's social care initial assessments improved slightly in August but core assessments completed in time reduced and both remain below target.
  - Household waste sent for recycling remains below the 32% target.
  - Average time for processing new benefit claims and change events increased to 43.3 days in August and remains above the 17 day target for 2009/10.
  - Average re-let times for local authority dwellings declined to 45 days in August against a target of 31 days.
  - Call centre telephone answering - 82% of calls presented to the call centre answered against a target of 90%
- 11.4 The overall revenue budget monitoring, based on the August position, showed that the General Fund was now forecast to spend £1.5 million above budget, after taking into

account the potential use of £1 million of the general contingency and, additionally, a further saving of £1.5million due to the lower settlement of the officers' pay. Children and Young People Services (CYPS), Adults, Culture and Community Services (ACCS) and Corporate Resources were each projected to overspend and the reasons for the projected variations were detailed in the report. There were also some budget pressures outlined in the report that services were seeking to contain within the budget.

- 11.5 The dedicated schools budget (DSB) element of the overall Children & Young People's Service budget is projected to spend at budget while the net revenue projection with respect to the Housing Revenue Account (HRA) was to achieve the budgeted surplus of £0.7 million.
- 11.6 The aggregate capital projected position in 2009/10 was to under spend by £4.4m (2%). The reasons for this projected variation were detailed in the report the majority of which was in ACCS. This projection included the approved re-phasing of the capital programme in CYPS including Building Schools for the Future (BSF).
- 11.7 Financial regulations require that proposed budget changes be approved by the Cabinet. These are shown in the table below and fall into one of two categories:
- Budget virements, where it was proposed that budget provision be transferred between one service budget and another. Explanations are provided where this is the case;
  - Increases or decreases in budget, generally where notification has been received in-year of a change in the level of external funding such as grants or supplementary credit approval.
- 11.8 Under the Constitution, certain virements are key decisions. Key decisions are:
- For revenue, any virement which results in change in a directorate cash limit of more than £250,000; and
  - For capital, any virement which results in the change of a programme area of more than £250,000.

Key decisions are highlighted by an asterisk in the table.

- 11.9 The following table sets out the proposed changes. There are two figures shown in each line of the table. The first amount column relates to changes in the current year's budgets and the second to changes in future years' budgets (full year). Differences between the two occur when, for example, the budget variation required relates to an immediate but not ongoing need or where the variation takes effect for a part of the current year but will be in effect for the whole of future years. Proposed virements are set out in the following table –

<p><b>Revenue</b> <b>Virements</b></p>
--

Period	Service	Key	Amount current year (£'000)	Full year Amount (£'000)	Reason for budget changes	Description
6	UE	Rev*	2,065	2,065	Corrective Budget Realignment	Re-structuring of Coroner's budget following the appointment of a new Coroner.
6	Various	Rev*	2,566		2009/10 allocation	2009/10 Area Based Grant Well Being Theme 2nd half year allocations
6	PP	Rev*	433		2009/10 allocation	Budget adjustment following confirmation of grant allocations.
6	CR	Rev	207		2009/10 allocation	Housing Benefit & Council Tax Benefit - additional specific grant for administration
6	Various	Rev*	1,598		Corrective Budget Realignment	Revision of depreciation budgets following finalisation of fixed assets movements in 2008/09.
6	CYP	Rev*	20,250	20,250	Corrective Budget Realignment	Accounting adjustment to conform to Audit recommendations on the treatment of education grants received by the LA and devolved to schools.
6	CYP	Rev*	279		Corrective Budget Realignment	Re allocation of budget to reflect revised activities.
<b>Capital Virements</b>						
Period	Service	Key	Amount current year (£'000)	Full year Amount (£'000)	Reason for budget changes	Description
5	UE	Cap*	1,066		2009/10 allocation	Confirmation of 2009/10 Funding from Transport for London
6	UE	Cap	157		Corrective Budget Realignment	Realignment of budget following amendments to the Parking Plan.

## 12. URGENT ACTIONS IN CONSULTATION WITH CABINET MEMBERS

12.1 We were informed of the following actions taken by Directors in consultation with Cabinet Members under urgency procedures -

### Director of Urban Environment

Authorising the making and sealing of an Article 4 Direction to remove permitted Development rights for land at Haringey Heartlands Rail Corridor and preparing a final detailed Statement of Reasons outlining the planning justification for the making of the Direction for submission to the Secretary of State.

**Director of Corporate Services**

Approval to the delegation of authority to agree and execute a Section 106 Agreement binding the Council in its capacity as the freehold owner of the land at the former Children's Centre, Plevna Road N15.

**13. DELEGATED DECISIONS AND SIGNIFICANT ACTIONS**

- 13.1 We were informed of the following significant action taken by a Director under delegated powers -

**Director of Adult, Culture and Community Services**

Winkfield Resource Centre – Agreement to establishment charges

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Chair:  
Councillor Clare Kober

Deputy Chair:  
Councillor Lorna Reith

## INTRODUCTION

- 1.1 The Council has reserved to itself the exercise of certain functions including the approval of the Statement of Gambling Policy. The full list of functions of the full Council is specified in Part 2 Article 4 of the Constitution – The Full Council.
- 1.2 The Council prepared a Statement of Gambling Policy for the exercise of its functions under the Gambling Act 2005 which was published in December 2006. The Council is required to update this policy document every three years.
- 1.3 This report covers the Statement of Gambling Policy which we considered at our meeting on 17 November 2009.

## ITEM FOR DECISION

### Enforcement and Safer Communities

#### 2. REVISION OF STATEMENT OF GAMBLING POLICY

- 2.1 The Council will be aware that the Gambling Act 2005 brought in major reforms to the structure of the law on gambling in this country. It brought considerable responsibilities for local authorities in their role as the appropriate 'Licensing Authorities'. Every Licensing Authority had to produce a policy statement in respect of gambling in their area which had to be reviewed at least every three years. The Council prepared a statement which was published in December 2006.
- 2.2 The Act contains three licensing objectives which underpin the functions that both the Gambling Commission and Licensing Authorities will perform. These are:
  - Preventing gambling from being a source of crime and disorder, being associated with crime and disorder, or being used to support crime;
  - Ensuring that gambling is conducted in a fair and open way;
  - Protecting children and other vulnerable persons from being harmed or exploited by gambling.

The Licensing Authority's revised Statement of Gambling Policy must show how these licensing objectives will be achieved and must have regard to the guidance published by the Commission in June 2008.

- 2.3 The Licensing Authority will continue to administer the following functions under the Act :
  - Licence premises.
  - Consider notices for temporary uses of premises for gambling.
  - Grant permits for gaming and gaming machines in clubs (and similar).

- Regulate gaming and gaming machines in alcohol licensed premises.
- Grant permits to family entertainment centres for the use of certain lower stake gaming machines.
- Grant permits for prize gaming.
- Consider occasional use notices for betting at tracks.
- Register small societies' lotteries.

2.4 The Act 2005 also required the Licensing Authority to consult the following on the licensing policy statement or any subsequent revision:

- In England & Wales, the chief officer of police for the authority's area.
- Persons carrying on gambling businesses in the authority.
- One or more persons who appear to the authority to represent the interests of persons who are likely to be affected by the exercise of the authority's functions under the Act.

2.5 We considered a report which advised us that consultation in respect of the policy had included those organisations and bodies who had responsibilities to protect the young, the elderly, and those other vulnerable groups within our community. This also included faith groups, voluntary and community organisations working with children and young people, organisations working with people who are problem gamblers, Primary Care Trusts and advocacy organisations such as the Citizen's Advice Bureau and trade unions. In addition, the draft statement was placed on the Council's website together with supporting explanation and guidance.

2.6 The consultation indicated that there was concern regarding the size and opening hours of gambling premises. Officers had been able to add to the revised policy to clarify that opening hours could take account of their likely impact on vulnerable people and the prevention of gambling being associated with crime and disorder. Consultation feedback suggested there should be a general disposition to refuse applications where an applicant could not demonstrate social and economic benefits to the community. The present Government guidance was that in general terms Licensing Authorities should 'aim to permit' where the three licensing objectives are met.

2.7 The report detailed the responses received during the consultation process for the first review of the policy. We noted that where the suggestions both supported and improved the draft policy and were not contradictory to the Gambling Act 2005 or associated Government guidance it had been incorporated into the revised draft policy.

2.8 Having considered the consultation responses and the analysis of them -

## **WE RECOMMEND**

That the revised Statement of Gambling Policy as set out in Appendix A be approved.  
(Revisions are shown in underlined text).



Haringey Council

# **STATEMENT OF GAMBLING POLICY 2010-2013**

# LONDON BOROUGH OF HARINGEY

## Statement of Gambling Policy

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## STATEMENT OF GAMBLING POLICY

### 1. Introduction

The Gambling Act 2005 requires the Council to prepare and publish a “Statement of Licensing Policy” that sets out the policies that the Council will generally apply to promote the Licensing Objectives when making decisions on applications made under the Act. Haringey [assumed responsibility for all gambling premises in the borough in September 2007. There are 82 betting premises in the borough : 71 betting shops, 11 adult gaming centres, 2 track betting premises, and 1 bingo hall, as well as other gambling authorisations granted for clubs pubs etc.](#) [This borough has been guided by its Statement of Gambling Policy since September 2007 and since that time we have received 8 new applications \(5 for new betting shops, 3 for new adult gaming centres\) and 3 applications to vary existing premises. 6 betting shop licences have been surrendered during this time](#)

[In administering this process over the past three years the Council has to concede that the powers within the Gambling Act 2005 and the Gambling Commission Guidance restricts the Council when it comes to trying to influence the shape of its town centres to encourage local needs and develop a sustainable local environment. The Act and the Guidance do not permit demand to be taken into account and in doing so restrict the Authority from having regard to the concentration of betting shops.](#)

[The Gambling Act 2005 also introduced three categories of casinos, regional, large and small. The Government's objective when passing the legislation was to accommodate the desire expressed by many local authorities to explore the potential economic and regenerative benefits of new casino developments within the objectives of keeping crime out of gambling, keeping it fair, and protecting children and vulnerable people. An independent panel \(the Casino Advisory Panel\) was set up in 2005 to recommend to the Secretary of State for Culture, Media and Sport the best locations for the new casinos.](#)

[Local Authorities were invited to submit proposals for these casinos. Haringey did not submit any such proposal. The number of new casinos which could be granted from 1 September 2007 was restricted to one regional, eight large and eight small casinos. These casinos are defined according to the casino's size and what form of gambling could be provided at a particular casino. The panel advised of the chosen locations in January 2007. Parliament however later rejected the idea of the regional casino and that has now been put aside indefinitely. It would take further legislative changes to make available any further potential sites for casinos in the United Kingdom.](#)

[As a borough our concerns are that we have a duty to ensure that we perform our duties to dovetail with the economic and social cohesion to promote the vision of creating and developing sustainable communities.](#)

[We as a Council are aware that we can only Act within the confines of the Act and the Guidance when determining gambling applications.](#)

This “Statement of Licensing Policy” has been prepared having regard to the provisions of the Guidance issued by the Gambling Commission and the licensing objectives of the Gambling Act 2005. [The revision is due mainly to the revision of the Gambling Commission Guidance, but it continues to set out how this Licensing Authority will use the licensing objectives to reflect local circumstances](#)

This Policy comes into effect on 31 January 2010, and will be reviewed as necessary, and at least every three years from the date of adoption.

Haringey Council become the Licensing Authority under the Gambling Act 2005. This resulted in the Council becoming responsible for granting of Premises Licences in the Borough of Haringey in respect of:-

- ❖ Casino Premises;
- ❖ Bingo Premises;
- ❖ Betting Premises, including Tracks;
- ❖ Adult Gaming Centres;
- ❖ Family Entertainment Centres.

The definition of Gambling is defined in the Act as either gaming, betting, or taking part in a lottery:

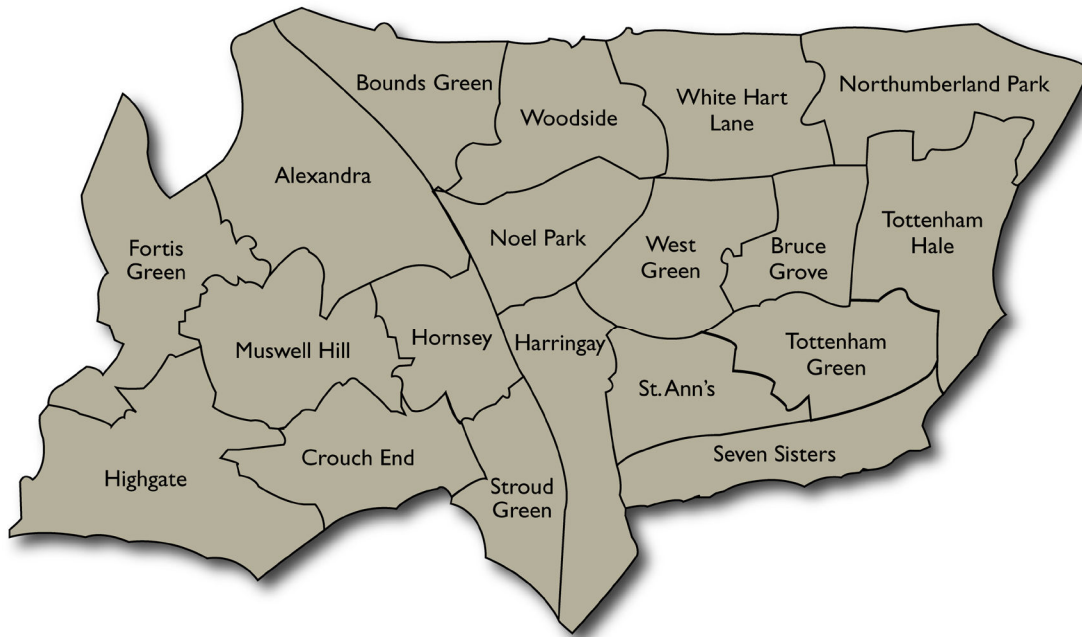
Gaming means playing a game of chance for a prize

Betting means making or accepting a bet on the outcome of a race, competition, or any other event: the likelihood of anything occurring or not occurring: or whether it is true or not.

Lottery is where persons are required to pay in order to take part in an arrangement, during the course of which one or more prizes are allocated by a process which relies wholly on chance.

## **2. The London Borough of Haringey**

Map of the London borough of Haringey



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Haringey is one of London's 32 Boroughs. It is located in the north of the capital and is more than 11 square miles in area. According to the 2001 Census nearly half of its 224,300 people come from ethnic minority backgrounds. It is often said that Haringey is an outer London Borough with inner London challenges.

There are approximately 100,000 dwellings and approximately 8,200 businesses employing 64,700 people.

There are a number of Bingo Premises, Betting Shops and Adult Gaming Centres

List of persons this authority consulted: A full list of consultees is available on the website, [www.haringey.gov.uk/licensing](http://www.haringey.gov.uk/licensing).

### 3. Glossary of Terms

Within this Statement of Gambling Policy, the following words and terms are defined as stated:

licensing Objectives:	As defined in section 4 below
Council:	Haringey Council
Borough:	The area of London administered by the London Borough of Haringey
Licences:	As defined in section 5 below
Applications:	Applications for licences and permits as defined in section 5 below
Notifications:	Means notification of temporary and occasional use notices
Act:	The Gambling Act 2005

Regulations:	Regulations made under the Gambling Act 2005
Premises:	Any place, including a vehicle, vessel or moveable structure
Code of Practice:	Means any relevant code of practice under section 24 of the Gambling Act 2005
Mandatory Condition:	Means a specified condition provided by regulations to be attached to a licence
Default Condition:	Means a specified condition provided by regulations to be attached to a licence, unless excluded by Haringey Council
Responsible Authority:	<p>For the purposes of this Act, the following are responsible authorities in relation to premises:</p> <ol style="list-style-type: none"><li>1. The Licensing Authority in whose area the premises are wholly or mainly situated (“Haringey Council”);</li><li>2. The Gambling Commission;</li><li>3. Metropolitan Police Constabulary</li><li>4. London Fire and Emergency Planning Authority</li><li>5. Building Control Manager, Assistant Director Planning , Haringey Council</li><li>6. Commercial and Environmental Protection Team, Haringey Council;</li><li>7. Policy &amp; Performance Manager, Children’s Services Officer in Social Services, Haringey Council;</li><li>8. HM Customs and Excise.</li></ol>
Interested Party:	<p>For the purposes of this Act, a person is an interested party in relation to a premises licence if, in the opinion of the Licensing Authority which issues the licence or to which the application is made, the person:-</p> <ol style="list-style-type: none"><li>(a) Lives sufficiently close to the premises to be likely to be affected by the authorised activities;</li><li>(b) Has business interests that might be affected by the authorised activities;</li><li>(c) Represents persons who satisfy (a) or( b) above.</li></ol>

**PART A**

**4 Licensing Objectives**

In exercising most of their functions under the Gambling Act 2005, Licensing Authorities must have regard to the licensing objectives:

1. Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
2. Ensuring that gambling is carried out in a fair and open way;
3. Protecting children and other vulnerable persons from being harmed or exploited by gambling.

It should be noted that the Gambling Commission has stated: "The requirement in relation to children is explicitly to protect them from being harmed or exploited by gambling".

This Licensing Authority is aware that, as per Section 153 of the Act, when making decisions about Premises Licences and temporary use notices it should aim to permit the use of premises for gambling in so far as it thinks it is:

1. in accordance with any relevant code of practice issued by the Gambling Commission;
2. in accordance with any relevant guidance issued by the Gambling Commission;
3. reasonably consistent with the licensing objectives and
4. in accordance with the authority's statement of gambling policy.

Applicants are encouraged to demonstrate how they will promote the licensing objectives.

## **5 Types of Licence**

This document sets out the policies that the Council will apply when making decisions upon applications or notifications made for:-

1. Premises Licences;
2. Temporary Use Notices;
3. Permits as required under the Act;
4. Registrations as required under the Act.

## **6 Licensable Premises and Permits**

This policy relates to all those licensable premises, notices, permits and registrations identified as falling within the provisions of the Act, namely:-

1. Casinos;
2. Bingo Premises;
3. Betting Premises;
4. Tracks;
5. Adult Gaming Centres;
6. Family Entertainment Centres;

7. Premises Licences
8. Club Gaming Permits;
9. Prize Gaming and Prize Gaming Permits;
10. Temporary Use Notices;
11. Registration of small society lotteries.

## **7 General Principles**

Nothing in this Statement of Policy will:-

1. Undermine the rights of any person to apply under the Act for a variety of permissions and have the application considered on its individual merits; OR
2. Override the right of any person to make representations on any application or seek a review of a licence or permit where they are permitted to do so under the Act.

The starting point in determining applications will be to grant the application without conditions. Conditions will only be considered where they are needed to meet the requirements of the licensing objectives, and any conditions applied will not be overly onerous and will be proportionate to the scale of the application and the risks involved. The applicant will demonstrate a right to occupy the premises and holds or has applied for an operating licence which allows him or her to carry out the proposed activity. Conditions will generally be considered unnecessary if they are already adequately covered by other legislation.

When determining an application to grant a Premises Licence or review a Premises Licence, regard will be had to the proximity of the premises to schools, vulnerable adult centres or residential areas where there may be a high concentration of families with children. The proximity of premises taken into consideration will vary depending on the size and scope of the gambling premises concerned. Each case will, however, be decided on its merits. Therefore, if an applicant can effectively demonstrate how they might overcome licensing objective concerns, this will be taken into account.

Licensing is about the control of licensed premises, temporary use notices or occasional use notices within the terms of the Act. Conditions may be attached to licences that will cover matters that are within the control of individual licensees.

When considering any conditions to be attached to licences, the Council will primarily focus on the direct impact of the activities taking place at licensed premises on members of the public living, working or engaged in normal activity in the area concerned. The Secretary of State provides for specified conditions to be attached to a premises licence as either “mandatory” or “default” conditions. In determining an application the Council may not have regard to the expected demand for the facilities which it is proposed to provide. Moral objections are also not valid reasons for rejecting an application.

## **8 Responsible Authorities and the protection of children from harm**

*The Licensing Authority is required by regulations to state the principles it will apply in exercising its powers under Section 157(h) of the Act to designate, in writing, a body which is competent to advise the authority about the protection of children from harm. The principles are:*

- A The need for the body to be responsible for an area covering the whole of the licensing authority's area; and*
- B the need for the body to be answerable to democratically elected persons, rather than any particular vested interest group.*

The contact details of all the Responsible Authorities under the Gambling Act 2005 are available via the Council's website at: [www.haringey.gov.uk](http://www.haringey.gov.uk)

## **9 Interested parties**

Interested parties can make representations about licence applications, or apply for a review of an existing licence. These parties are defined in the Gambling Act 2005 as follows:

*"For the purposes of this Part a person is an interested party in relation to an application for or in respect of a premises licence if, in the opinion of the licensing authority which issues the licence or to which the applications is made, the person-*

- (a) lives sufficiently close to the premises to be likely to be affected by the authorised activities,*
- (b) has business interests that might be affected by the authorised activities, or*
- (c) represents persons who satisfy paragraph (a) or (b)"*

The licensing authority is required by regulations to state the principles it will apply in exercising its powers under the Gambling Act 2005 to determine whether a person is an interested party. The principles are:

- Each case will be decided upon its merits.
- This Authority will not apply a rigid rule to its decision making. It will consider the examples of considerations provided in the Gambling Commission's Guidance for Local Authorities at 8.14 and 8.15. It will also consider the Gambling Commission's Guidance that 'has business interests' should be given the widest possible interpretation and include partnerships, charities, faith groups and medical practices.
- The Gambling Commission has recommended that the Licensing Authority states that...'*interested parties include trade associations and trade unions, and residents' and tenants' associations (Gambling Commission Guidance for Local Authorities 8.17).*' This Authority will not however generally view these bodies as interested parties unless they have a member who can be classed as an interested person under the terms of the Gambling Act 2005 i.e. lives sufficiently close to the premises to be likely to be affected by the activities being applied for or has business interests that might be affected by the authorised activities..

Interested parties can be persons who are democratically elected such as councillors and MP's. No specific evidence of being asked to represent an interested person will

be required as long as the councillor / MP represents the ward likely to be affected. Likewise, parish councils likely to be affected, will be considered to be interested parties. Other than these however, this authority will generally require written evidence that a person/body (e.g. an advocate / relative) 'represents' someone who either lives sufficiently close to the premises to be likely to be affected by the authorised activities and/or has business interests that might be affected by the authorised activities. For example, a letter from one of the persons so affected and , requesting the representation may be sufficient.

If individuals wish to approach councillors to ask them to represent their views then care should be taken that the councillors are not part of the Licensing Committee dealing with the licence application. If there are any doubts then please contact the licensing department.

## **10 Exchange of Information**

Licensing authorities are required to include in their statements the principles to be applied by the authority in exercising the functions under sections 29 and 30 of the Act with respect to the exchange of information between it and the Gambling Commission, and the functions under section 350 of the Act with respect to the exchange of information between it and the other persons listed in Schedule 6 to the Act.

The principle that this licensing authority applies is that it will act in accordance with the provisions of the Gambling Act 2005 in its exchange of information which includes the provision that the Data Protection Act 1998 will not be contravened. The Licensing Authority confirms that it has procedures in place so as to ensure that it can comply with the requirements of the Freedom of Information Act 2000. The licensing authority will also have regard to any Guidance issued by the Gambling Commission to local authorities on this matter when it is published, as well as any relevant regulations issued by the Secretary of State under the powers provided in the Gambling Act 2005.

Should any protocols be established as regards information exchange with other bodies then they will be made available. The Gambling Commission and LACORS have information exchange system in place between local authorities are.

## **11 Declaration**

In producing this Policy, this licensing authority declares that it has had regard to the licensing objectives of the Gambling Act 2005, the guidance issued by the Gambling Commission, and any responses from those consulted.

## **12 Enforcement**

Licensing authorities are required by regulation under the Gambling Act 2005 to state the principles to be applied by the authority in exercising the functions under Part 15 of the Act with respect to the inspection of premises; and the powers under section 346 of the Act to institute criminal proceedings in respect of the offences specified.

This Licensing Authority's principles are that:

It will be guided by the Gambling Commission's Guidance for Local Authorities, and Enforcement will endeavour to be:

- Proportionate: regulators should only intervene when necessary: remedies should be appropriate to the risk posed, and costs identified and minimised;
- Accountable: regulators must be able to justify decisions, and be subject to public scrutiny;
- Consistent: rules and standards must be joined up and implemented fairly;
- Transparent: regulators should be open, and keep regulations simple and user friendly; and
- Targeted: regulation should be focused on the problem, and minimise side effects.

As per the Gambling Commission's Guidance for local authorities this licensing authority will endeavour to avoid duplication with other regulatory regimes so far as possible.

[This Licensing Authority will investigate complaints against licensed premises. We require operators to have a single point of contact for all matters relating to compliance issues at any of their given sites. We will inspect premises that are subject of a new premises licence application. Inspections will be undertaken by the Licensing Authority and /or with a Responsible Authority.](#)

The main enforcement and compliance role for this Licensing Authority in terms of the Gambling Act 2005 will be to ensure compliance with the premises licences and other permissions which it authorises. The Gambling Commission will be the enforcement body for operating and personal Licences. It is also worth noting that concerns about manufacture, supply or repair of gaming machines will not be dealt with by the Licensing Authority but will be notified to the Gambling Commission.

[This Licensing Authority will also keep itself informed of developments as regards the work of the Better Regulation Executive in its consideration of the regulatory functions of Local Authorities.](#)

Bearing in mind the principle of transparency, this Licensing Authority's enforcement/compliance protocols/written agreements will be available upon request to the licensing department. Our risk methodology will also be available upon request.

The Council recognises that, apart from the licensing function, there are a number of other mechanisms available for addressing issues of unruly behaviour that can occur away from licensed premises, including:-

1. Planning controls;
2. Ongoing measures to create a safe and clean environment in these areas in partnership with local businesses, transport operators and other Council departments;
3. Regular liaison with the Police on law enforcement issues regarding disorder and anti-social behaviour;

4. The power of the Police, other responsible authorities or local residents and businesses to seek a review of the licence.

Objectors will be required to relate their objection to one of more of the Licensing Objectives, as specified in section 1.4 above, before the Council will be able to consider it.

The Council, in undertaking its licensing function, will have due regard to the need to eliminate unlawful discrimination and to promote equality and good relations between persons of different racial groups.

### 13 Licensing Authority functions

[This Gambling Policy considers the needs of the borough and is concerned with upholding the licensing objectives. It will be used as a guidance to the Authority in carrying out its regulatory functions under the Act :](#)

- Be responsible for the licensing of premises where gambling activities are to take place by issuing **Premises Licences**
- Issue **Provisional Statements**
- Regulate **Members' Clubs** and **Miners' Welfare Institutes** who wish to undertake certain gaming activities via issuing Club Gaming Permits and/or Club Machine Permits
- Issue **Club Machine Permits** to **Commercial Clubs**
- Grant permits for the use of certain lower stake gaming machines at **Unlicensed Family Entertainment Centres**
- Receive notifications from alcohol licensed premises (under the Licensing Act 2003) for the use of up to two gaming machines
- Issue **Licensed Premises Gaming Machine Permits** for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where there are more than two machines
- Register **Small Society Lotteries** below prescribed thresholds
- Issue **Prize Gaming Permits**
- Receive and Endorse **Temporary Use Notices**
- Receive **Occasional Use Notices**
- Provide information to the Gambling Commission regarding details of licences issued (see section above on 'information exchange')
- Maintain registers of the permits and licences that are issued under these functions

It should be noted that local Licensing Authorities will not be involved in licensing remote gambling at all. This will fall to the Gambling Commission via operating licences.

## **PART B**

### **PREMISES LICENCES**

#### **1 General Principles**

Premises licences [are](#) subject to the requirements set-out in the Gambling Act 2005 and regulations, as well as specific mandatory and default conditions which [are](#) detailed in regulations issued by the Secretary of State. The Licensing Authority can only consider a premises licence application where the applicant ;

- Has the right to occupy and exercise sufficient control over the premises to enforce the terms of the licence: and
- Holds or has applied for an operating licence which allows him or her to carry out the proposed activity
- It should be noted that the premises licence may only be determined once the operating licence has been issued
- The Licensing Authority will expect the applicant for a premises licence to demonstrate that they have or have applied for the appropriate operating and /or personal licences from the Gambling Commission where relevant
- Where no application for an operating licence has been made, the premises licence application will be refused.
- Licensing authorities are able to exclude default conditions and also attach others, where it is believed to be appropriate.

This licensing authority is aware that in making decisions about premises licences it should aim to permit the use of premises for gambling in so far as it thinks it:

- in accordance with any relevant code of practice issued by the Gambling Commission;
- in accordance with any relevant guidance issued by the Gambling Commission ;
- to be reasonably consistent with the licensing objectives; and
- in accordance with the authority's statement of licensing policy.

It is appreciated that as per the Gambling Commission's Guidance for Licensing Authorities "moral objections to gambling are not a valid reason to reject applications for Premises Licences" and also that unmet demand is not a criterion for a Licensing Authority. The Licensing Authority recognises that in the event that it decides to resolve not to issue casino premises licences, then it may have regard to any principle or matter.

**Definition of "premises"** - Premises is defined in the Act as "any place". Different premises licences cannot apply in respect of a single premises at different times. However, it is possible for a single building to be subject to more than one premises licence, provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being different premises. Whether different parts of a building can properly be regarded as being separate premises will always be a question of fact in the circumstances. However, the Gambling Commission does not consider that areas of a building that are artificially or temporarily separate can be properly regarded as different premises, [for example by ropes or moveable partitions](#).

This Licensing Authority takes particular note of the Gambling Commission's Guidance for Local Authorities which states that:

- Licensing Authorities should take particular care in considering applications for multiple licences for a building and those relating to a discrete part of a building used for other (non-gambling) purposes. In particular they should be aware that entrances and exits from parts of a building covered by one or more licences should be separate and identifiable so that the separation of different premises is not compromised and that people do not 'drift' into a gambling area.
- Licensing Authorities should pay particular attention to applications where access to the licensed premises is through other premises (which themselves may be licensed or unlicensed). Clearly, there will be specific issues that Authorities should consider before granting such applications, for example, whether children can gain access; compatibility of the two establishments; and ability to comply with the requirements of the Act. But, in addition an overriding consideration should be whether, taken as a whole, the co-location of the licensed premises with other facilities has the effect of creating an arrangement that otherwise would, or should, be prohibited under the Act.

[This licensing Authority takes particular note of the Gambling Commission Guidance to Licensing Authorities which gives a list of factors which should include:](#)

[Do the premises have a separate registration for business rates?](#)

Is the premises' neighbouring premises owned by the same person or someone else?

Can each of the premises be accessed from the street or a public passageway?

Can the premises only be accessed from any other gambling premises?

This Authority will consider these and other relevant factors in making its decision, depending on all the circumstances of the case.

#### Premises 'ready for gambling'

It should also be noted that an applicant cannot obtain a full Premises Licence until the premises in which it is proposed to offer the gambling are constructed. The Gambling Commission has advised that reference to "the premises" are to the premises in which gambling may now take place. Thus a Licence to use premises for gambling will only be issued in relation to premises that are ready to be used for gambling. This authority agrees with the Gambling Commission that it is a question of fact and degree whether premises are finished to a degree that they can be considered for a premises licence. The Gambling Commission emphasises that requiring the building to be complete ensures that the Authority can, if necessary, inspect it fully, as can other responsible authorities with inspection rights. If the construction of the premises is not yet complete, or if they need alterations, or if the applicant does not yet have a right to occupy them, then an application for a provisional statement will have to be made instead.

#### ***Who can make Applications***

An application for a Premises Licence can only be made by a person who either holds an Operating Licence authorising him to carry on the activity in respect of which a Premises Licence is sought, OR has made an application for an Operating Licence which has not yet been determined.

***Location*** - This Licensing Authority is aware that demand issues cannot be considered with regard to the location of premises but that considerations in terms of the licensing objectives can. As per the Gambling Commission's Guidance for Local Authorities, this Authority will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder. Should any specific policy be decided upon as regards areas where gambling premises should not be located, this statement will be updated. It should be noted that any such policy does not preclude any application being made and each application will be decided on its merits, with the onus upon the applicant showing how potential concerns can be overcome. The Licensing Authority will have regard to: the proximity of other establishments catering for children and vulnerable adults to places where young people congregate. There must however, be a clear evidence link of the impact on one or more of the objectives.

#### **The type of gambling and the size and scale of the gambling premises proposed -**

The location of gaming machines and the number of counter positions available for staff to monitor the use of machines at any given time.

The Licensing Authority will have regard for the Code of Practice when

determining the hours of operation. Consideration will also be given to the level of crime and disorder in the given area. Dependant on the area the management of the area outside of the premises may also be a matter for consideration to ensure that the public way is not restricted or hindered by users of the gambling premises.

**Duplication with other regulatory regimes** - This Licensing Authority will seek to avoid any duplication with other statutory/regulatory systems where possible, including planning. This Authority will not consider whether a licence application is likely to be awarded Planning Permission or Building Regulations approval, in its consideration of it. It will though, listen to, and consider carefully, any concerns about conditions which are not able to be met by licensees due to planning restrictions, should such a situation arise.

**Licensing objectives** - Premises Licences granted must be reasonably consistent with the licensing objectives. With regard to these objectives, this Licensing Authority has considered the Gambling Commission's Guidance to Local Authorities and some comments are made below.

**Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime** - This licensing authority is aware that the Gambling Commission [takes](#) a leading role in preventing gambling from being a source of crime. The Gambling Commission's Guidance does however envisage that Licensing Authorities should pay attention to the proposed location of gambling premises in terms of this licensing objective. Thus, where an area has known high levels of organised crime this Authority will consider carefully whether gambling premises are suitable to be located there and whether conditions may be suitable such as the provision of Door Supervisors. This Licensing Authority is aware of the distinction between disorder and nuisance and will consider factors such as whether police assistance was required and how threatening the behaviour was to those who could see it, so as to make that distinction. Issues of nuisance cannot be addressed via the Gambling Act provisions.

In considering licence applications, the Council may, take into account the following:-

1. The design and layout of the premises;
2. The training given to staff in crime prevention measures appropriate to those premises;
3. Physical security features installed in the premises. This may include matters such as the position of cash registers or the standard of CCTV that is installed;
4. Where premises are subject to age restrictions, the procedures in place to conduct age verification checks;
5. The likelihood of any violence, public order or policing problem if the Licence is granted.

***Ensuring that gambling is conducted in a fair and open way***

This Licensing Authority has noted that the Gambling Commission has stated that it would generally not expect Licensing Authorities to become concerned with ensuring that gambling is conducted in a fair and open way as this will be addressed via operating and personal licences. There is however, more of a role with regard to tracks which is explained in more detail in the 'tracks' section below.

***Protecting children and other vulnerable persons from being harmed or exploited by gambling*** - This licensing authority has noted the Gambling Commission's Guidance for Local Authorities states that this objective means preventing children from taking part in gambling (as well as restriction of advertising so that gambling products are not aimed at, or are particularly attractive to children). The Licensing Authority will therefore consider, as suggested in the Gambling Commission's Guidance, whether specific measures are required at particular premises, with regard to this licensing objective. Appropriate measures may include supervision of entrances/machines, segregation of areas etc. Access by children or young persons to those gambling premises which are adult only environments will not be permitted.

This Licensing Authority will also make itself aware of the Codes of Practice which the Gambling Commission issues as regards the licensing objective.

As regards the term “**vulnerable persons**” it is noted that the Gambling Commission is not seeking to offer a definition but states that “it will for regulatory purposes assume that this group includes people who gamble more than they want to; people who gamble beyond their means; and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, alcohol or drugs ” This licensing authority will consider this licensing objective on a case by case basis. Should a practical definition prove possible in future then this policy statement will be updated with it, by way of a revision.

**Conditions** - Any conditions attached to licences will be proportionate and will be:

- relevant to the need to make the proposed building suitable as a gambling facility;
- directly related to the premises and the type of licence applied for;
- fairly and reasonably related to the scale and type of premises; and
- reasonable in all other respects.

Decisions upon individual conditions will be made on a case by case basis, although there will be a number of measures this Licensing Authority will consider utilising should there be a perceived need, such as the use of supervisors, appropriate signage for adult only areas etc. There are specific comments made in this regard under some of the licence types below. This Licensing Authority will also expect the licence applicant to consider what if any conditions would promote the licensing objectives and to offer his/her own suggestions as to the way in which the licensing objectives can be met effectively. Conditions attached to Premises Licences will, so far as possible, reflect local crime prevention strategies. For example, closed circuit television cameras may be appropriate in certain premises.

This Licensing Authority will also consider specific measures which may be required for buildings which are subject to multiple premises licences. Such measures may include the

supervision of entrances; segregation of gambling from non-gambling areas frequented by children; and the supervision of gaming machines in non-adult gambling specific premises in order to pursue the licensing objectives. These matters are in accordance with the Gambling Commission's Guidance.

This Authority will consider how best to ensure and will take reasonable steps to ensure that where category C [See table below] or above machines are on offer in premises to which children are admitted:

- all such machines are located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
- only adults are admitted to the area where these machines are located;
- access to the area where the machines are located is supervised;
- the area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and
- at the entrance to and inside any such areas there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

These considerations will apply to premises including buildings where multiple premises licences are applicable.

This licensing authority is aware that tracks may be subject to one or more than one premises licence, provided each licence relates to a specified area of the track. As per the Gambling Commission's Guidance, this Licensing Authority will consider the impact upon the third licensing objective and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

It is noted that there are conditions which the Licensing Authority cannot attach to Premises Licences which are:

- any condition on the premises licence which makes it impossible to comply with an operating licence condition;
- conditions relating to gaming machine categories, numbers, or method of operation;
- conditions which provide that membership of a club or body be required (the Gambling Act 2005 specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated; and
- conditions in relation to stakes, fees, winning or prizes.

### ***Categories of gaming machines***

Section 236 of the Act provides for the Secretary of State to make regulations to define four classes of gaming machine: categories A,B,C and D, with category B to be further divided into sub-categories. The regulations define the classes according to the maximum amount that can be paid for playing the machine and the maximum prize it can deliver. The regulations may also define the classes according to the nature of the gambling for which the machine may be used and the premises where a machine may not be used. The table below sets out the current proposals.

Category of machine	Maximum Stake	Maximum Prize
A	Unlimited	Unlimited
B1	£2	£4.000
B2	£100	£500
B3	£1	£500
B4	£1	£250
C	£1	<a href="#">£70</a>
D	10p or 30p when non-monetary prize	£5 cash or £8 non-monetary prize

**Door Supervisors** – Casinos and Bingo premises have an exemption from the need to register door supervisors with the SIA, as required by the Private Security Industry Act 2001, by virtue of the Gambling Act 2005 Schedule 16 paragraph 17.

The Gambling Commission advises in its Guidance for Local Authorities that Licensing Authorities may consider whether there is a need for door supervisors in terms of the licensing objectives of protection of children and vulnerable persons from being harmed or exploited by gambling, and also in terms of preventing premises becoming a source of crime. It is noted though that the door supervisors at casinos or bingo premises need not be licensed by the Security Industry Authority (SIA).

For premises other than casinos and bingo premises, operators and Licensing Authorities may decide that supervision of entrances / machines is appropriate for particular cases and consideration will be given as to whether door supervisors need to be SIA licensed or not. The Licensing Authority will not assume that they need to be.

## 2. Adult Gaming Centres

This Licensing Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to, for example, ensure that under 18 year olds do not have access to the premises.

This Licensing Authority will expect applicants to consider how best to promote the licensing objectives and offer their own measures to meet the licensing objectives. However appropriate measures/licence conditions may cover issues such as:

- Proof of age schemes
- CCTV
- Supervision of entrances / machine areas
- Physical separation of areas

## 3. (Licensed) Family Entertainment Centres:

This Licensing Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the Authority, for example, that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machine areas.

This Licensing Authority will expect applicants to consider how best to promote the licensing objectives and what measures they offer to meet the licensing objectives however appropriate measures / licence conditions may cover issues such as:

- CCTV
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage
- Specific opening hours
- Self-barring schemes
- Provision of information leaflets / helpline numbers for organisations such as GamCare.
- Measures / training for staff on how to deal with suspected truant school children on the premises

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

This licensing authority will, as per the Gambling Commission's guidance, refer to the Commission's website to see any conditions that apply to operating licences covering the way in which the area containing the category C machines should be delineated. This licensing authority will also make itself aware of any mandatory or default conditions on premises licences, when they have been published.

#### **4 Casinos**

***Proposal for a casino*** – There are currently no casinos operating within the Borough.

There is no resolution to prohibit casinos in the Borough at present. The Licensing Authority is aware it has the power to do so under Section 166 of the Gambling Act 2005. However the Council reserves the right to review this situation and may, at some time in the future, resolve not to permit casinos.

Should the Council choose to make such a resolution, this will be a resolution of Full Council

Where a no-casinos resolution has been made. potential licence applicants will be notified of such, and that applications for Casino Premises Licences will not be considered. Any applications received will be returned with a notification that a 'no-casino' resolution is in place.

***Casinos and competitive bidding*** - This Licensing Authority is aware that where a Licensing Authority area is enabled to grant a Premises Licence for a new style casino (i.e. the Secretary of State has made such regulations under Section 175 of the Gambling Act 2005) there are likely to be a number of operators which will want to run the casino. In such situations the Local Authority will run a 'competition' under Schedule 9 of the Gambling Act 2005. This Licensing Authority will run such a

competition in line with any regulations / codes of practice issued under the Gambling Act 2005.

**Betting machines** - This Licensing Authority will, as per the Gambling Commission's Guidance, take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer.

## 5. Bingo premises

This Licensing Authority notes that the Gambling Commission's Guidance states:

['18.4 – Licensing Authorities will need to satisfy themselves that bingo can be played in any bingo premises for which they issue a premises licence. This will be a relevant consideration where the operator of an existing bingo premises applies to vary their licence to exclude an area of the existing premises from its ambit and then applies for a new premises licence, or multiple licences, for that or those excluded areas.](#)

[This Authority also notes the Guidance at paragraph 18.8 regarding the unusual circumstances in which the splitting of a pre-existing premises into two adjacent premises might be permitted, and in particular that it is not permissible to locate sixteen category B3 gaming machines in one of the resulting premises, as the gaming machine entitlement for that premises would be exceeded.](#)

It is important that if children are allowed to enter premises licensed for bingo that they do not participate in gambling, other than on category D machines. Where category C or above machines are available in premises to which children are admitted Licensing Authorities should ensure that:

- all such machines are located in an area of the premises separate from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
- only adults are admitted to the area where the machines are located;
- access to the area where the machines are located is supervised;
- the area where the machines are located is arranged so that it can be observed by staff of the operator or the licence holder; and
- at the entrance to, and inside any such area there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

## 6. Betting premises

**Betting machines** - This Licensing Authority will, as per the Gambling Commission's Guidance, take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer.

## 7. Tracks

This Licensing Authority is aware that tracks may be subject to one or more than one Premises Licence, provided each licence relates to a specified area of the track. As per the Gambling Commission's Guidance, this Licensing Authority will give due consideration to, the impact upon all the third licensing objectives. With regard to the third licensing objective, (i.e. the protection of children and vulnerable persons from being harmed or exploited by gambling), this Licensing Authority will consider the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

This Authority will expect the Premises Licence applicant to demonstrate suitable measures to ensure that children do not have access to adult only gaming facilities. It is noted that children and young persons will be permitted to enter track areas where facilities for betting are provided on days when dog-racing and/or horse racing takes place, but that they are still prevented from entering areas where gaming machines (other than category D machines) are provided.

This Licensing Authority will expect applicants to offer their own measures to meet the licensing objectives however appropriate measures / licence conditions may cover issues such as:

- Proof of age schemes
- CCTV
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage
- Specific opening hours
- Self-barring schemes
- Provision of information leaflets / helpline numbers for organisations such as GamCare

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

***Gaming machines*** – [Where the applicant holds a pool betting operating licence and is going to use the entitlement to four gaming machines \(other than category D machines\) should be located in areas from which children are excluded.](#)

***Betting machines*** - This Licensing Authority will, [as per Part 6](#) of the Gambling Commission's Guidance, take into account the size of the premises and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer.

**Applications and plans –**

The Gambling Act 2005 (s51) requires applicants to submit plans of the premises with their application, in order to ensure that the licensing authority has the necessary information to make an informed judgement about whether the premises are fit for gambling. The plan will also be used for the licensing authority to plan future premises activity inspections.

Plans for tracks do not need to be in a particular scale, but should be drawn to scale and should be sufficiently detailed to include the information required by regulations.

Some tracks may be situated on agricultural land where the perimeter is not defined by virtue of an outer wall or fence, such as point to point racetracks. In such instances, where an entry fee is levied, track premises licence holders may erect temporary structures to restrict access to premises.

In the rare cases where the outer perimeter cannot be defined, it is likely that the track in question will not be specifically designed for the frequent holding of sporting events or races. In such cases betting facilities may be better provided through occasional use notices where the boundary premises do not need to be defined.

This authority appreciates that it is sometimes difficult to define the precise location of where betting facilities are provided is not required to be shown on track plans, both by virtue of the fact that betting is permitted anywhere on the premises and because of the difficulties associated with pinpointing exact locations for some types of track. Applicants should provide sufficient information that this Authority can satisfy itself that the plan indicates the main areas where betting might take place. For racecourses in particular, any betting areas subject to the “five times rule” (betting rings) must be indicated on the plan.

**8. Travelling Fairs**

This licensing authority is responsible for deciding whether, where category d machines and or equal chance prize gaming without a permit is to be made available for use at travelling fairs, the statutory requirement that the facilities for gambling amount to no more than ancillary amusement at the fair is met.

The Licensing Authority will also consider whether the applicant falls within the statutory definition of a travelling fair.

It has been noted that the 27-day statutory maximum for the land being used as a fair, is per calendar year, and that it applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. This Licensing Authority will work with its neighbouring authorities to ensure that land which crosses our boundaries is monitored so that the statutory limits are not exceeded.

**9. Provisional Statements**

Developers may wish to apply to this authority for provisional statements before entering into a contract to buy or lease property or land to judge whether a development is worth taking forward in light of the need to obtain a premises licence. There is no need for the applicant to hold an operating licence in order to apply for a provisional statement.

S204 of the Gambling Act provides for a person to make an application to the licensing authority for a provisional statement in respect of premises that he or she:

Expects to be constructed  
Expects to be altered: or  
Expects to acquire a right to occupy.

The process for considering an application for a provisional statement is the same as that for a premises licence application. The applicant is obliged to give notice of the application in the same way as applying for a premises licence. Responsible Authorities and interested parties may make representations and there are rights of appeal.

In contrast to the premises licence application, the applicant does not have to hold or have applied for an operating licence from the Gambling Commission (except in the case of a track) and they do not have to have right to occupy the premises in respect of which their provisional application is made.

In terms of representations about Premises Licence applications, following the grant of a provisional statement, no further representations from relevant authorities or interested parties can be taken into account unless they concern matters which could not have been addressed at the provisional statement stage, or they reflect a change in the applicant's circumstances. In addition, the Authority may refuse the Premises Licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters:

- (a) which could not have been raised by objectors at the provisional licence stage; or
- (b) which is in the Authority's opinion reflect a change in the operator's circumstances.

In addition the authority may refuse the premises licence or grant it on terms different to those attached to the provisional statement only by reference to matters:

Which could not have been raised by objectors at the provisional statement stage

Which the authority's opinion reflect a change in the operators circumstances: or  
Where the premises has not been constructed in accordance with the plan and this licensing authority notes that it can discuss any concerns it has with the applicant before making a decision.

## PART C

### PERMITS / TEMPORARY & OCCASIONAL USE NOTICE

#### 1. Unlicensed Family Entertainment Centre gaming machine permits (Statement of Principles on Permits - Schedule 10 paragraph 7)

Where a premises does not hold a Premises Licence but wishes to provide gaming machines, it may apply to the Licensing Authority for this permit. It should be noted that the applicant must show that the premises will be wholly or mainly used for making gaming machines available for use (Section 238).

The Gambling Act 2005 states that a Licensing Authority may prepare a *statement of principles* that they propose to consider in determining the suitability of an applicant for a permit and in preparing this statement, and/or considering applications, it need not (but may) have regard to the licensing objectives and shall have regard to any relevant guidance issued by the Commission under section 25. The Gambling Commission's Guidance for Local Authorities also states: "In their three year licensing policy statement, Licensing Authorities may include a statement of principles that they propose to apply when exercising their functions in considering applications for permits...., Licensing Authorities will want to give weight to child protection issues." (24.6)

Guidance also states: "...An application for a permit may be granted only if the Licensing Authority is satisfied that the premises will be used as an unlicensed FEC, and if the Chief Officer of Police has been consulted on the application....Licensing Authorities might wish to consider asking applications to demonstrate:

- a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed FECs;
- that the applicant has no relevant convictions (those that are set out in Schedule 7 of the Act; and
- that staff are trained to have a full understanding of the maximum stakes and prizes. (24.7)

It should be noted that a Licensing Authority cannot attach conditions to this type of permit.

**Statement of Principles** This Licensing Authority will expect the applicant to show that there are policies and procedures in place to protect children from harm. Harm in this context is not limited to harm from gambling but includes wider child protection considerations. The efficiency of such policies and procedures will each be considered on their merits, however, they may include appropriate measures / training for staff as regards suspected truant school children on the premises, measures / training covering how staff would deal with unsupervised very young children being on the premises, or children causing perceived problems on / around the premises. This Licensing Authority will also expect, as per Gambling Commission Guidance, that applicants demonstrate a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed FECs; that the applicant has no relevant convictions (those that are set out in Schedule 7 of the Act); and that staff are trained to have a full understanding of the maximum stakes and prizes.

## 2. (Alcohol) Licensed premises gaming machine permits - (Schedule 13 paragraph 4(1))

There is provision in the Act for premises licensed to sell alcohol for consumption on the premises, to automatically have 2 gaming machines, of categories C and/or D. The premises merely need to notify the Licensing Authority. The Licensing Authority can remove the automatic authorisation in respect of any particular premises if:

- provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
- gaming has taken place on the premises that breaches a condition of section 282 of the Gambling Act (i.e. that written notice has been provided to the Licensing Authority, that a fee has been provided and that any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has been complied with);
- the premises are mainly used for gaming; or
- an offence under the Gambling Act has been committed on the premises.

If a premises wishes to have more than 2 machines, then it needs to apply for a permit and the licensing authority must consider that application based upon the licensing objectives, any guidance issued by the Gambling Commission issued under Section 25 of the Gambling Act 2005, and “*such matters as they think relevant.*” This Licensing Authority considers that “such matters” will be decided on a case by case basis but generally there will be regard to the need to protect children and vulnerable persons from harmed or being exploited by gambling and will expect the applicant to satisfy the Authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines. Measures which will satisfy the Authority that there will be no access may include the adult machines being in sight of the bar, or in the sight of staff who will monitor that the machines are not being used by those under 18. Notices and signage may also be help. As regards the protection of vulnerable persons applicants may wish to consider the provision of information leaflets / helpline numbers for organisations such as GamCare.

It is recognised that some alcohol licensed premises may apply for a premises licence for their non-alcohol licensed areas. Any such application would most likely need to be applied for, and dealt with as an Adult Gaming Centre premises licence.

It should be noted that the Licensing Authority can decide to grant the application with a smaller number of machines and/or a different category of machines than that applied for. Conditions (other than these) cannot be attached.

It should also be noted that the holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machine.

## 3. Prize Gaming Permits - (Statement of Principles on Permits - Schedule 14 paragraph 8 (3))

The Gambling Act 2005 states that a Licensing Authority may “*prepare a statement of principles that they propose to apply in exercising their functions under this Schedule*” which “*may, in particular, specify matters that the Licensing Authority propose to consider in determining the suitability of the applicant for a permit*”.

This Licensing Authority has prepared a **Statement of Principles** which is that the applicant should set out the types of gaming that he or she is intending to offer and that the applicant should be able to demonstrate:

- that they understand the limits to stakes and prizes that are set out in Regulations;
- and that the gaming offered is within the law.

In making its decision on an application for this permit the Licensing Authority does not need to have regard to the licensing objectives but must have regard to any Gambling Commission guidance.

It should be noted that there are conditions in the Gambling Act 2005 by which the permit holder must comply, but that the Licensing Authority cannot attach conditions. The conditions in the Act are:

- the limits on participation fees, as set out in regulations, must be complied with;
- all chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;
- the prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize); and
- participation in the gaming must not entitle the player to take part in any other gambling.

#### **4. Club Gaming and Club Machines Permits**

Members Clubs and Miners' welfare institutes (but not Commercial Clubs) may apply for a Club Gaming Permit or a Clubs Gaming machines permit. The Club Gaming Permit will enable the premises to provide gaming machines (3 machines of categories B, C or D), equal chance gaming and games of chance as set-out in forthcoming regulations. A Club Gaming machine permit will enable the premises to provide gaming machines (3 machines of categories B, C or D).

Gambling Commission Guidance states: "Members clubs must have at least 25 members and be established and conducted "wholly or mainly" for purposes other than gaming, unless the gaming is permitted by separate regulations. It is anticipated that this will cover bridge and whist clubs, which will replicate the position under the Gaming Act 1968. A members' club must be permanent in nature, not established to make commercial profit, and controlled by its members equally. Examples include working men's clubs, branches of Royal British Legion and clubs with political affiliations."

The Commission Guidance also notes that "Licensing Authorities may only refuse an application on the grounds that:

- (a) the applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which it has applied;

- (b) the applicant's premises are used wholly or mainly by children and/or young persons;
- (c) an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
- (d) a permit held by the applicant has been cancelled in the previous ten years; or
- (e) an objection has been lodged by the Commission or the police.

There is also a 'fast-track' procedure available under the Act for premises which hold a Club Premises Certificate under the Licensing Act 2003 (Schedule 12 paragraph 10). As the Gambling Commission's Guidance for local authorities states: "Under the fast-track procedure there is no opportunity for objections to be made by the Commission or the police, and the ground upon which an Authority can refuse a permit are reduced." and "The grounds on which an application under the process may be refused are:

- (a) that the club is established primarily for gaming, other than gaming prescribed under schedule 12;
- (b) that in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
- (c) that a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled."

There are statutory conditions on club gaming permits that no child uses a category B or C machine on the premises and that the holder complies with any relevant provision of a code of practice about the location and operation of gaming machines.

## **5. Temporary Use Notices**

There are a number of statutory limits as regards temporary use notices. Gambling Commission Guidance is noted that "The meaning of "premises" in part 8 of the Act is discussed in Part 7 of this guidance. As with "premises", the definition of "a set of premises" will be a question of fact in the particular circumstances of each notice that is given. In the Act "premises" is defined as including "any place". In considering whether a place falls within the definition of "a set of premises", Licensing Authorities will need to look at, amongst other things, the ownership/occupation and control of the premises...This is a new permission and Licensing Authorities should be ready to object to notices where it appears that their effect would be to permit regular gambling in a place that could be described as one set of premises."

## **6. Occasional Use Notices:**

The Licensing Authority has very little discretion as regards these notices aside from ensuring that the statutory limit of 8 days in a calendar year is not exceeded. This Licensing Authority will though consider the definition of a 'track' and whether the applicant is permitted to avail him/herself of the notice.

## **1. Consultees**

The Statement of Licensing Policy was subject to formal consultation with:-

1. The Chief Officer of the Metropolitan Police for Haringey;
2. Persons who appear to the authority to represent the interests of persons carrying on gambling businesses in the authority's area;
3. Persons/bodies who appear to the authority to represent the interests of persons likely to be affected by the exercise of the authority's function under the Gambling Act 2005.

A full list of consultees can be provided on request from the Licensing Team

## **2 LEGISLATION, POLICIES AND STRATEGIES**

### **2.1 Legislation**

In undertaking its licensing function under the Gambling Act 2005, the Council is also bound by other legislation, including:-

1. Section 17 of the Crime and Disorder Act 1988;
2. Human Rights Act 1998;
3. Health and Safety at Work Act 1974;
4. Environmental Protection Act 1990;
5. The Anti-Social Behaviour Act 2003;
6. The Race Relations Act 1976 (as amended);

However, the policy is not intended to duplicate existing legislation and regulation regimes that already place obligations on employers and operators.

### **2.2 Relationship with Planning Policies**

When determining an application, the Licensing Authority cannot take into account "irrelevant matters" such as the likelihood of the applicant obtaining planning permission or building control approval.

An applicant can apply for a "provisional statement" if the building is not complete or if he does not yet have a right to occupy it. Such an application is, however, a separate and distinct process to the granting of planning permission or building control approval.

### **2.3 National Strategies**

The Council will also seek to discharge its responsibilities identified by other Government Strategies, in so far as they impact on the objectives of the licensing function.

## **.2.4 Local Strategies and Policies**

Where appropriate, the Council will consider applications with reference to other adopted local strategies and policies, including the following:-

1. The Council's Community Strategy; 2008-2012
2. The Haringey Safer Communities Strategy: 2009-2012
3. Enforcement Policies.

## **3 Integrating Strategies**

There are many stakeholders involved in the Leisure industry and many are involved in the promotion of the licensing objectives. A number of stakeholders' plans and strategies deal with matters related to the licensing function. Where this is the case, the Council will aim, as far as possible, to co-ordinate them.

The Council considers that where appropriate and in so far as is consistent with the Gambling Act, Guidance and Codes of Practice issued under sections 24 and 25 of the Gambling Act 2005, it is desirable that this Policy complements other relevant plans and strategies aimed at the management of town centres and the night-time economy.

Relevant plans and strategies include:-

- ❖ Crime and Disorder Strategy – The Council will fulfil its duty under section 17 of the Crime and Disorder Act 1998 to do all it reasonably can to prevent crime and disorder in the Borough. As far as possible, licensing decisions will aim to contribute to the targets set in the Crime and Disorder Strategy and conditions attached to licences and certificates will reflect local crime prevention strategies.
- ❖ Safer Communities Strategy
 

The Community Safety Strategy is committed to tackling the key areas of crime and building prevention initiatives into neighbourhoods. The licensing authority will support the work of the Safer Communities Strategy within the scope of the licensing objectives under the Act
- ❖ Haringey Council – A Community Plan – As far as possible, any licensing decisions will be in line with the aspirations of this community plan.
- ❖ Local Transport Plan – the Council aims to work with the local transport authority and will consider ways in which the public can be dispersed from licensed premises and events so as to avoid disturbance, crime and disorder. The Police will be encouraged to report on matters related to the swift and safe dispersal of people from licensed premises.
- ❖ Racial Equality – The Council is required under race relations legislation to have due regard to the need to eliminate unlawful discrimination and to promote equality of opportunity and good relations between persons of different racial groups. The impact on these issues of the Gambling Policy will be monitored and amendments will be made as necessary.
- ❖ Domestic Violence Strategy – The Council will ensure consultation to ensure that any correlation between gambling and domestic violence can be detected at the earliest opportunity.

- ❖ Alcohol Strategy – The Council will as far as possible have regard to this strategy and conditions attached to licences and certificates will reflect the key elements of this strategy.
- ❖ Children and Young Persons Strategy – The Council will have regard to the impact on this strategy and the criteria for safeguarding children from becoming addicted.
- ❖ Anti-Poverty Strategy – As far as possible, any licensing decisions will have regard to this strategy. It will support the work of the Anti Poverty Strategy as they are developed within the scope of the licensing objectives under the Act.
- ❖ Human Rights – The Human Rights Act 1998 incorporates the European Convention on Human Rights and makes it unlawful for a local authority to act in a way which is incompatible with a Convention right. The Council will have particular regard to the following relevant provisions of the European Convention on Human Rights:-
  - Article 6 that in the determination of civil rights and obligations, everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law;
  - Article 8 that everyone has the right to respect for his home and private and family life;
  - Article 1 of the First Protocol that every person is entitled to the peaceful enjoyment of his or her possessions, including for example the possession of a licence.
- ❖ Proper integration will be assured by the Licensing Authority's Licensing Committee providing reports, when appropriate, to its Planning Committee on the situation regarding licensed premises in the area, including the general impact of gambling related crime and disorder, to enable the Planning Committee to have regard to such matters when taking its decisions.
- ❖ The Council will ensure that the Licensing Committee receives reports, when appropriate, on the needs of the local tourist economy to ensure that these are reflected in their considerations.
- ❖ Economic Strategies – The Council will ensure that the Licensing Committee is appraised of the employment situation in the area and the need for new investment and employment where appropriate.
- ❖ Enforcement Policy – All licensing enforcement will be conducted in accordance with the Enforcement Concordat, and the Haringey Enforcement Policy.

These links to other corporate strategies will be formulated in detail as a result of the consultation process.

## **4 DECISION MAKING**

### **4.1 Committee Terms of Reference**

A Licensing Sub-Committee of Councillors will sit to hear applications where representations have been received from interested parties and responsible authorities. Ward Councillors will not sit on a Sub-Committee involving an application within their ward.

The Licensing Committee will also sit to determine general licensing matters that have been delegated to it by the full Council that are not associated with the Gambling Act 2005.

Where a Councillor who is a member of the Licensing Committee is making or has made representations regarding a licence on behalf of an interested party, in the interests of good governance they will disqualify themselves from any involvement in the decision making process affecting the licence in question.

The Licensing Sub-Committee will also refer to the Licensing Committee any matter it is unable to deal with because of the number of its members who are unable to take part in the consideration or discussion of any matter or vote on any question with respect to it.

The Licensing Committee will refer to the full Council any matter it is unable to deal with because of the number of its members who are unable to take part in the consideration or discussion of any matter or vote on any question with respect to it.

Every determination of a licensing decision by the Licensing Committee or a Licensing Sub-Committee shall be accompanied by clear, cogent reasons for the decision. The decision and the reasons for that decision will be sent to the applicant and those who have made relevant representations as soon as practicable. A summary of the decision shall also be posted on the Council's website as soon as possible after the decision has been confirmed, where it will form part of the statutory licensing register required to be kept by the Council.

The Council's Licensing Officers will deal with all other licensing applications where either no representations have been received, or where representations are irrelevant, frivolous or vexatious will be made by Council Officers, who will make the decisions on whether representations or applications for licence reviews should be referred to the Licensing Committee or Sub-Committee. Where representations are rejected, the person making that representation will be given written reasons as to why that is the case. There is no right of appeal against a determination that representations are not admissible.

### **4.2 Allocation of Decision Making Responsibilities**

The Council will be involved in a wide range of licensing decisions and functions and has established a Licensing Committee to administer them.

Appreciating the need to provide a speedy, efficient and cost-effective service to all parties involved in the licensing process, the Committee has delegated certain decisions and functions and has established a Sub-Committee to deal with them.

Many of the decisions and functions will be purely administrative in nature and the grant of non-contentious applications, including for example those licences and permits where no representations have been made, will be delegated to Council Officers.

The table shown at Appendix A sets out the agreed delegation of decisions and functions to Licensing Committee, Sub-Committee and Officers.

This form of delegation is without prejudice to Officers referring an application to a Sub-Committee or Full Committee if considered appropriate in the circumstances of any particular case.

### **4.3 Licensing Reviews**

The Council will carry out a review of a Premises Licence where it has received a formal application for review in accordance with the Act that is relevant to one of more of the Licensing Objectives and is relevant to the matters listed below,

- in accordance with any relevant code of practice issued by the Gambling Commission;
- in accordance with any relevant guidance issued by the Gambling Commission;
- reasonably consistent with the licensing objectives; and
- in accordance with the authority's statement of licensing policy.

Representations may include issues relating to the following:-

1. Use of licensed premises for the sale and distribution of class A drugs and/or the laundering of the proceeds of drugs crimes;
2. Use of licensed premises for the sale and distribution of illegal firearms;
3. Use of licensed premises for prostitution or the sale of unlawful pornography;
4. Use of licensed premises as a base for organised crime activity;
5. Use of licensed premises for the organisation of racist, homophobic or sexual abuse or attacks;
6. Use of licensed premises for the sale of smuggled tobacco or goods;
7. Use of licensed premises for the sale of stolen goods;
8. Children and/or vulnerable persons being put at risk.

Due consideration will be given to all relevant representations unless they fit the following:-

- (a) The grounds are frivolous;
- (b) The grounds are vexatious;
- (c) The grounds are irrelevant;
- (d) The grounds will not cause the Licensing Authority to revoke or suspend a licence or to remove, amend or attach conditions on the premises licence;

- (d) The grounds will not cause the Licensing Authority to revoke or suspend a licence or to remove, amend or attach conditions on the premises licence;
- (e) The grounds are substantially the same as the grounds cited in a previous application relating to the same premises; or
- (f) The grounds are substantially the same as representations made at the time the application for a premises licence was considered.

A premises licence may also be reviewed by the Licensing Authority of its own volition.

## **5. LOCAL STANDARDS**

### **5.1 Enforcement**

The Council is a signatory to the Enforcement Concordat and will follow the principles set out in it. The concordat is based around the principles of consistency, transparency and proportionality.

The Enforcement Concordat (available upon request) proposes that a graduated response is taken where offences against legislation are found or where licence conditions have been contravened. An isolated administrative offence, such as failing to maintain certain records, may be dealt with by way of a written warning. More serious offences may result in a referral to Sub-Committee, the issue of a Formal Caution or a referral for prosecution.

The Council intends to use appropriate enforcement to promote the licensing objectives. Once licensed, it is essential that premises are monitored to ensure that they are run in accordance with their operating schedules, in compliance with the specific requirements of the Act and in compliance with any licence conditions. It will also be important to monitor the Borough for unlicensed premises.

The Council will seek to work actively with the Police in enforcing licensing legislation and intends to establish protocols with the Metropolitan Police and, Haringey Trading Standards Department and London Fire and Emergency Planning Authority on enforcement issues to ensure an efficient deployment of police and council officers.

## **6. COMPLAINTS AGAINST LICENSED PREMISES**

The Council will investigate complaints against licensed premises in relation to matters relating to the licensing objectives for which it has responsibility. In the first instance, complainants are encouraged to raise the complaint directly with the licence holder or business concerned to seek a local resolution.

Where an interested party has made either a valid representation about licensed premises or a valid application for a licence to be reviewed, the Council may initially arrange a conciliation meeting to address and clarify the issues of concern.

This process will not override the right of any interested party to ask that the licensing committee consider their valid objections, or for any licence holder to decline to participate in a conciliation meeting.

Due consideration will be given to all relevant representations unless they fit the exceptions in 3.3 above.

## 7 FURTHER INFORMATION

Further information about the Gambling Act 2005, this Statement of Gambling Policy or the application process can be obtained from:-

**Licensing Unit**  
**Commercial and Environmental Protection Group**  
**Enforcement Services**  
**Unit 271, Technopark**  
**Ashley Road, Tottenham, LONDON**  
**N17 9LN**

**Tel:** 020 8489 8232      **Fax:** 020 8489 5528  
**E-mail:** [licensing@haringey.gov.uk](mailto:licensing@haringey.gov.uk)

Information is also available from:-

**Gambling Commission**  
**Berkshire House**  
**168-173 High Holborn**  
**LONDON**  
**WC1V 7AA**

**Tel:** 020 7306 6219  
**Website:** [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)

## APPENDIX A

**TABLE OF DELEGATIONS OF LICENSING FUNCTIONS**

MATTER TO BE DEALT WITH	FULL COUNCIL	SUB-COMMITTEE	OFFICERS
Three year licensing policy	X		
Policy not to permit casinos	X		
Fee Setting - when appropriate			If the Council has any discretion under the Regs, the it will be for officers to propose and for Licensing Committee to approve.
Application for premises licences		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Application for a variation to a licence		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Application for a transfer of a licence		Where representations have been received from the Commission	Where no representations received from the Commission
Application for a provisional statement		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Review of a premises licence			The initial grounds for review will be for officers to validate. Licensing Sub Committee will then hear the review if the grounds are valid under s.198
Application for club gaming /club machine permits		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Cancellation of club gaming/ club machine permits			Cancellation of club gaming /machine permits and other permits decisions would be appropriate for officers.
Applications for other permits			Dealt with by officers
Cancellation of licensed premises gaming machine permits			Dealt with by officers

Consideration of temporary use notice			Officers would initially object to applications that did not reach the required criteria
Decision to give a counter notice to a temporary use notice		X	Delegated to officers because of time constraints. In difficult cases the Chair of The Licensing Committee could be consulted.

**REPORT OF THE AUDIT COMMITTEE 2008-09  
COUNCIL 30 NOVEMBER 2009**

Chair:  
Councillor Gmmh Rahman Khan

Vice-Chair:  
Councillor Toni Mallett

**1. Background**

- 1.1 The Terms of Reference of the Audit Committee require it to maintain an overview of the Council's arrangements for corporate governance and the regulatory framework; internal control; risk management; and internal and external audit. This report has been produced to advise Full Council of the matters considered by the Audit Committee at its meetings during the municipal year 2008/09, in fulfilment of its Terms of Reference. It is presented to Full Council for information.
- 1.2 The Audit Committee is required to meet at least four times per year in accordance with the Council's reporting and financial cycles. During 2008/09, the Committee has met on five occasions and each meeting was quorate. Members' attendance is recorded in Appendix A attached to this report.
- 1.3 CIPFA best practice guidance recommends that the Council's Section 151 Officer (or his deputy) and Head of Audit and Risk Management should attend each meeting, with other Chief and Senior Officers attending as required. The Council's external auditors, Grant Thornton, also attended all meetings of the Committee during 2008/09. Actual attendances are recorded in Appendix A to this report.

**2. Summary**

- 2.1 The Audit Committee takes its responsibilities very seriously and considers its role in enhancing the Council's internal control environment to be significant in assisting the Council achieve the highest possible rating as part of the Comprehensive Performance Assessment (CPA) process. During 2008/09, key achievements for the Committee were:
- Contributing to the CPA process and assisting the Council achieve a score of 3 out of 4 for Internal Control, including an improved score for risk management arrangements, as part of the Use of Resources assessment;
  - Providing input into to the Internal Audit function thorough review and approval of the annual audit plan and quarterly review process, including monitoring implementation of audit recommendations as part of the formal follow up reporting process;
  - Reviewing and approving the Council's internal audit strategy; and
  - Contributing to and approving the Council's Annual Governance Statement.
- 2.2 The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-

financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process. Over the last year the Audit Committee has fulfilled its purpose and terms of reference and presented a challenge in relation to the Council's system of internal control and financial reporting arrangements. Over the next 12 months it is intended that the proposed developments will continue to enhance and develop the Committee's role and provide an effective challenge to all areas of the Council.

2.3 The following sections describe the work of the Audit Committee in relation to the key tasks identified within the committee's agreed Terms of Reference which were in effect during 2008/09. The Audit Committee agrees and maintains a work programme for its main areas of activity. The reports received during the 2008/09 municipal year are shown at Appendix B.

### **3. Corporate Governance and regulatory framework**

3.1 The core functions of the Audit Committee in this area are:

- To maintain an overview of the Council's Constitution in respect of finance and contract procedure rules and codes of conduct and behaviour.
- To maintain an overview of the Council's arrangements for Corporate Governance and agreeing necessary actions to enable the authority to implement best practice as set out in statutory and other guidance.
- To receive and recommend for adoption the Council's Statement on Internal Control (now Annual Governance Statement).
- To monitor council policies on 'Whistleblowing' and Anti-fraud and Corruption.
- To review any issue referred to it by the Chief Executive, a Director, or any Council body.
- To consider the Council's compliance with its own and other published standards and controls.

3.2 During the 2008/09 municipal year, the Audit Committee has:

- Received reports on a quarterly basis on compliance with the Council's finance and contract procedure rules as part of the annual programme of internal audit work
- Received reports on a quarterly basis on counter-fraud activity relating to Housing Benefit and Council Tax benefit
- Received and approved the revised and updated Council policies for Whistleblowing, Anti-fraud and Corruption, and Fraud Response Plan
- Received and approved the anti-fraud and corruption strategy relating to Housing Benefit and Council tax Benefit fraud
- Received and approved the revised and updated Council anti-money laundering policy
- Received a report on the implementation and use of the Regulation of Investigatory Powers (RIPA) Act 2000 across the Council
- Received a report from the Office of the Surveillance Commissioner detailing their findings following an inspection of the Council's use and applications of RIPA

## 4. Risk Management

4.1 The core functions of the Audit Committee in this area are:

- To approve the Council's Risk Management Policy and receive regular reports on compliance with the policy across the authority.
- To review the effectiveness of systems for the assessment and management of material areas of risk within Haringey and monitor their maintenance and development in accordance with the Risk Management Policy.

4.2 During the 2008/09 municipal year, the Audit Committee has:

- Received and approved the revised and updated Risk Management Policy and Strategy
- Received reports on a quarterly basis on implementation of the Council's risk management strategy
- Received and reviewed the Council's corporate risk register on an annual basis

## 5. Audit activity

5.1 **Internal Audit.** The core functions of the Audit Committee in this area are:

- To consider the Head of Audit and Risk Management's annual report and opinion, and a summary of Internal Audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements.
- To consider and approve the Council's Annual Internal Audit Plan and ensure that it is consistent with the scope of the audit engagement or service delivery arrangements.
- To consider reports dealing with the management and performance of the Council's providers of Internal Audit Services.
- To consider quarterly reports in respect of internal audit activity including ethical oversight issues and any major findings arising from internal audit reviews and ensure that appropriate corrective action has been taken.
- To consider a report from Internal Audit on agreed recommendations not implemented within a reasonable timescale.
- To approve any significant changes to the strategic or annual audit plan as requested by officers
- To receive reports from the Head of Audit and Risk Management on appropriate matters

5.2 During the 2008/09 municipal year, the Audit Committee has:

- Received the Head of Audit's annual report and assurance statement for 2007/08, including a summary of internal audit activity
- Received and approved the Council's 2008/09 annual internal audit plan and internal audit strategy
- Received quarterly reports detailing internal audit activity of the Council's internal audit service provider (Deloitte and Touche), and the in-house audit team, including details of agreed performance management indicators

- Received quarterly reports on implementation of all recommendations made internal audit
- Received a report on the internal audit of governance arrangements at Alexandra Palace and Park (APP Trust and APTL Company) and required that APP be instructed to implement recommendations by 31 March 2009
- Received and approved the Terms of Reference for Internal Audit
- Received and approved revised reporting formats and approach for internal audit activity

**5.3 External Audit.** The core functions of the Audit Committee in this area are:

- To receive and note the Annual Audit Plan from the external auditor.
- To receive the Annual Audit Letter from the external auditor and make any appropriate recommendations to the Council or The Executive in respect of these matters.
- To receive quarterly and annual reports in respect of external audit activity including ethical oversight issues.
- To question officers and Executive Members on the above matters
- To make any appropriate recommendations to full Council or The Executive in respect of these matters.
- To commission work from Internal and External Audit.
- To liaise with the Audit Commission over the appointment of the Council's external auditor.

**5.4** During the 2008/09 municipal year, the Audit Committee has:

- Received and considered the 2008/09 external audit and inspection plan
- Received quarterly reports providing updates on key external audit issues and progress against the agreed 2008/09 external audit plan
- Received the external auditor's report detailing the outcome of their review of Health Inequalities in Haringey, covering the Council, Primary Care Trust and the Haringey Strategic Partnership.
- Received a follow up report in respect of progress against the agreed action plan for the Health Inequalities review.
- Received a report detailing the external auditor's report in respect of the Comprehensive Performance Assessment – Use of Resources for 2008.
- Received the external auditor's report on the outcomes of the annual grant work
- Received the external auditor's report following their review of probity and propriety arrangements within the Council.
- Received a report detailing the audit and inspection fees for 2009/10.

## **6. Accounts**

**6.1** The core functions of the Audit Committee in this area are:

- To review the annual statement of accounts. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

- To consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.

6.2 During the 2008/09 municipal year, the Audit Committee has:

- Received a report detailing the accounting policies and 2007/08 annual statement of accounts
- Received a report detailing the outcome of the annual audit of the 2007/08 statement of accounts, reporting an unqualified audit opinion.
- Received a report detailing the accounting policies for the 2008/09 statement of accounts
- Received a presentation on the new International Financial Reporting Standards (IFRS) and the Council's proposed preparation work over the next two years

## **7. Other issues**

7.1 During the 2008/09 municipal year, The Audit Committee also:

- Received and approved the Audit Committee 2008/09 work plan
- Received and approved a report on the work of the Audit Committee for the 2007/08 municipal year
- Received a report on the results of the CIPFA benchmarking exercise for internal audit in 2008/09
- Agreed to receive progress reports from 2009/10 onwards on action plans from external inspections

## **8. Recommendations**

8.1 That this report is received by Full Council for Information.

## Appendix A

## Member/Officer attendance at Audit Committee Meetings 2008/09

Member/Officer	24 June 2008	22 July 2008	28 October 2008	3 February 2009	23 April 2009
<b>Members</b>					
Cllr Khan (Chair)	√	√	√	√	√
Cllr Mallett (Vice-chair)	√	√	√	√	√
Cllr Diakides	√	√	√	√	√
Cllr Bull	√	√	√	√	A
Cllr Gorrie	A	A	√	√	√
Cllr Davies	A	√	√	A	√
Cllr Mughal	√	-	A	-	A
Other Member attendances					
Cllr Wilson	√	N/A	N/A	N/A	N/A
Cllr Adje	N/A	√	N/A	N/A	√
<b>Officers</b>					
Chief Financial Officer	√	√	√	√	√
Head of Audit & Risk Management	√	√	√	√	√
Head of Corporate Finance	√	√	√	√	√
Deputy Head of Benefits & Local Taxation	-	√	√	√	√
External Auditor (Grant Thornton)	√	√	√	√	√
Head of Finance – Accounting & Control	√	-	√	-	√
Joint Director of Public Health	√	-	-	-	-
Acting Head of Benefits & Local Taxation	√	-	-	-	-

## Notes/key

√ = attended

A = apologies for absence recorded

N/A = not a member

## Appendix B

## Audit Committee Activity 2008/09

Function/Issue	24 June 2008	22 July 2008	28 October 2008	3 February 2009	23 April 2009
<b>Corporate Governance and regulatory framework</b>					
Whistleblowing Policy, Anti-fraud and corruption Policy, Fraud response Plan		Approved			
Housing Benefit and council tax benefit counter fraud progress report		Noted	Noted	Noted	Noted
Housing Benefit and council tax benefit anti-fraud strategy		Approved			
Anti-money laundering policy		Agreed			
Implementation and use of RIPA		Noted			
Office of Surveillance Commissioner's inspection report and action plan					Approved
<b>Risk Management</b>					
Risk Management Policy and Strategy					Approved
Corporate Risk Register					Agreed
Risk Management Progress		Noted		Noted	Noted
<b>Audit Activity – Internal audit</b>					
Internal audit strategy & plan 2008/09					Approved
Annual internal audit report	Noted & referred to full Council				
Progress report 2008/09		Noted	Approved	Noted	Noted
Internal audit terms of reference	Approved				
Internal audit reporting arrangements	Approved				
Review of governance arrangements at Alexandra Palace			Approved		
<b>Audit Activity – External audit</b>					
Audit and inspection plan 2008/09	Noted				
Progress report 2008/09		Noted	Noted	Noted	
Health Inequalities report	Noted				
Health Inequalities update report and action plan			Noted		

<b>Function/Issue</b>	<b>24 June 2008</b>	<b>22 July 2008</b>	<b>28 October 2008</b>	<b>3 February 2009</b>	<b>23 April 2009</b>
Probity and Propriety Report				Agreed	
CPA Use of Resources report				Noted	
Annual grant work				Agreed	
Audit and inspection fees 2009/10					Approved
<b>Accounts</b>					
Statement of accounts 2007/08 and accounting policies		Agreed			
Outcome of the 2007/08 external audit and action plan			Agreed		
Accounting policies 2008/09					Approved
Presentation on IFRS					Noted
<b>Other issues</b>					
Committee work programme 2008/09	Approved				
Internal audit benchmarking report			Noted		
National Fraud Initiative			Noted		
Annual report on Audit Committee work		Approved and referred to full Council			

**REPORT OF THE GENERAL PURPOSES COMMITTEE No. 02/2009-10  
COUNCIL 30 NOVEMBER 2009**

Chair:  
Councillor George Meehan

Deputy Chair:  
Councillor Eddie Griffith

**INTRODUCTION**

- 1.1 This report to full Council arises from the Treasury Management – 2<sup>nd</sup> Quarterly Review Report considered by the General Purposes Committee at a special meeting held on 22<sup>nd</sup> October 2009 and recommended revisions to the Treasury Management Strategy Statement (TMSS).

**SUMMARY**

- 2.1 The report (attached as Appendix 1) updated the Committee on the Treasury Management activities and recommended revisions to section 6.6 of the Treasury Management Strategy Statement (TMSS) approved by Full Council on 23<sup>rd</sup> February 2009. The report also recommends the use of Money Market Fund accounts. This will enable further secure investments to be made with the objective of optimising investment returns where possible but keeping risk to a minimum.

**WE RESOLVED:**

- 3.1 That Members note the treasury activity undertaken for the second quarter and half year ended 30 September 2009.
- 3.3 That Money Market Fund (MMFs) accounts be opened immediately on approval of this recommendation by the Chief Financial Officer with Goldman Sachs, Hendersons and RBS.

**WE RECOMMEND:**

- 4.1 That Council revise section 6.6 of the Treasury Management Strategy Statement (TMSS) to include “call accounts” as Specified Investments.  
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<sup>1</sup> The Council’s Treasury Management Strategy Statement (TMSS) can be found at the following link:  
<http://www.minutes.haringey.gov.uk/Published/C00000118/M00003086/SSSupp741dDocPackPublic.pdf>


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Haringey Council

General Purposes Committee

On 22 October 2009

Report Title.	<b>Treasury Management – 2<sup>nd</sup> Quarter and half year ended 30 September 2009 performance update.</b>	
Report of:	<b>Chief Financial Officer</b>	
Signed :	<b>Gerald Almeroth</b> 	
Contact Officer :	<b>Kevin Bartle, Head of Corporate Finance Telephone 020 8489 3743</b>	
Wards(s) affected: <b>All</b>	Report for: <b>Non Key Decision</b>	
<b>1. Purpose of the report</b>  1.1. To update the Committee on the Council's treasury management activities for the second quarter and half year ended 30 September 2009.		
<b>2. Recommendations</b>  2.1 That Council is recommended to revise section 6.6 of the Treasury Management Strategy Statement (TMSS) to include 'call accounts' as Specified Investments.  2.2 That Members note the treasury activity undertaken for the second quarter and half year ended 30 September 2009.		

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**3. Reason for recommendation(s)**

- 3.1. To enable further secure investments to be made with the objective of optimising investment returns where possible but keeping risk to a minimum.

**4. Summary**

- 4.1. This report sets out the Council's treasury management activity and performance for the second quarter and half year ended 30 September 2009.

**5. Head of Legal Services Comments**

- 5.1 The Head of Legal Services has been consulted on the content of this report and comments that the recommendations are within the policy agreed by Council and consistent with the purposes of Financial Regulations. In considering the recommendations Members must take into account the expert financial advice available in the report and any further advice given at the meeting of the Committee in relation to the level of risk inherent in the proposals.

**6. Use of appendices**

- Appendix A Extract from the Council's TMSS - February 2009
- Appendix B Investments Performance Indicator;
- Appendix C Interest Rate Outlook;
- Appendix D LBH response to CIPFA's Treasury Code of Practice Consultation

**7. Local Government (Access to Information) Act 1985**

The following background papers were used in the preparation of this report:

- Financial Planning for 2009/10 to 2011/12 reported to Council and agreed on 23 February 2009.
- Report to General Purposes Committee dated 7 July 2009

For access to the background papers or any further information please contact Kevin Bartle, Head of Corporate Finance, on 0208 489 3743.

## **8. Background**

8.1 In accordance with the recommendations contained in the Treasury Management Strategy Statement (TMSS) and approved by the Council on 23 February 2009, there is a requirement to report to members the treasury management activity on a half yearly basis. However, following the report of PwC into the Council's Icelandic investments, and in view of the continuing developments in this area, it has since been agreed to report to General Purposes Committee on a quarterly basis on all significant matters affecting the operation of the TMSS. This second report outlines the Council's treasury management activities for the quarter and half year ended 30 September 2009 and will cover:

- the investment of surplus balances and the effect of changes to the counterparty list;
- the use of the actions recommended and agreed at the last meeting on 7 July 2009;
- an update on the recovery of monies invested in the Icelandic Banks.

## **9. Treasury Management Activities for the Quarter Ended 30 September 2009**

9.1 In October 2008, the Chief Financial Officer undertook a risk assessment into the institutions holding Council deposits, the results of which prompted a move to revise the Council's approved counterparty list.

9.2 The revised counterparty list was included in the 2009/10 TMSS, was ratified by full Council in February 2009 and incorporates the following:

'The Council will only invest (on a term or certificate basis) in UK banks and building societies that have a minimum AA- long term and F1+ short term credit rating AND are participants in the UK Government's Credit Guarantee Scheme (CGS).'

9.3 This formalised the action already taken to limit the Council's investment activity to the following banks:-

- Abbey National;
- Barclays;
- HSBC;
- Lloyds Banking Group;
- Royal Bank of Scotland;
- and the following Building Society;
- Nationwide.

In addition investments in the above institutions are restricted to a maximum limit of £20m per institution with a maximum duration of 12 months. Furthermore, investment activity, and thus the counterparty limit, is also limited to the Group concerned. The list of permitted investments and instruments is included within an extract of the Council's current TMSS which is attached as Appendix A to this report.

- 9.4 The effect of adopting the revised lending list is set out in Table 1 below which compares the investment portfolio in October 2008 to the current portfolio profile at 8 October 2009 as follows:

**Table 1**

<b>Institution</b>	<b>Value Oct 2008 £m</b>	<b>Maturity dates</b>	<b>Value 8 October 2009 £m</b>	<b>Maturity dates</b>
UK Banks	1.5	Oct 08	66.3	Oct 09 – Apr 10
UK Building Societies	58.7	Oct 08 – Aug 09	20.0	Nov 09
Irish Banks	61.1	Oct 08 – Jun 09	0	n/a
Irish Building Societies	12.0	Oct 08 – Feb 09	0	n/a
Other Non – UK Banks	23.4	Oct 08 – Nov 09	0	n/a
Debt Management Office	0		16.3	9 Oct 09
<b>TOTAL</b>	<b>156.7</b>		<b>102.6</b>	

- 9.5 The impact that the revisions to the TMSS has had is to eliminate the exposure to Irish building societies and banks and other non-UK banks. In addition, investments in UK building societies have been reduced by £38.7m to £20m. These reductions have seen increases in the exposure to UK banks and the government's Debt Management Office (DMO). The DMO is an investment facility operated by the UK government which has the highest security rating but conversely pays a very low interest rate in comparison to other institutions. A list of all outstanding deposits is set out at Appendix B.
- 9.6 At the time of preparing the first quarterly report in July only 3 investments remained in place that did not achieve the Council's minimum revised credit rating criteria, totalling £12m. These investments, that were placed before October 2008, were:

Table 2

Institution	Principal £M	Date Placed	Maturity
DEPFA Bank Plc	5	30/06/2008	30/06/2009
Skipton BS	2	24/07/2008	23/07/2009
Chelsea BS	5	29/08/2008	28/08/2009
<b>Total</b>	12		

- 9.7 At the time that the above investments were made they accorded with the approved credit rating criteria then prevailing. Subsequently, these institutions became subject to a number of rating downgrades by the credit rating agencies. The Council, did, nevertheless, undertake risk assessments on these remaining institutions and considered that the risk of none recovery was small. All of the above deposits were repaid on the due dates and consequently the Council no longer retains any investments that do not meet the credit rating criteria set out in the TMSS.
- 9.8 The security of investments remains the principal investment objective for this authority. The approved performance indicator, which has been developed in conjunction with the treasury management advisors, and provides a credit rating based objective scoring analysis, is provided at Appendix B.
- 9.9 The credit risk scores of **3.5** (value weighted average) and **4.0** (time weighted average) indicate a low level of security risk based on the methodology adopted by our treasury advisors as follows:

Above target (AAA to AA+, Score 0-2)  
 Target score (AA to A+, Score 3-5)  
 Below target (below A+, Score over 5)

#### Credit risk scores 2009/10

	1 <sup>st</sup> quarter as at 30 June 09	2 <sup>nd</sup> quarter as at 30 Sept 09
Value Weighted	4.3	3.5
Time Weighted	4.3	4.0

- 9.10 On this basis, Haringey remains in the middle of the target range. The scores achieved in this quarter show an improvement over those reported in quarter 1 of 4.3 and 4.3 respectively as shown above and due largely to the repayment of the 3 deposits set out in Table 2 above.

- 9.11 Although the Council has adopted a more prudent stance in respect of the treasury management function it has still been possible to out perform the investment performance indicator over the first five months (ended August) of 2009/10 as follows:

Target:	0.5% above base rate
Actual Investment performance:	0.7407% above base rate

### **Interest rate outlook**

- 9.12 The TMSS is predicated on interest rate forecasts provided by the Council's Treasury Management advisors, currently Arlingclose. The latest forecast compared to the version used in the estimates is attached at Appendix C. The base rate is now forecast to remain constant at 0.5% until September 2010 but could rise by a series of phased increases to 4% by December 2011. The interest rate outlook is important because it affects the term of future investments and hence the capacity to maximise interest earned. The Council would not, for example, want to invest for periods in excess 12 months given that the rates are likely to increase in the medium term.

### **Interest earned in the period ended 30 September 2009**

- 9.13 The interest earnings in the first quarter amounted to £0.682m, and in the second quarter £0.458m totalling £1.14m for the half year. The forecast for investment income in 2009/10 is £2 million. Whilst interest earnings achieved in the first half year indicate that this sum will be achieved, the pattern of replacement investments, i.e. at considerably lower rates of interest, makes it unlikely that the forecast of £2m will be achieved. Based on the best information currently available it is anticipated that investment income for 2009/10 is more likely to be in the order of £1.6m. Members will be kept informed of the position in future quarterly reports.

### **Update on the recommendations and actions approved at the 7 July meeting**

- 9.14 At the last meeting of General Purposes Committee it was resolved that;
- 9.14.1 The Council is recommended to revise the Treasury Management Strategy Statement to include the Clydesdale Bank as a permitted institution for investment purposes on the same terms as the other institutions already on the approved list i.e. a maximum exposure of £20m and a duration of up to 12 months.
- 9.14.2 That Members note the proposed use of the following Treasury Management actions which are already contained within the TMSS:-
- 9.14.2.1 The Council's treasury management advisors be asked to identify a minimum of two and a maximum of four 'AAAm' rated Money Market Funds allowing total investments of up to £10m in accordance with the current TMSS.

9.14.2.2 Investments will be made of up to £10m in bonds issued by the European Investment Bank with redemptions due in December 2010 and March 2011.

9.14.2.3 The premature repayment of PWLB loans of up to £25m will be made on favourable terms as approved by the Chief Financial Officer.

9.14.2.4 The use of available cash balances to fund, in the short or medium term, a number of approved capital schemes in 2009/10.

9.15 Set out below is an update on each of these proposed actions:-

9.15.1 **Add Clydesdale Bank to the counterparty list:** Following the Committee's decision, agreed by Council on 20<sup>th</sup> July 2009, Clydesdale Bank was subsequently placed on 'negative outlook' by Moody's, the credit rating agency and as a result, the Council's treasury management advisors reduced the recommended maturity period for investments with this institution from a maximum duration of one year to a maximum of one month. In view of the additional counterparty risk, no investments will be made with Clydesdale Bank until the restoration of a 'stable' credit rating outlook and an increase in the recommended investment duration period is confirmed by the Council's treasury advisors. Although the counterparty list remains extremely limited at present, reflecting the continued prudent approach, Arlingclose are likely to recommend the addition of a number of international names to the existing counterparty list in due course. These proposals will be considered in a future report.

9.15.2 At present the only outlet for the placement of overnight or very short-term monies is the DMO. Although, as discussed in the first quarterly report, the counterparty is AAA rated, deposits only attract an annual equivalent rate of 0.25%. By contrast, 'call accounts' (which are investments for indeterminate periods) and operate as short term deposit accounts for periods determined by the customer, are currently paying up to 0.80% on similar terms. At least two of the institutions on the approved lending list are currently operating these accounts on the terms described above. At present, the Council is unable to place investments in 'call accounts' as they are not explicitly included in the list of specified investments listed in paragraph 6.6 of the TMSS. In order to maximise earnings on short term investments therefore, it is **recommended** that approval be sought from Council to revise the TMSS to include 'call accounts' as Specified Investments. In instances where call accounts are used, the investment will count against the £20m limit for the relevant counterparty.

9.15.2.1 **The use of AAAM Money Market Funds;** At the date of preparing this report due diligence is being undertaken, in conjunction with the Council's treasury advisors, into a number of AAAM Money Market Funds. The choice of the Money Market Fund managers to assess was made with the Council's treasury management advisors on an objective basis. Interviews will take place with representatives of the following firms on 14 October 2009:-

- Prime Rate;
- Henderson Global Investors;
- Royal Bank of Scotland;
- Northern Trust; and,

- Goldman Sachs.

Arlingclose will support the Head of Corporate Finance and the Interim Treasury Manager in the interview process which will consist of a 20 minute presentation from each manager followed by a 25 minute question and answer session.

Attendees have been asked to address the following matters in their presentations:-

- how is credit risk identified and controlled, specifically how is the client's capital investment and the fund's capital value protected?
- how is liquidity maintained and managed?
- an overview of the portfolio construction and management, in particular how are investors protected from adverse market swings?
- the key characteristics of the fund; and,
- how many local authority clients each of the fund managers has.

Following the interview process, a recommendation will be made to the Chief Financial Officer on the preferred managers for the Council. On approval, investments up to £10m will be placed with the selected fund managers in accordance with the TMSS.

9.15.3 **Investments in bonds issued by the European Investment Bank;** at the last meeting two such investments were proposed, however since then the indicative yields on the investments have narrowed considerably. In view of the interest forecast set out in paragraph 9.12 above, and the associated interest rate risk now implicit in these investments, it has been decided not to proceed until a more favourable yield is indicated that fully reflects the risk of potential rate rises.

9.15.4 **Repaying some-long term debt to the PWLB;** at the last meeting a case was made for prematurely repaying some debt to the PWLB on 'neutral terms' to eliminate all treasury risk in respect of the commensurate reduction in the available monies for investment. Although a suitable loan was identified at the July meeting, it was not possible to complete matters on the terms indicated as gilt yields had fallen following implementation of the Governments Quantitative Easing programme. As a result of the technical operations of the Bank of England, i.e. using the additional 'money' to buy gilt edged stocks from banks in order to strengthen their balance sheets, a one way market in gilts has developed. As a consequence gilt prices have risen thereby rendering the proposal financially unviable at this time.

However, following the lower gilt yields currently prevailing a number of loans in the Council's portfolio with lower coupons are currently being shadowed in conjunction with the treasury advisors and it is possible that some early repayment, consistent with the principles set out above, could be achieved during the remainder of 2009/10.

9.15.5 **Providing medium term finance for Capital Finance;** at the last meeting it was proposed that consideration be given to providing medium term finance to a number of 2009/10 approved capital schemes that are intended to be financed in due course from sales of council properties. By providing medium term finance the properties can be sold in a more favourable economic climate and treasury risk is eliminated in respect of finance provided. To date, the pattern of the capital spend has meant that it has not been necessary to invoke this facility although it remains

available to be utilised if required.

## **10. Reviews of Treasury Management Operations**

- 10.1 Given the national attention given to treasury management activities and operations since the Icelandic banking crisis, there have been a number of national and local reviews undertaken.
- 10.2 The recent Internal Audit report to the Council's Audit Committee in April 2009 contains a number of recommendations which were made by PwC following their review of Haringey Council's treasury management procedures and the Audit Commission's national report on Treasury Management. All of the recommendations have already been implemented.

## **11. The Chartered Institute of Public Finance and Accountancy (CIPFA) Consultation**

- 11.1 As a consequence of the Icelandic banking crisis CIPFA have undertaken a consultation exercise with a view to revising the Treasury Management Code. The scope of the current consultation covered matters of Member scrutiny, changes to TMSS approval procedures, Member training and interim reporting procedures on the implementation of the TMSS. CIPFA's key questions pertaining to these issues together with Haringey's response are attached as Appendix D for information.

## **12. Update on the Recovery of Monies Invested in the Icelandic Banks**

- 12.1 The administration process for the Icelandic banks in which Council deposits are held is continuing. Since the last meeting a first interim payment has been received in respect of Heritable Bank amounting to £3,267,899 (equivalent to 16.13p in the pound of the deposits with that bank). It is anticipated that a second interim payment of £1.9m (equivalent to 10p in the pound) will be received in December 2009. The position with investments in respect of investments held in Glitnir and Landsbanki bank remains unchanged.
- 12.2 The government has issued a regulation to allow authorities to defer accounting for the net loss until later years. CIPFA has recently issued further accounting guidance for authorities on the assumptions for deferred impairments in the 2008/09 accounts and based on the latest position, this recommends assuming an estimated recovery of 82.3% of the total capital sum invested in all Council Icelandic investments. The Council has, however, accounted for interest not received in relation to these investments in 2008/09.

## **13. Conclusions**

- 13.1 The proposal recommended in this report, namely the addition of 'call accounts' to the list of specified investments that may be used by the existing counterparties on the approved lending list, will add considerably to the Council's ability to maximise returns on secure and liquid investments.

- 13.2 Future reports will monitor the implementation of the proposal now recommended, if approved, and will continue to identify opportunities to further underpin the prudent implementation of the TMSS.

Extract from the Council's TMSS – February 2009

- 6.10 Financial markets and financial institutions remain in a state of heightened risk as the impact of the credit crunch continues to adversely affect the global economy with particular volatility in the financial and banking sectors. In order to reduce risk the Council has considered adopting a more tiered approach to limits and ratings, including the use of sovereign ratings. However, this strategy is recommending an approach that goes further than this. The Council's investment activities have been restricted as a consequence in order to demonstrably address the prevailing higher risk backdrop and it is proposed to continue to restrict this and at the same time take advantage of more AAA rated government backed instruments. This will apply to all new transactions.
- 6.11 The Council is able to invest in the investment instruments outlined in 6.6 and 6.7 above but it is proposed that investments in banks and building societies (on a term or certificate of deposit basis) are limited to UK banks and building societies that have a minimum AA- long term credit rating and F1+ short term rating and are participants in the UK Government's Credit Guarantee Scheme (CGS).

This will limit activity to the following banks:

- Abbey National
- Barclays
- HSBC
- Lloyds Banking Group
- Royal Bank of Scotland

and the following Building Society:

- Nationwide

The CGS effectively provides a UK Government Guarantee for these institutions, some of whom such as Lloyds Banking Group and Royal Bank of Scotland have effectively been partially nationalised by the UK Government.

It is proposed that deposits with these banks and building society are allowed for periods up to 12 months duration and £20m exposure limit per institution applies at a group level.

Given current conditions and the possibility of downgrade to the UK and its banks the Chief Financial Officer retains delegated power to allow the continuation of use of these six institutions even if they suffer downgrades below a long-term rating of AA- and a short-term rating of F1+, whilst the UK Government Guarantee remains in place.

The previous strategy allowed for the use of non-UK banks and building societies that had minimum ratings of A and F1.

- 6.12 The Council has an account with the Debt Management Deposit Account Facility (DMADF). This facility allows the Council to invest with the UK Government via HM Treasury for periods up to 6 months. There is no exposure limit on the DMADF as an investment counterparty.
- 6.13 The Council can utilise Money Market Funds with a AAAm rating and operating on a constant net asset value basis (CNAV). The Council can invest up to £10m in money market funds but has a maximum exposure limit to any one Fund of £5m.
- 6.14 Investments in other UK local authorities are permitted. There is a £30m exposure limit on each local authority as investment counterparties.
- 6.15 The Council is permitted to invest in sterling denominated bonds issued by HM Government (Gilts), bonds issued with a HM Government Guarantee and bonds issued by Multi Lateral Development Banks (i.e. European Investment Bank, World Bank). Investments in these bonds will be for periods of up to 6 years. The Council will look to utilise more of this highly secure government backed instruments.
- 6.16 The permitted investments can be summarised as follows:

<b>Investment</b>	<b>Maximum Counterparty Limit</b>	<b>Maximum Length of Investment</b>	<b>Criteria</b>
Banks and Building Societies	£20m	1 year	Min AA- long term and F1+ rating plus CGS (or equivalent)
Local Authorities	£30m	5 years	
Money Market Funds	£5m	n/a	AAAm and CNAV
HM Government (DMADF )	Unlimited	6 months	
HM Government (Gilts and Treasury Bills)	Unlimited	6 years	
Bonds issued by Multilateral Development Banks	£60m	6 years	
Bonds issued with HM Government Guarantee	£60m	6 years	

The Chief Financial Officer will assess whether to restrict further within these limits based on the latest available market information and advice.

## Appendix C

## Interest Rate Outlook

The TMSS is predicated on interest rate assumptions provided by Arlingclose. The table below provides the current forecast compared with the earlier forecast as follows:

	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12
<b>Official Bank Rate</b>										
<b>Upside risk</b>				+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50
<b>Central case</b>	0.50	0.50	0.50	0.50	1.00	1.50	2.25	3.00	4.00	4.00
<b>Downside risk</b>					-0.50	-0.50	-0.50	-0.25	-0.25	-0.25
<b>1-yr LIBID</b>										
<b>Upside risk</b>				+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
<b>Central case</b>	1.25	1.25	1.25	1.50	2.00	2.75	3.50	4.00	4.25	4.25
<b>Downside risk</b>					-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

## Arlingclose's forecast for interest rates (December 2008)

	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11
<b>Official Bank Rate</b>									
<b>Upside risk</b>							+0.25	+0.25	+0.25
<b>Central case</b>	1.00	1.00	1.00	1.00	1.00	1.50	2.00	2.50	2.50
<b>Downside risk</b>	-0.50	-0.75	-0.75	-0.75	-0.75	-0.50	-0.50	-0.50	-0.50
<b>1-yr LIBID</b>									
<b>Upside risk</b>									
<b>Central case</b>	2.50	1.75	1.50	1.50	1.50	1.75	2.00	2.75	3.00
<b>Downside risk</b>	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
<b>5-yr gilt</b>									
<b>Upside risk</b>									
<b>Central case</b>	3.00	2.75	2.50	2.00	2.00	2.50	2.75	3.00	4.00
<b>Downside risk</b>		-0.50	-0.50	-0.50	-0.50	-0.50			
<b>10-yr gilt</b>									
<b>Upside risk</b>									
<b>Central case</b>	3.40	3.10	3.00	3.00	3.00	3.50	3.75	4.00	4.50
<b>Downside risk</b>	-0.25	-0.25	-0.50	-0.50	-0.50	-0.50			
<b>20-yr gilt</b>									
<b>Upside risk</b>		+0.10	+0.10	+0.10	+0.10	+0.10			
<b>Central case</b>	4.00	4.00	4.00	4.25	4.25	4.50	4.75	4.75	4.75
<b>Downside risk</b>		-0.10	-0.10	-0.10	-0.10	-0.10			
<b>50-yr gilt</b>									
<b>Upside risk</b>	+0.10	+0.10	+0.10	+0.10	+0.10	+0.10	+0.10	+0.10	+0.10
<b>Central case</b>	3.90	3.90	4.00	4.00	4.25	4.50	4.50	4.50	4.50
<b>Downside risk</b>	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10

It will be seen that base rate is now forecast to remain constant at until September 2010 but could rise by a series of phased increase to 4% by December 2011.

**RESPONSE OF HARINGEY COUNCIL  
CIPFA REVISED TREASURY CODE CONSULTATION**

The London Borough of Haringey welcomes CIPFA's decision to revise the Treasury Code and the opportunity to comment on the draft.

The four key changes to the Code now proposed are considered to be uncontroversial, easily implemented and are fully supported by this authority.

In relation to the key changes to the sectional guidance, the Council wishes to make the following observations;

**Key point 1** – 'Organisations should not solely rely on credit ratings when choosing a counter party, but should use all available market information.'

Whilst the thrust of this point is supported, it would be helpful if a reference could be made in the new Code as to what CIPFA perceive as appropriate additional sources of market information. Additional sources of information could include reading the financial press, awareness of sudden and unexplained downward movements in bank share prices, scrutiny of bank annual reports and accounts, interim statements by bank chairmen and credit default swap prices.

**Key point 2** - 'That a sound diversification policy will include country, sector and group limits'

The investment in a sector or a country must always be justified on the grounds that it is believed that there is complete security of capital; common sense must prevail at all times. At present it is believed that the majority of local authorities no longer have direct exposure to overseas banks. It is agreed, however, that strict group limits must always be applied. An alternative drafting is suggested as follows:

'That a sound diversification policy will include detailed consideration of the extent of any country and sector allocations and the imposition of strict group limits'

**Proposed key changes to the Code:**

- 1. Enhancement of the role of scrutiny of treasury management strategies and procedures. It will be a public body's responsibility to identify an appropriate body or individual to have responsibility for the scrutiny function which may be a committee such as a finance scrutiny committee or audit committee. This reflects the increased prevalence of Audit Committee and Scrutiny functions across the public services.**

Proposal supported. For information, this issue has been addressed in this authority by the introduction of quarterly reports to the Council's General Purposes (GP) Committee. This is the committee vested with accounts approval responsibilities

and is seen as the most appropriate committee to oversee, and scrutinise, treasury management activities.

**2. Currently the Treasury Management Strategy must be approved by the full board or council and this is typically done as part of the approval of the budget. The revised Code will allow approval from a relevant committee. Where approval is not by full board or council, the decisions made must be reported to full council. This reflects the evolving political structures within Local Government and ensures that public bodies consider treasury management away from the focus of the budget.**

Proposal supported. The Council has already put in place an enhancement to procedures by the regular review and scrutiny of the TMSS and treasury management activities by the GP committee (as outlined above). Any revisions to the TMSS will be routed through the GP committee for agreement before final approval of the Council. It is suggested that in-year revisions could be approved by GP and formally ratified by Council to enable treasury teams to implement actions more speedily and efficiently in times of changing or volatile interest rates.

**3. The requirement for ensuring that staff are appropriately qualified and trained is already contained within the existing code. The revised Code will require training to be available for the relevant board / Council members with responsibility for treasury management. This is to ensure that all those responsible for treasury management are aware of their responsibilities and have access to training.**

Proposal supported. The Council has already implemented routine Treasury Management training for Council members.

**4. The existing Code requires the Treasury Management Strategy to be approved prior to the start of the financial year and a report presented after the end of the financial year detailing operational activity throughout the year. The revised code will also require an interim or mid-year operational report.**

Proposal supported. The Council already has quarterly reporting to GP committee in place.

INVESTMENTS PERFORMANCE INDICATOR

INSTITUTION:	Group	Principal	Matures	Days to maturity	Rate	Credit rating (source Bloomberg)	Credit Risk Score
<b>(a) Outstanding deposits</b>							
Abbey Time Deposits	Santander	£5,125,000.00	02/11/2009	19	0.50%	AA-	4
Abbey Time Deposits		£5,000,000.00	03/12/2009	50	0.67%	AA-	4
Abbey Time Deposits		£6,750,000.00	04/01/2010	82	0.54%	AA-	4
Abbey Time Deposits		£5,000,000.00	30/10/2009	16	1.15%	AA-	4
Lloyds	Lloyds Banking Group	£5,000,000.00	02/04/2010	170	1.10%	AA-	4
Lloyds		£5,000,000.00	08/01/2010	86	1.65%	AA-	4
Lloyds	Nationwide	£11,500,000.00	02/11/2009	19	5.65%	AA-	4
Nationwide		£8,500,000.00	05/11/2009	22	1.61%	AA-	4
Nationwide		£5,000,000.00	11/12/2009	58	3.70%	AA-	4
RBS	RBS	£10,000,000.00	17/12/2009	64	1.47%	AA-	4
RBS		£5,000,000.00	03/03/2010	140	0.98%	AA-	4
RBS		£4,500,000.00	29/01/2010	107	1.09%	AA-	4
Barclays	Barclays	£10,000,000.00	15/01/2010	93	1.25%	AA-	4
Barclays		£16,270,000.00	15/10/2009	1	0.25%	AAA	1
DMO	DMO	£ 102,645,000		08/12/2009	1.630%		
Total			14				
Number of deposits		£ 7,331,786				AA-	3.5
Value Weighted Average				56		AA-	4.0

Credit risk scored 1 - 10 : 1 = strongest rating lowest risk, i.e. AAA, through to 15 = lowest credit rating, highest risk, i.e. D  
 Non-rated, non-guaranteed institutions score 11

Above Target (AAA to AA+ Score 0-2)  
 Target (AA to A+ Score 3-5)  
 Below Target (Anything less than A+, Score above 5)  
 On this basis Haringey is in the middle of its target range

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