

Runnymede Borough Council

CORPORATE MANAGEMENT COMMITTEE

26 June 2008 at 7.30pm

Members of the Committee present: Councillors J R Furey (Chairman), D R Hamilton (Vice-Chairman), A Alderson, J M Edwards, Mrs L M Gillham, H W V Meares, C J Norman, P I Roberts, P J Waddell and G B Woodger

Members of the Committee absent: None

106. MINUTES

The Minutes of the meeting of the Committee held on 29 May 2008 were confirmed and signed as a correct record.

107. REFERENCES FROM OTHER COMMITTEES

(i) Housing and Community Services Committee – 11 June 2008

Community Transport

At its meeting on 11 June 2008, the Housing and Community Services Committee had requested approval for a capital estimate of £100,000 for the purchase of two replacement vehicles for the Day Centre Transport Service.

The Council currently provided two community transport facilities serving the Day Centres and Dial-A-Ride which had been run in-house since 2006 with the scheduling operation also being brought in-house at the start of 2008.

Two new vehicles were needed for the Day Centre fleet to replace those which were now over 11 years old. The recognised life-span for an operational minibus was a maximum of 10 years and a range of mechanical problems were now starting to be experienced with these two vehicles, including brake problems, passenger lift faults, oil leaks and door lock replacements. The cost of repairs to these two vehicles alone during 2007/08 was over £3,000 and work to repair corrosion problems later this year was estimated to cost at least £4,000.

Provision had been made in the capital programme for the replacement of Day Centre Transport vehicles, which were only replaced when necessary. The low mileage of the day centre transport vehicles meant that these lasted longer than an average minibus. However, they did suffer as a consequence of the "stop start" nature of the operation. Officers were also receiving reports from passengers that the journeys were becoming less and less comfortable, resulting from poor seat padding and suspension.

The capital programme had provisions of £50,000 in 2007/08 and 2008/09 financial years for replacement. It was now necessary to approve a capital estimate to release these provisions. The revenue budget had been set accordingly on the assumption that the existing vehicles would be replaced.

The Committee noted that, in view of the sum involved, this item would normally be the subject of a Recommendation to the Council but as the vehicles required replacement as soon as possible because of their condition and as the order for the vehicles needed to be placed quickly because of a long lead time, the Committee took the decision to proceed without delay.

RESOLVED that –

a capital estimate of £100,000 be approved for the purchase of two replacement day centre transport vehicles.

(ii) Leisure and Environment Committee – 19 June 2008(a) Surrey Waste Strategy - Contribution to Joint Working

At its meeting on 19 June, the Leisure and Environment Committee had approved a 'Memorandum of Understanding for the implementation of the Joint Municipal Waste Management Strategy', which sought to achieve improved co-operation and joint working across all the local authorities in Surrey, but did not create binding legal obligations between them. Implementation of the Joint Municipal Waste Management Strategy (JMWMS) was overseen by a Member Advisory Board which reported to the Surrey Local Government Association (SLGA).

Given the lack of available Government funding or Waste Performance Efficiency Grant funding in 2008/09, and most probably future years also, alternative funding streams needed to be sourced to enable waste joint working to continue in the future.

In November 2005 the Government and Surrey County Council (on behalf of itself and its partners - the Surrey District Councils) had signed a Second Generation Local Public Service Agreement for Surrey. This agreement contained 12 ambitious "stretch" targets, the achievement of which would generate income by way of a grant from the Government known as the Performance Reward Grant (PRG). The amount of Performance Reward Grant would be determined later this financial year. One of the stretch elements that it was anticipated would be successful was the Surrey wide glass recycling Local Public Service Agreement (LPSA) project. The possible Surrey-wide award of this element was expected to be approximately £2.1 million which would be split equally between the 12 Surrey authorities and it was noted that the Council should receive £174,000.

The JMWMS Member Advisory Board had proposed that 50% of the Performance Reward Grant be pooled for joint working. Given the relative size of Surrey's authorities, the financial situation of the Council, and the need to progress various recycling initiatives locally, the Leisure and Environment Committee had recommended that Runnymede contributed the same amount to joint projects as in the last financial year (£39,000), rather than half of the £174,000 (£87,000), subject to receipt of all the allocation beforehand. The Corporate Management Committee noted the value of the joint working which included involvement of the disposal authority, Surrey County Council, and agreed that £39,000 was an appropriate amount to contribute.

This was a new budgetary commitment. PRG represented a one-off grant and needed to be used carefully to avoid committing the Council to further on-going expenditure at a time when revenue reductions were required. PRG was not an earmarked grant. The Council was free to use the grant as it saw fit.

The Committee noted the likelihood of further proposals for recycling and waste minimisation initiatives in Runnymede being brought forward in the future.

RESOLVED that –

- i) a supplementary estimate in the sum of £39,000 be approved, taken from the sum anticipated to be received as Glass Recycling LPSA Reward Grant;**
- ii) the £39,000 referred to at i) above be committed to further partnership projects, subject to receipt of all the allocation beforehand; and**

iii) **it be noted that further commitments are likely to be required to support the Surrey JMWMS.**

(b) Addlestone Cemetery Extension

At its meeting on 19 June 2008, the Leisure and Environment Committee had approved a scheme to provide an extension to Addlestone Cemetery on land at Simplemarsh Farm, subject to approval of a capital estimate in the sum of £200,000 to complete the project.

Addlestone Cemetery was nearing capacity. In 2005 the Council had acquired land at Simplemarsh Farm, pursuant to the requirements of a development related Section 106 agreement. This land was close to the existing Cemetery, albeit on the other side of Green Lane, and had been identified as suitable for an extension to Addlestone Cemetery. The Section 106 agreement required the land to be used for open recreational purposes, including use as a cemetery. The design of the extension provided 12 burial sections within the cemetery, sufficient grave spaces to satisfy demand at the current rate for approximately 100 years, a car park accommodating 14 cars including 3 disabled bays, walkways, a shelter for mourners and a turning space for hearses. The Corporate Management Committee asked about toilet facilities and it was noted that there was no provision for a toilet in the cemetery extension design at present, as there was one nearby, and in view of the expense of maintenance of such a facility.

The General Fund Capital Programme 2007/08 to 2011/12 included provision of £200,000 for an extension to Addlestone Cemetery. Ongoing maintenance of the new cemetery was expected to cost £8,000 a year, to be funded from savings made elsewhere in the existing cemeteries revenue budget. Income from the Council's four cemeteries in the 2007/08 financial year was £167,000 and £52,000 of this was from Addlestone Cemetery. Income from the new extension was expected to be lower in the first year or so, as people became accustomed to the use of this area as a cemetery.

The Corporate Management Committee agreed to recommend approval of the scheme and noted that the use of land at Simplemarsh Farm for cemetery purposes would require Planning Permission. An application would be submitted, subject to the scheme's approval.

RECOMMEND that –

a capital estimate be approved for this scheme in the sum of £200,000.

108. STATEMENT OF ACCOUNTS 2007/08

The Committee considered the Statement of Accounts for the 2007/08 financial year, the findings of the review of the system of internal control, and the Annual Governance Statement contained in the Statement of Accounts for the 2007/08 financial year. The Statement of Accounts followed the Code of Practice for Local Authority Accounting in the UK (the 2007 Code) and associated guidance.

The Accounts and Audit Regulations 2003 (the Regulations) made rules for the preparation and approval and audit of local authority accounts. In particular the Regulations required Authorities to approve and publish their Statement of Accounts by 30 June and 30 September respectively, the inclusion of a statement of internal control (now called the Annual Governance Statement) with the Statement of Accounts, and for the Statement of Accounts to be signed by the Chairman of the Committee that approved the Statement to signify formally the completion of the Council's approval process of the accounts. It was accepted as good governance for Members to be presented with accounts as soon as possible after the year-end, so that they could receive assurance that accounting systems had operated adequately and been closed down satisfactorily, have confidence that the budget for 2008/09 and forecast for future years had a secure foundation and could understand the corporate financial performance during the year and the position at 31 March 2008. A comprehensive report on the final accounts for 2007/08 had been presented to the Committee in

May. The Statement of Accounts reported the same position but presented it in the form required by statute and recommended accounting practice.

In recent years there had been a drive to make public sector accounts generally more compliant with what was termed "Generally Accepted Accounting Practices" ("UK GAAP"). There was no precise definition of this term, but it was taken as a reference to the accounting practices regarded as permissible by the accounting profession. Recent Codes had introduced practices to steadily make local authority financial statements more compliant with UK GAAP. This year the accounts showed a major change in the accounting treatment of capital assets that included the replacement of the Fixed Asset Restatement Account and Capital Financing Account by a Revaluation Reserve and Capital Adjustment Account, new accounting treatments and disclosures in respect of what were termed financial instruments, and a few other changes of a less significant nature, e.g. accounting for audit costs and disclosure of Local Area Agreement transactions. The 2007 Code required the establishment of new reserves to hold capital balances. The Balance Sheet figures for 31 March 2007 had been adjusted from those included in the Statement of Accounts for 2006/07 to accommodate the implementation of the Revaluation Reserve.

The new rules set out by the Government were very prescriptive on the charges that had to be made to revenue for capital assets, requiring much more detailed record keeping than previously, with both current cost and historical cost information being required for each asset. A major upgrade to the Council's capital accounting software had been required, and this involved a significant amount of work in transferring data and making the software operable.

The new arrangements for accounting for financial instruments represented the first major development in accounting arrangements for local government arising from the influence of International Financial Reporting Standards (FRS) on UK GAAP. The 2007 Code adopted Financial Reporting Standards (FRS) 25, FRS 26 and FRS 29 which dealt with the recognition, measurement and disclosure of financial instruments. There would be even greater complexity in the future, as the use of FRS would bring most public finance initiative (PFI) deals into play.

For Runnymede, the changes to the Council's main accounting statements arising from the new accounting arrangements were fairly limited. The main change was accounting for investments based on amortised cost. This method more fairly spread the interest on investments over the life of the investment by taking into account the cash flows associated with the investment. Therefore, for the Council's investments, Officers now accounted for income based on the effective interest rate, rather than the headline rate. This method produced a more appropriate annual credit to investment income and was not a controversial change. However, just as for the capital accounting changes, there was an increase in record keeping necessary to calculate and record the various effective interest rate and amortised cost calculations, and fair value assessments. The Council's treasury management consultants had been helpful in providing evidence of fair value calculations and guidance on aspects of the changes generally.

The FRS's also required significant disclosures for the Council's financial instruments. For Runnymede this meant more disclosures in the Statement of Accounts, in particular for the Council's investment portfolio. Although these disclosures were also not controversial, they did add extra quantity to the Statement of Accounts and there was a cost in extra accountancy resource and audit oversight.

The private sector had adopted International Financial Reporting Standards (IFRS) in 2005. Considerable effort was needed to convert to this new regime for public limited companies. It was announced in the 2007 Budget that Whole of Government Accounts (WGA)s from 2008/09 would be based on the provisions of International Financial Reporting Standards (IFRS), adapted as necessary for the public sector. The Chancellor's Budget report, published on 12 March 2008, announced the Treasury's decision to defer the implementation of international financial reporting standards to 2009/10. Delivery of the Government's commitment raised a range of specific issues for local authorities, the most important of which was the need to avoid any adverse impact on Council Tax.

The impact of IFRS on public sector organisations would vary. Much of UK GAAP and IFRS were similar. Local authorities had already taken significant steps towards IFRS implementation, particularly with the introduction of the UK versions of the IFRS-based financial instruments standards in their 2007/08 accounts. However, the treatment of leases and private finance initiative (PFI) schemes could introduce material changes for some local authorities. There were also a

number of technical issues that would need to be resolved. There were expected to be an increased number of disclosures required by IFRS. However, there was debate on whether IFRS were appropriate for local authorities as they were designed to produce what the International Accounting Standards Board called "decision-useful information". This was defined as the information that investors, whom the Board regard as sole users of accounts, needed to decide whether to buy or sell shares in an entity. This was why IFRS focused on changes in balance sheet value. It was difficult to reconcile this emphasis with the financial (and taxation) framework that applied to local authorities, and there was concern that IFRS standards were therefore simply inappropriate for local authorities. In January 2008, the CIPFA/LASAAC Local Authority SORP Board had announced its decision to implement International Financial Reporting Standards in the Code from 2010/11.

The WGAs were accounts covering the whole of the public sector as a single entity. The 2007/08 return would be the fourth made by Runnymede Borough Council. The return was subject to external audit at a cost of £2,800. From 2008/09, local authorities would be required to provide certain WGA information on the IFRS basis. Hopefully, the immediate practical problems of WGA data collection could be addressed satisfactorily without creating significant additional burdens in the transitional period until full IFRS implementation in local government (due for 2010/11).

The Statement of Accounts contained a financial review of 2007/08 by the Director of Finance, an Annual Governance Statement, a statement of responsibilities, an Auditor's report (only in draft at this point in time as it was assumed that the Auditor would have no qualifications to make), main accounting policies used, the core accounting statements, notes to the core accounting statements accounts, the supplementary accounting statements, notes to the supplementary accounting statements accounts, and summaries of trust fund accounts administered by the Council. The main financial statements were divided into 'core' statements and 'supplementary' statements. The core statements were the Income and Expenditure Account, Statement of Movement on the General Fund Balance, Statement of Total Recognised Gains and Losses, Balance Sheet and Cash Flow Statement. The supplementary statements were the Housing Revenue Account Income and Expenditure Account, Statement of Movement on the Housing Revenue Account, and the Collection Fund. All of these statements were noted by the Committee.

The Committee noted a reconciliation of the change in the General Fund balance reported in the Statement of Movement in the General Fund Balance to that reported in the General Fund Summary reported to this Committee on 29 May.

The basis of recognising Performance Reward Grant was noted. The figures presented to the Committee in May did not include the full provision for uncollectable debts. The original figures omitted any provision on instalment arrangements. When these were taken into account, the additional debt provision was £107,393. The decision to fund capital expenditure on Safer Runnymede, Sports Centre equipment, and IT equipment from capital receipts rather than the specific reserves set up for these items had been made by the Committee in May. This treatment enabled the General Fund balance to be increased accordingly.

The capital expenditure and financing summary presented to the Committee in May included the use of £23,164 of revenue contributions towards the financing of the 2007/08 capital programme. This had reduced revenue balances accordingly. There was also a small adjustment of £1,611 to clear balances from capital control accounts. A set of summary accounts (consistent with the full statement of accounts) would be available in a variety of formats (web site, published, and in Runnymede Voice). The statutory arrangements for the external audit of local authority accounts were not aligned with the Regulations and the deadline for the audit opinion was 30 September 2008. Therefore the Committee would have to approve the Statement of Accounts without an audit opinion.

Local authorities were required to prepare their formal Statement of Accounts using the accounting standard *FRS 17: Retirement Benefits*. FRS 17 set out the principles of accounting for retirement benefits. FRS 17 was based on the principle that an organisation should account for retirement benefits when it was committed to give them, even if the actual giving would be many years into the future. The objectives of FRS 17 were that financial statements set out at fair value the assets and liabilities of the organisation relating to retirement. The Statement of Accounts included the full set of disclosures required by FRS 17. The accounting entries required by FRS 17 did not impact on the Council's tax or rent setting decisions. Regulations required FRS 17 entries to be reversed out of the accounts to achieve this. The net charges in respect of pensions to be borne by taxpayers and tenants therefore remained those set by the Pension Fund actuary in his statutory triennial review of

the Fund. In his report, the actuary had emphasised that the figures must only be used for FRS 17 accounting purposes.

The results of the last full statutory triennial valuation of the fund (with a valuation date of 31 March 2007) had been reported to the Committee on 3 January 2008. This valuation established the required level of Council pension contributions payable to the Fund for the 3-year period starting in 2008/09. The actuary reported that the deficit on the Runnymede share of the Surrey Pension Fund was £5.8m as at 31 March 2007 (this was not compiled using the same assumptions used in FRS 17). The consolidated balance sheet and related notes to the accounts summarised the position of the Runnymede element of the Pension Fund – on a FRS 17 basis – as at 31 March 2008. Under the assumptions used to make the FRS 17 calculations, the position of the Runnymede element of the Fund as at 31 March 2008 was a deficit of £7.033 million. This was a decrease from the FRS 17 deficit at March 2007 of £12.360 million. The Committee noted the variability of these results. The deficit remained a significant amount for Runnymede but care needed to be taken in interpreting these figures. While FRS 17 figures disclosed the position of a Pension Fund at a point in time, based on certain financial assumptions, it was the long-term position of the Fund calculated by the fund actuary at each triennial review that determined the amounts that the Council must provide for its pension commitments.

In 2007, the Society of Local Authority Chief Executive Officers (SOLACE) and the Chartered Institute of Public Finance (CIPFA) had published 'Delivering Good Governance in Local Government: Framework'. With effect from the 2007/08 Statement of Accounts, the SOLACE/CIPFA Framework defined proper practices for the form and content of a governance statement – the Annual Governance Statement (AGS) - that replaced the previous Statement on Internal Control (SIC). The publication of an AGS was a statutory duty. However, it was not necessary for a local authority to adopt the Framework in order to prepare the AGS.

The need to review arrangements for internal control and the Annual Governance Statement (AGS) was given statutory backing by the Accounts and Audit Regulations 2003 (the "2003 Regulations"), as amended by the Accounts and Audit (Amendment) Regulations 2006. In particular the Regulations stated that the Council should ensure that the financial management and control systems were adequate and that there was effective risk management, include a statement of internal control prepared in accordance with proper practice in its financial statements, and conduct a review at least once a year of the effectiveness of its system of internal control.

There was much in common between the old SIC and the new AGS. Guidance had been issued on the required contents of the AGS and the process for establishing and maintaining a system of internal control and the annual review process. The Standards and Audit Committee had reviewed the internal control framework of the Council and the proposed AGS at its meeting on 14 February 2008 and had agreed that the internal control framework appeared adequate from their perspective. The Standards and Audit Committee also considered the main areas of weaknesses identified in the 2006/07 statement and the progress made to address these areas, and also new areas where improvement could be made.

This would be the first set of accounts to be audited by the Council's new external auditors, KPMG. The contents of these statements had been discussed with KPMG in order to accommodate their preliminary views on the changes introduced in 2007/08 and on their content generally. KPMG had commenced their main work on the Statement. KPMG were required to issue an audit report giving their opinion on the financial statements (including the Annual Governance Statement), and a conclusion on the Council's arrangements to secure economy, efficiency and effectiveness in use of resources. The Statement of Accounts contained draft audit opinions only. KPMG were expected to issue their formal opinions in September. KPMG had required some changes to the accounts which were noted by the Committee, which entailed a different treatment of the writing out of infrastructure assets, resulting in changes to the Income and Expenditure Account, the Statement of Movement on General Fund Balance and the Statement of Total Recognised Gains and Losses.

The planned fee for the external audit of these financial statements was £56,000. In addition, the fee for the audit of the Whole of Government Accounts return was £2,800, and the estimated fees for audit certification of returns (principally HRA subsidy and benefits subsidy) was £40,000. These fees were subject to adjustment based on the actual work that needed to be carried out to meet the auditor's statutory responsibilities and the auditor's assessment of risk and complexity. Any such

changes in fees would be subject to consultation. It was hoped that there would be a reduction in external audit fees for district Councils in future years.

The accounting statements were substantially in their final form. There would inevitably be a number of drafting and minor amendments. The Committee agreed that the Director of Finance be authorised to make minor amendments to the Statement before completion without needing to report back.

In recent years there had been a large number of additional statutory and profession-led disclosures and explanations required to support the Statement of Accounts. The statement for 2007/08 ran to 106 pages. By comparison, the statement of accounts for 1999/2000 ran to only 48 pages. The additional disclosures and explanations primarily related to accounting for capital assets, supporting information for the HRA, pension fund accounting, and the Annual Governance Statement. The compilation of the Statement of Accounts required a great deal of concentrated work within the Accountancy Section. The Section had the benefit of a stable and experienced staffing complement. However, the burden of implementing the continual changes as a result of adopting UK GAAP and now IFRS accounting standards was becoming difficult to accommodate within existing staffing resources. The current internal protocols for compensatory staff leave and/or overtime for senior staff did not cater for this now routine peak in work, and Officers were reliant on staff goodwill to carry out this exercise. For this year the move to the new civic offices had added a significant additional burden at this time. The Committee recorded its appreciation of the work done by Officers in bringing the Statement to completion with clarity, particularly considering the complexity of the requirements. It was agreed that a reference should be made in the Statement to an A to Z of Council Services, that there should be a definition of long term and short term investments in the Statement's glossary and that references to "revenue reductions" should read "reductions in net revenue expenditure".

Financial reporting was one of the 5 use of resources (UoR) judgements that assessed how well Councils managed and used their financial resources. Runnymede had scored 4 out of 4 in this area in 2007. The Audit Commission reported that the pace of change arising from implementation of UK GAAP and now IFRS had caused problems for many authorities. Runnymede had more to lose if the precise requirements of accounting standards and associated controls were not met, and this increased the pressure on accountants.

RESOLVED that –

- i) the Statement of Accounts for the financial year 2007/08 be approved;**
- ii) the findings of the review of the system of internal control be noted;**
- iii) the Annual Governance Statement contained in the Statement of Accounts for the 2007/08 financial year be approved; and**
- iv) the Director of Finance be authorised to make minor amendments to the Statement before completion without further reference to the Committee.**

109. PERFORMANCE INDICATORS 2007/08 - OUTTURN

The Committee considered the Council's progress against Best Value Performance Indicators (BVPI)s in 2007/08 and the position for the financial year 2007/08 in the priority indicators of service delivery performance that formed the basis of more detailed scrutiny.

The current regime of BVPIs and priority indicators had ended on 1 April 2008 and had been replaced by a new set of national indicators on which Officers would report in future.

The overall picture on the regime ending 31 March 2008 was positive and there had been a recent improvement in sickness absence figures. It was noted that on BV8, the percentage of invoices for commercial goods and services paid by the authority within 30 days, that performance had recently improved and was on target, after a downturn early in the New Year. The collection figure for Business Rates was 99.54%. Housing priority indicators were all on track or had exceeded targets, apart from average time taken to relet local authority housing which had narrowly missed the target.

Performance in planning had also been good. Regarding BV84 a) and b) on waste collection, results were dependent on the amount of waste which residents chose to produce, and the authority had limited control over this. The recent trend for waste collection targets was positive and suggested that the public were putting less rubbish in their bins. Green waste collection had also assisted in reducing bin weights. It was noted that the Council's Leisure Centres would have to operate in a time of anticipated economic downturn which may affect their revenue.

Surrey County Council had announced that the grass cutting service might be returned to those district Councils who wished to provide this in the future, and Runnymede had expressed an interest in taking back this service from 1 April 2009, subject to assurances on a number of matters, including costs.

The Council had set itself a target of achieving £2,623,000 of net revenue expenditure reductions. £2,039,000 of this had been achieved by the end of 2007/08. Some of the savings were not programmed to be fully achieved until 2008/09 and when these had been taken into account the final savings total was expected to be £2,379,000. Having noted the progress made on the savings target, it was agreed that a report be prepared for all service Committees in the next cycle, requesting them to consider savings proposals for those areas of required savings within their budget which they had not yet achieved. This would include looking at possible alternative methods of achieving savings.

RESOLVED that –

- i) the BVPI performance for the year 2007/08 be noted;**
- ii) the progress on the priority indicators and, where appropriate, the corrective action, be noted; and**
- iii) a report be prepared for all service Committees in the next cycle, requesting them to consider savings proposals for those areas of required savings within their budget which they have not achieved.**

110. SERVICE PLAN 2007/08 – OUTTURN

The Committee considered the outturn performance in respect of its Service Plan for 2007/08. The Government had introduced a new range of National Indicators and each Committee Service Plan would have to be redrawn to reflect this. A report would therefore be brought to a future meeting with a revised Service Plan for consideration.

The Committee was pleased to note that the target for partnership working had been achieved. There had also been a high level of satisfaction recorded from recipients of Council services.

RESOLVED that –

- the Service Plan outturn for 2007/08 be noted.**

111. ANNUAL EFFICIENCY STATEMENT 2007/08

The Committee noted the contents of an annual efficiency statement for the financial year 2007/08 which had been submitted to the Department of Communities and Local Government (DCLG). The DCLG had calculated an efficiency target for each local authority based on their expenditure. Runnymede's cumulative target was as follows:-

2005/06	£297,000
2006/07	£594,000
2007/08	£891,000

2007/08 was the final year in which the Council was required to submit this information to the Government and the Committee was pleased to note that the target of £891,000 had been exceeded. The efficiency savings reported in the 2007/08 submission totalled £169,800 of which £124,900 were

cashable. The cumulative efficiency savings achieved by 2007/08 compared to the Government's target were shown in the following table:-

Cumulative Efficiency Savings compared with the Government's Target			
	Cumulative Target	Achieved	
		In Year	Cumulative
2004/05	-	£185,000	£185,000
2005/06	£297,000	£256,500	£441,500
2006/07	£594,000	£404,400	£845,900
2007/08	£891,000	£169,800	£1,015,700

The cumulative savings reported in the Annual Efficiency Statement only showed the ongoing savings. Where savings had been derived from non-recurring activities (e.g. the purchase of items in the capital programme), these were only included in the in-year totals on the Statement. However, the target applied to all savings, whether recurring or non-recurring, and the table above reflected this comparison.

112. CAPITAL GRANT AID - WALTON FIRS FOUNDATION

The Committee considered an application from Walton Firs Foundation for grant aid in the sum of £10,000 to help secure its acquisition of the camp site and outdoor activity centre of the same name at Cobham.

Walton Firs Foundation had been established as an independent charity to purchase and maintain for future generations of young people the facilities at Walton Firs site. Walton Firs was a high quality 28 acre open space, offering a diverse environment comprising grassland, wooded areas, flat area and slopes. It had been owned and operated by the Scout Association for more than 50 years and it was used for camping, skills training, games, nature and environmental studies by Scouts and Guides, schools, participants in the Duke of Edinburgh Awards scheme and a variety of other youth organisations from Surrey and South London, including those serving the disabled and disadvantaged. Facilities included three well provisioned accommodation huts (sleeping a total of 60), a training hut with large hall, adventure course and climbing/abseiling wall. All of these facilities met current health and safety legislation and were in a good state of repair. The site operated an equal opportunities and disability access policy.

The Scout Association was now, however, seeking to dispose of the land, and other similar facilities as part of a strategy to concentrate its resources on four national 'Centres of Excellence'. The new Scouting 'Centre of Excellence', which served the North Surrey catchment area, was based at Chigwell in North London. The Walton Firs Foundation, a registered charity, established to secure the continuing use of the site for youth activities, had been given an option to purchase the site for £800,000 by 30 June. The Foundation was confident that it would be in a position to exercise this option, as it had raised £700,000 towards its target, with arrangements in place to borrow the shortfall of £100,000. A funding approach from the Foundation had been made to the Council seeking a contribution of £10,000, with a view to minimising this borrowing requirement. £10,000 was the maximum amount which the Council could award under the grant criteria. The Foundation intended to retain the existing usage of the site and manage it in conjunction with Surrey Scouts. The application was consistent with the Council's corporate policy objectives. The provision for capital grant aid in 2008/09 was £50,000, of which £49,417 remained.

25,000 'camper days' had been held at the site in 2007 (200 from Runnymede Scouts plus evening visits). Last year from Runnymede, 105 young people and 25 leaders had camped at the weekends at the site, including 22 guides and 11 guiders. These registered users were all those involved in weekend camps and this did not include any use of the site which may have been made during the days, weeks or evenings for activities and exercises by schools, sports teams, special needs clubs, St John Ambulance Cadets and Duke of Edinburgh Award groups. The Council did not at present use the Walton Firs site for any Council run activities but this could be a possibility in the future, e.g. for the Council's summer holiday schemes for young people.

The Committee considered that this request for funding was worthy of support both for the current Borough use and for the potential future use, but in view of the fact that this was a facility that operated outside of the borough, it was agreed that support of £5,000 was appropriate. The Committee agreed that the support should be subject to three conditions. The first was that the funding would be returned to the Council in full in the event that the purchase was not completed, or the purchase price was less than expected, or the land was sold on within five years. The second condition was that the Foundation would permit the future use of the site by the Council for Council run activities at a discounted rate, with the terms of the discount being settled by Runnymede Officers in negotiation with the Foundation. Walton Firs was situated in Elmbridge, a neighbouring local authority to the Council, and it was agreed that support should also be conditional on Elmbridge Council contributing at least the same amount.

RESOLVED that –

a capital grant of £5,000 be awarded to the Walton Firs Foundation, on condition that

- i) the funding is returned to the Council in full in the event that the purchase is not completed, or the purchase price is less than expected, or the land is sold on within five years;**
- ii) the Foundation permit any future use of the site by the Council for Council run activities at a discounted rate, with the terms of the discount being settled by Runnymede Officers in negotiation with the Foundation; and**
- iii) Elmbridge Borough Council agrees to provide financial support of not less than £5,000 to the Foundation.**

113. NEIGHBOURHOOD ENGAGEMENT AND THE NEW 'DUTY TO INVOLVE'

The Committee was advised of the new obligations for neighbourhood engagement and of the engagement model piloted by Runnymede and neighbouring authorities.

The White Paper *Strong and Prosperous Communities*, published in October 2006, set out the Government's commitment to widen and deepen the involvement of local communities in shaping their own future. This had been followed by the Local Government and Public Involvement in Health Act (October 2007), introducing a new statutory performance framework and a new, simplified best value regime. Draft statutory guidance published in October had set out how the Government expected the key measures of the Act to enable local authorities to engage their citizens, lead their communities, and find new and more effective ways to deliver high quality services with their partners.

These changes were intended to offer opportunities for local leaders to set out their vision for their communities, while empowering local people to help deliver that vision. As part of this agenda, a new statutory 'duty to involve' local people in local authority decision-making would come into force on 1 April 2009. The new duty required local authorities to "inform, consult and involve" citizens, to ensure they played an active role in shaping the future of the place where they lived. The duty to involve would be reinforced by the Government's new performance framework, manifested in PSA 21 ('Build more cohesive, empowered and active communities') and the National Indicator set - particularly NI4 and NI5. It was likely that the Audit Commission and other inspectorates would expect local authorities to exercise this duty as a matter of course, unless the authority could show why it would not be appropriate. Plans had also been announced for a further White Paper on community empowerment.

An evening workshop, in partnership with Surrey County Council and Runnymede Neighbourhood Police, had been held by the Council in Hythe and Pooley Green on 13 February 2008, under the name SWITCH ON, and sought to encourage local people to become more involved in the local neighbourhood, address local issues as a community, provide information on how local concerns could be reported, and promote the work of voluntary and community groups in the area.

Around 45 people had attended the event, with a sizeable voluntary and community sector turnout. Participants were asked to take part in priority-setting, and to consider how the community as a whole could contribute to addressing these priorities. Anti-social behaviour, the local environment, and young people and youth provision proved to be the main priorities. The community-based solutions proposed on the night included a strengthened neighbourhood watch scheme, volunteer escorts for vulnerable people, and the provision of youth facilities. The administration cost for this engagement exercise - venue hire, publicity, etc. - was circa £1,000. More significant were the resource implications for staff time, including event planning and coordination by a multi-agency team, and out-of-hours commitments for senior managers on the night itself.

In the short- to medium-term, the workshop pilot had achieved its aims and objectives. Satisfaction at the event was relatively high, and, anecdotally, it appeared the workshop was a popular exercise in the neighbourhood. The listing of individual specific grievances by participants at the event was largely avoided, and some tangible community-based solutions were currently being progressed. However, the next steps regarding engagement in Hythe and Pooley Green were still being considered.

The SWITCH ON workshop had not attracted the interest of many younger members of the community. This could be addressed by engaging with existing organisations such as the Runnymede Youth Council, Runnymede Access Liaison Group, and local schools. The local knowledge of the community policing team could also be utilised to ensure attendance reflected the diversity of the neighbourhood. The multi-agency approach taken would need to be formalised if this model were to continue to be pursued. The Committee suggested that the use of the internet was an effective way to reach younger age groups, who had limited time available because of work or family commitments.

The Committee noted the progress of various local community initiatives in the County, including Surrey Improvement Partnership neighbourhood engagement pilots, the Local Community Action Plan approach and Tune In Workshops.

The publication of the Empowerment White Paper had been delayed and a further report would be brought to the Committee later in the year, once the Government's intentions were clearer. There were however some early indications of the expected themes in the discussion document *Unlocking the talent of our communities*, published in March 2008. A key emerging measure was the power of petition. This power would enable local people to use petitions to call for various actions, such as participatory budgeting, asset transfer or putting items on the Council agenda. The White Paper would seek to ensure that communities had the ability to hold public officials and representatives to account in a convenient and timely manner. The Secretary of State had expressed an interest in exploring a statutory duty for councils to promote local democracy and the role of councillor. It was expected that the White Paper would seek to revive civic society and local democracy, by offering Government support – especially in harnessing new technologies – to encourage the progression from civic participation to civic activism, and that there would be proposals for the personalisation of local services with individual budgets and the direct involvement of consumers in design and delivery. Social housing was proposed to be a key service area in which to give more 'choice and voice' to service users.

The Committee considered that there were a number of examples of positive Council engagement with the community on single issues (e.g. the Wapshott Road housing scheme and planning liaison meetings). Local residents groups articulated the views of local people. The Council should seek to build on the strength of organisations which already existed. While the SWITCH ON project had been valuable, if it were replicated across the borough there would be considerable resource implications.

In the light of likely Government legislative proposals and pilot work being done under the Surrey Improvement Partnership banner, the Committee agreed that it was not appropriate to make a decision at this time in relation to the future development of neighbourhood initiatives, and that a further report should be submitted to the Committee during the autumn.

RESOLVED that-

- i) the experience of the engagement pilot in Hythe and Pooley Green be noted; and**

ii) a further report on options be submitted later in the year.

114. USE OF RESOURCES - REQUIREMENT FOR ENVIRONMENTAL FOOTPRINT STATEMENT

This item was withdrawn.

115. ANNUAL MINIMUM REVENUE PROVISION STATEMENT 2007/08 AND 2008/09

The Committee considered statements regarding a minimum revenue provision in 2007/08 and 2008/09.

When a Council funded capital expenditure by long-term borrowing, the costs were charged to the Council Tax payer in future years, reflecting the long-term use of the assets. There were two elements to this cost – the interest on borrowing was charged in the year in which it was payable, and the principal (or capital) element was charged as a “minimum revenue provision” (MRP). Until recently, the amount of MRP to be charged was determined by regulation, although the Council was allowed to make an additional voluntary charge to the revenue account. Since the Council was debt free, these arrangements had been largely of academic interest because it had not been necessary to make any charge in the revenue accounts as there was no debt to repay.

The Local Authorities (Capital Finance and Accounting) (England) Regulations 2008, which came into force on 31 March 2008, replaced the detailed statutory rules for calculating the MRP with a requirement for local authorities to determine for the current financial year an amount of MRP which they considered to be prudent. The Department for Communities and Local Government (DCLG) had issued guidance on what constituted prudent provision and that required the Council to approve a statement on making a MRP even though it was debt free. The Committee therefore recommended the adoption of the statements set out in the Recommendation below.

The Council would be asked to approve the policy for calculating a prudent MRP for 2009/10 in February 2009 when the budget was being considered.

RECOMMEND that –

the statements below be adopted by the Council:-

2007/08 financial year

As the Council was debt-free on 31st March 2007, there was no requirement to make any MRP during the 2007/08 financial year, and none was made.

2008/09 financial year

As the Council was debt-free on 31st March 2008, there is no requirement to make any MRP during the 2008/09 financial year, and it is proposed that none shall be made.

116. EXTERNAL APPOINTMENTS SUB-COMMITTEE - MINUTES

The Committee received the Minutes of the External Appointments Sub-Committee held on 28 May 2008.

RESOLVED that -

the Minutes of the meeting of the External Appointments Sub-Committee attached at Appendix 'A' be received and adopted.

117. EXTERNAL APPOINTMENTS SUB-COMMITTEE - DEFERRED APPOINTMENTS TO OUTSIDE BODIES

The External Appointments Sub-Committee had met on 28 May 2008 to decide a number of appointments to outside bodies. Two appointments had been deferred for consideration by the Committee.

(1) Mary Drew Almshouses : Appointment of Trustee

A new Trustee was required to serve on the above Charity following the resignation of former County Councillor Miss S Bruce, who had been appointed as a Trustee in May 2007 for a 4-year term of office expiring in December 2011. The other Runnymede Borough Council nominated Trustees on this Charity were Councillors H W V Meares (term expiring 2011) and Mrs M Gibbon (term expiring 2010).

It was agreed that the Chairman would write on behalf of the Committee to express thanks to Miss Bruce for her service.

(2) South East Employers : Appointment of Deputy Member

Councillor P B Tuley had been appointed as the Member representative. There was still a vacancy for a Deputy Member.

RESOLVED that –

(i) Councillor P I Roberts be appointed as a third Trustee to the Mary Drew Almshouses to serve until December 2011; and

(ii) Councillor P I Roberts be appointed to serve on South East Employers for 2008/2009.

118. OTHER APPOINTMENTS TO OUTSIDE BODIES

(i) Runnymede Association for Voluntary Service (RAVS)

The Council currently appointed two Members, each serving for a three year term of office, as its representatives on RAVS. The current representatives were former Councillor B J Relph and Councillor P B Tuley. Both had been appointed in June 2006 and Councillor Tuley's current term of office would end in May 2009. As Mr Relph was no longer a Councillor and the appointment required the person to be a Member of the Council there was a vacancy which needed to be filled for the remainder of the period of his term of office (one year). It was understood that Mr Relph would still serve on RAVS as he was to be appointed by RAVS as a Trustee.

(ii) Basingstoke Canal Joint Management Committee (JMC)

At the meeting of the External Appointments Sub-Committee held on 28 May 2008 it was agreed that Councillor Mrs M T Harnden would represent the Council on the above Committee. Since that meeting of the Sub-Committee, the Conservative Group and the Runnymede Independent Group had both agreed that the previous representative to the Basingstoke Canal JMC, Councillor A J Davis, should continue to serve thereon. Councillor Mrs Harnden had very kindly agreed to step down in favour of Councillor Davis. Accordingly, the Committee was asked to approve this change of representative.

RESOLVED that –

i) the appointment to serve on RAVS for a one year term be deferred for further consideration; and

ii) Councillor A J Davis be re-appointed as the Council's representative on the Basingstoke Canal Joint Management Committee for the Municipal Year 2008/2009.

119. REFERENCES FROM THE HOUSING AND COMMUNITY SERVICES COMMITTEE(i) Queen Elizabeth House And St Jude's Cottage

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

At its meeting on 11 June 2008 the Housing and Community Services Committee had considered a detailed report on the current position regarding Queen Elizabeth House (QEH) and St Jude's Cottage. A summary of the background information was noted by the Corporate Management Committee.

The transfer of services from QEH to Manor Farm had been completed satisfactorily. Officers had also been meeting with the Surrey Primary Care (PCT) and others regarding the future use of QEH as a health centre. Whilst some progress had been made a number of issues still required resolution.

The Housing and Community Services Committee had noted the financial implications of the current proposal and confirmed its continuing support for the conversion of Queen Elizabeth House to become a health centre. The Corporate Management Committee was asked to note the potential capital and revenue implications of the project and to authorise particular Members and Officers to agree terms for the surrender by Surrey PCT of the lease of the first floor of QEH and terms for the disposal of St Jude's Cottage. The responsible Committee for property disposals was the Economic Development Committee, but as its next ordinary meeting was not until 11 September 2008, the question of the terms had been referred to the Corporate Management Committee. It was agreed by the Corporate Management Committee that terms should be sought, but that these should only be outline at this stage.

In looking at the future of St Jude's Cottage, the Housing and Community Services Committee had noted that until recently St Jude's Cottage had been used as a temporary hostel for homeless people. It was currently vacant and unlikely to be used in the near future. St Jude's had small rooms, most of which were designed to take single people or couples. Homeless figures showed that homelessness was increasing. However, it was lower among single people/couples (33% of cases). The block was unpopular because it had shared bathrooms and toilets and was also in need of improvement. The building was currently secured by a company at a cost of £200 per week. There had already been some minor damage to the building and it was estimated that if it were to be brought back into use for the single homeless it would be necessary to spend a further £7,000 - £12,000. This would not include redecoration or establishing new service agreements for appliances such as washing machines. These costs would be provided for within the HRA. As expenditure on the security of the building was beginning to increase it was important that a decision was made about its future. A decision to dispose of the unit would mean that the Council had fewer units in which to house the homeless. Provision for singles and couples would still remain elsewhere within the borough and if the need arose, there would also be the possibility of some of the family units elsewhere being used by singles/couples. The Government had set a target for all Local Authorities to reduce their use of temporary accommodation by 50% by 2010. At Runnymede this target had already been met, but to sustain performance the Council had to keep the use of its temporary accommodation to below 26 units. Therefore, if homelessness increased, the Council would need to look for alternative solutions, other than the use of temporary accommodation, for tackling homelessness. Arrangements needed to be made to either find an alternative use for St Jude's Cottage or decommission it. Royal Holloway College had been asked if they would consider use but had not confirmed that they did wish to do so. Having noted this information, the Housing and Community Services Committee had agreed that the Director of Housing and Community Services be authorised to decommission and secure St Jude's Cottage in the event that a temporary use could not be found following disposal.

The Corporate Management Committee noted the current position regarding negotiations with various parties, the current estimated cost of converting QEH, latest advice on potential income for the sale of St. Jude's Cottage, potential terms for the surrender of the lease for

the first floor of QEH and the latest estimates for the timing of work if the proposal to convert QEH to a Health Centre were to proceed. There was no provision in the capital programme for the conversion. Even if Surrey PCT or a developer did contribute towards the refurbishment and St. Jude's Cottage was sold, the scheme would still require significant capital investment from the Council. The financial implications and risks to the Council of the scheme were noted.

The Committee agreed to receive a general progress report at their next meeting, and a full report on the financial implications at a future meeting when further negotiations had been concluded and all relevant information was available.

RESOLVED that –

- i) **the Director of Administration and Leisure, in agreement with the Director of Finance, the Director of Housing and Community Services, and the Chairmen of Economic Development Committee and the Housing and Community Services Committee, be authorised to agree outline terms for:**
 - a) **the surrender by Surrey PCT of the lease of the first floor of QEH ; and**
 - b) **the disposal of St Jude's Cottage;**
 - ii) **a general report on the progress of all the various aspects of the scheme be submitted to the next meeting of the Corporate Management Committee; and**
 - iii) **a full report on the financial support required for the provision of the health centre be submitted to a future meeting of the Corporate Management Committee, prior to the commitment of any capital expenditure.**
- ii) Housing Support Co-ordinator Role (formerly Resettlement Officer)

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraphs 1 and 2 of Schedule 12A to Part 1 of the Act.

The Housing and Community Services Committee on 11 June 2008 had agreed to request approval for the additional funding required to ensure the continuation of the Housing Support Co-ordinator post on the existing terms following the withdrawal of part of the shared funding provided by the Surrey Supporting People Team.

There was an expectation, that where possible, vulnerable people would be supported in order to live independently within the community. The homelessness and housing register legislation also gave priority to applicants who, because of illness or disability, were vulnerable. This had led to a larger number of vulnerable people being housed in the community and to the provision of a range of supported housing schemes. In Runnymede the need to have specialist staff to work with vulnerable applicants had long been recognised, and, in 2000 approval had been given to the establishment of a Resettlement Officer post (subsequently renamed Housing Support Co-ordinator) to work with the growing number of applicants and tenants who had learning disabilities, mental health and other problems. Tackling homelessness formed a part of the Council's Strategic Plan and Housing and Homelessness Strategy.

The post was for 21 hours per week and had been funded from the Surrey County Council Mental Health and Learning Disabilities Service, the Surrey Supporting People Team and the Council. The Surrey Supporting People Team had recently announced their intention to withdraw their funding as of 1 October 2008 as they no longer had a need for the Officer to

visit and assess the support needs of potential clients (known as "floating support"). Although the floating support element of the supported housing work had diminished, other elements of the supported housing function had grown. The Council now had supported housing schemes in a number of locations within the Borough and with a range of providers. The post holder also maintained a housing register of clients requiring support in order to live independently and ensured that nominations were made to all appropriate supported housing vacancies. The postholder also attended the local care forums within the Borough to advise on support services and was responsible for organising and chairing the Runnymede Special Needs Housing Group to assess the needs of vulnerable people within Runnymede. Furthermore, with the introduction of a sub-regional Choice Based Lettings scheme later in the year, it was important that vulnerable client groups were not disadvantaged. The postholder would assist vulnerable clients through the process.

If additional resources were not found to make up the withdrawn funding, then the post holder would have to reduce their hours and would not be able to undertake the tasks which were required. The Committee agreed that it was important to retain the post at its existing level by providing the extra resources. The salary cost of the post in 2008/09 was noted, met jointly by the Housing Revenue Account (HRA) and the General Fund. The Committee noted the full-year cost and funding of the post before and after the withdrawal of the Supporting People funding.

In a full year the Council would need to pay £7,100 extra for the post, of which £3,550 each would be borne by the HRA and the General Fund. As the Supporting People funding would not be withdrawn until 1 October 2008, the additional funds required in 2008/09 would be £3,550 in total.

RESOLVED that –

a supplementary estimate for £3,550 for 2008/09 (£1,775 for the Housing Revenue Account and £1,775 for the General Fund) be approved and provision be made for the loss of the Supporting People Funding in subsequent years.

Chairman

(The meeting ended at 10.20pm)