

Runnymede Borough CouncilCORPORATE MANAGEMENT COMMITTEE6 January 2005 at 7.30pm

Members of the Committee present: Councillors R.K. Habgood (Chairman), N. Thewlis (Vice-Chairman), A.J. Davis, J.R. Furey, Mrs L.M. Gillham, P.A. Greenwood, J.E. Haas, Ms. C.M. Simmons, A.P. Tollett and G.B. Woodger

Members of the Committee absent: None

Councillor A. Alderson also attended.

433. NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

The Conservative Group had notified the Chief Executive Officer its wish that the changes listed below be made to the membership of the Committee. The changes were for a fixed period ending on the day after the meeting and thereafter the Councillors removed would be re-appointed.

Remove from Membership	Appoint Instead
Councillor C.J. Norman	Councillor J.E. Haas
Councillor P.B. Tuley	Councillor A.P. Tollett
Councillor P.J. Waddell	Councillor A.J. Davis

The Chief Executive Officer had given effect to these wishes in accordance with Section 16(2) of the Local Government and Housing Act 1989.

434. MINUTES

The Minutes of the meeting of the Committee held on 2 December 2004 were confirmed and signed as a correct record.

435. REVENUE ESTIMATES 2005/06

Members gave consideration to the draft estimates and fees and charges for the Committee's services in 2005/06.

Particular concern was once more expressed at the effect of the £7.4m deficit on the Runnymede share of the Surrey Pension Fund, as disclosed by the actuarial valuation reported to the previous meeting of the Committee. The deficit equated to a payment of £441,000 in 2005/06, of which £391,000 would be financed from the General Fund. The effect on Runnymede was especially acute because, unlike many other local authorities, it had not up to now had to make annual revenue provision of this nature, previous deficits having been cleared with lump sum payments. At the same time, the commensurate increase in the ongoing employers contribution rate, from 10% to 12.5%, would cost an additional £200,000, thereby driving the increase in staff costs significantly beyond both the rate of inflation and the Council's Formula Grant settlement.

The results of the actuarial review would be reported to the Committee in more detail once the full report was available. In the longer term Officers would also examine a suggestion that the deficit be met from capital receipts in order to remove the burden from the revenue budget.

The Committee also noted with concern that the Council was not fully reimbursed for the cost of collection of the non-domestic rate. Although the Authority was due to receive a collection allowance of £150,000 this would still leave a shortfall of some £38,600 to be borne directly by the Council. This was considered to be inequitable since the receipts were pooled nationally rather than being held for

the benefit of the local community. It was agreed that representations should be made to the Office of the Deputy Prime Minister regarding the insufficient nature of the collection allowance.

In view of the pressures on the Council, Members were pleased to note that it had once more been possible to protect the high level of discretionary expenditure on revenue grant aid to voluntary organisations. The Committee recognised the value of such organisations to the community, although it was acknowledged that the Council might not be able to sustain such a substantial commitment—the highest per head of population in Surrey—in future years. It had already been necessary to cash limit the expenditure on community services related grant aid with effect from 2007/08.

The Committee also took the opportunity to approve a supplementary revenue estimate of £39,000 in 2004/05 to meet a shortfall in income from Land Charges search fees. The reduction in the number of official searches was partly caused by the growth in the personal search market, as identified in the budget variations for this service.

RESOLVED that -

- i) a supplementary revenue estimate in the sum of £39,000 in 2004/05 be approved for the shortfall in income from Search Fees;**
- ii) the draft Revenue Estimates for 2005/06 be approved as submitted; and**
- iii) the proposed fees and charges for 2005/06 be approved to be effective either from the first week of April 2005 or 1 April 2005 as appropriate.**

(Councillor P.A. Greenwood requested that his vote against items ii and iii of the motion be recorded in accordance with Standing Order 25.3)

436. LOCAL AUTHORITY FINANCE SETTLEMENT 2005/06

The Committee received details of the provisional 2005/06 local authority finance settlement announced by the Office of the Deputy Prime Minister.

Members noted that the features of the grant arrangements were similar to the previous year. Runnymede's provisional Formula Spending Share for 2005/6 had been set at £10.282m. This consisted of a base amount of £74.02 per head of population, various additive top ups intended to reflect particular geographic and social features of the area, an Area Cost Adjustment designed to reflect the higher cost of providing services in various parts of the country and a capital financing block meant to reflect the cost of financing capital expenditure and the interest earned from investments.

The Council's entitlement to Formula Grant, the actual cash it would receive from the Government, was based on its Formula Spending Share and comprised two elements, namely income from the National Non Domestic Rate pool and Revenue Support Grant. The latter element represented the Council's Formula Spending Share, less the income from business rates and the income an Authority would derive by charging its share of the Assumed National Council Tax.

The result of the calculation was an overall provisional settlement of £4,635,900. This represented an increase of 2.8% on 2004/05, principally due to a 'floors and ceilings' protection arrangement which guaranteed a minimum uplift of 2.5% for all shire districts, thereby providing Runnymede with £18,200 more than would otherwise have been the case. There had also been a minor adjustment to reflect the fact that civil defence was now supported by Formula Grant rather than specific Government funding, although this was partly offset by a transfer of responsibility for critical ordinary watercourses. The settlement provided a welcome betterment of £125,900 on the position assumed in the revenue forecast. Members emphasised, however, that the inflationary increase had not kept pace with the growth in the Council's expenditure on salaries, driven largely by the increase in employers pension contributions referred to earlier in the meeting.

The final grant figures approved by Parliament would be reported to the next meeting of the Committee, in February, when the overall budget for 2005/06 would be considered.

437. POLICY GUIDANCE FOR REVENUE REDUCTION EXERCISE - STATEMENT BY THE LEADER
(Ref: Minutes of Corporate Management Committee, 30 September 2004, page 336, para. 244)

The Committee received and considered a statement by the Leader of the Council (attached in full at Appendix 'A') which sought to establish the guiding principles to be applied by the Council, Committees, Officers and, where appropriate, the Council's external partners in the detailed examination of initiatives as part of the ongoing revenue reduction exercise.

The statement emphasised that although good progress had been made in recent years towards the original savings target, below inflation grant settlements meant that the Council had to meet the full impact of inflation, additional legislative burdens, increases in certain service needs and aspirations for growth in key areas. The impact on frontline services had, so far, been successfully minimised and it had even proved possible to pursue a range of attractive new initiatives. However, the pressures on the Council were such that it was becoming increasingly difficult to maintain this position. The savings target, including the £954,000 revised figure contained in the Financial Forecast, a further £550,000 needed to safeguard against Council Tax capping and £466,000 in backdated pension fund contributions, now amounted to £1,970,000.

The Committee therefore concurred with the Leader that there was a need for a rigorous examination both of the services the Council provided and the means by which they were provided if the Authority was to maintain its enviable record of financial flexibility, innovation and high quality services. It was emphasised that strenuous efforts needed to be made to minimise the risk of Council Tax capping since there would undoubtedly be an adverse effect on services if the Government invoked its capping powers. With this in mind, Members were of the view that adherence to the guidance set out below would better position the Council to meet the challenges ahead.

- Financial consequences of withdrawal or service remodelling by others will no longer be picked up by the Council.
- Services with modest benefit relative to cost of provision will be reduced or withdrawn.
- Specialist discretionary services capable of being reasonably provided by the private sector will be discontinued.
- Joint working with partners to achieve service resilience or reduction in unit costs will be vigorously pursued.
- The key targets and priorities identified in the current series of Service Plans will, wherever possible, have priority call on resources.
- Changes in demographic and associated social needs/demands will, for the most part, be a key issue in future service reviews and service planning.
- The very considerable IT investment (often directed by the Government's e-government targets, rather than local service needs) to yield greater savings.
- Review back office arrangements and ensure that Members expectations are reduced.
- Maximise the return on assets, save for those occupied by voluntary and charitable groups.
- Discretionary fees and charges (including car parking charges) need to at least reflect the cost of provision and/or comparative tariffs elsewhere.
- Reinvigorate the concept of "create/save" and provide an enterprise fund to pump prime explicitly identified savings or opportunities for additional income.'

RECOMMEND that -

the detailed examination of initiatives considered as part of the revenue reduction exercise be guided by the principles set out above and the other policy Committees notified accordingly.

(Cllr P.A. Greenwood requested that his vote against the motion be recorded in accordance with Standing Order 25.3).

438. LICENSING COMMITTEE - MEMBERSHIP

Members gave consideration to the appropriate size and composition of the Licensing Committee in preparation for the forthcoming introduction of the new alcohol licensing regime.

In accordance with the provisions of the Licensing Act 2003, responsibility for alcohol licensing in England and Wales was to be transferred to local authorities, alongside the introduction of a revised system for public entertainment licensing. All the existing liquor licensees in the borough, numbering more than 300, were to be required to apply to the Council for a new licence in the six-month period from 7 February 2005. Although Officers would determine many of these applications, those that had attracted objections would be dealt with by the Licensing Sub-Committee. It was difficult at this stage to predict the likely workload of the Sub-Committee since it was not known how many applications would be the subject of representations. Meetings of the Sub-Committee had, however, been scheduled for several days each week from late March to late July in case the workload proved to be heavy. It would be necessary to constitute Sub-Committees with as many different permutations of membership as possible in order to provide the maximum flexibility and Member availability.

Members, mindful also that changes to the membership of the Licensing Committee could only be effected by full Council and not as substitutions at the request of political groups, were of the opinion that the membership of the Committee should be increased from 10 to the legal maximum of 15. This would not only reduce the call on the time of the individual Members but also give the greatest chance of convening appropriate Sub-Committees for all the required hearing days. The increase in membership could be reviewed at the end of the 2005/06 municipal year since by that stage the authority would only be dealing with applications for the renewal and transfer of licences.

Although there was no legislative requirement for a political balance on the enlarged Licensing Committee, Members felt that the seats should continue to be allocated in proportion to the political representation on the Council as a whole, consistent with the normal practice. The Sub-Committee would be constituted with minority group representation wherever possible, but the practicalities of arranging hearings, and limitations on Member availability, meant that this would not always be feasible. Decisions on licences were, in any case, subject to legal and procedural requirements, including a duty to act fairly and impartially, and it was recognised that the political affiliations of individual Members would play little or no part in the deliberations.

RECOMMEND that –

- i) the membership of the Licensing Committee be increased to fifteen with effect from the meeting of the Council in February 2005, and Council nominate Members for the additional places; and**
- ii) the membership of the enlarged Committee, so far as practicable, reflect the position which would exist if the political balance rules applied to it.**

439. INTERNET INTRUSION PROTECTION

The Committee gave consideration to the purchase of new software which would minimise the increasing external threat to the Council's computer network. Although the network was protected by firewalls which blocked access for unknown users and computers there remained two areas of vulnerability; the receipt and delivery of e-mail and public access to the web site. The existing filtering arrangements, designed to prevent users gaining access to networked machines other than the web server, did not analyse incoming traffic in sufficient detail to identify some of the newer, more sophisticated attackers. The level of risk was likely to increase still further with the growth in the number of transactions conducted through the web site. Members therefore agreed to the purchase of a product which could analyse application traffic and block attacks. The cost of £5,000 could be met from the Council's Implementing Electronic Government grant, while expenditure on maintenance and support would amount to £1,500 for three years. As it was essential, for reasons of compatibility and security, that the product be sourced from the company responsible for the existing security applications, the requirement in Contract Standing Orders to seek competitive tenders or quotations would have to be waived.

RESOLVED that -

- i) the internet intrusion application be replaced at a cost of £5,000, to be financed from the IEG grant;**
- ii) the associated revenue maintenance cost of £1,500 spread over the next three years be noted; and**
- iii) Contract Standing Orders requiring competitive tendering be waived in view of the need to use the supplier of the existing software.**

440. TELEPHONE SWITCHBOARD UPGRADE

(Ref: Minutes of Corporate Management Committee, November 2003, page 926, para. 443)

Members were concerned to note the need for additional expenditure on the recent upgrade to the Council's telephone switchboard software. The upgrade, approved in November 2003 with a budget of £25,700, had achieved all its objectives, including the improvement of call handling arrangements for the Benefits section, more efficient connection of callers to the correct extension or external number and enhanced monitoring of the use of the internal phone system. Nevertheless, serious problems had emerged during the upgrade due to the failure of the supplier to properly identify the impact of the works on the Council's voicemail facilities and the telephone system at the Chertsey Depot.

The Committee was informed that the upgrade at the Civic Offices had adversely affected the operation of the handsets at the Depot, causing them to freeze periodically. The supplier had been able to resolve the problem by the reconfiguration of the system, but no such workaround solution had been readily available in respect of the voicemail facility, which had been found to be incompatible with the upgrade. In order to avoid significant disruption to services it had therefore also been necessary to upgrade to the latest release of the voicemail software, at a cost of £7,500. As the licences had been sourced from a third party, it had not been possible to obtain reimbursement from the supplier. Members, in approving the financing of the additional expenditure from the Implementing Electronic Government grant, emphasised the importance of ensuring that the Council was not liable for costs incurred through the errors or omissions of its contractors or suppliers.

RESOLVED that -

the £7,500 additional cost of upgrading the Alcatel 4400 Voice Mail to ensure compatibility with the rest of the telephone network be financed from the IEG grant.

441. PERSONNEL SERVICES MEMBER WORKING GROUP-MINUTES

The Minutes of the meeting of the Personnel Services Member Working Group held on 11 November 2004, attached at Appendix 'B', were received and noted.

442. INFORMATION STRATEGY MEMBER WORKING GROUP - MINUTES

The Minutes of the meeting of the Information Strategy Member Working Group held on 2 December 2004, attached at Appendix 'C' were received and noted.

443. WRITE OFFS

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 7 of Schedule 12A to Part 1 of the Act.

The Committee agreed that a number of debts should be written off as irrecoverable.

RESOLVED that -

- i) the Council Tax arrears, totalling £1,412.08, as detailed in Exempt Appendix '1' to the Agenda, be written off as irrecoverable; and**
- ii) the sundry debts, totalling £2,757.77, as detailed in Exempt Appendix '2' to the Agenda, be written off as irrecoverable.**

Chairman

(The meeting ended at 9.26 p.m.)