

Runnymede Borough CouncilOVERVIEW AND SCRUTINY SELECT COMMITTEE7 October 2010 at 7.30pm

Members of the Committee present: Councillors P B Tuley (Chairman), C J Chapman (Vice-Chairman), Mrs R M Denby, R J Edis, J M Edwards, Mrs L M Gillham, A M Moore, C J Norman and A P Tollett.

Members of the Committee absent: None

321. FIRE PRECAUTIONS

The Chairman read out the Fire Precautions.

322. NOTIFICATION OF CHANGE TO COMMITTEE MEMBERSHIP

The Group mentioned below had notified the Chief Executive of its wish that the change listed below be made to the membership of the Committee. The change was for a fixed period ending on the day after the meeting and thereafter the Councillor removed would be reappointed.

<u>Group</u>	<u>Remove From Membership</u>	<u>Appoint Instead</u>
Conservative	Councillor H A Butterfield	Councillor R J Edis

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

323. MINUTES

The Minutes of the meeting of the Committee held on 8 July 2010 were confirmed and signed as a correct record.

324. DECLARATION OF INTEREST

Councillor J M Edwards declared a prejudicial interest in the Agenda item on Progress Report on Enforcement of Planning Control, having been a Member of the Planning Committee that had decided at its meeting on 4 August 2010 that it should receive this Progress Report before the Overview and Scrutiny Select Committee. He left the room for the consideration of this item.

325. INTERIM TREASURY REPORT AND PROPOSED REVISED ANNUAL INVESTMENT STRATEGY FOR 2010/11

The Committee considered a report that had been submitted to the Corporate Management Committee on 30 September 2010 on treasury activity for the first five months of 2010/11 and on proposed revisions to the Annual Investment Strategy for 2010/11. The Committee noted the current position on Council investments and considered the proposed revised Annual Investment Strategy which aimed to increase yield without increasing risk, by using long term rating criteria as a measure of the credit worthiness of counterparties and by lengthening some of the terms of the investments, while retaining tight controls. The Committee noted that a significant amount of Officer time was spent on revising the Strategy and compiling reports on investment for the Corporate Management Committee.

The Overview and Scrutiny Select Committee noted the Council's investments made from 1 April to 1 September 2010 and the Council's investments as at 1 September 2010. Levels of interest received from investments made during 1 April to 1 September were low, with 1% only being achieved on two occasions. Rates of interest achieved through the Government's Debt Management Office were extremely low, even by current standards, so this investment vehicle was avoided where possible. The long term investments made before the "credit crunch" with the Coventry, Kent Reliance and Nationwide (formerly Dunfermline) Building Societies had achieved good rates of return. The total value of the Council's investments at 1 September 2010 was £27.5 million, £9 million of which was invested in money market funds which had proved very useful in managing short term investments. Investment in longer duration money market funds was proposed in the revised Annual Investment Strategy.

The revised Annual Investment Strategy would enable investment with Lloyds Bank and the Royal Bank of Scotland to be resumed. Limits for short term investments with UK building societies holding high credit ratings would be increased from £2m to £2.5m. For building societies without a credit rating, it was proposed to increase the maximum term from 3 to 4 months as there did appear to be more demand from building societies for 4 month deposits. The proposal to establish a public sector money market fund (the Public Sector Deposit Fund) was a welcome development as management fees would be low and there would be an emphasis on the needs of local authorities. The Committee considered that this Fund should be set up as soon as possible and was concerned that there was no timetable for the instigation of the Fund.

The Committee noted that longer term investments seemed to offer low value at present. Confidence in longer term investment was proving slow to return in the wake of the collapse of the Icelandic banks. The recent financial turmoil in Ireland illustrated the need for caution in making long term investments and choosing counterparties carefully and prudently.

It was noted that the Corporate Management Committee had recommended that the proposed revised Annual Investment Strategy for 2010/11 be approved. The Corporate Management Committee had considered that a variety of sources should be considered in deciding on appropriate counterparties, not just credit ratings. This would include newspapers and credit default swap rates. The Overview and Scrutiny Select Committee noted that Officers did use a range of information when making investment decisions. When examining credit ratings, Officers looked at all three credit rating agencies and, for each counterparty, used the lowest rating provided by the three agencies.

It had also been suggested at the Corporate Management Committee that Officers might look at investing in foreign banks, where the assets of those foreign banks were ring-fenced in the UK. If this change were to be made, this would allow investment to be made in the UK arms of the Santander bank. The Overview and Scrutiny Select Committee noted that Officers would report on this issue as part of an overall review of the Strategy which would be submitted to Members for consideration in the Spring of 2011.

RECOMMEND that –

the proposed revised Annual Investment Strategy for 2010/11 be approved.

326. PROGRESS IN ACHIEVING NET REVENUE REDUCTIONS

As part of its work programme, the Overview and Scrutiny Select Committee periodically reviewed the Council's progress in achieving its net revenue reduction targets. The Committee considered a report on this matter that had been considered by the Corporate Management Committee at its meeting on 30 September 2010.

The Council's current programme of savings targets totalled £2,578,500, consisting of £712,000 of savings approved in December 2008, £653,000 of savings approved in October 2009, a pay freeze of £327,000 approved in February 2010 and savings of £886,500 agreed in April 2010. These targets only related to current revenue reductions that the Council aimed to achieve. It followed other savings programmes, the last of which had achieved savings of £2.4 million.

The Committee noted the savings initiatives that had been approved and details of those initiatives where action to achieve the savings had been completed and the remainder where action was still pending. For each of the savings initiatives that were not yet complete there were risk indicators showing whether the target was expected to be achieved, whether work was in progress, or whether

the target was not likely to be achieved. The Committee was also pleased to note that Officers had drawn up a separate list of savings initiatives in addition to the schedule of savings that had been formally approved and were therefore looking at other opportunities that might be available.

The Committee agreed that Officers should explore with neighbouring authorities the possibility of a joint approach to advertising public notices, with a view to obtaining a reduced price for these notices across all those authorities. The Committee considered that this possibility should be explored as the savings target in respect of a reduction in costs of public notices arising from not having to place so many of these notices in newspapers was unlikely to be achieved. This was because the Government had not passed legislation allowing public notices to be published on Council websites, rather than in a newspaper circulating in the Council's area that had to be registered with the Post Office. Furthermore, publishing them in Council newspapers was not an option because they had to be published regularly and the Government had placed restrictions on the frequency of Council newspapers, because this would have an effect on the sales of the commercial press. Therefore, there was no alternative to having to pay to use the commercial press to advertise public notices and it was possible that a greater discount might be achieved through the combined buying power of a number of local authorities, than through trying to achieve a discount as one authority.

The full outcome of the Government's comprehensive spending review would not be known until late November or early December. It would result in further increases in the savings targets. The reduced income resulting from not now being able to charge for land charge personal searches and, with regard to strategic maintenance, the absence of revenue savings and the increase in the cost of reactive and planned works that would have to be charged to revenue budgets, were noted. Savings in parks and open spaces in respect of staggered hours and in-sourcing were anticipated to be achieved by April 2011. The reduction in the KPMG fee for auditing the Benefit Subsidy claim was now only expected to reduce by £5,600. Although the target for saving for the Runnymede speed camera initiative had been achieved, the costs of the initiative had been transferred to Surrey Police and Surrey Police had withdrawn their contribution of £30,000 to Safer Runnymede, thereby negating any savings. The Committee was pleased to note the savings that would arise from the new recycling contract, which would come into effect in February 2011. The contribution being made by staff to savings through the pay freeze was noted. It was envisaged that the savings being sought through the restructuring of the Council would be achieved. The inflationary provision included in the 2010/11 budget was only 1% and this had achieved the required savings. The Committee suggested that this provision might need to be adjusted in the future. The Committee noted the increase in charges for the Careline service. The Committee considered that the Council must always bear in mind the need to achieve a balance between seeking to maximise income and not over pricing a service that was being provided to vulnerable members of the community and that therefore any significant changes in the take up of the service should be closely monitored.

327. SURREY WIDE SCRUTINY CO-ORDINATION GROUP - REPRESENTATIVE

The Committee noted the proposals for collaborative scrutiny in Surrey and considered whether it wished to nominate a representative to serve on the Surrey-wide Scrutiny Co-ordination Group.

The Committee noted a report from the Surrey Scrutiny Officers Group (SSOG) which set out the framework for collaborative scrutiny in Surrey and invited all local authorities in Surrey to appoint one representative to serve on the Surrey-wide Scrutiny Co-ordination Group. Collaborative scrutiny in Surrey had been developed by the SSOG and was intended to provide the means by which local authorities and key partners in Surrey (such as Surrey Police, Surrey Police Authority, the Primary Care Trust and Probation), could work together to carry out the scrutiny of decisions or activities which had strategic/county-wide implications and where a range of partners were responsible for delivery. It was envisaged that the process for collaborative scrutiny in Surrey would be used for scrutiny of the Surrey Strategic Partnership and its thematic delivery partnerships, Local Area Agreement improvement targets and strategic crime and disorder matters.

A copy of the framework for collaborative scrutiny in Surrey as endorsed by the Surrey Strategic Partnership and Surrey Chief Executives was noted. The SSOG proposed to invite authorities and partners to complete an electronic survey of the topics that they would like to be considered for joint scrutiny. The responses would be collated and analysed for consideration by the Surrey-wide Scrutiny Co-ordination Group. It was intended that this Group would consist of a Member from each Surrey local authority and advisers from key partner organisations and would meet to act as a "clearing house", identifying only those topics suitable for collaborative scrutiny by applying a set of agreed criteria. The Co-ordination Group would submit their proposals for reviews to the appropriate

Surrey County Council Select Committee. The Select Committee would then formally appoint a task group to conduct the review. The task group would share its draft review report with the Co-ordination Group members and a final report would be presented to the County Select Committee for approval. Any recommendations would be shared with partner organisations for action as appropriate.

The Committee considered that joint scrutiny in Surrey might be appropriate for issues that cut across a number of local authorities, e.g. Airtrack, the widening of the M25, or matters affecting the River Thames or the Basingstoke Canal. While there were special interest groups looking at issues of Surrey-wide concern, these groups might not have the same influence as a County-wide scrutiny report on a particular issue. The Committee therefore concluded that it would be appropriate to be represented on the Co-ordination Group.

RESOLVED that –

Councillor C J Norman be appointed as the Councillor representative from Runnymede to serve on the Surrey-wide Scrutiny Co-ordination Group.

328. ENFORCEMENT OF PLANNING CONTROL – PROGRESS REPORT

The Committee was advised of the new reporting arrangements for the Progress Report on Enforcement of Planning Control.

The Committee had previously received the progress report on enforcement of planning control for information at each of its meetings. However, until recently, the Planning Committee, which was responsible for authorising planning enforcement action, had not received the report. At its meeting on 4 August 2010, the Planning Committee had noted a report on enforcement of planning control which had been presented to the Overview and Scrutiny Select Committee at its meeting in July 2010. The Planning Committee had agreed that, in future, it should receive enforcement of planning control reports in the first instance, as such matters were within the remit of the Planning Committee. Given the logic that it would be appropriate for the responsible Committee to receive the progress report on enforcement of planning control in the first instance, the report was not included on the present agenda for the Overview and Scrutiny Select Committee. However, the Planning Committee would receive the progress report on enforcement of planning control at its meeting on 27 October 2010 and that report would then be submitted to the Overview and Scrutiny Select Committee on 2 December 2010. In the future, progress reports on the enforcement of planning control would continue to be presented to the Overview and Scrutiny Select Committee.

The Overview and Scrutiny Select Committee was content with these new arrangements. It was suggested that the Overview and Scrutiny Select Committee might take a more thematic approach in looking at the enforcement of planning control in the future.

329. MEMBERS' ALLOWANCES IN SURREY DISTRICT AUTHORITIES

(Ref: Minutes of Overview and Scrutiny Select Committee, April 2010, page 752, para.719)

At its meeting in April 2010, the Committee had agreed that a brief report be prepared for its consideration on Members' Allowances decisions of the other Surrey district local authorities. The Committee had envisaged that the report might form the basis of a press release pointing out the low level of Runnymede Members' remuneration.

A comparison of total expenditure on Members' allowances for ten of the eleven Surrey district authorities for the year ending 31 March 2010 was accordingly noted by the Committee. The low levels of basic allowance, total expenditure and spend per Member for Runnymede, when compared to the other Surrey districts, was noted. The Committee concluded that the residents of Runnymede were receiving value for money from their Councillors and agreed that, once the remaining result had been obtained, a press release should be issued, to be agreed by the Chairman of the Committee.

In connection with the next review of Members' allowances in Runnymede, the March 2010 Council meeting had agreed to ask the Committee to examine the reports of the Independent Remuneration Panels and subsequent Council decisions of other Surrey authorities on Members' allowances to establish the reasoning behind them and whether any elements of common approach could be commended. The Committee would then make its report on these matters available to the Independent Remuneration Panel and Runnymede Members before the commencement of the next

review. The Committee had discussed the timing of this report at its meeting in April 2010. The next review of the Scheme would take place during the latter part of 2012, with a view to implementation in April 2013. In order that up to date information was available to the Independent Remuneration Panel (whose membership was to be considered before the next review) and subsequently to the Council, the Committee had agreed at that April 2010 meeting that it would be appropriate to commence work in April 2012 on this report.

The Committee considered that the following points should be taken into consideration and should be fully discussed when the next review of Members' Allowances in Runnymede was being undertaken.

- i) The fact that Runnymede Members were paid a low level of allowance in comparison to many other local authorities could be interpreted as meaning that a low value was placed on their work. While there would always be a voluntary element to a Councillor's duties, the balance between the voluntary and the paid time of Members needed to be re-evaluated.
- ii) The frequency of Council meetings and the number of people in each Councillor's ward should be taken into consideration.
- iii) There might be a case for changing the composition of the Independent Remuneration Panel. The previous Panel had considered that two thirds of a Councillor's time spent on Council business should be unpaid and should be deemed to be therefore provided on a voluntary basis. The hourly rate for remuneration for a Councillor in Runnymede was below the level of the national minimum wage. A differently constituted Panel might take a fresh view of these issues, in the light of changing circumstances.

The Committee agreed that a report should be submitted to them before April 2012 with a work plan setting out proposals for the implementation of the next review of Members' Allowances in Runnymede.

330. FUTURE WORK PROGRAMME FOR THE COMMITTEE

The Committee considered possible topics for consideration in future meetings, having received some suggestions from Officers which were contained in the Agenda for the meeting.

The following possible items were suggested by Committee Members:-

- i) The impact of the revised funding arrangements on voluntary services for the Borough. This might include issues arising from the winding up of Primary Care Trusts.
- ii) Flooding issues.
- iii) The impact of mineral working in the Borough.
- iv) Environmental issues including climate change and air quality, biodiversity, measures to promote sustainable ecosystems (e.g. peat bogs), Sites of Special Scientific Interest in the Borough and the use of renewable energies.
- v) The impact of contaminated land on the Borough.
- vi) The Council's IT strategy in detail, taking a long term strategic view of the Council's IT needs.
- vii) How businesses could be encouraged to make their toilet facilities available to the public. This issue was of importance to residents and people visiting the Borough in view of the expense of running municipal toilets and the unwillingness of some businesses to make their toilets available to the public. This had been an issue in Chertsey in particular and it was noted that the local bookshop and health club in that town had been prepared for the public to use their facilities. The success of a scheme in Richmond, where businesses had allowed the public to use their toilets, was noted.
- viii) Issues arising from mobile home sites.

It was agreed that an email would be sent to Members of the Committee with a list of items discussed at the meeting and also listed in the Agenda, asking Members to return them and rank

them in priority order from 1 to 10. A report would be submitted to the next meeting of the Committee with the results of this exercise for Members to select items and devise a work programme.

The aim would be to frame questions on issues that could lead to outcomes being achieved. This might include some topics where the Committee could act in an overview capacity analysing an issue before it was considered by a service Committee or by some other outside agency or body. It was suggested that training for Members of the Committee might be explored, which could be provided either in-house or through using the services of an external facilitator.

Chairman

(The meeting ended at 9.15 p.m.)