

Runnymede Borough CouncilCORPORATE MANAGEMENT COMMITTEE2 October 2003 at 7.30 p.m.

Members of the Committee present : Councillors R.K. Habgood (Chairman), M.J. Brown, J.R. Furey, P.A. Greenwood, C.J. Norman, Mrs E.E. Price, Ms C.M. Simmons, P.B. Tuley, P.J. Waddell and G.B. Woodger

Members of the Committee absent : None

Councillors Mrs. F.M. Angell, J. Broadhead, Mrs. P.I. Broadhead, J.M. Edwards, Mrs. J. Norman, R.J. Ray, A.P. Tollett and J.R. Whiteley also attended.

365. NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

The Conservative Group had notified the Chief Executive Officer of its wish that Councillor J.M. Edwards be removed from the membership of the Committee and that Councillor M.J. Brown be appointed in his place for a fixed period ending on the day after the meeting. Thereafter, Councillor Edwards would be re-appointed.

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

366. MINUTES

The Minutes of the meeting of the Committee held on 4 September 2003 were confirmed and signed as a correct record.

367. DECLARATION OF INTEREST

Councillor R.K. Habgood declared a personal and prejudicial interest under the Runnymede Code of Conduct for Members in Agenda item 'Appointment of Community Governor to Christchurch C of E Junior School', as a member of his family attended the school and he knew the person being nominated. He therefore withdrew from the room while this item was being considered.

368. LEADER'S POSITION STATEMENT 2004/05

The Committee received the Position Paper for 2004/05 from the Leader of the Council. The Statement had altered slightly in style and aimed to take account of all the strategies that had recently been agreed, and where possible to link them together. The Statement was still in draft form and required further amendment to take into account comments by Members generally and other consultees.

The following suggestions were made regarding possible amendments to the Statement :-

1. Page 2, penultimate line, to read "amenity or interest groups".
2. Deletion of the last sentence of the fourth paragraph of the Foreword (page 3) and substitution with:-
 

"In particular the pooling of capital receipts from Right-To-Buy sales of Council houses, is likely to cost Runnymede in excess of £1 million a year when fully implemented. The Planning and Compulsory Purchase Bill proposes a new planning framework developing the role of the Regional Planning bodies and the replacement of the current County Structure Plans and Local Borough Plans by new Regional Spatial Strategies and Local Development Frameworks in district authorities."
3. The extent of financial support to groups (approximately £400,000) should be included in the last bullet point on page 6, with it being made clear that support is also provided in other ways which are not financial;

4. Strategic Objectives on page 7 should include maintenance of objectives as well as striving for further improvement;
5. Use of material from the IEG Statement should be considered at page 9, paragraph 1.1.1.
6. Page 9, paragraph 1.1.3 - delete "consistent service delivery targets" and substitute "better service delivery targets".
7. Page 10, Paragraph 1.3.1 second sentence to be amended to read:-  
  
"We will also work with Surrey County Council and its Local Area Committee to develop partnership working where mutual benefit can be demonstrated".
8. Page 10, paragraph 1.3.2 to be amended to read :-  
  
"We will oppose the development of a directly elected South East England Regional Assembly as proposed by Government requiring the abolition of our current County Council and District authorities and the formation of new unitary authorities".
9. Page 14, Housing and Community Services Committee – In the section on matters that the Housing Strategy must take into account, quotes could be used from relevant documents such as the Regional Housing Body Draft Strategy, the Surrey Structure Plan and the Local Borough Plan. It may be premature to quote the Local Development Framework in this section and if it is to be referred to it might be in the context of Housing and Community Services input to the proposed Local Development Framework.
10. Page 15, paragraph 3.1.2.2 – Reword to avoid the implication that DIYSO is supported by the Government.
11. Page 15, paragraph 3.1.4.1 - make clear that the item in italics is the Government's definition of key workers.
12. Page 15, paragraph 3.1.5.1 - Amend so range of housing alternatives and benefits are provided "through" not "by" the Council.
13. Page 16, paragraph 3.4.1.2 - to be amended to read - "We shall continue, within the bounds of affordability, to support our high level of discretionary Community Services to reinforce and to complement the County Council Social Service, for the benefit of our elderly and vulnerable residents".
14. Page 18, paragraph 4.1.3 - 1st sentence to read - "We will continue to provide additional bins for dog fouling until they are available in all Wards".
15. Page 18, paragraph 4.1.4 to be amended to read:-  
  
"We will fulfil our statutory duties and form a Licensing Committee to comply with the proposed Licensing Act, under which very substantial additional responsibilities for licensing public houses, etc. are being placed upon us, and we will seek additional funding to support the costs of providing this service."
16. Page 18, paragraph 4.3.2 - second line - "remove" should read "removed".
17. Page 18, at paragraph 4.3.3 include reference to the fact that the environment for residents when the widening of the M25 takes place, must be protected;
18. Page 20, paragraph 4.8.1 - First sentence to read - "we will continue to encourage the relocation of the Swan Sanctuary to a new site."
19. Page 21, paragraph 5.1.1 - First sentence - "Transport Authority" to read "Highways and Transportation Authority";

The following suggestions were made for subjects to be added to the Statement :-

1. The Council's opposition to Central Railway and support for Airtrack.
2. Mention should be made of the uncertainty caused by the withdrawal of the Local Authority Social Housing Grant and the impact this may have on the Council's ability to provide social housing.
3. The Council's opposition to any possible Motorway Service Area at Simplemarsh Farm.
4. More might be included on measures regarding flooding and the role of the Flood Risk Advisory Groups.
5. Explanation of how the Council's finances had been adversely affected by Government policies.

The Leader undertook to consider whether these amendments and additions should be incorporated together with others which might be made by the Review Board and others.

**RECOMMEND that -**

**subject to consideration of any comments by Members generally, other consultees and other drafting amendments agreed by the Leader,**

- i) the Position Paper for 2004/2005 be approved as Council policy;**
- ii) the contents of the paper be reflected in the Best Value Performance Plan for 2004/05; and**
- iii) Officers be instructed to take the Position Paper into account in developing service targets.**

(Councillor P.A. Greenwood requested to be recorded as having voted against Recommendations i) to iii) above, in accordance with Standing Order 25.3).

369. COMPREHENSIVE PERFORMANCE ASSESSMENT (CPA) - THE AUTHORITY'S SELF ASSESSMENT

Approval was sought for the Corporate Self Assessment document required by the Audit Commission as part of the CPA Inspection later in the year. The Council was working to achieve a high rating, in accordance with the 2003/04 Leader's Position Statement.

The CPA Assessment was being undertaken by the Audit Commission and a range of criteria were being applied to arrive at a final score for each authority. As part of the assessment framework, the Council was obliged to complete a Corporate Self Assessment and three diagnostics (two for housing and one for public spaces), as well as furnishing the inspection team with additional background material, published reports, strategies and financial data. The Council was obliged to submit the Self Assessment document and diagnostics to the CPA Inspection Team by 20 October.

As part of the required preparation process, a Peer Review had been undertaken by an Audit Commission accredited consultancy (SOLACE Enterprises). The report and findings had been the subject of briefings to Councillors and staff, and detailed follow up action had been considered by the cross party Local Government Act Member Working Group at its meeting on 22 September. The Committee noted a minute of that discussion, as well as the full Peer Review report. The observations and recommendations from the Peer Review Team formed an important part of the Improvement Plan detailed at the end of the Assessment document.

A working draft of the Self Assessment document had been circulated to Members and staff, as well as external stakeholders (including the Chief Constable of Surrey Police, the County Council Chief Executive, the Director of the Government Office for the South East, Runnymede Association of

Voluntary Services, Members of the Local Strategic Partnership and others). The intention had been to ensure that the Corporate Self Assessment was a fair and balanced document, and that it had been produced in as inclusive a fashion as possible. The Committee agreed that it was appropriate to continue refining the CPA documents right up until the point at which they had to be submitted. It was also agreed that further amendments to the document should be referenced so that Members knew which edition they were using.

A very considerable amount of Member and Officer time had been spent on the CPA process and the preparation of the various documents. The opportunity costs had therefore been significant. Everyone involved had been anxious to make sure that it was a worthwhile exercise in its own right, with real opportunities for learning and the potential for making a useful contribution in driving continued improvement in services.

The public spaces and housing diagnostics had been considered by the appropriate Committees in this cycle and are attached at Appendices 'B', 'C' and 'D'. The Committee recommended these, as well as the Corporate Self Assessment document, for approval at the Council Meeting on 16 October, while agreeing that they should continue to be further amended as appropriate by the Chief Executive Officer, in consultation with the Chairman.

**RECOMMEND that –**

**the Corporate Self Assessment, at Appendix 'A' and the three diagnostics, at Appendices 'B', 'C' and 'D' be approved and the Chief Executive Officer, in consultation with the Chairman, be authorised to make appropriate drafting amendments before submission to the CPA Inspection Team.**

370. COMMUNICATIONS STRATEGY

The Committee considered the adoption of a draft Communications Strategy for the Authority, following advice and recommendation from external consultants. Members noted the increasing service demands on local authorities, the variety of internal and external communication methods available, and the increasing demand and appetite from the public, local organisations, and local businesses, as well as news media, for information about the Council's services and activities. The development of a coherent structure to handle these communication needs and demands was more important than it once was. In addition, the Audit Commission Inspectorate would examine the authority's Communications Strategy, if it had one, during the process of Comprehensive Performance Assessment.

The Council had no dedicated public relations or communications staff. External consultants (Messrs Luther Pendragon of London EC4) had been commissioned to examine the Council's current situation and to present a draft strategy covering both internal and external communications.

The consultants had produced a comprehensive report and a suggested draft Strategy. The Committee noted an executive summary of the findings and recommendations, together with the suggested strategy. The consultants had held a series of interviews with both Members and staff during this process. They had also consulted members of the public, local businesses, and other local organisations. The Committee was particularly interested to note the results of feedback from staff to the consultants on the perceptions which the staff had of the organisation and their role within it. The Committee agreed that the material produced by the consultants needed further Member analysis.

The consultants had presented the draft Strategy on the basis that this was the action that they would suggest to build a basis for a longer term approach which would need development, with or without consultancy help, over the medium term. Much of the Strategy required consideration of the various recommendations put forward elsewhere in the Report, but adoption of the Strategy did not commit the Council to a specific decision on those recommendations.

Consideration of the detailed report, and a decision on the various elements of the Strategy, would require some in depth work and it was recommended that a Member/Officer Working Group be established to consider the full report and advise the Committee as to its views. Five or six Members, sitting with appropriate Officers, would give about the right size of group, with both majority and minority group representation.

The cost of the consultancy advice had been met from existing resources. The Strategy recommended review of a number of possibilities, some of which would carry resourcing implications. However, adoption of the Strategy itself committed the Council only to consideration of these matters, and the resourcing implications of any which might be recommended for approval would be reported at the appropriate time.

**RECOMMEND that -**

- i) the draft Communications Strategy attached at Appendix 'E' be adopted; and**
- ii) a Working Group of six Members (nominated by political group leaders in a proportion to be determined by the Council) be constituted to examine the report in detail with appropriate Officers and to report back on the action recommended.**

371. PERSONNEL STRATEGY

At the recent Comprehensive Performance Assessment peer review it had been suggested that whilst much of the Authority's Personnel policies and procedures represented best practice, there needed to be sharper focus and a more obvious link with the Council's main aims and objectives. Accordingly a draft Personnel Strategy had been prepared which was considered by the Committee. UNISON had been consulted on the Personnel Strategy and their views had been taken into consideration in the document. UNISON considered the Strategy to be a fair reflection of the role of Personnel. The Committee noted it would be receiving the results of a staff survey at its next meeting, which reflected and underlined many of the messages contained in the Personnel Strategy. It was also noted that the peer review had highlighted further work to be done, including in the areas of medium term training, planning, the linkage of appraisals to the core objectives within the organisation and making provision for learning, which meant that the Strategy represented a starting point and needed to evolve further over time. It was therefore recommended that a Working Group be set up to assist this process, with the objective of completing its task before the Civic Offices re-provision.

**RECOMMEND that -**

- i) the Personnel Strategy at Appendix 'F' be adopted by this Authority; and**
- ii) a Working Group be formed consisting of Members, Officers and other appropriate persons to review and revise the Strategy prior to the move to the new Civic Offices.**

(Councillor P.A. Greenwood requested to be recorded as having voted against Recommendation ii) above, in accordance with Standing Order 25.3).

372. DISCIPLINARY, CAPABILITY AND GRIEVANCE PROCEDURES

The Committee considered revised disciplinary, capability and grievance procedures that took into account the latest advice from the Advisory Conciliation and Arbitration Service (ACAS).

UNISON had stated that it was broadly happy with the updating of these procedures. Concerning the Capability Procedure, UNISON considered that Management should only dismiss if there really was no other option and they could demonstrate that neither an extension of the period for reaching the required standard nor redeployment were realistic. However, UNISON took the view that the right of appeal and new structure should minimise the risk of dismissal being invoked and would continue to defend their Members' rights in this area of employment. UNISON also asked that if a member of staff was promoted beyond their capabilities, the decision to promote them would be scrutinised to prevent such a situation re-occurring.

The Committee discussed the role of Trades Union officials in these procedures and agreed that the arrangements contained in the documents were appropriate.

**RESOLVED that –**

**the revised Disciplinary, Capability and Grievance procedures shown at Appendices 'G', 'H' and 'I' be adopted.**

373. STAFF TURNOVER

The Committee noted that staff turnover for the period 1 January to 31 August 2003 stood at an annualised figure of 13.4%, which was the average for Surrey Districts and represented an improvement on 17% recorded for 2002. The Committee was pleased to note that staff turnover figures were now within acceptable limits and that the Authority had been able to fill most vacant posts with high quality candidates, even in areas of skills shortages such as Environmental Health and Building Control. Runnymede was also the lead authority in a County wide partnership in developing and introducing a web-based e-recruitment system, which had already been nominated for two national awards and was extending the range of potential applicants for posts.

374. IMPLEMENTING ELECTRONIC GOVERNMENT RETURN 2003 (IEG3)

The Council was required to make periodic returns to the Government on its progress in Implementing Electronic Government (IEG) with the objective of achieving electronic enablement of all services by 2005. The Committee considered the proforma for the third of these returns (IEG3), along with the suggested responses from the Council. The Information Strategy Member Working Group had considered this item at its meeting on 2 September and made contributions which had been included. The deadline for submission of the return was 10 November 2003.

On this occasion the Government had been particularly prescriptive in the way that it required the information to be presented, adopting a system of "traffic lights" (red, amber and green) which reflected the amount of progress made, along with a "black" category, where the local authority had taken an alternative route but had produced a reasoned argument for doing so.

Two areas where the Council fell into the black category were contact centres and "one-stop shops." The Council had decided not to follow the call centre and "one-stop shop" approach. However, the infrastructure was being put in place to provide the same delivery of services with all the information needed using electronic means within a new Civic Centre. The Council was graded at amber for corporate use of Customer Relationship Management (CRM) software. The building blocks that were pre-requisite for an effective CRM were being put in place and suitable software would be investigated as appropriate. The Committee noted that this was a particularly expensive area of service delivery and that the Council was seeking the fullest range of information available and the results of pathfinder projects, before committing itself in this direction. The other area where the Council had reported an amber result was in the incorporation of e-government into the Community Strategy. This was because at present e-government was not seen as a significant item for residents from the consultation on that strategy, over and above other local priorities. In this connection, it was agreed that more information from the voluntary and health sectors would be helpful, in order to try and develop this area further. The Committee also agreed that there should be linkage between IEG and the Communications Strategy.

**RECOMMEND that –**

**the return as set out at Appendix 'J' be made to the Government.**

375. FINANCIAL FORECAST

The Committee considered the Financial Forecast covering the period up to the 2008/09 financial year and the target budget for 2004/05 and noted an estimated breakdown of the 2003/04 budget between statutory and discretionary spending.

The Committee noted and recommended the General Fund Forecast on the Forecast balance of receipts and reserves, developments which were Government driven and Council approved, the proposed Council Tax, proposed General Fund spending and the Housing Revenue Account and Housing Capital Programme which had been drawn up in accordance with the decisions of the Housing and Community Services Committee. A new section was included which detailed the risks which might prevent achievement of objectives.

The budget summary for 2003/04 showed a net expenditure on services of £13,927,000, net General Fund expenditure of £10,247,000, less Formula Grant from the Government of £4,821,000, leading to a net demand of £2,775,000 and a Band D Council Tax of £85.50. This was the lowest Council Tax in Surrey and the second lowest in the country. The spend per head of population was the highest in Surrey, a large element of this consisting of spend on discretionary services.

A slight increase in Government grant was predicted over the next few years. For 2004/05, the main assumptions underlying the Forecast were that spending would be reduced by £1,000,000 per annum from 2004/05 (leaving £350,000 still to be identified); that further savings would be required to pay for the costs of new initiatives totalling £155,000; that a minimum balance of £1 million should be held in General Fund unallocated reserves and that there should be a stepped increase in Council Tax between 2003/04 and 2008/09. A substantial amount of this expenditure would be paid for by using reserves. If the Council wished to retain the proposals in the Forecast, new developments would have to be paid for by savings or by Council Tax. The Council also had to be mindful that over the next few years, the Council Tax levels might be nearing the limits of acceptability amongst the public.

The Council had an ambitious Capital Programme for an authority of its size including projects on Painesfield Allotments, Roakes Avenue, affordable housing targets, Addlestone Community Centre and Civic Offices re-provision and Abbeyfit proposals.

The Committee observed that the Council had had to absorb inflation increases, the loss of receipts from Right to Buy Council house sales and would also be facing uncertainty left by the removal of Local Authority Social Housing Grant (LASHG).

The Committee indicated that it was content with (i) anticipated developments against each service area within the General Fund (ii) the Council Tax forecast which adhered to the strategy of stepped increases in Council Tax adopted last year (iii) the £350,000 savings target set out on page 24, line 11 of the forecast (iv) the additional savings target of £155,000 at page 24, line 12 of the forecast and (v) the details of schemes proposed in the General Fund and Housing related capital programmes.

**RECOMMEND that –**

- i) the strategy summarised at Appendix 'K' be pursued;**
- ii) the financial forecast for the five year period to 2008/9 be approved following consideration of the comments of the Review Board;**
- iii) savings be made in the General Fund budget with effect from the 2004/5 financial year as set out in Appendix 'L';**
- iv) further savings of £155,000 be made in the General Fund to offset the cost of new initiatives; and**
- v) the forecast forms the basis for drawing up detailed service budgets for 2004/05, subject to the comments of the Review Board.**

**376. PRUDENTIAL SYSTEM OF LOCAL GOVERNMENT CAPITAL FINANCE**

The Committee considered changes in the capital controls proposed in the Local Government Bill, and in particular the proposed Prudential System of local government capital finance to take effect in April 2004, as well as responses to the consultation papers on the draft Capital Finance and Accounting Regulations, Support for Local Authority Capital Investment and the Future Housing Capital Financing Arrangements, all of which had been issued by the Office of the Deputy Prime Minister (ODPM).

The Local Government Bill currently before Parliament contained provisions that would replace the current capital finance system with a new "Prudential system" to deal with local authority borrowing and debt, abolishing the current system of capital controls, borrowing approvals and credit ceilings. Authorities would have freedom to borrow what was "prudent" and "affordable". There would be two forms of debt, which would be supported (by government subsidy) and unsupported debt (what local

authorities chose to pay for themselves). A “Prudential Code” would require local authorities to consider the short and medium term affordability, and the long term sustainability of their capital investment. Under this new framework, it would be for each local authority to make its own decisions on capital investment. When setting or revising its prudential indicators, the Council would be required to have regard to affordability, prudence, sustainability, value for money, stewardship of assets, service objectives and practicality.

The indicators that would have to be reported and monitored as part of the Code were as follows:-

<b>Indicators of Affordability</b>
<ul style="list-style-type: none"> <li>• Estimates of ratio of financing costs to net revenue stream (for both the General Fund and the HRA).</li> <li>• Actual ratio of financing costs to net revenue stream.</li> <li>• Estimates of the impact of capital investment decisions on the Council Tax and housing rents/resources.</li> <li>• Actual impact of capital investment decisions on the Council Tax and rents at budget setting time.</li> </ul>
<b>Indicators of Prudence</b>
<ul style="list-style-type: none"> <li>• Setting a “Capital Financing Requirement” (a measure of debt for the whole authority) and ensuring that net external borrowing does not exceed the limit set.</li> <li>• Carrying out Treasury management in accordance with good professional practice.</li> <li>• Estimates of planned capital expenditure during the forthcoming financial year and at least the following two financial years (distinguishing between HRA and non-HRA related expenditure).</li> <li>• Actual capital expenditure incurred (the outturn).</li> <li>• Estimated and actual capital financing requirement.</li> </ul>

In addition, the Council would be required to set an authorised limit for its total external debt and an operational boundary, representing the maximum external debt that the Council would need to borrow to finance its overall operations, or an aggregate of its long term borrowing to finance capital expenditure and its short term borrowing to manage its cash flow requirements. The Council would need to consider its authorised limit and operational boundary when the Government had announced how it proposed to take the new system into account in the Formula Grant and Housing Subsidy calculations. It was anticipated that this information would not be available until November and therefore a further report would be brought to the Committee during the January cycle of meetings. Officers would review the format of scheme appraisals, the capital programme and outturn report to ensure that these incorporated a clear reference to the indicators required in the new Code.

The ODPM had now confirmed their intention to require a proportion of housing capital receipt to be pooled. The Committee decided to repeat its previous strenuous objections to the proposals to pool housing capital receipts. The ODPM paper also asked whether Government support for capital investment by local authorities should be based on capital grants, or whether the current method of recognising the financing costs in revenue support grant (called “supported borrowing”) should be continued. The Committee agreed that there was a strong case for supporting the proposal for Government support for capital investment being made by way of capital grants. This system had the advantages of certainty, stability, clarity and simplicity. It would also assist partnership working. For Runnymede, a large proportion of any Government support for capital investment was likely to be for housing purposes. The Committee accordingly ratified the Officers’ response to the consultation paper stating that capital grants were the preferred method of grant support.

The Committee also considered the proposed changes in housing capital financing. The impact for Runnymede of many of these changes would be limited as it had paid off all HRA debt many years ago and received no allowances for capital finance within HRA Subsidy. The ODPM also asked whether the purposes for which the funds in the Major Repairs Reserve could be applied should also include improvement and enhancement

works (as well as major repairs). This proposal was supported by the Committee as the inclusion of a wide definition of capital works would help avoid an inherent difficulty in differentiating between these types of work (for instance, at what stage did new central heating stop becoming a replacement, and start becoming an enhancement), thereby obviating the requirement to arbitrarily split such works. The change would also increase flexibility and would be in line with Government policy of extending local discretion and responsibility. The consultation paper also referred to the need for separate housing prudential indicators, which would need to be monitored in the same way as for the Council's overall prudential indicators.

**RESOLVED that -**

- i) in responding to the ODPM consultation paper on the draft Capital Finance and Accounting Regulations, the Council confirms its objections to the proposals for pooling of housing capital receipts;**
- ii) the Officer response made to the ODPM consultation paper on Support for Local Authority Capital Investment, stating that capital grants are the preferred method of government capital support for new local authority investment, be ratified; and**
- iii) in responding to the ODPM consultation paper on the Future Housing Capital Financing Arrangements, the Council suggests that improvement and enhancement works to Council dwellings be included in the uses to which the Major Repairs Reserve can be put.**

377. LOCAL AUTHORITY BUSINESS GROWTH INCENTIVES

The Committee noted the publication of a consultation paper on Business Growth Incentives by the Office of the Deputy Prime Minister and considered a response. Since 1990, Business Rates (also known as Non-Domestic Rates) had been set by the Government. The rates were collected by the Council from the business ratepayers in the Borough and the money was paid over to a national pool administered by the Office of the Deputy Prime Minister (ODPM). The national pool was then redistributed to all local authorities on a population based formula.

The Local Government Bill made provision for local authorities to retain part of the growth in business rates in their area. The Government had issued a consultation paper in July which described the ways in which the scheme would be implemented and invited comments on the options discussed. The Government expected to launch the final scheme on 1 April 2005. Responses to the consultation paper had been requested by 31 October 2003. The Government believed that the new scheme would create incentives for local authorities to work in partnership with business and key players to maximise economic growth in their area.

The paper examined ways in which the scheme could operate to benefit local authorities that had acted to assist economic growth.

The key features of the scheme were

- establishing a trend growth for each local authority based on the eight years from 1995/96 to 2002/03;
- treating a reduction in empty properties as growth as well as new developments;
- adopting one of five possible models to determine a "baseline" for each local authority, based on the trend growth;
- using the "baseline" to project anticipated growth and calculate the comparator against which actual performance was evaluated to determine if the target had been exceeded;
- introducing floors, scaling factors and ceilings into the calculation in order to increase the number of local authorities that could benefit from the scheme;
- sharing the benefits between different tiers of local government, but excluding Police and Fire Authorities from the scheme.

The ODPM calculated that the average growth in business rates in Runnymede had been 3.8% between 1995/96 and 1999/2000 and an estimated 4.1% between 2000/01 and 2002/03. The scheme looked to reward the future performance of local authorities related to past performance.

This meant that good performance in absolute terms would not guarantee a local authority any income from the scheme. It was difficult to assess at this stage whether Runnymede would benefit from the scheme.

An important feature of the scheme would be the way the “baseline” was calculated. The Government had identified five different ways of grouping local authorities for determining the baseline. These were:

	<i>Effect on Runnymede's baseline target</i>
<ul style="list-style-type: none"> <li>National model: All local authorities grouped together with a single national baseline.</li> </ul>	2.5%
<ul style="list-style-type: none"> <li>Regional model: Local authorities grouped according to the nine English Government Office Regions.</li> </ul>	2.8%
<ul style="list-style-type: none"> <li>National Historic Growth model: Local authorities grouped into five groups of roughly even numbers according to historic growth, i.e. those with historic growth in the bottom 20% appear in the bottom group, the second 20% are in the second group, etc.</li> </ul>	4.4%
<ul style="list-style-type: none"> <li>Sub Regional model: A combination of the Regional and National Historic Growth models with local authorities first placed into regions and then subdivided into three groups of roughly even numbers according to historic growth.</li> </ul>	4.1%
<ul style="list-style-type: none"> <li>Local Authority model: Each local authority is treated individually and against its own historic average growth.</li> </ul>	3.9%

In the consultation paper, the Government had expressed a preference for using one of the following four options to determine the way the scheme would operate:-

- A National Historic Growth model with a high floor and high scaling factor;
- A National Historic Growth model with a medium floor and medium scaling factor;
- A Sub Regional model with a high floor and high scaling factor;
- A Sub Regional model with a medium floor and medium scaling factor.

The Committee noted some worked examples of how the scheme might operate, by examining two of the proposed baselines. However, the results for the National baseline would be similar to the Regional baseline and the results for the Sub-Regional baseline would be similar to the National Historic Growth and the Local Authority baselines. If the Government decided to adopt the Sub-Regional baseline, Runnymede would need to achieve growth close to past trends, before it benefited from the scheme.

The Committee agreed the following responses to questions from the ODPM regarding the operation of the scheme.

**Question 1: Do you agree with the principles for the scheme?**

Response: Runnymede Borough Council welcomes the proposal to allow local authorities to share the proceeds from the growth in business rates. The Council has worked strenuously to stimulate economic growth in the Borough through its local plan, town centre redevelopment and its partnership with the business community. However, by using past trends to establish future targets that the Council has to achieve before it can benefit from a share in business rate income, there is a concern that its past success will give it a harder target than those authorities who have been less proactive. Moreover, business growth creates demands for additional services (for example, managing traffic congestion through the Yellow Bus scheme, or affordable housing). The scheme ought to provide a source of additional income to help the Council to meet these needs. For this reason, the Council is persuaded that a national or regional benchmark should be used, rather than individual assessments that give high targets to those areas that have experienced high growth in the past.

**Question 2: Do you agree with using an eight year period for setting the trend?**

Response: Yes, if the National or Regional baselines are used. If one of the other baselines is pursued, then a three year period would be more equitable.

**Question 3: Are there models for setting the baseline that the Government has not considered that need to be considered?**

Response: No comment.

**Question 4: Which of the baseline models is your preferred option and why?**

Response: It will be important to select an approach which is intelligible. One of the problems when trying to engage the local community, business and partners is that the funding of local government is Byzantine in its complexity. The distributional objectives of the scheme make all the options over-complicated. The response to question 1 expressed a preference for the national baseline. This is also the most intelligible model.

**Question 5: Which of the two preferred options for floors and scaling factors (high/high and medium/medium) do you think provides the best balance between financial support and financial incentive?**

Response: There seems little point in introducing a scheme of this complexity if most authorities stand to gain. Under these circumstances it would be more simple if more resources were redistributed via the national business rates pool. Therefore the Council favours the high floor, high scaling factor option which will make the growth targets harder to achieve, but will distribute more to those authorities that achieve them.

**Question 6: Do you agree with using formula spending shares as the measure for determining ceilings? Do you agree that a 1% ceiling in year one of the scheme rising in line with the scheme (i.e. reaching 3% in year three) provides an adequate balance of incentive and cap on gains?**

Comment: If potential benefits are to be capped, formula spending shares would be a fair means of calculating the ceiling. For Runnymede, 1% of its formula spending share is £104,000.

Response: Yes.

**Question 7: How do you think that benefits should be shared between different tiers of local government?**

Response: The consultation paper makes the point that if the benefits were to be shared on the basis of relative economic development spend, then shire districts would receive 85% and shire counties 15%. The Council supports this approach. There is a further issue the Council would like the Government to consider: economic growth can be uneven across county areas. By allowing shire districts to gain most of the benefit from this scheme, it will ensure that the additional income will be used to resource initiatives in the area where the growth is taking place.

**Question 8: (If you represent a local authority) Would you like to volunteer to be part of the administrative dry run?**

Response: Yes. The Council would be keen to participate in the administrative dry run, provided that this does not result in any unforeseen administrative costs.

**RESOLVED that –**

**the responses set out in the preamble to this resolution be submitted to the Office of the Deputy Prime Minister as this Council's response to the consultation paper.**

378. CAPITAL OVERSPENDING

Financial regulations required overspending on capital schemes to be reported to the Corporate Management Committee where the cost exceeded the estimate by 10%. There was a further obligation to report under Standing Order C18.5 if the cost exceeded £30,000 and the contract overspend exceeded 5%. The Committee accordingly noted details of overspendings of £8,406 on the core system and of £3,856 for the Voice Recognition System, which had been incurred on two software purchases for the Cash Receipting System in the Finance Department.

379. SURREY COMMUNITY ACTION – FUNDING CONTRIBUTION

Surrey Community Action (SCA) had requested an annual contribution towards the salary costs of a part time Village and Community Halls Advisor over a three year period. The report would normally be a matter for the Housing and Community Services Committee, but as the SCA had asked for a response prior to the next meeting, the Chairman of that Committee had agreed that an item be placed before the Corporate Management Committee for decision.

Surrey Community Action (SCA), formerly Surrey Voluntary Services Council, was an independent registered charity, based in Burpham, which provided support, advice and training to voluntary organisations in local communities across the county. The organisation's staff included a Village and Community Halls Advisor who was employed on a part time basis (3 days a week) to provide advice to the 150 independently managed village and community halls in Surrey. The main duties of the post were to:

- promote, administer and monitor the Community Building Grants Scheme (more commonly referred to as the "Tripartite scheme") funded jointly by Surrey County Council and the eleven district Councils;
- provide ongoing training and briefings on topical subjects to groups of trustees; and
- provide "one to one" advice and support to individual halls, including helping them access alternative sources of funding.

Until the current financial year, the Community Halls post had been largely funded from the Countryside Agencies annual grant to SCA. However, following changes in the national funding formula this support had been reduced by 10,000, to £46,000, in 2003/04. In accordance with Countryside Agency criteria the majority of the support had been used to protect SCA's "Vital Villages" programme. As a consequence of the reduction and a pre-existing deficit between income and expenditure levels, SCA claimed that there was now a shortfall of £16,940 on the cost of the Community Halls post. The cost of the post, quoted at £23,940, included a significant element of internal recharges or associated costs which SCA had stated it was unable to recover by other means.

Surrey County Council had provided interim funding to the end of this financial year in order to allow SCA time to seek a longer term solution. However, SCA had been unable to identify an alternative source of funding. It had therefore asked whether the County Council and eleven District Councils would be prepared to jointly cover the deficit for a 3 year period from 2004/05. The County Council has agreed to a contribution of £8,470 per annum (50%) on this basis. The balance amounted to an annual commitment of £770 per district. Contributions would be fixed for the period of the agreement with SCA funding inflationary increases from reserves.

SCA had given notice that without this support it would be forced to withdraw its advisory service to village halls and the administration of the Community Buildings Grants Scheme. While it was possible that the County Council, or another agency, might be prepared to assume responsibility for these functions, the more likely outcome would be the cessation of the advisory service and the closure of the Tripartite grants programme. The impact of such a loss was difficult to assess. There was relatively little external funding provision for the ongoing capital and revenue investment needed to maintain community halls and comply with the requirements of new legislation. It usually fell to individual trustees, many of whom had no prior experience, to fund and manage the maintenance programme and run the facility. The tripartite grant scheme co-ordinated County/District funding to good effect, maximising the benefits to the applicant organisation and reducing the call both on District Councils' grant funds and Officer time. It was not known whether the loss of the scheme

would lead to the withdrawal of the County Council's £125,000 annual contribution to community hall improvements across Surrey.

It was, however, several years since a scheme had been submitted to Runnymede for tripartite funding – the last project to benefit being the redevelopment of the Lyne Village Hall, which attracted a total of £60,000 in grant aid from Runnymede and the County Council in 1997. This could partly be explained by the local cycle of maintenance and new build, but there might be applications in the future. There was, however, also considerable pressure on the tripartite scheme from rural Surrey and the programme was usually heavily oversubscribed. This, together with the inevitable delays entailed by a single annual funding round, tended to encourage local organisations to apply directly to Runnymede for assistance from capital grant budgets in order to secure a speedy response. The disadvantage of this approach was that the costs were shared between two parties rather than three.

Officers understood that it was possible that one or more Surrey Districts might decline to contribute to the project. SCA had asked that in this eventuality contributing authorities increase their support proportionately to meet the funding gap. This would entail either an effective subsidy of non contributing authorities to maintain the Surrey wide nature of the initiative, or the operation of a patchwork scheme whereby the advisory service and grants programme was made available only to community halls in those districts offering financial support. Neither option was satisfactory.

Balancing the potential benefit to community halls against the relatively modest cost, the Committee agreed that the request for a contribution of £770 per annum over a 3 year period be met, provided that equivalent contributions were made by each of the Surrey Districts. A single grant aided project in this time would be likely to more than off-set the Council's contribution. However, there was no suggestion that SCA would seek alternative funding and it was therefore noted that the contribution was likely to develop into a long term commitment.

**RESOLVED that –**

**a contribution of £770 per annum towards the salary and associated costs of Surrey Community Action's part time Village and Community Halls Advisor be agreed for a 3 year period commencing in 2004/05, on the basis that an equivalent contribution is made by each of the Surrey District Councils, and if this does not prove to be the case then Officers seek further instructions.**

380. REFERENCES FROM OTHER COMMITTEES

a) HOUSING AND COMMUNITY SERVICES COMMITTEE – 10 SEPTEMBER 2003

(i) Disability Advice and Information for Runnymede and Spelthorne (DAIRS) – Grant Aid and Grant Agreement

At its meeting on 10 September 2003 the Housing and Community Services Committee had considered a report recommending an increase in the level of grant aid awarded to DAIRS for the next three financial years. DAIRS' existing grant aid funding and 3 year service level agreement with the Council were due to expire on 31 March 2004. Since DAIRS had made their last application for grant aid, they had experienced a 30% increase in enquiries. DAIRS were accordingly seeking an increase in their grant from £6,050 per annum to £7,500, plus inflation, for the next 3 years, in order to meet their growing costs, resulting from their increase in workload. In view of the valuable service provided by DAIRS and the significant growth in their casework over the last three years, the Housing and Community Services Committee agreed that the Council's grant aid funding should be raised to the level requested by DAIRS. It was anticipated that Spelthorne Borough Council and the North Surrey Primary Care Trust (PCT) would match the £7,500 contribution from Runnymede Borough Council. However, if the funding for Spelthorne was not forthcoming, then the service for the Spelthorne area would be reduced. The service to Runnymede would not be affected.

**RESOLVED that –**

**the increase in DAIRS' level of annual grant aid to £7,500 plus inflation for the following 3 years be noted.**

- ii) Housing Strategy Statement and Business Plan 2003  
(Ref: Minutes of Housing and Community Services Committee, July 2002, page 368, para. 194)

At the same meeting the Housing and Community Services Committee considered the Housing Strategy and Business Plan including the Housing Capital Programme. The Corporate Management Committee was advised of the changes to the programme arising out of

- i) the ending of Local Authority Social Housing Grant (LASHG) and the associated transitional funding arrangements;
- ii) proposals affecting Housing Finance within the Local Government Bill (e.g. capital receipts pooling, the proposed prudential system for capital finance, removal of rent rebates from the HRA);
- iii) the new arrangements for funding new affordable housing via the Regional Housing Boards;
- iv) the latest plans for improving the Council housing stock;
- v) approved budgets for the Runnymede Renewal Strategy.

**RESOLVED that –**

**the revised Housing Capital Programme be approved.**

- b) LEISURE AND ENVIRONMENT COMMITTEE – 18 SEPTEMBER 2003

- (i) Beomonds Allotments - Capital Scheme – Remediation And Clearance

At its meeting on 18 September 2003, the Leisure and Environment Committee had approved a scheme to remediate and clear the Beomonds Allotment site, where contaminants had been found earlier this year. The Corporate Management Committee agreed a Capital Estimate for this work at an estimated cost of £80,000, as well as a further £3,700 which would finance the full year revenue costs of the scheme. The completed scheme would require a maintenance programme, whose costs could not be ascertained until a decision on the future use of the site had been made. The remediation and clearance scheme should be completed by the end of 2003, and Officers would seek external funding from the Department for Environment, Food and Rural Affairs (DEFRA) to minimise the financial burden on the Council.

**RECOMMEND that –**

- i) **approval be given to a Capital Estimate in the sum of £80,000 accordingly; and**
  - ii) **the full year revenue costs of financing the scheme (£3,700) and the potential for further running costs of managing the site be noted.**
- (ii) Thorpe Green – Capital Scheme – Essential Road Repairs

At the same meeting, the Leisure and Environment Committee recommended approval of a Capital Scheme to repair the access roads onto Thorpe Green that would benefit both residents and regular users of the open green space, which would

last 10 years and would provide a pressure treated timber edging and a 30 mm thick tarmac wearing course over the existing road surface, in view of the rural nature of the area and the relatively light usage of the access roads. The Corporate Management Committee agreed the necessary funding (£55,000 and £2,500) for this measure, noting that the access road to the dwellings belonged to the Council who had a duty to maintain the road as safe and fit. Negotiations were taking place with new residents, with a view to them making a contribution to any future works.

**RECOMMEND that –**

- i) a Capital Estimate in the sum of £55,000 for the repair and improvement works necessary to bring the access roads up to standard, be approved; and**
  - ii) a supplementary revenue estimate in the sum of £2,500 for the associated Capital Charges, be approved.**
- (iii) Runnymede Active Zones (RAZ)

At the same meeting, the Leisure and Environment Committee considered a report on the pilot year of the Runnymede Active Zones. When the scheme had been approved in November 2002, it was envisaged that it would be self-financing. Although the scheme had been successful, offering a range of activities, additional costs in the sum of £6,000 had emerged, to cover printing and promotion.

This year, the additional costs had been met by a virement from the Play and Youth Budget and the Splash and Playschemes which had made savings in the year 2002/03. The Leisure and Environment Committee had agreed that the Runnymede Active Zones should continue and that the Chairman of the Leisure and Environment Committee would discuss with the Leader of the Council the possibility of funding future additional costs from the budget allocated to Leader's Position Statement initiatives. The Corporate Management Committee agreed that this would be an appropriate use of that budget.

**RESOLVED that –**

**the Runnymede Active Zones (RAZ) be funded in future from the monies made available for the Leader's Position Statement initiatives.**

381. ANTI FRAUD AND CORRUPTION POLICY

The Anti-Fraud and Corruption Policy had been approved in October 1998 but required periodic review for adequacy. The policy had now been amended to reflect changes in job titles. At its meeting on 16 September 2003, the Standards and Audit Committee received a report on the policy, and recommended its continuation with the updating amendments. When Internal Audit reviewed the operation of the policy last year, it was felt that it should be given greater publicity amongst new staff. Information had been circulated to all staff two years ago but in view of staff turnover since then, there would be some staff who might be unaware of the Council's policy. The policy would therefore be e-mailed to all staff and Members.

**RECOMMEND that -**

**the Anti Fraud and Corruption Policy set out at Appendix 'M' be agreed.**

382. LICENSING ACT 2003 - STAFFING AND FINANCIAL IMPLICATIONS

The Committee considered the establishment of a Licensing Officer post and a Licensing Clerk, as well as the other immediate financial implications of the Licensing Act 2003, under which licensing functions were being transferred from the Magistrates Court to district local authorities.

In view of the rigid timescale for consultation on and implementation of the new regime, the Leisure and Environment Committee had considered that there was a need to make certain immediate financial provision, as well as give consideration to the staffing and constitutional implications.

At its meeting on 18 September 2003 the Leisure and Environment Committee had resolved that the Corporate Management Committee be requested to recommend the establishment of a new Licensing Officer post on scale E/G at a cost on top of scale of £11,800 in 2003/04, (£35,500 in a full year) and a new Licensing Clerk post on scale D/E at £8,800 in 2003/04 (£26,400 in a full year) both within the Environmental Protection Division of the Technical Services Department. However, the Leisure and Environment Committee had been informed that the grading of the Licensing Clerk was subject to further consideration and in order to ensure comparability with similar posts in the Council, a 'C' grading was recommended by Officers for this post. These posts were considered essential to enable the Council to take over the licensing function from the Magistrates and duties of the posts outlined in job descriptions and person specifications were noted.

UNISON considered that the proposed grading of the Licensing Clerk post might be insufficient to successfully recruit and then retain that member of staff, given the volume of specialist work likely to fall on the post and the cost of living in the South East. In addition, UNISON had stated that other local authorities were offering more remuneration for their licensing posts and the Council would have to compete with numerous others to attract suitable staff. Although noting UNISON's views, the Corporate Management Committee was satisfied that a 'C' grading for the Licensing Clerk was appropriate. The part year costs of the two posts in 2003/04, together with estimated IT and ancillary requirements (£15,300) amounted to approximately £35,000, for which a supplementary estimate was required. There were significant potential implications for Legal and Committee resourcing, but until the Regulations and Guidance were fully known these matters had to await a further report.

It was estimated that more than 320 premises would require a premises licence and that 700 persons would require a personal licence. The Licensing Act 2003 provided for the setting of fees nationally in relation to licence applications on the basis of full cost recovery for the licensing authority and the Council would seek to provide the service on this basis from 2005/06 onwards. The level of fees had not yet been set and the Council would not receive any fee income until the new arrangements became fully operational in 2005.

**RESOLVED that –**

- i) the appointment of a Licensing Officer on Scale 'E/G' and a Licensing Clerk on Scale 'C' be approved;**
- ii) a supplementary Revenue Estimate in the sum of £35,000 in 2003/04 to cover the part year costs of the two additional posts and ancillary support be approved; and**
- iii) the financial implications in future years be noted.**

383. LICENSING COMMITTEE - ESTABLISHMENT

Members were advised of the need for the establishment of a Licensing Committee for the purposes of the Licensing Act 2003.

The Licensing Act 2003 had received Royal Assent and would be passed into law progressively by commencement orders. The timetable for the implementation of the Act had slipped because of the prolonged period necessary for the House of Lords and House of Commons to reach agreement about draft amendments to the Bill. It had been proposed that a draft schedule of fees and charges and draft Statutory Instruments and Regulations would be circulated by the end of August 2003 and that Guidance would be completed and sent out to all Local Authorities and Police Forces, and made publicly available by the end of September 2003. This would have allowed for preparation of Licensing Policy statements, the establishment of Licensing Committees and the recruitment and training of staff and Members throughout the period September 2003 to March 2004. The drafting and consultation on Runnymede's licensing policy had been held up, pending final Guidance and Regulations.

It was a requirement of the Licensing Act 2003 that each Licensing Authority must establish a Licensing Committee consisting of at least 10, but not more than 15, Members of the Authority. All matters relating to the discharge by a Licensing Authority of its licensing functions were referred to its Licensing Committee and, accordingly, that Committee had to discharge those functions on behalf of the Authority. The Licensing Committee could establish one or more Sub-Committees consisting of

three Members of the Committee. Regulations could make provision for the proceedings of the Licensing Committee and the Sub-Committees, public access, publicity to be given to the meetings, agendas and records to be produced in respect of those meetings and public access to such agendas and records and other information about those meetings. Subject to meeting such Regulations, each Licensing Committee might regulate its own procedure and that of its Sub Committees. However, the Regulations had not yet been made. It was appropriate now to set up the Licensing Committee, especially to be ready to consider the Licensing Policy, but detailed consideration of the conduct and process of the Committee and Sub-Committees, and the delegation of functions to Officers, had to wait until final Regulations and Guidance were known. The Committee noted a list of functions of the Licensing Committee which had to be discharged by the Committee or a Sub Committee of it and not by delegation to an Officer. It would also be necessary to change the terms of reference of the current Leisure and Environment Committee and Licensing Sub-Committee.

There would be very significant financial implications for Runnymede. A separate report on the Agenda recommended the appointment of a Licensing Officer and a Licensing Clerk, together with IT and support costs. There would also need to be provision made within Members Allowances for the new Committee work. The costs would be offset by income from charges, and the Government's intention was that the new function should be self-financing, but this was a matter of speculation. At present it was not known whether there would be a large number of applications to be dealt with by Sub-Committees and this would also affect the resource implications. Members noted that it was still not possible to quantify implications for legal and administrative support.

**RECOMMEND that –**

- i) a Licensing Committee of ten Members be constituted with immediate effect;**
- ii) the Licensing Committee consider all licensing and registration matters so far as they are not expressly committed to another Committee;**
- iii) the Licensing Committee be authorised to determine all matters before it, save for the Licensing Policy or other matters expressly reserved to Full Council by the Constitution;**
- iv) licensing and related functions be removed from the terms of reference of the Leisure and Environment Committee, and the existing Licensing Sub-Committee be abolished; and**
- v) a further report follow as soon as possible as to the procedural and further financial arrangements which will be necessary for the Licensing Committee.**

384. APPOINTMENTS TO OUTSIDE BODIES

Community Governor - Christchurch C of E Junior School

The Committee considered an item deferred from its meeting on 4 September 2003, when Members noted that the Council's representative, Mrs C. Lomas, had resigned from Christchurch C of E Junior School Governing Body, but the school had asked for more time to nominate a potential representative. Since 1 September 2003, District Councils no longer had the right to appoint a Governor as a "Minor Authority," but schools had the right to accept a "Community Governor" nomination from their District Council if they so wished. The school was prepared to seek such a nomination in this case. The school recommended that the Council approved the appointment of Mrs Olivia Towie as a Community Governor, for a four year period or until such time as the School was reconstituted, in accordance with the provisions of the Education Act 2002. Having noted the details of the School's recommendation, it was

**RESOLVED that -**

**Mrs. O. Towie be appointed to serve on the Governing Body of the Christchurch C of E Junior School for a four year period, or until such time as the School is reconstituted.**

(Note: In the absence of the Chairman, Councillor R.K. Habgood, (who had declared a prejudicial interest), and the Vice-Chairman, Councillor J.M. Edwards, the Committee elected Councillor C.J. Norman as Chairman for the purposes of this item alone).

(The meeting ended at 10.20 p.m.)

Chairman