

Runnymede Borough CouncilCORPORATE MANAGEMENT COMMITTEE6 October 2005 at 7.30 p.m.

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

Members of the Committee absent: None

Councillor Mrs L.M. Gillham also attended.

298. NOTIFICATION OF CHANGE TO COMMITTEE MEMBERSHIP

The Conservative Group had notified the Chief Executive Officer of its wish that Councillor J.E. Haas be removed from membership of the Committee and that Councillor P. B. Tuley be appointed for a fixed period ending on the day after the meeting. Thereafter Councillor Haas would be reappointed.

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

299. MINUTES

The Minutes of the meeting of the Committee held on 8 September 2005 were confirmed and signed as a correct record.

300. DECLARATIONS OF INTERESTS

Councillors P.A. Greenwood and G.B. Woodger declared personal interests in the three References from the Housing and Community Services Committee of 14 September 2005 as both had taken part in the decisions made at that Committee, regarding those items.

Councillors A. Alderson and G.B. Woodger declared personal interests in the Reference from Leisure and Environment Committee of 22 September 2005 as both had taken part in the decision made at that Committee, regarding that item.

301. FINANCIAL FORECAST

The Committee considered the updated financial forecast covering the period up to the 2010/11 financial year and a target budget for 2006/07. The Council had less flexibility in managing its finances than in previous years. The key feature of the Financial Forecast was uncertainty.

For the past four years, the Council's Financial Forecasts had shown expenditure on services outstripping the available income. In October 2002 the Council had adopted a policy of reducing net expenditure by £1 million per annum from 1 April 2004, increasing the Council Tax in even steps until incoming resources balanced outgoing resources and, until this balance had been achieved, using revenue reserves to pay for the shortfall. These policies had been reaffirmed in each of the two subsequent years. However, the savings target had been increased to £1.5 million in last year's Financial Forecast in order to reduce expenditure to a level which it was believed would avoid capping. The target had subsequently been increased to £2 million when the 2005/06 budget had been approved in February, largely to offset the additional cost of contributions to the Surrey Pension Fund. However, the decision by the Secretary of State to cap the Council's 2005/06 budget had required a radical reassessment of the Council's long term plans. It meant that the Council could no longer rely on increasing the Council Tax to a level that would sustain desired expenditure and as the amount available to withdraw from reserves declined, the Council had little option other than to make further substantial reductions in spending. This would involve increasing the annual savings target to £2.8m in order to avoid a budgetary deficit over the next five years.

The original budget approved by the Council for the 2005/06 financial year provided for a net expenditure on service budgets of £15,052,200. After allowing for transfers and investment income of £4,047,200 the net expenditure on the General Fund was £11,005,000. The original estimate provided for the withdrawal in working balances of £2,540,600 and this reduced the Budget Requirement to £8,464,400. This was financed from Government support through grant and business rates of £4,635,900 and from the 2005/06 demand on Council Taxpayers which would yield £3,840,200, offset by a transfer to meet a deficit in the Collection Fund of £11,700. The Government's capping order reduced the Council's budget requirement by £271,400 from a total of £8,464,400 to a total of £8,193,000. In order to achieve this lower budget figure, the Council had decided not to make the planned backfunding contribution of £441,000 to the Surrey Pension Fund in 2005/06. This was offset by the cost of rebilling Runnymede's taxpayers for the lower Council Tax (£36,100) and reduced use of working balances (£133,500). While the decision not to make a backfunding contribution to the Pension Fund provided a short term response to capping, in the long term this would lead to higher backfunding contributions in future years. The Committee noted that the Government was proposing radical changes to the Local Government Pension Fund Scheme which might result in less liability falling upon the Council.

The demand on Council Taxpayers in 2005/06 before capping was £117.99 for a Band D property. Following capping this had reduced to £109.65. The capped Band D tax of £109.65 could not support the cost of providing Council services without withdrawing £2.4 million from working balances to offset the cost. If these working balances were not available, the Band D Council Tax would need to be £183.61 to fund the present level of services.

The Council's budgeted expenditure on services per head of population was the highest amongst Surrey districts because Runnymede spent more on some discretionary services such as Community Services for older people and community safety. The Committee noted Runnymede's per capita expenditure on a range of services compared with the Audit Commission's benchmarking analysis of the other Surrey Districts. This included expenditure on community services, (categorised as Social Services by the Audit Commission), community safety, Highways Services and grant aid to the voluntary sector. Runnymede's total expenditure on discretionary areas of service represented almost half its budget in the 2005/06 financial year. The Government's capping restricted Runnymede's Council Tax to a level well below its neighbours. It also meant that the Council might have to temper its level of discretionary spending in future. The Committee also noted that the Audit Commission's analysis needed to be treated with caution as different local authorities had different methods of allocating costs, making absolute comparisons impossible. In accordance with good practice, Runnymede allocated more costs from the centre to service budgets than most other authorities.

Formula Grant from the Government paid for 55% of the Council's budget requirement. However, without the protection afforded by the Government's maximum and minimum thresholds (known as floors and ceilings), the Council's entitlement to Formula Grant would be £330,400 less than it currently received. Since Runnymede's entitlement to grant under the formula was less than the minimum threshold (the "floor"), this meant that grant entitlement had been dependent on how much the Government was prepared to see the floor increase.

The long term implications of capping were severe for Runnymede. The Council's financial strategy had involved stepped increases in the Council Tax along with revenue reductions in order to bring expenditure and income into balance over five years. Increasing the Council Tax to £117.99 in 2005/06 and £141.57 in 2006/07 had been a key element of this strategy. The Government had decided to cap authorities in 2005/06 if they had set a budget requirement increase of more than 6% over the previous year or if their Council Tax had increased by more than 5½% over the same period. In preparing a revised financial strategy, the assumption had to be that the Government would at the very least continue to apply the capping criteria that it had adopted in 2005/06 in future years. Indeed, the Minister for Local Government had stated that the Government would not hesitate to use capping powers in future to deal with what it considered were excessive increases. It was apparent that being a low taxing authority was no longer a protection against capping. The Council had sought further information from the Government on its future criteria for assessing district Council spending.

The situation was complicated by the announcement in the Chancellor's April budget that free concessionary travel on buses for older and disabled people (who currently travelled for half the full fare) would be introduced from 1 April 2006. It was not known whether next year's capping criteria would be adjusted for the additional cost of concessionary fares before the maximum increase in the

budgetary requirement was applied because if so, the budget requirement could increase to £8.89 million, with a Band D Council Tax of £121.14, and this was the basis on which the Forecast had been prepared. If there were to be no such adjustment, the Band D Council Tax would be restricted to £115.65. The difference was critical as the higher Council Tax enabled the Council to reduce its savings target by £180,000. The additional cost of concessionary fares would add £213,000 to the Council's budgetary requirement.

The scale of the revenue reductions required to deliver a balanced budget over the next five years would entail very significant changes in service levels. The Corporate Management Committee had approved a range of measures that would reduce the net budget by £2.6 million. A further £200,000 was still required from 2008/09 to balance future budgets. The Committee agreed that suggestions from staff on how savings might be achieved would be welcome. The strategies needed to deliver the scale of savings required included rebasing budgets based on actual spending in previous years, increases in charges for services, re-scheduling or reducing special works, restructuring, re-focusing or reducing service provision and re-engineering and efficiency savings.

The Committee noted the savings that had been identified in the reports to Corporate Management Committee on 3 March and 8 September 2005 which together totalled £2.6 million. Each saving had a risk analysis score that ranked the difficulty of achieving it, divided into three categories, the first of which was deliverable savings within management control, the second of which was savings that could be delivered but required new policy decisions or significant management action and the third of which was savings that might be difficult to achieve or that were dependent on external factors (e.g. land sales).

Last year's spending review by the Chancellor of the Exchequer provided for an increase in spending on Environmental, Protective and Cultural Services (EPCS), the spending block that covered all of Runnymede's services, of 0.58% in 2005/06, 3.5% in 2006/07 and 3.7% in 2007/08. In the event, the actual settlement for 2005/06 of a 2.4% increase was more generous than the spending review. As a result, it was widely predicted that the settlement for 2006/07 would seek to compensate for the increase in 2005/06 in order to keep within the Chancellor's spending target for the three years.

The Government proposed to reimburse local authorities by increasing revenue support grant for the increase in concessionary fares. The potential problem with this approach was that the distribution of grant was determined by formulae and so would not necessarily match the actual costs incurred by each Council (i.e. there would be gainers and losers). This was an aspect of the Council's finances which might have been more appropriately dealt with by specific grant.

Against this background, the Office of the Deputy Prime Minister had published a consultation paper in July containing examples of the options that Government was considering for the 2006/07 finance settlement. Even under the best case scenario, the amount of additional grant that the Council might attract was likely to be dependent on how floor protection would operate next year and this detail had not yet been announced. If the Government decided to provide for a minimum increase in grant of 2.5% after adjusting for an uplift to take account of concessionary fares, this could increase Runnymede's entitlement by £336,000 in 2006/07. On the other hand, if there was only an uplift for concessionary fares without an inflationary allowance, the increase would only be in the region of £213,000. Officers were predicting some modest damping of the increase because of the Government's expectation of achieving efficiency savings of 2½% and because of pressure on public spending so the Forecast was based on an uplift of £284,000 in 2006/07 (i.e. 1½% plus an adjustment for concessionary fares). Thereafter, provision had been made in the Forecast for an increase of 2.5% each year. The Forecast also included a provision for inflation that had been calculated on pay at 3% and prices at 2½%.

The proposed capital programme was noted by the Committee and was based on the Council's Capital Strategy and other policy documents. The revenue consequences of the programme had been reflected within the Financial Forecast. The decision by the Secretary of State to review the consent for the redevelopment of the Wapshott Road estate had potentially serious consequences for the housing capital programme. Additional dwellings and grant were required to cover the cost of replacing the existing homes on this estate. The capital programme had been compiled on the assumption that consent would eventually be granted for the scheme and that grant would be obtained from the Housing Corporation. However, if the Council had to support the cost of the scheme without Housing Corporation grant then this would have significant implications for the Housing Capital programme and would impact on the level of affordable housing provision in the Borough.

A key element of the Council's strategy had been to use revenue balances to reduce its budget requirement in order to phase in Council Tax increases. No changes to the minimum level of balances were proposed in the Forecast.

The Committee noted that spending on elections was reduced for the one year in four in which borough elections were not held. The General Fund Revenue Forecast variations from the 2005/06 budget were noted. The estimated capital receipt for the sale of the Civic Offices site was included within the estimate of capital receipts for 2007/08 of £6,982,000. The £80,000 included within the General Fund Capital Programme for Beomonds Allotments was to rectify the contamination of the site and the Council would spend up to £50,000 on the upgrading of the Runnymede Museum, whether or not National Lottery Funding was secured.

The Committee noted anticipated developments against each service area within the General Fund including the revenue reductions previously approved by Corporate Management Committee and was content with each of these developments. The 2006/07 Budget would be prepared on the basis of this forecast. The Committee was content with the details of the schemes proposed in the General Fund related capital programme. The Committee was also content with the approach whereby it was assumed that the Council Tax would increase each year by the maximum amount allowed under the current capping criteria and that the 2006/07 capping criteria would be adjusted to take account of the additional cost of concessionary fares.

The Committee noted the key assumptions that had been made in order to arrive at the financial projections. However, there was a risk that some of these assumptions might prove to be inaccurate or that other developments might occur which would require the Forecast to be revised. The significant areas of risk were noted along with their effect upon the level of Council Tax (additional costs of £33,000 would add approximately £1 to the Council Tax).

Runnymede's original Council Tax of £117.99 in the 2004/05 financial year was the eighth lowest in the country amongst district Councils. The new Band D tax of £109.65 made Runnymede the sixth lowest. Applying the maximum tax increases each year in line with the current capping criteria would increase the tax to £172.89 by 2010/11. Assuming that the districts generally increased their taxes each year by little more than inflation, this would still make Runnymede's tax £30 less than the district average by the end of the period covered in the Forecast.

RECOMMEND that –

- i) the Financial Forecast for the five year period to 2010/11 be approved; and**
- ii) the Forecast form the basis for drawing up detailed service budgets for 2006/07.**

A requisition having been made that the names of those voting be recorded, there voted:-

In favour of the Recommendations (10):-

Councillors A. Alderson, J.R. Furey, P.A. Greenwood, R.K.Habgood, C.J. Norman, Ms. C.M. Simmons, N. Thewlis, P.B. Tuley, P.J. Waddell and G.B. Woodger.

Against the Recommendations: None.

Abstentions: None.

302. DISCRETIONARY RATE RELIEF - DYSLEXIA INSTITUTE
(Ref: Minutes of Corporate Management Committee, 3 March 2005, page 835, para, 561)

The Committee considered an appeal by the Dyslexia Institute against the Committee's previous decision not to grant it discretionary rate relief. As a charity, the organisation received 80% mandatory rate relief. It had applied to the Council for discretionary rate relief on the remaining 20%.

On 3 March 2005 the Committee had reviewed all discretionary rate relief cases for the purpose of awarding relief for the period of the new rating list from 1 April 2005 to 31 March 2010. On this

occasion the Committee had decided not to continue granting relief to the Dyslexia Institute. The Committee had taken this decision because it was felt that the charity's activities were national in character and it was therefore inappropriate for them to be funded in part by the Runnymede taxpayer. The Committee considered a letter from the Dyslexia Institute (attached at Appendix 'A') appealing against the decision not to grant discretionary rate relief and drawing attention to the work which the Institute undertook with local organisations.

The Committee also noted the policy guidelines for the granting of discretionary rate relief, attached at Appendix 'B'.

The business rates paid by the Dyslexia Institute in the 2005/06 financial year amounted to £6,630.10 as follows:-

	£
Gross liability	33,150.49
Mandatory relief	<u>-26,520.39</u>
Net liability	<u>£6,630.10</u>

The Committee noted that if the Council was to grant discretionary relief for the remaining liability, 75% of this amount would be borne by the General Fund (namely £4,973) and the remaining 25% would be charged to the national non-domestic rates pool. Budgetary provision of £21,800 had been made in the current financial year for the cost of discretionary rate relief falling on the General Fund (including a sum for the Dyslexia Institute). Thus far, a sum of £17,600 had been committed. The Council had the discretion to grant whatever relief it considered appropriate (from nothing up to the full 20%). For the sake of consistency, it was noted that if discretionary rate relief were to be granted, then it should be awarded for the expected life of the new Rating List or until 31 March 2010, whichever was the shorter period, or until there was a material change in the use of the premises or the circumstances of the organisation whichever was the sooner.

The Council's approved procedure allowed the Dyslexia Institute to appeal to the Council. The Committee considered that their letter contained no factors sufficient to outweigh their previous decision and recommended that the appeal be refused.

RECOMMEND that -

no further discretionary rate relief be granted to the Dyslexia Institute.

303. PROCUREMENT STRATEGY

The Committee considered a revised Procurement Strategy, reviewed the progress in implementing procurement targets and examined the national Small Business Friendly Concordat.

The Council's procurement targets were contained in the National Procurement Strategy for Local Government of October 2003, the Council's Procurement Strategy of July 2004 and the IDeA Fitness Check and the NePP e-Procurement Review, both of which had been produced during the last year. The Committee noted that the targets from each of these documents along with comments describing the progress that had been made. The Committee noted the position with regard to targets which had not been achieved. One of these was reducing the period from Official Journal of the European Community (OJEC) notice to award of contract. Officers did not consider that this national target was relevant to Runnymede's working practices and nor would it produce any cost reduction. Another target not achieved was the use of an e-Marketplace. The cost of joining an e-Marketplace had so far outweighed any savings that the Council was likely to achieve on its level of turnover. However, the proposed creation of a regional portal should provide the opportunity to benefit from a regional marketplace and therefore this matter would be considered further when the E-Procurement Strategy was presented to Committee at a future meeting.

Two other targets would be carried forward to next year. The first of these was to invite bidders to submit proposals with their tenders for the delivery of specified community benefits which were relevant to the contract in question and the second was the development of a communications plan for the Procurement improvement plan that would be cascaded throughout the Council. The development of joint Member-led structures with other Surrey Councils was the only target in last year's Procurement Strategy that had not been achieved. Officers believed that this was no longer necessary to drive forward the procurement agenda and had therefore deleted the target from the

revised Procurement Strategy. The continued linkage of TASK with other key Council systems was a key proposal in the e-procurement strategy which was in the process of being developed, while the review of business processes with key suppliers and the evaluation of the use of technology to deliver gainshare cost reduction was a longer term target in the NePP report.

An important recommendation that featured in the Council's Procurement Strategy, the IDeA Fitness Check and the NePP e-procurement Review was the need to develop a strategy specifically for e-procurement. Recent developments at regional level had resulted in a reappraisal of some proposals in the strategy and it was now proposed to submit a report on this to the December meeting of the Committee.

The Committee also considered a revised Procurement Strategy which had been redrafted to take account of the progress that had been made in implementing targets. Where appropriate, the revised strategy included a plan for achieving those targets that remained outstanding. The Committee decided to support the national Small Business Friendly Concordat promoted by the Office of the Deputy Prime Minister to encourage effective trade between local authorities and small businesses. The Committee also agreed that the Procurement Strategy should have an extra bullet point at paragraph 4.6 applying the same principles to the Small Business Concordat as applied to the Environmental Policy Statement.

The Committee received details of the work undertaken by the newly appointed Procurement Manager. This had involved overseeing the transfer of purchasing from the stores to the Civic Offices, obtaining quotes for office supplies, undertaking a spend analysis to review areas of low value/high volume spending, identifying opportunities to participate in e-auctions, undertaking ad-hoc exercises to obtain more favourable prices for equipment, consolidating invoices to reduce administrative costs, updating the corporate contracts register, and developing his role as a corporate procurement advisor. One of the revenue reductions approved by the Committee on 3 February 2005 was the achievement of procurement savings totalling £50,000 per annum. The Procurement Manager had made good progress so far in achieving this aim, £20,000 having already been achieved.

The Committee noted that joint working with neighbouring boroughs had not been developed as widely as the Council would wish, because adjoining authorities had not always been prepared to enter into such initiatives, but any opportunities in this area would continue to be pursued.

RESOLVED that –

- i) the revised Procurement Strategy at Appendix 'C' be approved including the extra bullet point mentioned above; and**
- ii) the Council signs up to the national Small Business Friendly Concordat, at Appendix 'D'.**

304. LOCAL AUTHORITIES AND HEALTH AND SAFETY EXECUTIVE – STATEMENT OF INTENT FOR PARTNERSHIP WORKING

The Committee considered a joint Statement of Intent for partnership working between the Council and the Health and Safety Executive (HSE), drawn up by the HSE and Local Authority representative bodies. The programme vision was of local authorities and the HSE working jointly in partnership, locally, regionally and nationally, to a common set of goals and standards, with commitment to focussing resources on agreed health and safety priorities. The overall aim was to minimise harm to those in the workplace and those affected by workplace activities, and contribute to the health and well-being of communities. The Committee noted that the Statement would neither increase the obligations placed upon the Council nor require it to enter into any extra resource commitments.

RESOLVED that -

- the Statement of Intent at Appendix 'E' be approved.**

305. VIRGINIA WATER COMMUNITY ASSOCIATION – APPOINTMENT OF REPRESENTATIVES TO GOVERNING BODY

The Committee considered the appointment of representatives to the Virginia Water Community Association Governing Body. The Constitution of the Association provided for a Governing Body

made up of two representatives each from the Association itself, Runnymede and Surrey County Council. The consent of the Governing Body was necessary to change the Constitution and to carry out certain formal activities but it had never had cause to meet and, as far as could be ascertained, neither of the two local authorities had ever appointed representatives to it. The Community Association now wished to make some changes to its Constitution, including authorising the holding of up to two charitable fundraising events each year, and removing the residual decision making powers of the Governing Body. All decisions would in future be taken by the Association's Executive Committee or by a general meeting as specified in the new Constitution. It was, however, necessary for the Governing Body first to meet to consider these changes, given the requirements of the existing Constitution, so therefore Runnymede and Surrey County Council needed to appoint representatives.

RESOLVED that -

Councillors J.R. Whiteley and G.B. Woodger be appointed as Runnymede Borough Council representatives on the Governing Body of the Virginia Water Community Association.

306. REFERENCES FROM OTHER COMMITTEES

(a) HOUSING AND COMMUNITY SERVICES COMMITTEE – 14 SEPTEMBER 2005

(i) Disabled Facilities Grant Expenditure

The Committee considered a reference from the Housing and Community Services Committee meeting of 14 September 2005, relating to the increasing demand for Disabled Facilities Grant (DFG) with the need, therefore, to seek approval from the Corporate Management Committee of a revised capital estimate for DFGs in the 2005/06 financial year and amendment of the Housing Capital Programme accordingly.

The Government formula for subsidy towards DFG expenditure was based on the numbers that claimed Disabled Living Allowance and Attendance Allowance. However, the formula did not accurately reflect the real demand in Runnymede, particularly as the census data had shown that Runnymede had a high proportion of frail older people and a significant number of people with limiting long term illness. Consequently, as a result of the demographics within the Borough, and the tendency for people to remain in their homes rather than moving to residential care, the expenditure on DFG was now beginning to rise substantially.

The current Housing Capital Programme for private sector housing renewal included an amount of £340,000 for DFG expenditure in 2005/06. Based on the maximum available Government subsidy of £204,000, the Runnymede contribution would have been £136,000. This figure had proved to be an underestimate, and the gross expenditure in 2005/06 was now estimated to be £450,000. In agreeing to recommend a revised capital estimate for this amount, the Committee noted that this was demand led growth which could have a significant effect on the Council's finances in future.

Since the maximum Government subsidy was £204,000, it meant that Runnymede would have to meet the remaining £246,000 from the Housing Capital Programme. This was an additional £110,000 compared to the original estimate.

The Council was legally obliged to meet expenditure for Disabled Facilities Grant, even though the reimbursement available from the Government had reduced. Under the current financial constraints there was no prospect of finding new money to meet the additional cost of financing DFG expenditure without making corresponding savings elsewhere. It was possible, however, to divert funds from the new affordable housing programme to the private sector renewal programme without adversely affecting existing approved schemes. The Committee was advised that this would have the impact of reducing the amount available for new affordable housing projects within the Borough. The Committee accordingly approved a revised Housing Capital Programme that reflected the increased expenditure on DFGs in the

current and future years and the likelihood of minimal increases in Government grant.

Works provided by Disabled Facilities Grants enabled many older and disabled people who might otherwise require residential care to remain in their homes. At present, a contribution from Surrey County Council's Adult and Community Services was only made if the cost of a single adaptation exceeded £25,000, and then only the additional cost above this figure was met. However, it was quite clear that the service was of great benefit to the County Council as it helped to reduce the call on residential care and associated costs and it could also help people to return home from hospital, thus reducing fees for delayed discharge. With this in mind, Officers had written to the County Council requesting that they make available to Runnymede the additional income that they would have secured from the second homes discount for Council Tax for the payment of DFG. The Housing and Community Services Committee had also agreed that the Corporate Management Committee should be asked to review the second homes discount in the light of the response to the request for funding from Surrey County Council. However, since Officers were continuing to liaise with the County Council on this latter point the Committee agreed that the review of the second homes discount in relation to DFG be held over until the November cycle in order to allow Officers sufficient time to complete their investigations and to report fully to the Corporate Management Committee.

The Committee accordingly

RESOLVED that -

- i) the revised capital programme for private sector renewal be approved; and**
- ii) the additional resources required for DFG's be financed from within the overall housing capital programme; and**

RECOMMEND that -

a revised capital estimate in the sum of £450,000 to meet mandatory Disabled Facilities Grant expenditure in 2005/06 be approved.

(Councillor P.A, Greenwood wished to be recorded as having abstained from voting on resolution ii) above).

- (ii) Community Transport

The Committee also considered a reference from the Housing and Community Services Committee meeting of 14 September 2005, relating to the relevant service and financial implications of providing the Dial-a-Ride and Day Centre transport service in-house, and proposals for purchasing replacement vehicles for the Dial-a-Ride service.

The Council currently provided two community transport services - the Day Centre transport service and a Dial-a-Ride service. The services were currently delivered by Woking Community Transport who were holding over on a contract for both services. Officers had invited tenders to provide the Dial-a-Ride service but had only received one bid for the service. This bid was significantly above the current budget for the contract and had, therefore, been rejected. Woking Community Transport had not made a bid for the service but were willing to continue the current service until March 2006. It had therefore been previously agreed that the extension should be arranged whilst Officers reviewed a number of options for the Dial-a-Ride service. These included examining in-house options, the possibility of combining the Day Centre transport and Dial-a-Ride, examining alternative forms of provision, (e.g. a voucher system for taxis), investigating the possibility of the service being provided in partnership with or by another Borough and increasing fares or membership fees to offset expenditure. The Committee noted an in-depth risk/benefit report of the results obtained for each of these options.

The Housing and Community Services Committee had concluded that bringing the service in-house provided the most cost-effective method of providing the service to clients. The in-house proposal would cover the day centre transport service and Dial-a-Ride service and provide the Council with the flexibility that it needed to adjust to changes in service levels and potential future resource issues. The in-house proposal had been compiled with caution and there might be opportunities for further savings during the first and subsequent years and it ought also provide integration with other services such as Day Centres, Community Alarm and Care and Repair. It should also prove possible to ensure that clients identified as in being in need of these other services were referred to appropriate sections within the Council.

A taxi voucher system had been looked at, but within Runnymede there was only one taxi suitable for people in wheelchairs. It was also estimated that over 20% of all Dial-A-Ride journeys were made by wheelchair users. Therefore such a system could not provide a replacement for the current Dial-a-Ride service. An Officer Working Group had also considered whether the service could be operated jointly with another borough. The benefits were considered limited. Charges for Day Centre transport had been increased in line with neighbouring boroughs, in order to cover the additional costs of the Dial-A-Ride service.

The Corporate Management Committee noted the potential risks in providing the service in-house. The in-house proposal was based on the long-term operating costs of the vehicle fleet. Bad experience in repair and accident related costs or excessive fuel increases would increase costs, but these risks would still exist if the service was contracted out. The staff employed in the service might have their salaries increased under the Council's Job Evaluation scheme but it was not envisaged that this would have a significant impact on overall costs. The Committee noted, however, that the Council would be taking on additional staff as part of the establishment with resultant obligations including pension and TUPE arrangements. There was a risk that the turnover of drivers might be high. However, Runnymede salaries would be competitive and there might be an opportunity to share drivers with the Community Meals service during times of shortage. The in-house proposal also allowed for the payment of £25,000 a year to Woking Community Transport (WCT) to continue to provide scheduling for the Dial-A-Ride service. They might in future increase their charges or withdraw and alternative arrangements may prove more costly.

The Corporate Management Committee noted the benefits and risks of providing the service in-house and concluded, in the absence of any external bids at an acceptable price, and having noted the analysis of other methods of service provision, that there was little option other than to continue to provide the service in-house from 1 April 2006.

The detailed costing schedules supporting the in-house proposals were noted by the Committee. The Committee recommended the appropriate variation to the staffing establishment (as shown in Appendix 'F' attached).

The day centre transport proposal was based on two vehicles at each day centre (except Queen Elizabeth House) making a total of eight vehicles in use. The Dial-a-Ride service would continue to be a three vehicle service. The Council's Procurement Officer had also examined the cost/benefits of jointly procuring vehicles and it was proposed to use the central "Buy-In" consortium to source vehicle requirements.

Under the current arrangements with Woking Community Transport, the Council had provided the vehicles and provision was made in the capital programme for the cost of replacement. However, vehicles were only replaced when it was necessary to do so. The low mileage of the day centre transport vehicles meant that these had a long life and there had been no need for new vehicles for this service since 2001. Vehicles for the Dial-a-Ride service had a high annual mileage and therefore needed to be replaced more frequently. The latest Dial-a-Ride vehicle purchase was in the 2002/03 financial year and this vehicle remained in use. The other two Dial-a-Ride

vehicles had to be temporarily replaced by two day centre vehicles. This situation was not sustainable in the long term. Officers had carried out a review of the overall fleet and proposed a new replacement programme between 2006/07 and 2008/09. In 2009/10 the fleet and current work load would be reviewed with regard to establishing future usage, the state of the fleet and opportunities to use surplus capacity for Contract Work. The capital programme for 2005/06 included provision for £120,000 for vehicle purchases. It was therefore agreed that this provision be replaced in line with the proposed replacement programme.

The Committee accordingly

RESOLVED that -

the capital programme for community transport vehicle purchases be amended in accordance with the replacement programme; and

RECOMMEND that -

the necessary changes to the staffing establishment for the in-house provision of the day centre transport and Dial-a-Ride services from 1 April 2006 be approved.

(iii) Wapshott Road, Egham

At its meeting on 14 September 2005, the Housing and Community Services Committee had received a report on the current position relating to the Wapshott Road redevelopment proposal and considered the additional costs involved in defending the planning application, which had been 'called in' by the Secretary of State, at the forthcoming Local Inquiry. The Inquiry would be held in May 2006. As a consequence Counsel had now been appointed to represent Runnymede. A meeting with Counsel had been held on 2 September when a number of important preliminary procedural matters had been discussed and it had been suggested that the A2 Housing Group and Runnymede should be jointly represented. The outcome of the Inquiry was very uncertain. It was envisaged that the additional costs arising from the Inquiry would be in the region of £50,000 to £100,000, depending on the number and extent of expert witnesses (e.g. flood risk consultants and architectural advice) who might have to be called and the final level of expenditure was difficult to predict at this stage. The Housing and Community Services Committee had agreed, therefore, to request the Corporate Management Committee to approve a provisional increase of £50,000 in the capital budget for the scheme.

In July 2003 and March 2004 the Council had approved the underwriting of architects and planning fees of £272,763 for this development. A2 Housing Group had confirmed that £259,803 had been spent, to date, in this respect. These fees would have to be paid, and the costs of the Inquiry would have to be met, irrespective of whether the scheme proceeded. If the scheme did proceed then the architects and planning fees would be absorbed as part of the total cost of the development as originally planned. However, the fees incurred for the Inquiry would be additional unforeseen costs and would have to be financed from within the overall housing capital programme. The use of capital resources for this purpose would accordingly reduce the amount available to fund other affordable housing projects.

RESOLVED that -

a provisional increase of £50,000 in the capital budget be approved for the scheme within the housing capital programme to meet the additional cost of the Inquiry.

A requisition having been made that the names of those voting be recorded, there voted:-

In favour of the resolution (9):- Councillors A Alderson, J.R. Furey, R.K. Habgood, C.J. Norman, Ms C.M. Simmons, N. Thewlis, P.B. Tuley, P.J. Waddell and G.B. Woodger.

Against the resolution (1):- Councillor P.A. Greenwood.

Abstentions:- None

(b) ECONOMIC DEVELOPMENT COMMITTEE – 15 SEPTEMBER 2005

Egham Hythe Capital Programme

The Committee considered increasing the capital programme provision for the Egham Hythe Capital Programme from £300,000 to £326,000, further to a reference from the Economic Development Committee, which at its meeting on 15 September 2005 had received details of progress with the Egham Hythe project, including the proposed development of a new town park on the former site of the Egham Swan Sanctuary. It had been necessary to undertake emergency works costing £26,000 to make the site safe following the relocation of the Sanctuary to its new premises in Shepperton. The additional sum could be met from the capital receipt of £620,000 for the disposal of the social housing and health centre sites associated with the project.

RESOLVED that -

the Capital Programme be amended in respect of the Egham Hythe project to show an additional £26,000 expenditure.

(c) LEISURE AND ENVIRONMENT COMMITTEE – 22 SEPTEMBER 2005

Play Areas

The Committee noted that at its meeting on 22 September 2005, the Leisure and Environment Committee had recommended the re-phased programme for the refurbishment and replacement of play equipment in the Borough's play areas, and a project to provide a new play area at Chertsey Meads, funded by section 106 monies. Approval was required for the re-phasing of the Capital Programme and a recommendation was sought for a Capital Estimate to cover the Chertsey Meads project.

Staffing shortages in the Parks section had meant that the original play areas programme, approved in 2003, had not yet commenced. However, Officers had now completed a full review and a new programme had been drawn up. Officers estimated that the works would be completed by Spring 2006, and within the original capital budget of £329,000, and the Committee agreed rephasing of capital expenditure for 2005/06 of £205,500, for 2006/07 of £40,000 and for future years (Pooley Green Lands) of £83,500.

In addition, the Council had received £87,000 through Section 106 monies, in connection with the Mead Lane and Bridge Wharf developments in Chertsey, for a new play area on Chertsey Meads which had been designed to suit the environmentally sensitive nature of the open space. The new play area had been approved in principle by the Chertsey Meads Management Liaison Group and the Leisure and Environment Committee and Officers had secured initial design ideas and costings from a number of suitable manufacturers. Officers were now looking to proceed with applying for planning permission for the project and continuing with consultation on the final design with local residents and schools, user groups, Ward Members and other stakeholders. However, the Corporate Management Committee decided to defer recommending approval of this capital estimate to allow for the investigation of other options.

RESOLVED that -

- i) the re-phasing of the Capital budget for the programme of refurbishment and reprovision of play areas as set out above be approved; and**
- ii) the approval of a Capital Estimate in the sum of £87,000 for the new play area on Chertsey Meads be deferred so that other options in respect of this play area can be investigated.**

(Councillor P.A. Greenwood wished to be recorded as having abstained from voting on the resolutions above).

307. MEMBERSHIP OF JOINT WASTE STRATEGY CONSULTATIVE BOARD
(Ref: Minutes of Corporate Management Committee, 7 February 2002, page 808, para. 537)

The Committee had decided on 7 February 2002 to appoint the then Chairman of the Leisure and Environment Committee, or in his absence the Vice-Chairman of that Committee, as a Member of the Joint Waste Strategy Consultative Board for Surrey. The former Chairman of the Leisure and Environment Committee, Councillor C.J. Norman, who was still a Member of that Committee, was willing to continue to serve as a Member of the Board, in order to assist in continuity. The current Chairman of the Leisure and Environment Committee, Councillor R.K. Habgood, supported Councillor Norman continuing to serve as a Board Member. If Councillor Norman was unable to attend any of the meetings it is was agreed that, in his absence, Councillor Habgood, as the current Leisure and Environment Committee Chairman, should attend.

RESOLVED that –

- i) Councillor C.J. Norman continues to serve as a Member of the Joint Waste Strategy Consultative Board; and**
- ii) if Councillor Norman is unable to attend a meeting, the Council be represented by the Chairman of the Leisure and Environment Committee.**

308. CIVIC OFFICES REPROVISION SUB-COMMITTEE - MINUTES

The Minutes of the Meeting of the Civic Offices Reprovision Sub-Committee held on 6 September 2005, attached at Appendix 'G', were noted.

Chairman

(The meeting ended at 9.25 p.m.)