

Runnymede Borough CouncilECONOMIC DEVELOPMENT COMMITTEE17 January 2002 at 7.30 p.m.

Members of the Committee present: Councillors R.K. Habgood (Chairman), J.R. Furey (Vice-Chairman), Mrs P.I. Broadhead, B.A. Clarke, T.T. McGrath, H.W.V. Meares, P.J. Poole and K.J.T. Walmsley

Members of the Committee absent: Councillors E.G. Barrett and Ms C.M. Simmons

484. NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

The Conservative Group had notified the Chief Executive Officer of its wish that Councillor T. Dicks be removed from the membership of the Committee and that Councillor Mrs P.I. Broadhead be appointed in his place for a fixed period ending on the day after the meeting. Thereafter, Councillor Dicks 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.

485. MINUTES

The Minutes of the meeting of the Committee held on 15 November 2001 were confirmed and signed as a correct record.

486. APOLOGIES FOR ABSENCE

Apologies were received from Councillor E.G. Barrett.

487. ANNUAL ESTIMATES 2002/03

Members received and considered the draft estimates for the Committee's services in 2002/03. In particular it was noted that the level of net expenditure on the Runnymede Business Partnership was forecast to be £51,200. The Committee was of the opinion that this represented good value for money. The Partnership had exceeded original expectations and was much valued by both the Council and the business community. Not only did it provide the Council with a better understanding of the issues affecting local businesses and a vehicle for the promotion of the Borough's economic well being, but it had also generated a number of highly successful schemes such as the Business Directory, 'Buy Local' campaign and Travel initiative.

Members reaffirmed the view that a membership fee should not be levied on businesses in view of the practical difficulties of obtaining payment, the modest potential income and the possibility that it would discourage participation. The Partnership continued, however, to attract substantial sponsorship from the business community in support of initiatives such as the Directory and the extremely successful Breakfast Forums. The draft estimates would be amended to reflect this support together with the addition of appropriate service statistics on the Partnership.

The Committee also noted that off street car parking charges had last been revised in 1997. It was therefore agreed that a review of the charging structure should be undertaken during the course of the year.

**RESOLVED that -**

- i) the proposed fees and charges for 2002/03 as set out in Appendix 'A' be approved for implementation from 1 April 2002 or as appropriate; and**
- ii) the draft Revenue Estimates for 2002/03 be approved as submitted and the Corporate Management Committee be requested to make provision accordingly.**

488. AIMS AND TARGETS

(Ref: Minutes of Corporate Management Committee October 2001, page 448, para 288)

Members received an interim report on performance thus far against the Aims and Targets for the Committee's service areas in 2001/02 and gave consideration to the establishment of Aims and Targets for 2002/03 in accordance with objectives contained within the Leader's Position Statement.

The Committee expressed some concern that progress with the environmental improvements proposed as part of the Action Addlestone Initiative had been slower than anticipated. It was noted that this was largely due to staff recruitment difficulties in a very competitive employment market and the refusal of individual frontagers in Station Road to agree to the schemes. The redevelopment of two of the strategic sites in the town had, however, been progressed satisfactorily with the new Tesco store now trading, and Aviator Park having commenced, with the associated highway improvements being substantially completed.

**RESOLVED that -**

- i) the interim progress report in respect of the 2001/02 Aims and Targets be noted; and**

**RECOMMEND that -**

- ii) the proposed Aims and Targets for 2002/03, attached at Appendix 'B', be adopted subject to the insertion by the Chief Executive Officer of key target dates in consultation with the Chairman and Vice-Chairman.**

489. CEMETERY LODGE, ENGLEFIELD GREEN - DISPOSAL

(Ref: Minutes of Housing and Community Services Committee November 2001, page 584, para 362)

Members noted that a request from the Housing and Community Services Committee that Cemetery Lodge, Englefield Green be transferred to a registered social landlord on a long lease had been withdrawn from the agenda. Difficulties had arisen with the funding of the ongoing revenue costs for a scheme to use the premises to accommodate young people who were either homeless or leaving care. Although discussions were taking place between the various agencies involved it seemed unlikely that the project would be able to proceed.

490. ASSET MANAGEMENT PLAN

(Ref: Minutes of Executive Committee 21 February 2001, page 1306, para 669)

The Committee received details of the assessment of the Council's Asset Management Plan (AMP) by the Government Office for the South East (GOSE).

Members recalled that local authorities were now required to submit an AMP to the Government each year as part of the annual assessment of each Council's corporate and service strategies for the purpose of allocating capital finance. Runnymede's initial Plan, which had been approved by the former Executive Committee in February 2001, had received an assessment of 'Room For Improvement'. It was assumed that this equated to a poor rating. The assessment had not been unexpected because, in common with the majority of other authorities, no report had been submitted to Committee on the performance of the property estate by the time of the Plan's submission.

The Committee considered that it was disappointing that Officers had spent considerable time in attempting to comply with a system which appeared to be aimed at large Metropolitan Boroughs and Shire Counties. Typically these authorities would have very many properties for operational and non-operational purposes, often with diverse budgeting, management and control arrangements. The problems to be addressed with such large portfolios were of only limited relevance to Runnymede and other smaller authorities. Furthermore it was felt that the timetable set for complying with the requirements of the AMP had been unrealistic. While the theory was commendable the process took no account of the size of the Authority, its property portfolio or its historic performance. As a consequence the allocation of resources was disproportionate to any benefits which Runnymede might derive from the exercise.

Members noted that a meeting was shortly to be held with GOSE representatives in order to discuss the Plan and examine means of acquiring an improved assessment for the 2002 submission. As the Committee was to receive a report on property performance during the course of this meeting, Officers were confident that Runnymede now met all the 'Primary' requirements and should therefore receive at least a satisfactory rating. The results of a condition survey, which was a requirement of the Property Performance Indicators also due to be considered later in the meeting, would be fed in to a five year corporate planned maintenance programme for Members' approval. In the meantime work would continue on developing the AMP and data collection necessary to comply with the Performance Indicators.

#### 491. NATIONAL PROPERTY PERFORMANCE INDICATORS

The Committee noted details of the National Property Performance Indicators in accordance with the requirements of the Asset Management Plan. The Indicators dealt with the condition and maintenance of property, the provision of the internal rate of return on the Council's investment portfolio, the cost and efficiency of property services provision, the reduction of property revenue running costs over time, year on year energy efficiency and improvements in the delivery of new capital projects against set time/budget targets. Officers were currently working on developing the appropriate data collection and reporting mechanism where they did not already exist and would be in a position to supply the information required with the 2002 Asset Management Plan. A further report would be presented to Committee prior to submission of the Plan to the Government Office for the South East.

#### 492. CAR PARKS ENFORCEMENT COMPUTER SYSTEM

(Ref: Minutes of Executive Committee 4 April 2001, page 1604 para 793)

In accordance with Financial Regulation 5.15 the Committee received details of additional expenditure of £5,400 on the acquisition and implementation of a new car park enforcement computer system. This had arisen largely because of hardware alterations and the need for extra staff training which had increased the cost of the system from £13,500 to £18,900. The overspend had been met from the car parks revenue budget and there was no requirement for any supplementary provision. A report on the nature and scale of car park enforcement activity would be prepared for a future edition of the Members' Bulletin.

#### 493. COMMERCIAL PROPERTY PORTFOLIO

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under section 100A(4) of the Local Government Act 1972 on the grounds that the report would be likely to involve the disclosure of exempt information of the description specified in paragraphs 3, 7 and 9 of Part 1 of Schedule 12A of the Act.

The Committee received details of an external valuation of the Council's commercial property portfolio which would form part of the Asset Management Plan submission in July 2002. Members noted that the total portfolio valuation amounted to £14.284m compared with a figure of £12.66m contained in the Council's accounts. Given that the existing book value had been based on a five year rolling programme of in house valuations it was considered that the exercise had validated Officer judgement. Members therefore felt that there would be no requirement for another external valuation for at least five years, although the Valuer to the Council would continue to report to the Committee annually on the content and performance of the portfolio.

Members noted that the average Internal Rate of Return (IRR) was lower than might be expected of a mixed portfolio but this was accounted for by the fact that 52% of the capital value was represented by secure ground rents which lowered the overall yield. The portfolio was generally performing adequately with returns considerably better than were currently available in the money market. It was especially encouraging that £3.6m of purchases over the previous 18 months were showing an increase of 10% in capital values. Nevertheless, having regard for the current rent, initial yield and IRR for each property Members identified a number of sites where there was potential for specific action. In each case a further report would be provided to Committee at the appropriate time.

**RESOLVED that -**

**Officers be authorised to pursue the action outlined in the report on the agenda and in each instance prepare a report for further consideration by the Committee at the appropriate time.**

Chairman

(The meeting ended at 9 pm)