

Runnymede Borough Council

CORPORATE MANAGEMENT COMMITTEE

Thursday 6 January 2005, at 7.30 p.m.

in the Council Chamber

at the Civic Offices, Addlestone



Members of the Committee

Councillors R.K. Habgood (Chairman), N. Thewlis (Vice-Chairman), J.R. Furey, Mrs L.M. Gillham, P.A. Greenwood, C.J. Norman, Ms. C.M. Simmons, P.B. Tuley, P.J. Waddell and G.B. Woodger

## A G E N D A

Notes:

- i) Any report on the Agenda involving confidential information (as defined by section 100A(3) of the Local Government Act 1972) must be discussed in private. Any report involving exempt information (as defined by section 100I of the Local Government Act 1972), whether it appears in Part 1 or Part 2 below, may be discussed in private but only if the Committee so resolves.
- ii) The relevant 'background papers' are listed after each report in Part 1. Enquiries about any of the Agenda reports and background papers should be directed in the first instance to **Mr. G. Marson, Administration and Leisure Department, Committee Section, Civic Offices, Station Road, Addlestone (Tel. Direct Line: 01932 425625). (Email: gary.marson@runnymede.gov.uk).**
- iii) Agendas and Minutes are available on a subscription basis. For details, please ring Mr. B.A. Fleckney on 01932 425620. Agendas and Minutes for all the Council's Committees may also be viewed on [www.runnymede.gov.uk](http://www.runnymede.gov.uk).
- iv) In the unlikely event of an alarm sounding, members of the public should leave the building immediately, either using the staircase leading from the public gallery or following other instructions as appropriate.

## **LIST OF MATTERS FOR CONSIDERATION**

### **PART I**

#### **Matters in respect of which reports have been made available for public inspection**

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### **PART II**

#### **Matters involving Exempt or Confidential Information in respect of which reports have not been made available for public inspection.**

a) Exempt Information

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(No reports to be considered under this heading)

1. NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

2. MINUTES

To confirm and sign as a correct record the Minutes of the meeting of the Committee held on 2 December 2004, attached at Appendix 'A'.

3. APOLOGIES FOR ABSENCE

4. DECLARATIONS OF INTEREST

If Members have an interest in an item please record the interest on the form circulated with this Agenda and hand it to the Legal Representative or Committee Administrator at the start of the meeting. A supply of the form will also be available from the Committee Administrator at meetings.

Members who have previously declared interests which are recorded in the Minutes to be considered at this meeting need not repeat the declaration when attending the meeting. Members need take no further action unless the item in which they have an interest becomes the subject of debate, in which event the Member must leave the room if the interest is personal and prejudicial.

5. REVENUE ESTIMATES 2005/06 (DF)

1. Members are asked to consider the draft Revenue Estimates for 2005/06.

2. A budget is the expression in financial terms of the Council's policies over the next year and is a statement of intention against which achievement can be compared. The main objectives of budgeting are:

- satisfaction of statutory requirements
- determining the amount which needs to be raised from Council Tax or rents
- assisting in the planning and policy making process
- policy implementation and control
- a means of measurement, and
- strategic planning

3. The report of the Director of Finance containing the draft Revenue Estimates and fees and charges for the services under the remit of this Committee is attached at Appendix 'B'.

**OFFICERS' RECOMMENDATION that -**

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

**(TO RESOLVE)**

Background Papers

Director of Finance's Estimates Working Papers 2004/05 file for Corporate Management Committee (part exempt)

6. LOCAL AUTHORITY FINANCE SETTLEMENT 2005/06 (DF)

1. Purpose of Report

1.1 **The purpose of this report is to inform Members of the details of the 2005/06 local authority finance settlement.**

2. Background Information

2.1 The Government announced the local authority finance settlement on 2 December 2004. This set out the basis on which Revenue Support Grant and Business Rates will be distributed to Councils in 2005/06. These figures are still provisional and are subject to consultation. The final statutory reports will be laid before Parliament towards the end of January.

2.2 The methodology for distributing grant in 2005/06 is a continuation of the arrangements introduced in 2003/04.

2.3 A glossary of terms used in this report appears in Appendix 'C' and a simple guide to the settlement is published on the Office of the Deputy Prime Minister's web site at [www.local.odpm.gov.uk/finance/0506/simpguid.pdf](http://www.local.odpm.gov.uk/finance/0506/simpguid.pdf).

3. Report

3.1 Under the system for distributing Government grant, District Council services fall into one block called the Environmental Protection and Cultural Services (EPCS) block. The Council's formula spending share is the sum of the EPCS calculation and a capital financing element. This is set out in Appendix 'D' showing an abbreviated form of the calculation for all the Surrey Districts. The main features of the system are summarised below.

3.2 Formula Spending Share (FSS)

3.2.1 Runnymede's provisional FSS for 2005/06 will be £10.282 million as shown in Appendix 'D'. The main components are:

- a **Basic Amount** of £74.02 per head of population.
- various **Additive Top-Ups** intended to reflect the particular geographic and social features of the area that will affect the delivery of services.
- an **Area Cost Adjustment** designed to reflect the higher cost of providing services in various parts of the country.
- a **Capital Financing** block that is meant to reflect the cost of financing capital expenditure and the interest earned from investments.

3.2.2 The provisional FSS for 2005/06 is £46,400 more than 2004/05. The main reasons for this increase are:-

	£
• Higher allowances in the formula	153,000
• Reduction in the population figure (78,887 to 78,238)	-70,200
• Reduced allowance for flood defence	-21,900
• Reduced allowance for capital financing and interest earnings	-14,500

***Increase in Formula Spending Share*** **£46,400**

3.2.3 The reduction in the formula allocation for flood defence is to reflect the transfer of responsibility for critical ordinary watercourses from Councils to the Department for the Environment, Food and Rural Affairs (DEFRA).

### 3.3 Formula Grant

3.3.1 **Formula Grant** is the name for the cash that the Council will receive from the Government. The Council's entitlement to Formula Grant is based on its Formula Spending Share. It comprises two elements:-

- **Income from Business Rates**, based on an amount per head of population (for shire districts this amount is £28.88 per head), producing £2,259,800 for Runnymede.
- **Revenue Support Grant**, representing the Council's **Formula Spending Share** less the **Income from Business Rates** and the income it would derive by charging its share of the **Assumed National Council Tax**. The result of this calculation is subject to protection provided by the **Floors and Ceilings** arrangements. The Government has decided that the minimum increase in Formula Grant (i.e. the Floor) will be 2.5% for shire districts. Runnymede will benefit from this protection again in 2005/06, receiving £318,200 more than it would without protection.

3.3.2 The following table shows how the Council's cash entitlement in 2005/06 compares with 2004/05.

Formula Grant from the Government in  
2005/06 compared with 2004/05

	2004/05 £	2005/06 £
<b>Income from NNDR pool</b>	2,148,800	2,259,800
<b>Revenue Support Grant</b>		
- unadjusted entitlement	2,128,800	2,057,900
- uplift to the floor increase	229,300	318,200
<b>Formula Grant</b>	<b>4,506,900</b>	<b>4,635,900</b>

3.3.3 The Formula Grant of £4,635,900 represents an increase of 2.8% on the 2004/05 figure. This is the floor increase of 2.5% plus an adjustment to reflect the fact that civil defence is now supported by formula grant rather than specific grants (plus £21,000) but less an adjustment for the change in responsibility for critical ordinary watercourses (less £5,000).

### 3.4 Assumed National Council Tax

3.4.1 As noted above, the calculation of Revenue Support Grant includes income derived from an assumed level of Council Tax. The Government has based the **Assumed National Council Tax** on a total of £1,099.51 at Band D in 2005/06. The amount included in this figure for shire districts like Runnymede is £181.53.

### 4. Comparison with the Council's Revenue Forecast

4.1 The Revenue Forecast approved by Council in October assumed that the Council would receive Formula Grant of £4.51 million in 2005/06 (i.e. no change from 2004/05).

4.2 The provisional settlement provides for a payment of £4,635,900 in Formula Grant to Runnymede in 2005/06. The proposals therefore represent an increase of £125,900 on the position assumed in the Revenue Forecast.

### 5. Conclusions

5.1 The main features of the 2005/06 settlement are very similar to the current financial year.

- 5.2 Runnymede's Formula Grant will increase by 2.8% in 2005/06.
- 5.3 The latest available figures are still provisional. The final grant settlement figures approved by Parliament will be reported to Committee on 3 February 2005 when the overall budget for 2005/06 will be considered.

**(FOR INFORMATION)**

Background Papers

Local Authority Finance Settlement papers received from the Office of the Deputy Prime Minister.

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

1. The Leader of the Council has prepared the following policy guidance in respect of the revenue reduction exercise.
2. 'As the Officers' report to the Committee on 30 September (Financial Forecast 2005/6 - 2009/10) made clear, if the Council is to maintain its enviable record of financial flexibility, innovation and high quality services, there is a need for a rigorous look at what we do and how we do things.
3. Good progress has been made over the last four/five years, first with a £966,000 revenue reduction target and the current £1m target. However, below inflation grant settlements from Government over recent years mean we have to find the full impact of inflation, additional legislative burdens, increases in certain service needs and quite understandable aspirations for growth in key areas.
4. Throughout these last few years we have successfully sought to minimise the impact to frontline services and that is a credit to Members and staff. Indeed, we have been able to pursue a range of attractive new initiatives. To the £954,000 revised target identified in the Financial Forecast papers, we must add both the need to safeguard against capping (a further £550,000 also identified in the 30 September report) and the deficit funding required as a result of the actuarial review of the Superannuation Fund (£466,000 reported to the December Committee). This totals £1,970,000.
5. I think it is therefore necessary to provide guidance, both to the Policy Committees and senior Managers, as well as our external partners. The following statement is intended to provide policy guidance in any detailed examination of initiatives and particularly what are, in relative terms, not our priorities for the foreseeable future:
  - Financial consequences of withdrawal or service remodelling by others will no longer be picked up by the Council.
  - Services with modest benefit relative to cost of provision will be reduced or withdrawn.
  - Specialist discretionary services capable of being reasonably provided by the private sector will be discontinued.
  - Joint working with partners to achieve service resilience or reduction in unit costs will be vigorously pursued.
  - The key targets and priorities identified in the current series of Service Plans will, wherever possible, have priority call on resources.
  - Changes in demographic and associated social needs/demands will, for the most part, be a key issue in future service reviews and service planning.
  - Our very considerable IT investment (unfortunately often directed by the Government's e-government targets, rather than local service needs) to yield greater savings.

- Review back office arrangements and ensure that what we expect as Members is reduced.
- Maximise our return on assets, save for those occupied by voluntary and charitable groups.
- Discretionary fees and charges (including car parking charges) need to at least reflect the cost of provision and/or comparative tariffs elsewhere.
- Reinvigorate the concept of "create/save" and provide an enterprise fund to pump prime explicitly identified savings or opportunities for additional income.'

**LEADER'S RECOMMENDATION that -**

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

**(TO RECOMMEND)**

Background Papers

None

8. LICENSING COMMITTEE - MEMBERSHIP (DAL)

1. Purpose of Report

1.1 **The purpose of this report is to consider the size and composition of the Licensing Committee in the light of current requirements.**

2. Background Information

2.1 Under the Licensing Act 2003, alcohol licensing in England and Wales is to be transferred to local authorities, alongside a revised regime for public entertainment licensing.

2.2 Between 7 February and 7 August 2005 all existing holders of a Liquor Licence must apply for a new licence to the relevant local authority. New licences issued during this period, however, will not come into effect until November 2005.

2.3 There are over 300 licensees in the Borough who will have to apply for renewal of their licence during a six month period. Not all of these will require a hearing by the Licensing Authority. Under the adopted licensing policy, Officers will determine applications where no representations are made, and some variations and transfers. The Licensing Sub-Committee will determine other applications.

2.4 However, until the transitional period starts, the workload at Sub-Committee level will be unclear. It is simply not known how many applications will be the subject of representations or objections. The Calendar of Meetings assumes a "worst case scenario" with Sub-Committee meetings several days a week from late March to late July.

2.5 At its last meeting Council asked this Committee to review the size of the Licensing Committee and any incidental arrangements.

3. Report

3.1 Officers and Members hope that it will not be necessary to use all of the dates reserved for Licensing Sub-Committee meetings. However, it is best to make arrangements now on the basis that a heavy workload will exist.

3.2 It will be necessary for the Licensing Committee to constitute as many Sub-Committees as possible in order to provide the maximum flexibility and Member availability in conducting hearings. Precise arrangements for this will be discussed at the next meeting of the Licensing Committee.

- 3.3 To reduce the workload on individual Members, and to give the greatest chance of convening appropriate Sub-Committees for all the required hearing days, Members have suggested increasing the membership of the Licensing Committee from 10 to the legal maximum of 15. This requires an amendment to the Constitution and therefore report by this Committee to full Council.
- 3.4 After the initial six month period, when the Council must consider an application from every existing liquor licensee, the Authority will be dealing only with applications for renewals, transfers, etc. It should be possible to reduce the number of Members on the Licensing Committee again and implement a more normal regime for Sub-Committee meetings, although these will still run more frequently than when the Council only handled Public Entertainment Licensing. If the increase in membership is agreed, it will therefore be appropriate to review the need to continue it at the end of 2005/06.
- 3.5 Should the Committee recommend an increase in the membership of the Licensing Committee, it should also consider whether to recommend any particular political split. The political balance rules which apply to ordinary Committees of the Council do not apply to the Licensing Committee, which was set up under separate legislation. Accordingly its membership is in the discretion of the Council without a requirement to reflect any particular political balance. By the same token, changes to membership have to be effected by full Council and cannot be dealt with as substitutions at the request of political groups. This is another reason why a larger Committee will be helpful at a time of heavy workload.
- 3.6 Although there is no legislative requirement for political balance, the Council has previously taken the view that it is helpful to have every party represented on the Licensing Committee and to include minority group representation where possible on the Sub-Committees. The current split of membership on the Licensing Committee is seven Conservative, two Runnymede Independent, and one Labour. This is a slightly higher representation of minority groups than would have resulted from a strict application of the political balance rules. The Committee is asked whether it wishes to make any recommendation to Council about the membership proportions for an enlarged Committee. Members should note that even if the current proportion of minority group Members is maintained or increased, this does not guarantee that it will always be possible to constitute a Sub-Committee with minority group representation. In dealing with the practicalities of arranging licensing hearings, Member availability will play a major part.
- 3.7 Notwithstanding the desirability of reflecting the full membership of the Council so far as possible in the composition of the Committee and Sub-Committees, Members will appreciate that decisions on licences will be subject to legal and procedural requirements, including a duty to act fairly and impartially, and that the political affiliation of individual Members should play little or no part in decisions.

#### 4. Resource Implications

- 4.1 It still remains to be seen whether the income from licence fees will cover the Council's administrative costs.
- 4.2 Although new posts have been created in the Environmental Protection Division of the Technical Services Department there will inevitably be some additional opportunity costs represented by the time of Members and various other Officers. This will be monitored.

#### 5. Council Policy

- 5.1 "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". (Leader's Position Statement, 2004/05, page 16, paragraph 8.1.4).

#### **OFFICERS' RECOMMENDATION that –**

**the membership of the Licensing Committee be increased to fifteen with effect from the meeting of the Council in February 2005, and Council nominate Members for the additional places.**

**(TO RECOMMEND)**

**THE COMMITTEE IS ASKED -**

**whether it wishes to make any recommendation to Council regarding the representation of different political groups on the enlarged Committee.**

**(TO RECOMMEND)**

Background Papers

None.

9. INTERNET INTRUSION PROTECTION (CEO)

1. Purpose of Report

1.1 **The purpose of this report is to inform Members of the increasing risk of attempted illegal penetration of the Council's computer network and to seek approval of the procurement of new software to minimise the risk.**

2. Background Information

2.1 The prevention of unauthorised access to the computers on the Council's network has a high priority for the Authority. The network is protected by firewalls which in general block access to the site for unknown users and computers except in two areas where communication is necessary; the receipt and delivery of e-mail and permitting the public access to the Web site.

2.2 E-mails sent to the Council are rigorously scanned by virus checking software kept up-to-date on an hourly basis. They are also filtered to remove unwanted junk mail, obscene messages and images and racist material.

2.3 Anyone with access to the internet is able to load Runnymede OnLine and fill in forms giving the Council information, allowing them to make payments using a credit or debit card and permitting them to search the site through the currently rudimentary search facilities.

2.4 This access is controlled by basic software intended to prevent users gaining access to machines on the network other than the Web server or running commands or programs on the Web server. This has been effective to date but is being overtaken by more sophisticated "hackers" seeking to compromise networks.

3. Report

3.1 The present filtering arrangements on the area of vulnerability identified do not analyse incoming traffic in sufficient detail to identify some of the newer more sophisticated attackers. What is increasingly required is the ability to analyse application traffic and block attacks. This will protect applications from both internal and external threats. It is important that the Council protects its information and minimises the risk of hackers implementing sophisticated attacks to steal, modify or delete critical information. Typically, attacks are now coming from code hidden in requests for web pages.

3.2 As the amount of traffic on the Web site increases and it becomes a truly transactional site the level of risk incurred using the present arrangements will similarly increase and quickly become unacceptable. A solution that analyses and filters this kind of traffic is therefore proposed.

3.3 As it is important that the Council's total security solution retains its integrity it is proposed that the present arrangement, whereby one company is responsible for all the firewalls and filtering elements while completely separate companies are engaged to test the resilience of the security solution, is retained.

3.4 The company at present responsible for the security applications markets a product that will address the problem identified. It is proposed that this product is added to the Council's

armoury. It is essential that the product is sourced from the existing supplier for reasons of compatibility and security. This will require the waiver of the requirement in Contract Standing Orders to seek competitive tenders or quotations.

4. Resource Implications

- 4.1 The product identified can be procured at a cost of £5,000 including installation and testing. It can be loaded on one of the machines that would be decommissioned as it is running the existing intrusion solution. Maintenance and support would cost 15% per annum or £1,500 for three years if ordered in advance.

5. Conclusion

- 5.1 In order to retain the present high levels of security against intrusion on the Council's network there is a need to purchase a suitable solution. As this level of security is required because of the Council's pursuit of its Implementing Electronic Government (IEG) objectives it is proposed that the cost is met from the IEG3 grant.

**OFFICERS' RECOMMENDATION that -**

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

**(TO RESOLVE)**

Background Papers

None

10. TELEPHONE SWITCHBOARD UPGRADE (CEO)  
(Ref: Minutes of Corporate Management Committee, November 2003, page 926, para. 443)

1. Purpose of Report

- 1.1 **The purpose of this report is to seek approval for additional expenditure incurred as part of the upgrade to the telephone switchboard.**

2. Background Information

- 2.1 In November 2003 this Committee approved an upgrade to the telephone switchboard at a cost of £25,700 in order to achieve a number of objectives, namely to:
- a) upgrade the operating system of the switch so that it would stay on a maintained release of the software and enhancements could be made to its functionality;
  - b) improve the facilities in the Benefits section so that they could properly manage calls into the section and both improve efficiency and the service to the public;
  - c) provide a comprehensive internal directory holding external numbers so that the switchboard operators could more effectively manage calls that should be handled by other, often partner, agencies;
  - d) permit the installation and evaluation of software suitable for the new Civic Offices (ip telephony);
  - e) install a call monitoring package within the switch itself to more efficiently monitor the use of all aspects of the internal phone system.

2.2 To achieve these objectives the additional modules and software upgrades were identified and on the basis of these prices this Committee approved the work.

### 3 Report

3.1 The upgrades envisaged have now been installed and each of the enhancements envisaged above have been realised. In particular the enhanced facilities within the Benefits section are leading to much better control of calls with the public and allow the supervisor to manage the time of staff more effectively, the enhanced directory facilities within the switch are allowing the switchboard operators to be more efficient in connecting callers with the correct extension or external number and the enhanced telephone logging facility is allowing a clearer profile of the use of telephony within the Council to be closely monitored.

3.2 However, in carrying out the upgrades two serious problems emerged. The supplier had not identified the full impact of the upgraded software in two key areas that would have a substantial impact on the way the Council uses the switchboard.

3.3 The first of these concerned use of the telephones at the Depot. The supplier did not identify that upgrading the operating system at the Civic Offices would impact the use of the telephones at the Depot and, as a result, immediately after installation handsets at the Depot "froze" periodically. This problem was resolved by the supplier who reconfigured part of the system so that some incompatible facilities were not used. This workaround has proved stable.

3.4 The second problem was more fundamental. The voice mail facility proved not to be compatible with the upgraded operating system and in its turn required upgrading to the latest release of software. As voice mail is an essential part of the working of the Authority this was authorised immediately so that there was minimal disruption to the work of departments providing a service to the public. Negotiations were instigated with the supplier with a view to getting them to offset this unexpected cost but as the licences are sourced from a third party this has not proved possible.

### 4. Conclusion

4.1 In order to achieve the objectives of the original report it has been necessary to spend an additional £7,500 on upgrading the voice mail system. It is therefore proposed that this be funded from the IEG grant in the same way as the original proposal.

#### **OFFICERS' RECOMMENDATION that -**

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

#### **(TO RESOLVE)**

#### Background Papers

None

### 11. PERSONNEL SERVICES MEMBER WORKING GROUP – MINUTES

The Minutes of the meeting of the Personnel Services Member Working Group held on 11 November 2004 are attached at Appendix 'E'.

#### **(FOR INFORMATION)**

#### Background Papers

None

12. INFORMATION STRATEGY MEMBER WORKING GROUP - MINUTES

The Minutes of the meeting of the Information Strategy Member Working Group held on 2 December 2004 are attached at Appendix 'F'.

**(FOR INFORMATION)**

Background Papers

None

13. EXCLUSION OF PRESS AND PUBLIC

**OFFICERS' RECOMMENDATION that -**

**the press and public be excluded from the meeting during discussion of the following report under Section 100A(4) of the Local Government Act 1972 on the grounds that the report in question would be likely to involve disclosure of exempt information of the description specified in paragraph 7 of Part I of Schedule 12A of the Act.**

**(TO RESOLVE)**

**PART II**

**Matters involving Exempt or Confidential Information in respect of which reports have not been made available for public inspection**

**a) Exempt Information Para**

14. WRITE OFFS 7

**b) Confidential Information**

(No reports to be considered under this heading)