

Runnymede Borough Council

CORPORATE MANAGEMENT COMMITTEE

Thursday 3 March 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**

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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 3 February 2005.

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. SURREY PENSION FUND (DF)

(Ref: Minutes of Corporate Management Committee, December 2004, page 473, para. 379)

1. Purpose of Report

1.1 **The purpose of this report is to:**

- i) **provide further information about the Actuary's valuation of the Surrey Pension Fund at 31 March 2004; and**
- ii) **consider the case for making a further lump sum contribution to the Surrey Pension Fund.**

2. Background Information

2.1 The Surrey Pension Fund is administered by Surrey County Council on behalf of all the Councils in Surrey and other public sector bodies, such as further education colleges, as required by the Superannuation Act 1972.

2.2 Under the rules of the Local Government Pension Scheme, staff make a statutory contribution of 6% of their pay to the Pension Fund. The employer's contribution to the Fund is based on an actuarial calculation of the amount required to meet future liabilities of the Fund. Since 1995 the Actuary has calculated the position for each contributing body separately.

2.3 The Actuary is required to value the Surrey Pension Fund every three years. The Fund was last valued by the Actuary in 2001 using a valuation as at 31 March 2001. This information enabled the Actuary to determine the level of contributions required from each contributing authority for 2002/03, 2003/04 and 2004/05.

2.4 The 2001 actuarial valuation showed the following position for Runnymede:-

Funding level	84%
Deficit	£5,729,000
Contribution rate	166% of employees' contribution (i.e. 9.96% of pensionable pay)
Deficit contribution	2002/03: £587,000
	2003/04: £598,000
	2004/05: £608,000

2.5 The Council made a lump sum contribution of £5,729,000 in the 2002/03 financial year to reduce its share of the deficit, thereby removing the need to make annual deficit contributions in 2003/04 and 2004/05. This was the second occasion on which the Council had made a lump-sum contribution. A payment of £5,838,000 had previously been made in 1996/97 with a similar intention of eliminating Runnymede's share of the deficit.

2.6 An initial report on the likely outcome of the actuarial valuation was made to the Committee on 2 December 2004. A subsequent Surrey County Council report (to the County Council's Audit and Governance Committee), explaining the outcome of the actuarial review, was circulated to all Members of this Council. The draft Actuarial Report has now been circulated by the Actuary and a copy has been placed in the Members Room.

2.7 Following consideration of the last report on 2 December 2004, the Committee resolved that the Director of Finance report back to a future meeting of the Committee with a full analysis of the reasons for the deterioration in the funding level of Runnymede's share of the Surrey Pension Fund.

3. Report on the 2004 Actuarial Valuation

3.1 The valuation at 31 March 2004 just completed by the Actuary will determine the level of contributions over the next three years. The position for Runnymede may be summarised as follows:

- a funding level of 82.9%, representing a net deficit of £7.4 million.
- an employer's contribution for the next three years of 12.5% of pensionable pay.
- additional annual contributions to eliminate the deficit over the next 20 years, originally specifying an annual payment of £441,000 but now amended so that these are phased in, requiring nil in 2005/06, £220,500 in 2006/07 and £441,000 in 2007/08.

3.2 Extracts from the Actuary's report are reproduced at Appendix 'A'. These show:

- an analysis of the deficits for the County and Surrey Districts; and
- an analysis of the contribution rates required from the County and Surrey Districts for future employee service and funding the accumulated deficit.

3.3 As reported in December, the Actuary's analysis shows that Runnymede's funding level has reduced from 84% to 82.9% in the last three years. The most significant reason for the reduced funding level has been that investment performance has not achieved the returns anticipated in the 2001 valuation. The table below shows the main reasons for this change compared with the position for the Pension Fund as a whole:

<b>Table 1: Change in Funding Level 2001 to 2004</b>		
	<b>Fund as a whole</b>	<b>Runnymede</b>
	<b>%</b>	<b>%</b>
<b>Funding Level 2001</b>	<b>70.8</b>	<b>84.1</b>
Change in actuarial assumptions	-3.4	-4.3
Investment performance	-10.1	-12.3
Salary increases	-2.3	-1.1
Pension increases	1.3	1.2
Contributions paid	4.9	14.3
Demographic experience	1.9	0
Miscellaneous	-0.2	1.0
<b>Funding Level 2004</b>	<b>62.9</b>	<b>82.9</b>

3.4 The issues raised by the valuation result, on which Officers have been seeking further information, are:

- has Runnymede received the full benefit for making a lump sum contribution of £5.7 million at a time when stock market values were low?
- has the valuation taken account of the transfer of the Highways Agency or is Runnymede still bearing the cost of some former agency staff?

The following paragraphs deal with these issues in more detail.

### ***Lump Sum Contribution made in 2002***

- 3.5 Following the last actuarial report, the Council started making monthly backfunding payments which were calculated to extinguish the 2001 deficit over a period of thirteen years. Six payments were made totalling £293,500. However, in September 2002 this Committee decided to make a lump sum payment of £5,729,000 which was intended to return Runnymede's element of the fund to 100% funded. The lump sum contribution was made in three instalments between October and December 2002.
- 3.6 The lump sum contributions were made at a time when the stock market was reaching the end of its 'bear run' and in hindsight Officers considered that there were prospects of achieving a good return for the Council as the stock market recovered some of its lost ground. However, the initial results of the actuarial valuation reported to the Committee in December revealed a larger deficit than had been anticipated, partly because Runnymede's share of the fund assets were lower than expected. Taking Runnymede's share of the fund assets at the 2001 valuation as the starting point (£30.2 million), Officers have attempted to calculate a broad allocation of cashflows during the intervaluation period and this has produced an asset share for Runnymede in 2004 of £37.4 million. The Actuary has calculated the asset share in a different way. He has analysed the experience of each employer between 2001 and 2004 and compared this with what was projected when contributions were last set in 2001. He has then calculated each employer's liabilities (for Runnymede this has been assessed at £43.2 million) and deducted from this figure the difference between actual employer experience and the 2001 projections, producing an asset figure for Runnymede of £35.8 million (i.e a deficit of £7.4 million).
- 3.7 In theory, the way in which the Actuary has calculated Runnymede's asset share ought to produce the same answer as the analysis of cashflows. Officers suspect that it is different because it is not as sensitive to the timing of transactions as the cashflow approach. However, Officers also recognise that their calculation may not have included all the actuarial assumptions. This is currently being reviewed with the Actuary in order to reconcile the difference.

### ***Former Highways Agency staff***

- 3.8 At the time of the last actuarial valuation in 2001, the Council was still operating the Highways Agency on behalf of Surrey County Council. The staff employed to discharge this function were employees of Runnymede Borough Council and would have been taken into account in the Actuary's calculation of the Council's deficit. Further clarification is still being sought from the Actuary and will be reported verbally if received prior to the meeting.
- 3.9 The County Council terminated the agency arrangements and assumed direct responsibility for the discharge of all highways activities with effect from 1 April 2002. Most of the staff employed by the Council on the highways agency were transferred to the County Council under the TUPE arrangements. The following table summarises the staff changes (excluding the Highways DSO redundancies):-
- |  |    |
|--|----|
| Transferred to Surrey County Council under TUPE March 2002     | 10 |
| Retired on the grounds of ill-health                           | 1  |
| Appointed to Surrey County Council establishment December 2001 | 1  |
| Transferred to Surrey County Council May 2001                  | 1  |
- 3.10 The Actuary has made no adjustments in the valuation for these changes. Bearing in mind that each employer's liabilities are based on the position at 31 March 2004, it can be argued that this is not required. However, Officers believe that an adjustment is necessary for the following reasons:-

- i) The fact that there is a deficit on the Fund means that employers' contribution rates in previous years have been understated. This means that the reimbursement that the Districts received from the County for operating the Highways Agency was understated. The Council is therefore carrying a liability for the former employment of staff on highways agency work.
- ii) None of the backfunding contributions made since the 1995 valuation have been allocated to services on the grounds that these payments were paying for the deficit on past service rather than the current cost of employing staff (so none of these costs were reimbursed by the highways agency agreement). The Council's decision to make a lump-sum contribution of £5.8 million in 1996/97 means that its share of the pension fund assets was proportionally higher than the County Council's. Officers believe that the way in which the Actuary calculates the deficit has had the effect of reallocating part of Runnymede's higher asset share as a result of staff transferring to the County Council.
- iii) Officers fear that the last point may also apply to the lump-sum contribution that was made in 2002. Although the payment of £5.7 million was made after the termination of the highways agency agreement, without the timing of this contribution being factored into the calculation, Officers believe that because former Runnymede staff are now employed by the County Council, a proportion may have been reallocated.

3.11 At the time of writing this report, Officers are still attempting to clarify and resolve these issues.

#### 4. Report on the Case for Making a Further Lump Sum Contribution

4.1 At the meeting of the Committee in December 2004, Members expressed the view that the Council ought to consider the case for making a further lump-sum contribution to the Pension Fund in order to extinguish the Council's share of the deficit. The actuarial valuation at 31 March 2004 shows that a payment of £7.4 million would be required to make Runnymede 100% funded.

4.2 Until the Council can be satisfied that its lump-sum contributions are only going to benefit Runnymede, Officers cannot recommend making further lump-sum payments.

4.3 Officers also consider that the Council's resources shown in the Financial Forecast over the next five years do not provide sufficient flexibility to fund a lump-sum payment. The Council's revenue reserves are declining because they are being used to reduce the budget requirement that is funded by the Council Tax. Capital receipts are also declining and the latest forecast (reported to the Committee in the Budget Report) shows that the available balance at the end of 2009/10 will be £605,000. At this stage, therefore, Officers are of the view that the Council's resources should not be used to fund a lump-sum payment to the Pension Fund. Clearly, the position can be reappraised if the Council is able to generate additional capital receipts.

#### 5. Resource Implications

5.1 The 2005/06 budget recently approved by Council includes the increased costs of current pension provision together with a back funding contribution of £441,000. Since the budget was produced, following discussions with Officers, the Actuary has amended the back funding contribution so that this is phased in over 3 years. If the Council chooses to make no backfunding contribution in 2005/06, in line with the Actuary's latest draft valuation report, this will increase the Council's deficit in future. Therefore, at this stage Officers remain of the view that the Council should make a backfunding contribution of £441,000 in 2005/06 in line with the approved budget.

6. Legal Implications

- 6.1 The Local Government Pension Scheme Regulations 1997 require the Actuary to report every 3 years on the value of the Surrey Pension Fund. The Council is required to make employer's contributions to the Fund in accordance with the Actuary's certificate.

**(FOR INFORMATION)**

Background Papers

Surrey Pension Fund – Draft Actuarial Valuation at 31 March 2004  
Surrey Pension Fund – Annual Report 2004  
Director of Finance's file on the Surrey Pension Fund (file ref. 48)

6. LOCAL GOVERNMENT PENSION SCHEME - CONSULTATION PAPER (CEO)

1. Purpose of Report

- 1.1 **The purpose of this report is to inform Members of proposed changes to the Local Government Pension Scheme (LGPS) and to seek endorsement of a response to a Government Consultation Paper.**

2. Background Information

- 2.1 Members will be aware of the growing concerns about the future viability of pension schemes in both the public and private sectors.

- 2.2 The LGPS is a long established statutory scheme providing a much valued index linked final salary pension. In a report in the Financial Times on 4 January 2005, 70% of private sector final salary schemes are quoted as being now closed to new members.

- 2.3 There are a number of reasons that have contributed to the current pensions crisis:

- Under performance of some fund investments (including Surrey's).
- Increased longevity, resulting in pensions being paid for a longer term.
- Government removal of corporation tax benefit.
- Scheme funding levels reduced to finance other initiatives - in local government, the introduction of the Community Charge was part funded by Government recommending reduction of funding levels of the LGPS to 75%.
- Employers taking contribution holidays (primarily in the private sector).

- 2.4 In a first stage of a 'stocktaking' exercise, the Government is introducing changes to the LGPS with effect from 1 April 2005. These include:

- Increasing the minimum age of early retirement (other than for ill health) from 50 to 55.
- Removal of the '85 year rule' whereby scheme members could have retired from age 60 subject to having a minimum of 25 years pensionable service.

- 2.5 Protection rights apply to certain older current scheme members. However, unlike private schemes where there is normally a contractual obligation to honour terms for existing scheme members, these changes will be applied across the board by legislation, and generally existing members will see their terms and benefits changed unilaterally.

- 2.6 A debate on the next tranche of change to the LGPS was launched by the Office of the Deputy Prime Minister (ODPM) in October 2004. The paper was called: "Principles and propositions for an affordable and sustainable Local Government Pension Scheme". Details can be found at <http://www.Xoq83.dial.pipex.com/gpfva.htm>. The ODPM is inviting

comments by 31 March 2005.

### 3. Report

#### 3.1 The proposals are summarised below:

- a) Change would be effective from 1 April 2008. All those then in the LGPS would transfer into a new Scheme, with an equal value period of membership. Pensioners and deferred benefits would remain as under existing Regulations.
- b) Ministers have expressed their commitment to retaining a defined benefit final salary arrangement which is relevant to the local government workforce provided that it remains both affordable and sustainable.
- c) Normal scheme retirement age would remain at 65.
- d) Any benefits paid before this age would be actuarially reduced, except for ill-health. A premature retirement (outside the employee's control) would be unreduced, provided they are 55+. Access to pension on redundancy would only be possible where a statutory entitlement to a redundancy payment arose.
- e) Work beyond 65 would result in actuarially increased benefits. There would be no limit on the number of years of contributing employment.
- f) Benefits would accrue at 1.6% per annum (as opposed to the current 80ths). After 40 years service, a Scheme member would receive a pension based on 64% of their salary.
- g) Benefit on retirement would not automatically include a lump sum. But, to provide one, part of the pension could be commuted at a rate of £12 for every pound of pension forgone.
- h) Basic salary alone would be "pensionable pay".
- i) Flexibility at career-end would be provided to give a more gradual approach to retirement. An employee could work part-time and draw some pension. Pension would be "fair" when an employee steps down into a less responsible role at careers end. This measure requires change to the Tax Regime - which is being planned.
- j) Ill-health benefits would be two tiered. If other employment was possible, benefit would be less. The non-payment of benefit in these circumstances is discussed in the paper.
- k) Up to 50% of members' pension (after any lump sum commutation) would be payable to widows, widowers, and partners, with 25% to surviving children. Where the partnership is registered (as provided by the Civil Partnership Act 2004) the registered partner of an employee would benefit. The position of "co-habiting partners" is discussed in the paper.
- l) Death in service would increase from two times to three times annual pensionable pay.
- m) Employee contributions would be an average 7%, but would be graduated according to pay level. Currently the level is 6% of gross pensionable pay, but in reality (after tax relief) it varies in actual (net) terms from 6% where £3,000 p.a. is earned, to only 3.6% where the salary exceeds £72,000 p.a. The ODPM proposes ensuring that higher earnings (defined as £144,000 p.a.) contribute 6% in actual terms, with a contribution rate of 10% (assuming tax relief rules are unchanged). Others would make a graduated contribution - all in real terms less than 6% - with contribution rates headlined at 2.5% (where annual salary is up to £5,000 p.a.), 5.5% (up to £7,000), 7% (up to £38,000) and 9% (up to £80,000). The idea that a higher earner would pay a different rate on a proportion of their earnings up to their maximum is dismissed as requiring higher percentages overall.

- n) Short-term\* employees (and possibly casual workers\*\*) would need to proactively opt into the LGPS; the employers' presumption could be that they stay outside. (\*The ODPM thinks "short-term" is under three months. \*\*The ODPM seems to presume case law will eventually compel these into the Scheme, if longer term employed).
  - o) Additional contributions could secure additional benefit.
  - p) Premature retirees would no longer be treated to the possibility of added years. Alternatives are discussed in the paper.
  - q) Estimated costs of a changed Scheme are 21% of payroll (employee 7%, employer 14%).
- 3.2 Members may be aware of UNISON's actions in drawing attention to its concerns about these proposals. It has identified 'defence of pensions' as one of its campaigns, and its members are to be balloted on industrial action.
- 3.3 The comments set out in bold and italics below are proposed as a response from this Authority to the Consultation Paper:

***Whatever the outcome of this review, a main concern remains the ability to meet the cost of the pension promise, and the effect of this upon the Authority's financial position in the foreseeable future. Due to falling funding levels of the County Pension Scheme, 2005-06 is seeing further major demands being made upon scarce financial resources. While we welcome a review of the LGPS that will address the issues of underfunding, we are concerned that such a review is proposed to result in additional costs falling upon employers and would not support such a proposition.***

- 3.4 ***Nonetheless, Government Ministers' adherence to a final salary pension scheme is welcomed. This is a most valuable resource needed in order to continue to recruit and retain staff.***

3.5 **Effective date**

***We note the proposal is that the change will be effective from 1 April 2008, and that it will be (as has been the case before) a transfer from old terms into new at that date for all within purview. We wonder whether that is wise; will it not result in a major surge into retirement of those aged 60 before that date, and consequent immediate strain on Pension Funds? Would it not be possible to retain in force the "old" Regulations for those with longer service, thus not discouraging them from continuing at work? Could this not run alongside the new regime for those at an earlier stage of their career? We have to accept that in the current pension environment, we may be losing from longer serving staff their trust in our ability to deliver the pension promise. They may respond by taking certainty in 2005-07, rather than await uncertain change in 2008.***

3.6 **Normal Retirement age to be 65**

***We welcome and support this. Benefit should normally be payable at this age, but the employee who chooses to retire at the age of 60 should continue to be able to do so on actuarially reduced benefits.***

3.7 **Benefits at 55+**

***We support the earlier raising of the minimum age for premature benefit to 55. We think the Scheme itself should not be used to provide compensation for those made redundant, separate discretionary powers should be created for this purpose that are not a drain on pension funds.***

3.8 **Work beyond age 65**

***We support a change to the LGPS which would make this an attractive option.***

**3.9 Benefits after 40 years = 64% of final salary and no lump sum**

*This proposal, whilst providing greater flexibility, requires a scheme member to calculate his/her longevity, and to do that successfully will be a lottery. Many staff look to the lump sum to settle mortgage commitments before retirement. The proposal is therefore one that raises real concerns. If its longer-term benefit can be demonstrated to spread the strain upon pension funds over a longer period, then it would demonstrably help to deliver the pension promise, and this Authority could support it.*

**3.10 Basic salary alone would be pensionable pay**

*This proposal would disadvantage a number of staff who currently have regular allowances and supplements included as pensionable pay. This Authority would prefer the retention of employer flexibility in determining the elements that are counted as pensionable pay.*

**3.11 Flexibility at career-end**

*We welcome the proposal that will enable phased retirements. We note, however, that changes to the Tax Regime are still required before anyone could sensibly invoke the proposed provision. We trust that this is being addressed by H.M. Treasury.*

**3.12 Ill-health retirement**

*We strongly support the provision for a two tier system whereby on retirement, the Occupational Health Physician, supported by a second opinion certifies that the retirement is on permanent ill health for: a) that type of work, or b) all future employment. The former would receive a lump sum payment and deferred pension benefits, the latter would receive an immediate pension with enhanced service. The proposal for future/ongoing reassessment is impractical.*

**3.13 Widows/widowers, children's benefits**

*We support the proposals made, the continuation of the current regime for widows/widowers and children's' benefits, plus the inclusion of parallel benefits to the surviving partner of a registered partnership (as provided by the Civil Partnership Act 2004). We feel that the latter should be post enactment in 2004, but we come to that conclusion on the grounds of (a) reducing strain on the pension funds, and (b) that the Regulations must observe the law, but not necessarily spend public funds unless required. The discussion in the paper around cohabiting partners suggests a potential minefield in looking into relationships, multiple partnerships and identifying periods of cohabitation with consequent entitlements. Since the Civil Partnership Act satisfactory solutions are now provided, and in conforming to its provisions the LGPS will have gone far enough for the foreseeable future.*

**3.14 Death in service**

*We support the proposed increase from two times to three times annual salary. The LGPS life-insurance element can be of great assistance at the time of bereavement in meeting costs. Until recently this Authority offered a life assurance scheme for staff to supplement provisions in the LGPS. This facility was deemed to be unlawful and regrettably had to be withdrawn. This proposal would effectively reinstate this benefit. We do not support the withdrawal of the short term widow/er pension. This is a much valued payment that is made for a period of three months direct to the surviving spouse whereas the life assurance lump sum is paid to the deceased's estate. Its withdrawal would have an insignificant effect on pension funds but a potentially very significant effect on surviving spouses.*

**3.15 Employee contribution**

*The proposal to increase employee contributions is welcomed. However, the proposed methodology is complex and flawed. The LGPS should not be used to*

*overcome anomalies in the taxation system. We would support an across the board simple increase of contribution rate from 6% to 7% - actions to redress Inland Revenue anomalies should be referred to H.M. Treasury to resolve.*

**3.16 Short term employees**

*We need stability in this matter, and firmly writing it into the new Regulations and leaving it unchanged for a period of years would be helpful. We are, however, concerned at the equalities implications. Excluding short-term employees is certainly administratively less burdensome, and avoids the wastage of frequently taking people into and out of the Scheme. A provision that where short-term employment subsequently develops into longer term employment the employee later has a choice as to whether the initial period of employment can become reckonable service may meet the equalities point.*

**3.17 Additional contributions could secure additional benefit**

*We believe that while this is a good idea in principle, it will result in an unmanageable, administratively burdensome and therefore costly arrangement. The LGPS should concentrate on providing a lump sum on retirement, pension, life insurance and dependants' protection. These are the core benefits that are valued by staff.*

**3.18 Premature retirement**

*Under the LGPS there should be retained a provision for a premature retirement in circumstances other than redundancy (currently 'In the interests of the efficiency of the service'). Employers should be given discretionary powers to grant such retirements on similar terms to those that exist currently. This would continue to provide Authorities with much needed flexibility to meet changing staffing requirements. As at present, Authorities should continue to meet the cost of actuarial based strain on the pension fund.*

**3.19 The cost to employers**

*We reiterate that the chief concern is the cost, and the need to cap the cost of delivering the pension promise. The provision of certainty and stability for a period of years is highly desirable. However, the estimated employer cost quoted in the consultation paper (14% of payroll) represents a 1.5% increase to this Authority on current cost and as such is not supported.*

**3.20 Consultations**

UNISON is being consulted on this matter at national level.

**OFFICERS' RECOMMENDATION that -**

**the comments set out above be submitted to the ODPM as this Authority's response to the consultation paper.**

**(TO RESOLVE)**

Background Papers

Facing the future - Principles and propositions for an affordable and sustainable Local Government Pension Scheme ODPM Green Paper October 2004

7. PROPOSALS FOR REVENUE REDUCTIONS 2005/06 – 2006/07 (CEO)  
(Ref: Minutes of Corporate Management Committee 30 September 2004, page 336, para. 244 and January 2005, page 585, para. 437)

**1. Purpose of the Report**

- 1.1 The purpose of this report is to seek in principle agreement to the proposed revenue reduction initiatives and authorise Officers to pursue the initiatives in the required timescale.**

## 2. Background Information

- 2.1 The need for further revenue reductions has been acknowledged in the Five Year Financial Forecast considered by this Committee on 30 September and subsequently approved by Council. This is notwithstanding the very considerable progress made in earlier revenue reductions over the last three years.
- 2.2 Inevitable growth items, greater legislative burdens, a continuing wish to meet residents' aspirations, below inflation grant settlements from Government and the deficit funding of the Superannuation Fund have, however, put upward pressure on the medium term financial strategy.
- 2.3 The Leader of the Council's policy guidance, recommended by this Committee in January 2005, and due to be considered by the Council at its meeting on 8 March, sets out the principles that should be followed in subsequent reduction exercises. Essentially Officers are asked to have regard to demographic, social and technological trends, as well as actions by others in examining reviews of services and office processes. These will often, quite properly, drive service changes, but there has been a presumption, in proposing revenue reductions, that whenever possible services and policy priority areas are safeguarded.
- 2.4 As has been very adequately demonstrated in last year's forecast papers and the budget material considered at the last meeting of this Committee, Runnymede's budgeted spend per head of population in 2004/05 (at £157 per head) is the highest of all Surrey Districts and this has been achieved whilst taxing the least.
- 2.5 The General Fund policy initiatives of a discretionary nature explicitly pursued by Members over the last twelve years include Safer Runnymede, community services for older people (including the running of five Day Centres, of which two were newly built), new social centres (Hythe and Addlestone), town centre improvements/environmental schemes (Chertsey Revitalisation, Egham High Street and Action Addlestone), recycling, major grant programmes for voluntary/charitable sectors, land drainage projects, safeguarding/purchasing large areas of threatened Green Belt and amenity lands and multi-play areas for young people, together with holiday play schemes.

## 3. Report

- 3.1 The following table outlines the proposed areas of revenue reductions:

(i)	Restructuring -	£
	Committee and DAL administration – (1 fte) Annual Personnel Report refers	50,000
	Leisure Division - (1 fte) Annual Personnel Report refers	35,000
	Egham Sports Centre recovery plan	50,000
(ii)	Re-engineering savings –	
	DMS/Workflow related	15,000
	Review of WP resources	15,000
	CMS introduction and IT review	8,000
	Greater use of SurreyJobs info – e recruitment (saving in media adverts)	15,000
	Reduced printing volumes through greater electronic usage	2,000
	Telephone canvas usage for electoral registration and auto distribution	7,000
	Greater electronic distribution – agendas and press cuttings and Information Directory	3,000
	Greater use of direct debit and online payments with closure of cash office	50,000

(iii)	Procurement –		
	Potential <u>minimum</u> savings following new post, etc		50,000
	Consequential additional rental income following depot rationalisation		10,000
	Renegotiation of telephone tariffs		2,000
	Meals – new contract savings		20,000
(iv)	Property Related Betterment –		
	(a) Rental income above that anticipated:		
	Rent reviews (potentially)	25,000	
	Larger Yellow Bus usage at Depot	15,000	
	Literary Institute, Egham – achieve some rental replacement for Bournewood	10,000	
	Station Road, Addlestone – flats	10,000	
	Precinct, High Street, Egham – share in rental uplift secured by long lessee	10,000	
	Other (including existing telecoms masts)	<u>15,000</u>	95,000
	(b) Additional capital receipts:		
	Blays Lane, Englefield Green	)	
	Barrsbrook Farm – site of former buildings only	)	
	Ferndale Avenue, Chertsey	)	circa £6,350,000
	Virginia Water Station	)	
	Covenants and easements	)	
	Electricity sub stations	)	
	Therefore revenue betterment assuming 5.0% investment income		305,000
(v)	Grant Aid –		
	Cash limiting – post 2007/08		10,000
	Reduction in grant to Magna Carta Trust, etc		3,000
(vi)	Miscellaneous items -		
	Delete corporate enforcement provision		10,000
	Reduce specialist consultancy provision for environmental assessments		20,000
	Delete corporate traveller removal expenses (separate provision in Planning budget)		5,000
	Rephasing of land drainage special works		50,000
(vii)	Discretionary fees and charges –		
	Planning – rise in fee scales		20,000
	Car parking:		
	Beomonds/Library extension		15,000
	Precinct Tesco extension, Egham		10,000
	Cemetery and associated charges (above 3% assumptions)		20,000
(viii)	Other Financial Provisions –		

End of year betterment	250,000
Medium Term Benefit of Planning Delivery Grant	
Resulting from meeting particular targets	55,000
Medium Term Benefit of Recycling Improvement Grant	30,000
Withdrawal of Post Office subsidy/credit card administration charge	20,000
	<hr/>
	PROVISIONAL TOTAL   £ 1,250,000
	=====

4. Legal and Resource Implications

4.1 As can be seen from the previous paragraph, there are various staffing implications in these proposals. Some of these are dealt with in the departmental sections of the Annual Personnel Report, elsewhere on this Agenda. For the remainder consultations with individual staff affected and branch representatives of Unison have taken place. Their comments are detailed in Appendix 'B'.

4.2 The new target for revenue reductions of £2 million is to be achieved by 2006/07. The tranche of proposals detailed in this report total £1.25m in a full year. They therefore make a major contribution to the new target. Further detailed scrutiny of budgets is taking place and proposals will come forward to service committees or this Committee over the next six months. Careful monitoring of progress will be undertaken by the Chief Executive Officer and Directors. In the meantime it is essential to contain requests for new initiatives not already in the Forecast assumptions and justifications for supplementary General Fund revenue estimates will need very detailed scrutiny.

5. Policy Implications

5.1 The approved Leader's Position Statement for 2004/05 states:

“We will complete the current programme of reduction in net revenue expenditure by the end of 2005/06.

We will balance income and expenditure without recourse to reserves by 2008/09 subject to further Government funding shortfalls or additional centrally imposed local tax burdens.”

5.2 As mentioned in paragraph 2.3 above, Officers have sought to bring forward proposals consistent with the policy guidance recommended at the last meeting.

**OFFICERS' RECOMMENDATION that -**

- i) the revenue reductions detailed at paragraph 3.1 of the report be approved in principle and the Chief Executive Officer and Directors be instructed to seek to implement them in the most effective manner possible;**
- ii) the views of UNISON detailed at Appendix 'B' be noted; and**
- iii) further proposals be brought forward to this Committee or appropriate service Committees in order to achieve the remainder of the revenue reductions target.**

**(TO RESOLVE)**

Background Papers

Revenue Forecast Papers 2005/06 – 2009/10  
Budget Papers 2005/06

8. CHILD PROTECTION - INFORMATION SHARING FRAMEWORK (DAL)  
(Ref: Minutes of Corporate Management Committee, May 2004, page 1530, para. 874)

1. **Purpose of Report**

1.1 **The purpose of this report is to recommend the adoption of the Framework developed by Surrey Children's Services governing how information about children and young people in Surrey can be shared within and between relevant agencies, and to recommend the adoption of guidelines for staff.**

2. Background Information

2.1 The Council adopted a new child protection policy, upon the recommendation of this Committee, in July 2004, which set out the legal position in respect of child protection. (Attached at Appendix 'C').

2.2 Children's Services and the police have the right to investigate allegations of child abuse, conferred by the Children Act 1989. In the Children Act "the Local Authority" is defined the Social Services function of a local authority. In Surrey that now applies to the County Council's Children's Services Department.

2.3 Officers of this Council have direct contact with children and families in the community, particularly through Housing Services, Leisure Services and, less so, through Visiting Officers and the Enforcement, Community Safety, Environmental Protection and Policy and Implementation teams of Technical Services.

2.4 The Council already conforms to the Information Sharing Protocol relating to Crime and Disorder, which follows the same powers and constraints as this framework.

3. Report

3.1 The Framework for Sharing Information about Children and Young people in Surrey has been drafted by Children's Services and agreed to by Primary Care Trusts across the county. Reigate and Banstead Borough Council has also signed up to the framework (December 2004) and all other boroughs, districts and housing associations are being asked to do so.

3.2 The framework sets out the legislative basis for sharing information of a personal nature in The Children Act (1989), the Data Protection Act (1998/2000), the Human Rights Act (1998) and under the Caldicott principles, which relate to good practice for sharing patient information and originate in the National Health Service.

3.3 There is a clear duty to share information relating to children who are in need (in the terms of s.17 of the Children Act) or "at risk" (under the definition of s47 of the Children Act). There is also clear authority where information is shared to prevent or reduce crime (Crime and Disorder Act 1998 s.115). The harder judgements are those where information is suspected to indicate harm to children and young people, but Officers have insufficient background to know whether children are in need, at risk or that a crime is being committed.

3.4 The Laming enquiry into the death of Victoria Climbié recognised that sharing information helps agencies to identify and support vulnerable children. In many cases it is only when information from a range of sources is put together that a vulnerable child can be identified ('Sharing information relating to Children and Young People in Surrey: A Guide for Professionals'). However, sharing information which is inaccurate or not factual could also result in harm.

3.5 The fundamental premise of the framework is that it is preferable to gain explicit consent from children (who are over 12 and considered capable of understanding the implications of giving their consent) and families to share information.

3.6 However, it is also acknowledged that sometimes professionals will not be in sufficient contact, or have sufficient knowledge about a situation to know whether speaking to parents and guardians could actually put a child or young person at further risk. This is the case, for

instance, where holiday and after school clubs take place. It may also be the case where housing or environmental protection officers visit homes and have concerns.

- 3.7 It might be possible to put a generic consent onto booking forms (in the same way as consent is asked to administer first aid, or to use photographs of children), but it could be argued that parents were not clear of the implications of such a sentence when they were focusing on booking activities. Equally it is unlikely that Housing Officers will often be in a position where they could ask families' consent to share situations of concern.
- 3.8 The framework therefore sets out the basis on which information should be shared safely. A copy of the framework is attached at Appendix 'C1'.
- 3.9 The key document for staff is the "Guide to Professionals". A comprehensive guide for staff has been produced by Surrey Children's Services and it is recommended that it is adapted for use by Runnymede staff. The amendments will be fairly limited, such as changing names (for instance that of the Data Protection Officer). The Guide includes three flow charts summarising the legal position. These are attached at Appendix 'C2'. It also includes a summary card for staff (attached at Appendix 'C3') and a draft leaflet that explains the implications of the information sharing protocol to families.

#### 4. Council Policy

- 4.1 'Working with other agencies to achieve community benefits while ensuring no dilution of accountability where there is clear responsibility.' (Leaders Position Statement 2004/05).
- 4.2 'We will seek to make further improvements in the way we work with partners to deliver services in the Borough. We will develop and be informed by the Borough Community Strategy through the established Local Strategic Partnership to maximise partnership working and deliver on those areas for which we are accountable.' (Leaders Position Statement 2004/05).

#### 5. Resource Implications

- 5.1 The Council is presently setting up the arrangements required by its child protection policy, which will require a child protection representative from each department to keep abreast of developments and periodically to meet together. These representatives will be trained in the necessary parts of the relevant legislation and procedures. The normal communication channel for other staff who suspect a child protection problem of any kind will be through these members of staff, so there are minimal training issues over and above that already being undertaken. It will be necessary to ensure that all members of staff who may be in a position to notice signs of child abuse are aware of the Council's procedures.
- 5.2 No additional equipment or systems are envisaged in the implementation of the framework.
- 5.3 It is hoped that instances of concern would be sufficiently rare as to have no significant impact on the general workload of staff. As always, this must be verified in practice.

#### 6. Legal Implications

- 6.1 This Council has limited statutory responsibility for child protection under the Children Act 1989. As a housing authority the Council is required to take child protection issues into account in administering homelessness legislation and respond to requests by the social services authority or other agencies to assist in the situation of a child in need (s27, Children Act 1989). It does, however, have a duty of care towards all children for whom it provides a service.
- 6.2 The implications of the Data Protection Act, Human Rights Act and Children Act are fully explained in the framework.
- 6.3 It is most unlikely that the Council or an individual member of staff would be liable for a concern raised in good faith but which turned out to be unfounded. Only in the event of malice, or breach of legislation, such as the Data Protection Act, is there likely to be an issue of legal liability. Failure to follow the agreed and adopted procedures could in some circumstances result in a complaint to the Ombudsman.

7. Community Safety Implications

7.1 The Council is already committed to the Information Sharing Protocol for elements concerning Crime and Disorder.

**OFFICERS' RECOMMENDATION that -**

- i) the Chief Executive Officer be authorised to sign the Information Sharing Protocol on behalf of the Council; and**
- ii) the "sharing information relating to children and young people in Runnymede" guidance be adopted as the code of good practice for Council staff, and implemented in conjunction with the Council's Child Protection policy.**

**(TO RECOMMEND)**

Background Papers

Overarching Framework for Sharing Information about Children and Young People in Surrey  
Sharing Information relating to Children and Young People in Surrey: A Guide for Professionals

9. BACK SCANNING OF BENEFITS FILES (DF)

(Ref: Minutes of Corporate Management Committee, February 2005, page 667, para. 509)

Report to follow.

10. NON-DOMESTIC RATES - REVIEW OF DISCRETIONARY RELIEF CASES (DF)

(Ref: Minutes of Corporate Management Committee, March 2004, page 1376, para. 742)

**1. Purpose of Report**

**1.1 The purpose of this report is:**

- i) review and reaffirm the policy guidelines for the determination of discretionary rate relief; and**
- ii) review existing discretionary rate relief cases.**

**2. Background Information**

- 2.1 The Committee last reviewed the policy guidelines on the determination of discretionary business rate relief on 4 March 2004. A copy of these guidelines is reproduced at Appendix 'D'. The criteria for awarding mandatory relief is set out in statute.
- 2.2 The guidelines work well in practice and provide flexibility where Members decide that a particular application merits special treatment.
- 2.3 It has been past practice to grant discretionary rate relief for the duration of the Rating List current at the time of the award or until there is a material change in circumstances, whichever is the sooner. The current Rating List is to be replaced with effect from 1 April 2005 and it is therefore necessary to review all cases where relief is still being allowed.

**3. Report**

*Policy Guidelines*

- 3.1 Officers have undertaken this review on the assumption that no changes will be made to the criteria for granting discretionary relief. However, the Council has the discretion to vary these as it sees fit.

### *Review of Existing Recipients of Relief*

- 3.2 A full list of existing recipients of mandatory and discretionary rate relief appears at Appendix 'E'. Officers have recently carried out a comprehensive review of these cases, writing to all the organisations in October and sending written reminders and making telephone contact when there has been no response. The Appendix shows the amount of relief granted to each organisation in the current financial year and the status of their application for relief in future years. The following paragraphs summarise the position for each category of organisation.

#### *Non-Profit Making Sporting and Leisure Organisations*

- 3.3 Applications have been received from all but two of these clubs. Officers are satisfied that the information provided by the organisations indicates that there has been no change in circumstances and recommend that discretionary relief continues to be granted for the duration of the next rating list.
- 3.4 It can be seen from the Appendix that Egham Cricket Club and Egham Town Football Club have so far not submitted an application. In the case of Egham Cricket Club, it is understood that the reason is because the club are attempting to register with the Inland Revenue as a Community Amateur Sports Club, which will then entitle the club to 80% mandatory rate relief. If this application is unsuccessful then the club would continue to be eligible to receive discretionary rate relief. Officers recommend that the Director of Finance be given authority to award discretionary rate relief to both clubs, subject to receiving applications that confirm their entitlement under the Council's existing guidelines.

#### *Scouts and Guides Groups*

- 3.5 In the Scouts and Guides cases, the Director of Finance has the delegated authority to award relief upon receipt of proof that they still satisfy the Council's criteria.

#### *Community Associations*

- 3.6 All but one of the community associations currently receiving relief have applied for continued support and the Director of Finance has the delegated authority to grant discretionary relief in accordance with the Council's guidelines.
- 3.7 The exception is the Englefield Green Youth Centre. Surrey County Council is assuming direct responsibility for the Centre and therefore rate relief is no longer applicable.

#### *Charity Shops*

- 3.8 Charities are entitled to receive 80% mandatory rate relief and this applies equally to charity shops. The Council's guidelines state that "Organisations eligible for mandatory rate relief (80%) will not normally be considered for any discretionary relief" and in the past this approach has been applied to all but one of the applications received from charity shops. The exception was the application made by the Woking Hospice Trust, where Members felt that the contribution made by the Trust to the local community justified financial support from the Council. Officers recommend that discretionary relief should continue in this case.
- 3.9 In addition to the Woking Hospice Trust, a further eight charities (identified in the Appendix) have requested discretionary rate relief for their charity shops in addition to the mandatory relief to which they are entitled. Officers recommend that these requests should be refused.

#### *Other Charities*

- 3.10 There are a further 28 charities in receipt of mandatory rate relief, nine of whom the Council has previously agreed to grant 20% discretionary rate relief so that their rate liability is reduced to nil. For ease of reference these organisations are listed below:-

Organisation	Premises	Activity
Citizens' Advice Bureau	Office in the Civic Offices	Advice centre
Citizens' Advice Bureau	High Street Egham	Advice centre
Coopers Hill Recreational Trust Limited	Sports ground and premises at Coopers Hill Lane	Sporting and leisure activities
Crusaders Union Ltd	Trotsworth Hall, Virginia Water	Christian youth groups/clubs
Duke Of Edinburgh Award	10 Station Rd, Chertsey	Office and meeting room
Dyslexia Institute Ltd	Park House, Wick Rd, Englefield Green	Assessment, teaching and support for dyslexic families
Runnymede Association of Voluntary Services	Sainsbury Centre, Chertsey	Office and meeting room for voluntary organisations
St John Ambulance - Brigade Centre	St John Hall, Ford Rd., Chertsey	Training and youth activities
Surrey Women's Aid	<i>Details exempt</i>	Safe accommodation

- 3.11 Council support for charitable and voluntary organisations has generally been provided where there is a demonstrable benefit to the local community. The Council has tended not to support national organisations unless there is a significant local benefit. An exception to this has been the charitable relief provided to the Dyslexia Institute. Officers consider that the activities of this charity are national in character and it would be more appropriate for funding to be national rather than falling on Runnymede taxpayers. Officers therefore recommend that discretionary rate relief should not be awarded to the Dyslexia Institute in future.
- 3.12 Applications for discretionary relief on a further 6 premises have been received from charities that have so far only been receiving mandatory relief. These are:-

	Premises	Activity
British Red Cross	58 Runnymede Road, Egham	First aid training
National Trust	Cafe, Windsor Road	Visitor facilities for the Runnymede meadow
National Trust	Car Park, Windsor Road	
New Haw Club & Institute	48 Woodham Lane, New Haw	Social Club
Surrey Army Cadet Force	Drill Hall Road Chertsey	Training and physical activities for boys
Surrey Army Cadet Force	School Lane, Addlestone	

- 3.13 Officers recommend that discretionary relief be awarded to the British Red Cross and the Surrey Army Cadet Force because of the contribution their activities make to the local community. The Committee is requested to indicate its preferred approach to the other cases.

#### 4. Resource Implications

- 4.1 There are a total of 42 organisations currently in receipt of discretionary rate relief for 43 properties. In 2004/05 the amount of discretionary rate relief granted amounts to £37,900, of which £21,000 is borne by the Council's General Fund.
- 4.2 If discretionary relief continues to be granted to these organisations in 2005/06 with the exception of the Dyslexia Institute but with the addition of the British Red Cross and the Surrey Army Cadet Force, the estimated cost to the General Fund will be £17,400. This compares with the provision of £21,500 that has been made in the 2005/06 Budget.

#### 5. Council Policy

- 5.1 Council policy in relation to the determination of relief is set out in the appended guidelines.
- 5.2 For the sake of consistency it is proposed that, where Members are minded to grant relief, then for all cases it should be awarded for the expected life of the new Rating List or until 31 March 2010, whichever is the shorter period, or until there is a material change in the use of the premises or the circumstances of the organisation, whichever is the sooner.

6. Legal Implications

6.1 The appended policy guidelines refer to the legal background to the scheme.

**OFFICERS' RECOMMENDATION that -**

- i) the guidelines for the determination of discretionary rate relief at Appendix 'D' be reaffirmed;**
- ii) discretionary rate relief be granted at the percentage rate shown to the Non-Profit Making Sporting and Leisure Organisations identified in Appendix 'E' from whom applications have been received;**
- iii) the Director of Finance be authorised to grant relief to Egham Cricket Club and Egham Town Football Club if they submit applications that confirm their eligibility;**
- iv) discretionary rate relief be granted to the Woking Hospice Trust, the Citizens Advice Bureau (Addlestone and Egham Offices), Coopers Hill Recreational Trust Ltd., the Duke of Edinburgh Awards scheme, the Runnymede Association of Voluntary Services, St. John Ambulance Brigade, Surrey Womens Aid, the British Red Cross and the Surrey Army Cadet Force; and**
- v) in all cases, discretionary relief be granted at the percentage rate shown for the duration of the new Rating List or until 31 March 2010, whichever period is the shorter, or until there is a material change in the use of the premises or the circumstances of the organisation, whichever is the sooner.**

**(TO RESOLVE)**

Background Papers

Director of Finance's mandatory and discretionary relief file

11. SMOKING POLICY (CEO)

**1. Purpose of Report**

**1.1 The purpose of this report is to seek Members' endorsement of a Smoking Policy.**

**2. Background Information**

2.1 In an effort to consider the preferences and concerns of smokers and non-smokers and to provide a healthy and comfortable working environment, a Non-Smoking Policy was introduced within buildings, all Council workplaces and shared Council vehicles in 1999.

2.2 At the Civic Offices, smoking is not allowed in any area other than the Sports and Social Club Bar, which is designated as a smoking area (this does not include the Lounge and Restaurant area, which is non-smoking). The whole Social Club area is designated as a smoking area for evening and weekend functions.

2.3 Should conflicts arise, the preferences of non-smoking staff will prevail.

2.4 For those heavy smokers who are unable to cope without a cigarette during the working day, a maximum of a five minute "smoking break" is allowed morning and afternoon for the sole purpose of smoking one cigarette and such time is to be taken in staffs' own time (i.e. booking out on the flexitime terminal at the Civic Offices). "Smoking breaks" are to be taken in designated smoking areas only.

2.5 From time to time courses to help staff who want to stop smoking have been provided.

### 3. Report

3.1 The current arrangements have worked reasonably well over the past five years, but with the passage of time attitudes to smoking and health concerns have changed.

3.2 Whilst smoke extraction equipment has been installed in the Bar area of the Sports and Social Club at the Civic Offices, there is some smoke drift into other areas including the Restaurant and Lounge area which impinges on the enjoyment of those areas by non-smokers. Also, some smokers congregate outside the offices resulting in smoke drifting through windows into nearby offices.

3.3 Various options have been considered in order to address this problem but the conclusion has been reached that it is no longer appropriate for non-smokers to endure the effects of passive smoking from adjoining smoking areas.

3.4 With an estimated 106,000 people in the U.K. dying each year because of smoking, the Government is looking to public bodies to take a lead in addressing this issue. Legislation is anticipated that will ban smoking in all public areas and already a number of Local Authorities and other major employers have introduced a complete smoking ban on their premises.

3.5 The anticipated move to the new Civic Offices, together with current attitudes and concern about smoking, provide an opportunity to review the Council's current policy.

3.6 A complete smoking ban for all Council premises, workplaces and vehicles is now proposed to be introduced together with the withdrawal of 'smoking break' facilities.

3.7 Whilst the majority of the Council's staff would welcome such a move, the impact on smokers would be potentially high. For this reason, an 18 month lead-in period is recommended, during which time assistance would be available to smokers who wish to stop smoking.

3.8 Notwithstanding the representations made by UNISON below, it is Officers' belief that the Council has a primary duty to protect the health and safety of its staff and that this can be best achieved by introducing a complete ban on smoking for its premises, workplaces and vehicles.

### 4. Council Policy

4.1 "Ensure we play an effective role in enhancing the quality of life for all our residents and visitors and provide an attractive environment for those who conduct their business in the Borough" (Leader's Statement 2004/05).

4.2 "Involving, valuing, developing and rewarding our staff in their employment and providing a good, safe working environment" (Leader's Statement 2004/05).

### 5. Resource Implications

5.1 Potentially, some staff who are unwilling or unable to stop smoking might leave the Council's service and this would result in additional recruitment and retraining costs. Arguably, any such costs would be off-set by the retention of non-smokers in a healthier work environment and the reduction of lost time through smoking breaks and smoking related illnesses.

### 6. Legal Implications

6.1 Case law suggests that the introduction of a complete smoking ban following a lengthy lead-in period and support by the employer for non-smokers during this period would be deemed to be the act of a reasonable employer and would not result in successful claims against the employer by disaffected smokers.

6.2 The Council has a legal obligation to provide a safe and healthy working environment for its staff.

7. UNISON Views

- 7.1 The comments of the Runnymede branch of UNISON are set out below.
- 7.2 "Under Section 2 of the Health and Safety at Work Act 1974, employers must protect the health of employees and provide a healthy and safe environment. Under the control of Substances Hazardous to Health Regulations 1994, employers must ensure that wherever possible employees are not exposed to hazardous substances.
- 7.3 With today's level of awareness on the harmful effects of both smoking and passive smoking it would be difficult for an employer to argue that they are not in breach of these duties by not prohibiting smoking at work in all enclosed areas except for those where non-smokers have no reason to enter.
- 7.4 Most people are agreed that smoking is an addiction and that giving up is in most cases very difficult. Therefore, a blanket ban on smoking and the removal of 'smoking breaks' is unlikely to be enforceable or successful, and may, as the report suggests, lead to disaffected staff and problems in retention and recruitment if no provision is made for them.
- 7.5 Although it is difficult to defend the practice of smoking, UNISON represents the interests of all parties equally and therefore requests the Council to take advantage of the proposed 18 month lead in period to set up a working party consisting of smokers, non-smokers and ex-smokers to explore what viable outdoor provision could be made in order to achieve a compromise and to avoid any claims of discrimination from smokers.
- 7.6 The HSE recognises that stress at work can lead people to smoke more. Therefore, in tandem with pro-active health promotion, the Council should be looking at stress and workloads as a contributory factor with a view to their reduction for the benefit of all staff.
- 7.7 To conclude, UNISON is in favour of a no smoking policy which protects non-smokers, and avoids huddles of smokers outside Council buildings. Therefore, UNISON urges the Council to give consideration to providing some form of outdoor accommodation for smokers, the continuation of smoking breaks and the exemption of single occupancy vehicles from the policy, combined with an ongoing and sympathetic programme of assistance to help smokers give up."

**OFFICERS' RECOMMENDATION that -**

- i) with effect from 1st October 2006 a complete smoking ban be introduced for all Council premises, workplaces and vehicles together with the withdrawal of 'smoking break' facilities; and**
- ii) in the meantime support be provided to help staff who want to stop smoking.**

**(TO RESOLVE)**

Background Papers

None

12. LOCAL GOVERNMENT ACT MEMBER WORKING GROUP - MINUTES

The Minutes of the meeting of the Local Government Act Member Working Group held on 18 January 2005 are attached at Appendix 'G'.

**(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 paragraphs 1,7 and 9 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**

<b>a)</b>	<b><u>Exempt Information</u></b>	<b><u>Para</u></b>
14.	ANNUAL REPORT ON PERSONNEL 2004/05	1
15.	WRITE OFFS	7
16.	REFUSE COLLECTION AND STREET CLEANSING VEHICLES - APPRAISAL OF TENDERS	7 and 9
17.	DISCRETIONARY RATE RELIEF FOR BUSINESSES IN RURAL AREAS	7

**b) Confidential Information**

(No reports to be considered under this heading)