

Corporate Management Committee

Thursday 26 June 2008 7.30pm

Council Chamber
Runnymede Civic Centre, Addlestone

Members of the Committee

Councillors J R Furey (Chairman), D R Hamilton (Vice-Chairman), A Alderson, J M Edwards, Mrs L M Gillham, H W V Meares, C J Norman, P I Roberts, P J Waddell and G B Woodger

AGENDA

Notes:

- 1) 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.
- 2) 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 J Gurmin, Administration and Leisure Department, Committee Section, Runnymede Civic Centre, Station Road, Addlestone (Tel Direct Line: 01932 425624). (Email: john.gurmin@runnymede.gov.uk)**.
- 3) 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.
- 4) 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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1. FIRE PRECAUTIONS

The Chairman will read the Fire Precautions which set out the procedures to be followed in the event of fire or other emergency.

2. NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

3. MINUTES

To confirm and sign the Minutes of the meeting of the Committee held on 29 May 2008, attached at Appendix 'A'.

4. APOLOGIES FOR ABSENCE

5. 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.

6. REFERENCES FROM OTHER COMMITTEES

(i) HOUSING AND COMMUNITY SERVICES COMMITTEE – 11 JUNE 2008

Community Transport

At its meeting on 11 June 2008, the Housing and Community Services Committee requested approval from this Committee for a capital estimate of £100,000 for the purchase of two replacement vehicles for the Day Centre Transport Service.

The Council currently provides two community transport services i.e. the Day Centre Transport Service and a Dial-A-Ride service which have been have been run "in-house" since 2006 with the scheduling operation also being brought in-house at the start of 2008. The transfer of the transport service to the in-house team has proved very successful resulting in efficiencies and savings of around £63,000 a year for community transport services. However, if the current service levels are to be maintained, there is a need to replace two vehicles.

A full review of the current transport fleet will be undertaken later this year to determine the future usage, state of the fleet and the opportunities for the long term aims of streamlining and utilising any surplus capacity for contract work. However, in the meantime, 2 new vehicles are needed for the Day Centre fleet to replace those which are now over 11 years old. The recognised life-span for an operational minibus is a maximum of 10 years and a range of mechanical problems are now starting to be experienced with these two vehicles, including brake problems, passenger lift faults, oil leaks and door lock replacements. The cost of repairs to these two vehicles alone during 2007/08 was over £3,000. One of the vehicles to be replaced will need work to repair a corrosion problem later this year, which is estimated to cost at least £4,000.

Provision has been made in the capital programme for the replacement of Day Centre Transport vehicles. However, they are only replaced when it is felt necessary to do so. The low mileage of the day centre transport vehicles means that these last longer than an average minibus. However, they do suffer as a consequence of the "stop start" nature of the operation. There have been no new vehicles on this service since 2001. Officers are also receiving increasing amounts of "feedback" from the passengers that the journeys are becoming less and less comfortable, with seat padding and poor suspension to blame.

The capital programme has provisions of £50,000 in 2007/08 and 2008/09 financial years. It is now necessary to approve a capital estimate to release these provisions. The revenue budget has been set accordingly on the assumption that the existing vehicles will be replaced.

The Council's Purchasing Officer has been involved in discussions with manufacturers and after consideration recommends using the Kent consortium (Kent County Council Commercial Services).

The following extract from the Council's Strategic Plan is relevant to this particular item:

"The Council will aim, within the bounds of affordability, to continue to provide Community Services for the benefit of the elderly and vulnerable residents of the Borough."

**HOUSING AND COMMUNITY SERVICES COMMITTEE'S
RECOMMENDATION that –**

a capital estimate of £100,000 be approved for the purchase of two replacement day centre transport vehicles.

(TO RECOMMEND)

Background Papers

None stated

(ii) LEISURE AND ENVIRONMENT COMMITTEE – 19 JUNE 2008

(a) Surrey Waste Strategy - Contribution to Joint Working

To follow.

(b) Addlestone Cemetery Extension

To follow.

7. STATEMENT OF ACCOUNTS 2007/08 (BT)

1. Purpose of Report

1.1 The purpose of this report is to

- i) approve the Statement of Accounts for the 2007/08 financial year,
- ii) consider the findings of the review of the system of internal control, and
- iii) approve the Annual Governance Statement contained in the Statement of Accounts for the 2007/08 financial year.

2. Background Information

2.1 The Accounts and Audit Regulations 2003 (the Regulations) make rules for the preparation and approval and audit of local authority accounts. In particular the Regulations require:

- Authorities to approve and publish their Statement of Accounts by 30 June and 30 September respectively.
- The inclusion of a statement of internal control (the Annual Governance Statement) with the Statement of Accounts.

- The Statement of Accounts to be signed by the Chairman of the Committee that approves the Statement to signify formally the completion of the Council's approval process of the accounts.
- 2.2 It is accepted as good governance for Members to be presented with accounts as soon as possible after the year-end, so that they can:
- Receive assurance that accounting systems have operated adequately and been closed down satisfactorily
 - Have confidence that the budget for 2008/09 and forecast for future years has a secure foundation
 - Understand the corporate financial performance during the year and the position at 31 March 2008.
- 2.3 A comprehensive report on the final accounts for 2007/08 was presented to this Committee in May. The Statement of Accounts reports the same position but presents it in the form required by statute and recommended accounting practice.
3. Accounting and auditing standards
- Accounting standards used in preparing the Statement of Accounts
- 3.1 The principal statements of the accounting practices applicable to local authority accounts are:
- The *Code of Practice for Local Authority Accounting in the United Kingdom 2007* (the 2007 Code) and associated guidance. This is a comprehensive statement of the structure of local authority statements of accounts, and the accounting concepts, accounting policies and estimation techniques to be applied in preparing them.
 - The Best Value Accounting Code of Practice. This sets out a mandatory service analysis for local authorities and a definition of "total cost" to be used in reporting service expenditure.
- 3.2 In England and Wales, both Codes constitute 'proper practices' under the terms of section 21 of the Local Government Act 2003. The Code is amended annually for changes in statute and accounting practice. Various other statutory provisions also affect the preparation of local authority accounts. The form and content of some accounts such as the Housing Revenue Account and Collection Fund are closely regulated by legislation.
- 3.3 The Code is developed by CIPFA/LASAAC, which is a standing committee of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority Scotland Accounts Advisory Committee (LASAAC). It has been recognised by the UK Accounting Standards Board for the purpose of issuing Statements of Recommended Practice (SORPs). SORPs provide specific accounting guidance for sectors that have special accounting or financial reporting issues that require the clarification or interpretation of accounting standards.
- 3.4 In recent years there has been a drive to make public sector accounts generally more compliant with what is termed "Generally Accepted Accounting Practices" ("UK GAAP"). There is no precise definition of this term, but it is taken as a reference to the accounting practices regarded as permissible by the accounting profession. Recent Codes have introduced practices to steadily make local authority financial statements more compliant with UK GAAP. The 2006 Code in particular included significant changes to the content and presentation of the accounting statements.

- 3.5 There are further significant changes introduced by the 2007 Code:
- A major change in the accounting treatment of capital assets that includes the replacement of the Fixed Asset Restatement Account and Capital Financing Account by a Revaluation Reserve and Capital Adjustment Account.
 - New accounting treatments and disclosures in respect of what are termed "financial instruments" (see paragraph 3.8)

There are a few other changes of a less significant nature, e.g. accounting for audit costs and disclosure of Local Area Agreement transactions.

Capital Accounting Changes

- 3.6 The headline change is that the Revaluation Reserve and Capital Adjustment Account replace the Fixed Asset Restatement Account and Capital Financing Account. More information about this transition is given in the Statement of Accounts.
- 3.7 However, the main impact of the change is that the new rules are very prescriptive on the charges that must be made to revenue for capital assets. These new rules require much more detailed record keeping than has previously been the case, with both current cost and historical cost information being required for each asset. A major upgrade to the Council's capital accounting software was required, and this involved a significant amount of work in transferring data and getting the software to work.

Financial Instruments

- 3.8 The new arrangements for accounting for financial instruments represent the first major development in accounting arrangements for local government arising from the influence of International Financial Reporting Standards (FRS) on UK GAAP. The 2007 Code adopts Financial Reporting Standards (FRS) 25, FRS 26 and FRS 29 which deal with the recognition, measurement and disclosure of financial instruments. This is a complex area. A financial instrument is any **contract** that gives rise to a financial asset of one entity and a financial liability of another. Therefore, the term financial instrument covers a very wide range of assets and liabilities, from straightforward ones like trade receivables and payables (debtors and creditors in old fashioned local government accounting language) to the very complicated ones used in the commercial world to manage financial risks and speculate on future financial conditions (e.g. derivatives such as interest rate swaps and options). However, the definition of financial instruments does not include statutory debts as these do not arise from contracts. The accounting standards are designed to provide better presentation and disclosure, and consistency in recognition and measurement, for the whole range of financial instruments.
- 3.9 The standards attempt, in particular, to provide a standard accounting treatment for the very complex financial instruments that can have a significant bearing on the assets and liabilities of an organisation. Regrettably, as is typical when creating a more standard approach, a new set of jargon is created. The financial instruments that local authorities are most likely to have to recognise for the first time under the 2007 Code include soft loans (e.g. a loan made to a community group at less than market rates of interest), and debt and investment instruments that have associated premiums or discounts or forward rate transactions. There will be even greater complexity in the future as the use of FRS will bring most public finance initiative (PFI) deals into play.
- 3.10 For Runnymede, the changes to the Council's main accounting statements arising from the new accounting arrangements are fairly modest. The main change is accounting for investments based on amortised cost. This method more fairly spreads the interest on investments over the life of the investment by taking into account the cash flows associated with the investment. Therefore, for the Council's investments, Officers now account for income based on the effective interest rate, rather than the headline rate. This method produces a more appropriate annual credit to investment income and is not a controversial change. However, just as for the capital accounting changes, there is an increase in record keeping necessary to calculate and record the various effective interest rate and amortised cost calculations, and fair value assessments. The Council's

treasury management consultants have been helpful in providing evidence of fair value calculations and guidance on aspects of the changes generally.

- 3.11 The FRS's also require significant disclosures for the Council's financial instruments. For Runnymede this means more disclosures in the Statement of Accounts, in particular for the Council's investment portfolio. Although these disclosures are also not controversial, they do add extra quantity to the Statement of Accounts and there is a cost in extra accountancy resource and audit oversight.

Future developments - International Financial Reporting Standards

- 3.12 The private sector adopted International Financial Reporting Standards (IFRS) in 2005. Experience shows that considerable effort was needed to convert to this new regime for public limited companies. When listed companies implemented IFRS, the average length of financial statements increased by 60%. This was because IFRS places much emphasis on disclosures in the notes to the accounts. This, of course, means more work in preparing and auditing the accounts.
- 3.13 It was announced in the 2007 Budget that Whole of Government Accounts (see paragraph 3.17) from 2008/09 will be based on the provisions of International Financial Reporting Standards (IFRS), adapted as necessary for the public sector. The Chancellor's Budget report, published on 12 March 2008, announced the Treasury's decision to defer the implementation of international financial reporting standards to 2009/10. Delivery of the Government's commitment raises a range of specific issues for local authorities, the most important of which is the need to avoid any adverse impact on Council Tax.
- 3.14 The impact of IFRS on public sector organisations will vary. Much of UK GAAP and IFRS are similar. Local authorities have already taken significant steps towards IFRS implementation, particularly with the introduction of the UK versions of the IFRS-based financial instruments standards in their 2007/08 accounts. However, the treatment of leases and private finance initiative (PFI) schemes could introduce material changes for some local authorities. There are also a number of technical issues that will need to be resolved. As ever, there are expected to be an increased number of disclosures required by IFRS.
- 3.15 However, there is debate on whether IFRS are appropriate for local authorities as they are designed to produce what the International Accounting Standards Board calls "decision-useful information". This is defined as the information that investors, whom the Board regard as sole users of accounts, need to decide whether to buy or sell shares in an entity. This is why IFRS focus on changes in balance sheet value. It is difficult to reconcile this emphasis with the financial (and taxation) framework that applies to local authorities, and there is concern that IFRS standards are therefore simply inappropriate for local authorities.
- 3.16 In January 2008, the CIPFA/LASAAC Local Authority SORP Board announced its decision to implement International Financial Reporting Standards in the Code from 2010/11.

Whole of Government Accounts

- 3.17 The whole of government accounts (WGA) are accounts covering the whole of the public sector as a single entity. The intention is that WGA will assist in ensuring that best practice accounting methods are used to construct accounts covering the public sector as a whole, and that fiscal reporting is as transparent as possible. The 2007/08 return will be the fourth made by Runnymede Borough Council. The return is subject to external audit at a cost of £2,800.
- 3.18 From 2008/09, local authorities will be required to provide certain WGA information on the IFRS basis. Hopefully, the immediate practical problems of WGA data collection can be addressed satisfactorily without creating significant additional burdens in the transitional period until full IFRS implementation in local government (due 2010/11).

4. The Statement of Accounts

4.1 The Statement of Accounts is set out at Appendix 'B' (to be separately circulated to Members of the Committee) (to follow). The document has the following main sections:

- A financial review of 2007/08 by the Director of Finance
- Annual Governance Statement
- Statement of responsibilities
- Auditor's report (only in draft at this point in time; it is assumed that the Auditor will have no qualifications to make)
- Main accounting policies used
- The core accounting statements
- Notes to the core accounting statements accounts
- The supplementary accounting statements
- Notes to the supplementary accounting statements accounts
- Summaries of trust fund accounts administered by the Council

4.2 The main financial statements are divided into 'core' statements and 'supplementary' statements. The core statements are the

- Income and Expenditure Account,
- Statement of Movement on the General Fund Balance,
- Statement of Total Recognised Gains and Losses,
- Balance Sheet and
- Cash Flow Statement.

4.3 The supplementary statements are the Housing Revenue Account Income and Expenditure Account, Statement of Movement on the Housing Revenue Account, and the Collection Fund.

4.4 The Financial Review gives a brief explanation of the financial activities of the Council in 2007/08. An explanation of the purpose of the main accounting statements is given at the head of each statement. The statements are supported by a multitude of notes and supporting information.

4.5 The following table provides a reconciliation of the change in the General Fund balance reported in the Statement of Movement in the General Fund Balance to that reported in the General Fund Summary reported to this Committee on 29 May.

<u>Reconciliation of change in General Fund Working Balance</u>	
Item	£
Use of working balance reported on 29 May	(207,632)
Performance Reward Grant (see para. 4.6)	110,398
Transfer from specific reserves (see para. 4.8)	904,748
Additional provision for bad debts (see para. 4.7)	(107,393)
Revenue contributions to financing capital expenditure (see para 4.9)	(23,164)
Clearing of capital control balances (see para.4.9)	1,611
Increase in working balance reported in the Statement of Movement in the General Fund Balance	678,568

4.6 The basis of recognising Performance Reward Grant is explained in note 11 to the accounts. In brief, this is the grant that can reasonably be expected to be received in respect of activities in 2007/08.

- 4.7 The figures presented to this Committee in May did not include the full provision for uncollectable debts. The original figures omitted any provision on instalment arrangements. When these are taken into account, the additional debt provision is £107,393.
- 4.8 The decision to fund capital expenditure on Safer Runnymede, Sports Centre equipment, and IT equipment from capital receipts rather than the specific reserves set up for these items was made by this Committee in May. This treatment enables the General Fund balance to be increased accordingly.
- 4.9 The capital expenditure and financing summary presented to this Committee in May included the use of £23,164 of revenue contributions towards the financing of the 2007/08 capital programme. This reduces revenue balances accordingly. There is also a small adjustment of £1,611 to clear balances from capital control accounts.
- 4.10 A set of summary accounts (consistent with the full statement of accounts) will be available in a variety of formats (web site, published, and in Runnymede Voice).
- 4.11 The statutory arrangements for the external audit of local authority accounts are not aligned with the Regulations and the deadline for the audit opinion is 30 September 2008. Therefore the Committee will have to approve the Statement of Accounts without an audit opinion.

Accounting for pensions

- 4.12 Local authorities are required to prepare their formal Statement of Accounts using the accounting standard *FRS 17: Retirement Benefits*. FRS 17 sets out the principles of accounting for retirement benefits. FRS 17 is based on the principle that an organisation should account for retirement benefits when it is committed to give them, even if the actual giving will be many years into the future. The objectives of FRS 17 are that financial statements set out at fair value the assets and liabilities of the organisation relating to retirement. The Statement of Accounts includes the full set of disclosures required by FRS 17.
- 4.13 It must be emphasised that the accounting entries required by FRS 17 do not impact on the Council's tax or rent setting decisions. Regulations require FRS 17 entries to be reversed out of the accounts to achieve this. This is carried out by way of compensating entries to and from the "Pensions Reserve" in the accounts. The net charges in respect of pensions to be borne by taxpayers and tenants therefore remain those set by the Pension Fund actuary in his statutory triennial review of the Fund.
- 4.14 The Surrey Pension Fund actuary, Hymans Robinson, has provided the figures for the FRS 17 accounting entries. In his report, the actuary is at pains to emphasise that the figures must only be used for FRS 17 accounting purposes. He has also set out the basis on which he has calculated the figures and the limitations that this imposes.
- 4.15 The results of the last full statutory triennial valuation of the fund (with a valuation date of 31 March 2007) were reported to this Committee on 3 January 2008. This valuation established the required level of Council pension contributions payable to the Fund for the 3-year period starting in 2008/09. The actuary reported that the deficit on the Runnymede share of the Surrey Pension Fund was £5.8m as at 31 March 2007 (note that this is not compiled using the same assumptions used in FRS 17).
- 4.16 The consolidated balance sheet and related notes to the accounts summarise the position of the Runnymede element of the Pension Fund – on a FRS 17 basis – as at 31 March 2008. Under the assumptions used to make the FRS 17 calculations, the position of the Runnymede element of the Fund as at 31 March 2008 is a deficit of £7.033 million. This is a decrease from the FRS 17 deficit at March 2007 of £12.360 million. The reasons for the change are summarised on page 7 of the Statement of Accounts in the financial review of 2007/08 by the Director of Finance.
- 4.17 The notes to the statements give detailed disclosures on the assets and liabilities of the Pension Fund.

- 4.18 The deficit remains a significant amount for Runnymede. However, care needs to be taken in interpreting these figures. It is important to see pensions for what they are; that is long-term assets and liabilities. It is true that FRS 17 figures disclose the position of a Pension Fund at a point in time, based of certain financial assumptions. However, it is the long-term position of the Fund calculated by the fund actuary at each triennial review that determines the amounts that the Council must provide for its pension commitments.

Annual Governance Statement

- 4.19 In 2007, the Society of Local Authority Chief Executive Officers (SOLACE) and the Chartered Institute of Public Finance (CIPFA) published 'Delivering Good Governance in Local Government: Framework'. The updated SOLACE/CIPFA Framework takes account of the changes affecting local authority governance since the original framework 'Corporate Governance in Local Government: A Keystone for Community Governance' was published in 2001. Runnymede did not adopt the 2001 Code. Local authorities remain free to choose whether to adopt the new SOLACE/CIPFA Framework. With effect from the 2007/08 Statement of Accounts, the SOLACE/CIPFA Framework defines proper practices for the form and content of a governance statement – the Annual Governance Statement (AGS) - that replaces the previous "Statement on Internal Control" (SIC). The publication of an AGS is a statutory duty. However, it is not necessary for a local authority to adopt the Framework in order to prepare the AGS.
- 4.20 The need to review arrangements for internal control and the Annual Governance Statement (AGS) is given statutory backing by the Accounts and Audit Regulations 2003 (the "2003 Regulations"), as amended by the Accounts and Audit (Amendment) Regulations 2006. In particular the Regulations say that the Council should:
- Ensure that the financial management and control systems are adequate and that there is effective risk management,
 - Include a statement of internal control, prepared in accordance with proper practice, in its financial statements, and
 - Conduct a review at least once a year of the effectiveness of its system of internal control.
- 4.21 There is much in common between the old SIC and the new AGS. Guidance has been issued on the required contents of the AGS and the process for establishing and maintaining a system of internal control and the annual review process. The Guidance requires the AGS to be signed by the Chief Executive Officer and the most senior Member of the Council (the Leader).
- 4.22 The AGS is to conclude with a section that identifies the actions taken (or proposed) to deal with significant governance issues. The old guidance on the SIC set out a list of factors that authorities may wish to consider when exercising their judgement in deciding whether or not a particular issue should be regarded as a significant control issue. However, these factors tend to be backward looking (e.g. "the issue has led to a material impact on the accounts"), rather than forward looking, i.e. the challenges that lie ahead for the authority in achieving its objectives and improving performance.
- 4.23 Nationally, the feedback from external auditors is that highly rated (through CPA) authorities have tended to report more issues than poorly performing authorities. The issues raised by authorities tend to focus on areas that are very difficult to claim total control (e.g. risk management, business continuity, performance management, partnership working), or which have a local bias (e.g. responding to challenges raised in CPA reports).
- 4.24 The Standards and Audit Committee reviewed the internal control framework of the Council and the proposed AGS at it's meeting on 14 February 2008. Upon consideration of the evidence submitted, the Standards and Audit Committee agreed that the internal

control framework appeared adequate from their perspective. The Standards and Audit Committee also considered the main areas of weaknesses identified in the 2006/07 statement and the progress made to address these areas, and also new areas where improvement could be made. The AGS presented to this Committee has also been circulated to Members of the Standards and Audit Committee for any further observations.

- 4.25 Members of this Committee are requested to review the AGS and, in particular, the action plan to satisfy themselves that the statement is consistent with their own experience and that the actions are appropriate and relevant. To emphasise the importance given to the AGS, the SOLACE/CIPFA Framework requires the AGS to be confirmed by the Chief Executive Officer and by the Leader signing the statement on behalf of the Council.

Audit Considerations

- 4.26 This will be the first set of accounts to be audited by the Council's new external auditors, KPMG. The contents of these statements have been discussed with KPMG in order to accommodate their preliminary views on the changes introduced in 2007/08 and on their content generally. KPMG will have commenced their main work on the Statement by the time this meeting is held. KPMG are required to issue an audit report giving their opinion on the financial statements (including the Annual Governance Statement), and a conclusion on the Council's arrangements to secure economy, efficiency and effectiveness in use of resources. The Statement of Accounts contains draft audit opinions only; KPMG are expected to issue their formal opinions in September.
- 4.27 The planned fee for the external audit of these financial statements is £56,000. In addition, the fee for the audit of the Whole of Government Accounts return is £2,800, and the estimated fees for audit certification of returns (principally HRA subsidy and benefits subsidy) is £40,000. These fees are subject to adjustment based on the actual work that needs to be carried out to meet the auditor's statutory responsibilities and the auditor's assessment of risk and complexity. Any such changes in fees would be subject to consultation.
- 4.28 The 2005 Audit Code of Practice (issued by the Audit Commission) requires a two-part audit report covering the auditor's opinion on the financial statements coupled with an opinion on value for money performance. It is anticipated that the auditor will present this report to this Committee at its meeting in September.
- 4.29 The International Standards on Auditing (ISA+) 260 "*Communication of Audit Matters to those Charged with Corporate Governance*" (previously SAS 610) requires auditors to report to Members all misstatements and any other audit matters of governance interest that have been advised to Officers but not adjusted for. There are no such adjustments notified by the auditors at this stage.

Status of the Statement of Accounts

- 4.30 The statements are substantially in their final form. There will inevitably be a number of drafting and minor amendments. However, there is no intention to make any further significant changes, therefore avoiding the need for re-submission to this Committee.

5. Legal Implications

- 5.1 The Accounts and Audit Regulations 2003 require Members to approve the Statement of Accounts by a resolution of a Committee or full Council as soon as is reasonably practical. The deadline for this approval is 30 June 2008.
- 5.2 The Regulations require the Member presiding at the meeting to sign and date the Statement of Accounts to indicate the Committee's approval (see page 22 of the Statement).

- 5.3 The Regulations also require the Director of Finance to sign and date the Statement of Accounts to certify that it presents fairly the financial position of the Council at the end of the year and its income and expenditure (also on page 22 of the Statement).
- 5.4 Authorities are required to publish Statement of Accounts as soon as reasonably possible after the audit is concluded. In any event the Statement for 2007/08 must be published by 30 September, even if the audit has not been concluded. The Regulations do not define what constitutes publication, but the intention is to have a stock of printed copies (including a copy at libraries in the Borough) and a copy on the Council web site.
- 5.5 The Statement of Accounts has also to be published with the audit certificate and opinion and a copy of any advisory notices issued. If publication takes place before the conclusion of the audit (i.e. because the external audit has not been completed by 30 September) there must be a declaration and explanation of the fact that an opinion had not been given at the date of publication.
- 5.6 The Regulations require authorities to advertise that the audit has been concluded and that the Statement of Accounts is available for inspection by electors. If the auditor has required a material amendment to the Statement of Accounts since their initial publication, an explanation of the required amendment must accompany the audited Statement.
- 5.7 The Regulations also set out the arrangements for advertising the rights of electors to question auditors and inspect the accounts and supporting documents.
- 5.8 The Accounts and Audit Regulations 2003 were updated in 2006 to require a meeting of a committee or full Council to consider the findings of a review of the effectiveness of the system of internal control as part of the account closing process. There is also a requirement for the system of internal audit to be reviewed once a year, and for the findings of this review to be considered by the same meeting of a committee or full Council.

6 Resource Implications

- 6.1 In recent years there have been a large number of additional statutory and professional disclosures and explanations required to support the Statement of Accounts. The statement for 2007/08 runs to 106 pages. By comparison, the statement of accounts for 1999/2000 ran to only 48 pages. The additional disclosures and explanations primarily relate to accounting for capital assets, supporting information for the HRA, pension fund accounting, and the Annual Governance Statement.
- 6.2 The compilation of the Statement of Accounts requires a great deal of concentrated work within the Accountancy Section. The Section traditionally deals with this workload by planning the production process involving Budget Managers in the closing process in a positive way. The Section also has the benefit of a stable and experienced staffing complement. However, the burden of implementing the seemingly never-ending changes as a result of adopting UK GAAP and now IFRS accounting standards is becoming difficult to cater for within existing staffing resources if Officers are to meet the production timetable of approval by 30 June. The current internal protocols for compensatory staff leave and/or overtime for the senior staff do not cater for this now routine peak in work, and Officers are reliant on staff goodwill to carry out this exercise. For this year the move to the new civic offices has of course added a significant additional burden at this time.
- 6.3 Financial reporting is one of the 5 use of resources (UoR) judgements that assess how well councils manage and use their financial resources. Runnymede scored 4 out of 4 in this area in 2007. The Audit Commission report that the pace of change in the SORP (arising from implementation of UK GAAP and now IFRS) has caused problems for many authorities. Clearly, Runnymede has more to lose if the precise requirements of accounting standards and associated controls are not met, and this increases the pressure on accountants.

OFFICERS' RECOMMENDATION that -

- i) the Statement of Accounts for the financial year 2007/08 be approved;**
- ii) the findings of the review of the system of internal control be noted; and**
- iii) the Annual Governance Statement contained in the Statement of Accounts for the 2007/08 financial year be approved.**

(TO RESOLVE)

Background Papers

- 1. Code of Practice on Local Authority Accounting in the United Kingdom 2007: A Statement of Recommended Practice (CIPFA).
- 2. Code of Practice on Local Authority Accounting in the United Kingdom 2007: A Statement of Recommended Practice. Guidance Notes for Practitioners (CIPFA).
- 3. DCLG Circular 03/2006: Guidance on the Accounts and Audit Regulations 2003.
- 4. The Accounts and Audit (Amendment) (England) Regulations 2006, Statutory Instrument 2006 No 564.
- 5. Actuarial valuation as at 31 March 2008 for the purposes of FRS17, Hymans Robinson, April 2008.
- 6. LAAP Bulletin 73, April 2008: Closure of the 2007/08 Accounts and Use of Resources Assessments (CIPFA).

8. PERFORMANCE INDICATORS 2007/08 - OUTTURN (CEO)

To follow.

9. SERVICE PLAN 2007/08 - OUTTURN (CEO)

To follow.

10. ANNUAL EFFICIENCY STATEMENT 2007/08 (DF)

1. Purpose of Report

- 1.1 To report the submission of the annual efficiency statement for the financial year 2007/08 to the Department of Communities and Local Government.**

2. Background Information

- 2.1 The Government's spending review, announced by the Chancellor of the Exchequer in July 2004, included a target for efficiency gains in local government of 2.5% per annum. This was expected to deliver £6.45 billion in savings by 2007/08.
- 2.2 The main source of information on efficiency gains is an annual efficiency statement which has to be completed by each Council. The statement has to be approved by the Leader of the Council, the Chief Executive and the Chief Financial Officer.
- 2.3 The Department of Communities and Local Government (DCLG) require Councils to submit details of the efficiency gains achieved in 2007/08 by 8 July 2008.
- 2.4 The DCLG have calculated an efficiency target for each local authority based on their expenditure. Runnymede's cumulative target is:-

2005/06	£297,000
2006/07	£594,000
2007/08	£891,000

2.5 2007/08 is the final year in which the Council is required to submit this information to the Government.

3. Report

3.1 A copy of the annual efficiency statement for 2007/08 is available in the Members' Room. The statement reproduces the format of the on-line form that the Council has to submit.

3.2 The efficiencies are calculated on both revenue and capital spending and the DCLG guidance expects Councils to derive savings from four sorts of activity:

- (i) reducing inputs (money, people, assets, etc) for the same outputs;
- (ii) reducing prices (procurement, labour costs, etc) for the same outputs;
- (iii) getting greater outputs or improved quality (extra service, productivity, etc) for the same inputs; or
- (iv) getting more outputs or improved quality in return for an increase in resources that is proportionately less than the increase in output or quality.

(Source: Efficiency Technical Note For Local Government, page 6)

3.3 The DCLG guidance also makes it clear that certain types of activity cannot be counted as efficiency gains:

- re-labelling of activities;
- cuts that result in poorer services for the public; or
- increased income derived purely from higher prices in fees and charges to the public.

3.4 The revenue reduction exercise that has been pursued by the Council has made a significant contribution to the savings reported in the Annual Efficiency Statement.

3.5 The efficiency savings reported in the 2007/08 submission total £169,800 of which £124,900 are cashable. The cumulative efficiency savings achieved by 2007/08 compared to the Government's target are as follows:-

Table 1: Cumulative Efficiency Savings compared with the Government's Target

	Cumulative	Achieved	
	Target	In Year	Cumulative
2004/05	-	£185,000	£185,000
2005/06	£297,000	£256,500	£441,500
2006/07	£594,000	£404,400	£845,900
2007/08	£891,000	£169,800	£1,015,700

The cumulative savings reported in the Annual Efficiency Statement reproduced at Appendix 'C' are different from Table 1 because the Statement only shows the ongoing savings. Where savings have been derived from non-recurring activities (e.g. the purchase of items in the capital programme), these are only included in the in-year totals on the Statement. However, the target applies to all savings, whether recurring or non-recurring, and Table 1 reflects this comparison.

4. Council Policy

4.1 This efficiency statement has been prepared in the light of the policy guidance on the revenue reduction exercise set out by the Leader of the Council and also the Council's agreed Procurement Strategy.

5. Legal Implications

- 5.1 Councils are required by the Government to submit details of their planned efficiency gains.

(FOR INFORMATION)

Background Papers

Measuring and Reporting Efficiency Gains: A Guide to Completing Annual Efficiency Statements, DCLG, March 2007 (available online at <http://www.communities.gov.uk/index.asp?id=1508167>).

Efficiency Technical Note for Local Government, ODPM, January 2005.

11. CAPITAL GRANT AID - WALTON FIRS FOUNDATION (DAL)

1. Purpose of Report

- 1.1 **To consider an application from Walton Firs Foundation for grant aid in the sum of £10,000 to help secure its acquisition of the camp site and outdoor activity centre of the same name at Cobham.**

2. Background Information

- 2.1 Walton Firs Foundation was established as an independent charity to purchase and maintain for future generations of young people the facilities at Walton Firs site.

3. Report

- 3.1 Walton Firs is a high quality 28 acre open space, offering a diverse environment comprising grassland, wooded areas, flat area and slopes. It has been owned and operated by the Scout Association for more than 50 years and it is used for camping, skills training, games, nature and environmental studies by Scouts and Guides, schools, participants in the Duke of Edinburgh Awards scheme and a variety of other youth organisations from Surrey and South London, including those serving the disabled and disadvantaged. Facilities include 3 well provisioned accommodation huts (sleeping a total of 60), a training hut with large hall, adventure course and climbing/abseiling wall.
- 3.2 All these facilities meet current health and safety legislation and are in a good state of repair. The site operates an equal opportunities and disability access policy.
- 3.3 The Scout Association is now, however, seeking to dispose of the land, and other similar facilities as part of a strategy to concentrate its resources on four national 'Centres of Excellence'. The new Scouting 'Centre of Excellence', which serves the North Surrey catchment area, is based at Chigwell in North London. The Walton Firs Foundation, a registered charity, established to secure the continuing use of the site for youth activities, has been given an option to purchase the site for £800,000 by 30 June. The Foundation is confident that it will be in a position to exercise this option, as it has raised some £700,000 towards its target, with arrangements in place to borrow the shortfall of £100,000. A funding approach from the Foundation has been made to the Council seeking a contribution of £10,000, with a view to minimising this borrowing requirement. £10,000 is the maximum amount which the Council can award under the grant criteria.
- 3.4 The Foundation intends to retain the existing usage of the site and manage it in conjunction with Surrey Scouts.
- 3.5 25,000 'camper days' were held at the site in 2007 (200 from Runnymede Scouts plus evening visits). Last year from Runnymede, 105 young people and 25 leaders camped at the weekends at the site, including 22 guides and 11 guiders. These registered users were all those involved in weekend camps and does not include any use of the site which may have been made during the days, weeks or evenings for activities and exercises by schools, sports teams, special needs clubs, St John Ambulance Cadets and Duke of Edinburgh Award groups.

3.6 The Council does not at present use the Walton Firs site for any Council run activities but this could be a possibility in the future, e.g. for the Council's summer holiday schemes for young people. If the Committee is minded to award a grant to the Foundation, this could be subject to the Council receiving a discounted rate for the future use of the site for Council run schemes, with the terms of the discount being settled by Runnymede Officers in negotiation with the Foundation.

4. Council Policy

4.1 The application appears consistent with corporate policy objectives in that it

- i) promotes healthy lifestyles for young people through sports centres, schools, clubs, parks, countryside and waterways;
- ii) involves working with all agencies to make the best use of facilities and developing diversionary activities for young people;
- iii) support scouts, guides, voluntary youth groups and individual young people through grant aid.

4.2 The Council does not normally provide grant funding to out of borough facilities but may occasionally do so where the organisation or initiative is held to be of sufficient benefit to the local community and fulfils an established need. A precedent is provided by the award of a £7,000 grant to Woking Athletics Club towards the cost of upgrading Sheerwater Athletics track in 2000.

4.3 Officers consider that this request for funding is worthy of support both for the current Borough use and for the potential future use, but in view of the fact that this is a facility that operates outside of the borough, grant support of £5,000 is recommended.

4.4 It is also recommended that any grant support should be on condition that the funding is returned in full in the event that the purchase is not completed, or the purchase price is less than expected, or the land is sold on at a later date.

5. Financial Implications

5.1 The provision for capital grant aid in 2008/2009 is £50,000, of which £49,417 remains.

OFFICERS' RECOMMENDATION that -

a capital grant of £5,000 be awarded to the Walton Firs Foundation, on condition that

- i) the funding is returned to the Council in full in the event that the purchase is not completed, or the purchase price is less than expected, or the land is sold on at a later date; and**
- ii) the Foundation permit any future use of the site by the Council for Council run activities at a discounted rate, with the terms of the discount being settled by Runnymede Officers in negotiation with the Foundation.**

(TO RESOLVE)

Background Papers

Application for grant aid received from Walton Firs Foundation.

12. NEIGHBOURHOOD ENGAGEMENT AND THE NEW 'DUTY TO INVOLVE' (CEO)

1. **Purpose of Report**

1.1 **To advise Members of the new obligations for neighbourhood engagement and of the engagement model piloted by this and neighbouring authorities.**

2. Background Information

- 2.1 The White Paper *Strong and Prosperous Communities*, published in October 2006, set out the Government's commitment to widen and deepen the involvement of local communities in shaping their own future. This commitment was captured by the Local Government and Public Involvement in Health Act (October 2007), introducing a new statutory performance framework and a new, simplified best value regime. Draft statutory guidance published in October sets out how the Government expects the key measures of the Act to enable local authorities to engage their citizens, lead their communities, and find new and more effective ways to deliver high quality services with their partners.
- 2.2 These changes are intended to offer opportunities for local leaders to set out their vision for their communities, while empowering local people to help deliver that vision. As part of this agenda, a new statutory 'duty to involve' local people in local authority decision-making comes into force on 1 April 2009. The new duty requires local authorities to "inform, consult and involve" citizens, to ensure they play an active role in shaping the future of the place where they live.
- 2.3 The Government's aspiration is that the new duty embeds a culture of engagement and empowerment, so that authorities consider, as a matter of course, the possible information provision, consultation and involvement opportunities they need to provide people across all authority functions.
- 2.4 The duty to involve will be reinforced by the Government's new performance framework, manifested in PSA 21 ('Build more cohesive, empowered and active communities') and the National Indicator set - particularly NI4 and NI5. It is likely that the Audit Commission and other inspectorates will expect local authorities to exercise this duty as a matter of course, unless the authority can show why it would not be appropriate.
- 2.5 Plans have been announced for a further White Paper, which is expected to capture the Department for Communities and Local Government's (DCLG)s deliberations on community empowerment. This will push engagement and empowerment further into mainstream Council work.

3. Report

- 3.1 The new duty obliges authorities to involve, where appropriate, a selection of local people in Council functions and services. 'Local people' encompasses anyone affected by or interested in a particular Council function, including those who work or study in the area and other visitors. Authorities are obliged to consider the appropriate measure along a spectrum of engagement: providing information, consulting, or involving in another way. These engagement measures will need to reach the relevant parts of the community – including those who are hardest to reach.
- 3.2 Provision of information, in this context, extends beyond informing citizens how to access services; the information should enable local people to become engaged in Council functions. Consultation can include methods such as satisfaction surveys and citizens' juries, as well as formal or mandatory consultations.
- 3.3 Where appropriate, authorities should consider engaging with local people in a more interactive way, giving citizens and users a greater influence over decisions or delivery. This can include: influencing decisions (e.g. participatory budgeting); enabling feedback on decisions (e.g. 'have your say' section on website); co-design of service/policy; co-delivery of services (e.g. the transfer of assets to communities, or local people taking

part in 'street clean up'); co-assessment of services (e.g. citizens acting as 'mystery shoppers').

- 3.4 The duty to involve is intended to complement, not replace, the existing requirements for local authorities to engage with users or citizens. Authorities must determine whether the duty requires any extra actions in these cases. The duty applies to routine functions, as well as significant one-off decisions. Authorities should be careful to avoid duplication of previous engagement activities, and should consider the benefits of engagement against the costs involved.
- 3.5 Authorities will be expected to be able to demonstrate, through routine evidence-gathering, that they:
- understand the interests and requirements of the local community;
 - apply the obligations of the duty on the right issues, targeted at the right people, and accessible to those the authority is trying to reach;
 - have an appropriate corporate approach to discharging the new duty,
 - work with partners where appropriate; and
 - ensure local people feel the authority provides relevant, effective and accessible engagement opportunities and will know how to get involved.

4. Engagement Pilot - Multi-Agency Neighbourhood Workshop

- 4.1 The engagement model piloted in February 2008, in partnership with Surrey County Council and Runnymede Neighbourhood Police, sought to develop a programme of self-sustaining community engagement. Held in Hythe and Pooley Green, under the name SWITCH ON, the two main aims of the evening workshop were to:
- encourage local people to become more involved in the local neighbourhood, and to address local issues as a community, and
 - provide information on how local concerns could be reported, and to promote the work of voluntary and community groups in the area.
- 4.2 Around 45 people attended the event, with a sizeable voluntary and community sector turnout. Participants were asked to take part in priority-setting, and to consider how the community as a whole could contribute to addressing these priorities. Anti-social behaviour, the local environment, and young people and youth provision proved to be the main priorities in the local community; the community-based solutions proposed on the night included a strengthened neighbourhood watch scheme, volunteer escorts for vulnerable people, and the provision of youth facilities.
- 4.3 The administration cost for this engagement exercise - venue hire, publicity, etc. - was circa £1,000. More significant were the resource implications for staff time, including event planning and coordination by a multi-agency team, and out-of-hours commitments for senior managers on the night itself.
- 4.4 The concept behind SWITCH ON was to partially separate the Council and other statutory partners from the engagement process, promoting the role of Ward Members, and inviting local people - and, significantly, local community and voluntary groups - to work collectively to address their key concerns. This was not a traditional consultation exercise to ask the community for their views on Council services or the local area. A comprehensive report is attached at Appendix 'D'.
- 4.5 In the short- to medium-term, the engagement model piloted by this authority achieved the aims and objectives as set out above. Satisfaction at the event was relatively high, and, anecdotally, it appears the workshop was a popular exercise in the neighbourhood. The listing of individual specific grievances by participants at the event was largely

avoided, and some tangible community-based solutions are currently being progressed. However, the next steps regarding engagement in Hythe and Pooley Green need to be determined.

- 4.6 It is important to close the loop by ensuring outcomes of the event are followed through and communicated to the community. It is proposed that the Hythe and Pooley Green neighbourhood is revisited within a two-year cycle. Were this authority to roll-out the model across various neighbourhood clusters within the borough, and adopt a two-year cycle, a neighbourhood workshop would need to be planned and organised every two to three months.
- 4.7 Alternatively, the neighbourhood workshop model could be targeted at a small number of neighbourhoods within the borough to enable more intensive engagement with those communities. This could involve a series of follow-up workshops or meetings to establish an active dialogue with the community. This interactive process may be a more appropriate method to meet the emerging obligations from Government.
- 4.8 It is proposed that the emphasis on voluntary and community sector involvement is further developed, to ensure that the impact of neighbourhood workshops is sustainable in the medium term. Observational evidence suggested the SWITCH ON workshop did not reach a wide range of social and age groups. This could be addressed by engaging with existing organisations such as the Runnymede Youth Council, Runnymede Access Liaison Group, and local schools. The local knowledge of the community policing team could also be utilised to ensure attendance reflected the diversity of the neighbourhood. The multi-agency approach taken would need to be formalised if this model were to continue to be pursued.

5. Surrey-Wide Context

- 5.1 As part of its Enhanced Neighbourhood Engagement theme, Surrey Improvement Partnership (SIP) is currently assessing the potential for a neighbourhood engagement programme that can be adopted throughout the county. SIP is to set to agree a new three-year strategy for the roll-out of neighbourhood engagement pilots across Surrey, and there is opportunity for this authority to access funding for this purpose.
- 5.2 Reigate and Banstead Borough Council have led on the current SIP Enhanced Neighbourhood Engagement project, piloting a series of neighbourhood panels around the borough. This model brought cyclical community engagement together with the neighbourhood panel system proposed by Surrey Police; key to this model was placing elected Members at the heart of the process, and ensuring the involvement of partner agencies to allow local people to bring all concerns to one forum. Though it met with varying success, Surrey Police have proposed rolling this model out across the borough.
- 5.3 As part of the SIP project, the Local Community Action Plan (LCAP) approach adopted by Reigate and Banstead BC in 2003 has been piloted by Woking and Spelthorne Borough Councils. The LCAP process involves pro-active door-to-door engagement and priority-setting within a defined local area, resulting in a community-owned action plan. This approach has subsequently been the subject of a SIP-sponsored guide, published in April 2008.
- 5.4 Though Reigate and Banstead BC's objective is to have an LCAP covering all areas of the borough by March 2009, the ten LCAPs already in place vary vastly in scale; for example, one LCAP focuses on a small housing estate of 500 houses, while another encompasses two Wards. The LCAP process has the benefit of taking engagement out to the community and involving 'hard-to-reach' groups, but is labour and resource intensive and requires a dedicated project team. Reigate and Banstead BC is already engaged in or seeking to establish a number of initiatives to extend and deepen community engagement in addition to the LCAP approach; for example, the proposed Community Fund, participatory budgeting, and the community management of assets.
- 5.5 The workshop model piloted in Runnymede was originally developed as part of a Surrey Police-led neighbourhood engagement programme (in turn part of a Home Office pilot) across north-west Surrey, under the name 'Tune In'. Developed by Woking Borough

Council and Surrey Police in July 2006, 'Tune In' workshops sought to involve the community in a local priority-setting exercise. Woking BC is committed to holding a series of nine workshops across the borough, the eighth of which is to be held in July. A review is expected shortly, but suggestions are that the model was not thought to be successful in more deprived neighbourhoods and will not return to these localities. For these neighbourhoods, Woking BC is considering a more pro-active approach, possibly repeating the LCAP process already trialed in the borough. The proposed second 'Tune In' cycle is likely to focus on what has been delivered as a result of the initial workshops.

- 5.6 Surrey Heath Borough Council has also completed three 'Tune In' workshop pilots. These pilots are subject to review and future plans are contingent on the outcome. Early indications suggest that the Surrey Police model was felt to be too rigid, resource intensive and overly ambitious, and therefore Surrey Heath BC are likely to seek to adopt another approach.

6. Implications of Empowerment White Paper

- 6.1 It appears likely that, despite the aspiration of DCLG to publish before the summer parliamentary recess, the Empowerment White Paper will be delayed. A further report will be brought to the Committee later in the year, once the Government's intentions are clearer.
- 6.2 There are however some early indications of the expected themes; the discussion document *Unlocking the talent of our communities*, published in March 2008, suggests the aims of the White Paper are to make empowerment central to local authority delivery, encourage active citizenship, and strengthen local accountability. A key emerging measure of the White Paper is the power of petition. This power would enable local people to use petitions to call for various actions, such as participatory budgeting, asset transfer or putting items on the Council agenda.
- 6.3 The White Paper will further provide a response to the Councillors' Commission, and seek to ensure that communities have the ability to hold public officials and representatives to account in a convenient and timely manner. The Secretary of State has expressed an interest in exploring a statutory duty for councils to promote local democracy and the role of councillor. It is expected that the White Paper will seek to revive civic society and local democracy, by offering government support –especially in harnessing new technologies– to encourage the progression from civic participation to civic activism.
- 6.4 It is anticipated that the personalisation of local services –individual budgets and the direct involvement of consumers in design and delivery– will be considered central to the empowerment agenda. Social housing is proposed to be a key service area in which to give more 'choice and voice' to service users.

7. Summary

- 7.1 In the light of likely Government legislative proposals and pilot work being done under the Surrey Improvement Partnership banner, it is not felt that a decision should be made at this time in relation to the future development of neighbourhood initiatives. It is therefore proposed that a further report be submitted to the Committee during the autumn.

OFFICERS' RECOMMENDATION that-

- i) the experience of the engagement pilot in Hythe and Pooley Green be noted; and**
- ii) a further report on options be submitted later in the year.**

(TO RESOLVE)

Background Papers

Creating Strong, Safe and Prosperous Communities Statutory Guidance: Draft for Consultation - DCLG, 20 November 2007

Strong and Prosperous Communities: The Local Government White Paper - DCLG, 26 October 2006

Unlocking the talent of our communities - DCLG, 5 March 2008

13. USE OF RESOURCES - REQUIREMENT FOR ENVIRONMENTAL FOOTPRINT STATEMENT (DF)

To follow.

14. ANNUAL MINIMUM REVENUE PROVISION STATEMENT 2007/08 AND 2008/09 (DF)

1. Purpose of Report

To approve the policy for making a minimum revenue provision in 2007/08 and 2008/09

2. Background Information

2.1 When a Council funds capital expenditure by long-term borrowing, the costs are charged to the Council Tax payer in future years, reflecting the long-term use of the assets. There are two elements to this cost – the interest on borrowing is charged in the year it is payable, and the principal (or capital) element is charged as a “minimum revenue provision” (MRP).

2.2 Until recently, the amount of MRP to be charged was determined by regulation, although the Council was allowed to make an additional voluntary charge to the revenue account. Since the Council is debt free, these arrangements have been largely of academic interest because it has not been necessary to make any charge in the revenue accounts (there being no debt to repay).

2.3 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2008 which came into force on 31st March 2008, replaced the detailed statutory rules for calculating MRP with:

“28. A local authority shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent.”

2.4 The Department for Communities and Local Government (DCLG) has issued guidance on what constitutes prudent provision and that requires the Council to approve a statement each year of the policy on making a minimum revenue provision.

3. Report

3.1 The new regulations require the Council to approve a statement on making a minimum revenue provision even though it is debt free. The statement below covers the 2007/08 and 2008/09 financial years, in line with the timetable in the DCLG Guidance.

2007/08 financial year

As the Council was debt-free on 31st March 2007, there was no requirement to make any MRP during the 2007/08 financial year, and none was made.

2008/09 financial year

As the Council was debt-free on 31st March 2008, there is no requirement to make any MRP during the 2008/09 financial year, and it is proposed that none shall be made.

3.2 Since the Council intends to remain debt-free at the end of this financial year, the Council will be asked to approve the policy for calculating a prudent MRP for 2009/10 in February 2009 when the budget is being considered.

4. Resource implications

4.1 None.

5. Council Policy

5.1 Current policy is for the Council to remain debt free.

OFFICERS' RECOMMENDATION that -

the statements in paragraph 3.1 be adopted as Council policy.

(TO RECOMMEND)

Background Papers

None

15. EXTERNAL APPOINTMENTS SUB-COMMITTEE - MINUTES (DAL)

The Minutes of the External Appointments Sub-Committee held on 28 May 2008 are attached at Appendix 'E' for adoption.

OFFICERS' RECOMMENDATION that -

the Minutes of the meeting of the External Appointments Sub-Committee attached at Appendix 'E' be received and adopted.

(TO RESOLVE)

Background Papers

None

16. EXTERNAL APPOINTMENTS SUB-COMMITTEE - DEFERRED APPOINTMENTS TO OUTSIDE BODIES (DAL)

The External Appointments Sub-Committee met on 28 May 2008 to decide a number of appointments to outside bodies. The Minutes of the meeting are attached at Appendix 'E'. Two appointments were deferred for consideration by this Committee.

(1) Mary Drew Almshouses : Appointment of Trustee

Former County Councillor Miss S Bruce has resigned her Trusteeship of the above Charity. She was appointed in May 2007 for a 4-year term of office expiring in December 2011. Accordingly, a replacement is now sought. The person appointed can be a Member or Non-Member.

The other Runnymede Borough Council nominated Trustees on this Charity are Councillor H W V Meares (term expires 2011) and Mrs M Gibbon (term expires 2010).

Trustees do not act as Council representatives but use their judgement in the best interests of the outside body. In many cases, while acting as Trustee, they will be under a positive legal duty to act in the best interests of the outside body, rather than those of the Council. Council insurance will not cover them and they cannot be indemnified by the Council. However, the Body will normally, as a matter of course, have taken out appropriate insurance so as to provide indemnity cover.

(2) South East Employers : Appointment of Deputy Member

Councillor P B Tuley was appointed as the Member representative on 28 May. There is still a vacancy for a Deputy Member, who must be a Member of Runnymede Borough Council.

The main points affecting an Authority's choice of representatives are:

- (i) Representatives (particularly the Member representative) should have close involvement/interest in the HR/organisational development function and a Council's representative should ideally include a member of its Executive (Cabinet), Scrutiny or other Committee with HR responsibilities.
- (ii) The representatives should be in a position to represent the views of their Authority.
- (iii) In order to avoid complications under the Local Government and Housing Act 1989 (Paragraph 12), the representatives should not be employees of another local authority or an employee or official of any of the Local Government Unions.

OFFICERS' RECOMMENDATION that -

the Committee considers appointing

- (i) a third Trustee to the Mary Drew Almshouses to serve until December 2011; and**
- (ii) a Deputy Member to serve on South East Employers for 2008/2009.**

(TO RESOLVE)

Background Papers

None.

17. OTHER APPOINTMENTS TO OUTSIDE BODIES (DAL)

(i) Runnymede Association for Voluntary Service (RAVS)

The Council currently appoints two Members, each serving for a three year term of office, as its representatives on RAVS. The current representatives are former Councillors B J Relph and Councillor P B Tuley. Both were appointed in June 2006 and Councillor Tuley's current term of office will end in May 2009. As Mr Relph is no longer a Councillor and the appointment currently requires that the person must be a Member of the Council there is a vacancy which needs to be filled for the remainder of the period of his term of office (one year).

It is understood that Mr Relph will still serve on RAVS as he is to be appointed by RAVS as a Trustee.

(ii) Basingstoke Canal Joint Management Committee (JMC)

At the meeting of the External Appointments Sub-Committee held on 28 May 2008 it was agreed that Councillor Mrs M T Harnden would represent the Council on the above Committee. Since that meeting of the Sub-Committee, the Conservative Group and the Runnymede Independent Group have both agreed that the previous representative to the Basingstoke Canal JMC, Councillor A J Davis, should continue to serve thereon. Councillor Mrs Harnden has very kindly agreed to step down in favour of Councillor Davis.

Accordingly, the Corporate Management Committee is asked to approve this change of representative.

OFFICERS' RECOMMENDATION that –

- i) the Committee considers appointing a Member to serve on RAVS for a one year term; and**
- ii) Councillor A J Davis be re-appointed as the Council's representative on the Basingstoke Canal Joint Management Committee for the Municipal Year 2008/2009.**

(TO RESOLVE)

Background Papers

None

18. EXCLUSION OF PRESS AND PUBLIC

If Members are minded to consider any of the foregoing reports in private, it is the

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, 2 and 3 of Part 1 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 Paras
- 19. REFERENCES FROM THE HOUSING AND COMMUNITY SERVICES COMMITTEE 1,2,3
- b) Confidential Information

(No reports to be considered under this heading)