

Corporate Management Committee

Thursday 8 January 2009 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

PART I

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PART II

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

a) Exempt Information

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b) Confidential Information

(No reports to be considered under this heading)

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 27 November 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. LOCAL AUTHORITY FINANCE SETTLEMENT 2009/10 (DF)

1. **Purpose of Report**

1.1 **The purpose of this report is to inform Members of the details of the 2009/10 local authority finance settlement.**

2. Background Information

2.1 The Government announced the local authority finance settlement on 6 December 2008. This set out the basis on which Revenue Support Grant and Business Rates will be distributed to Councils in 2009/10. These figures are still provisional and are subject to consultation. The final statutory reports will be laid before Parliament towards the end of January.

2.2 A simple guide to the Settlement is published on the web site of the Department of Communities and Local Government (DCLG) at <http://www.local.communities.gov.uk/finance/0910/simpguid.pdf>.

2.3 Last year the Government published settlement figures for three years, covering 2008/09, 2009/10 and 2010/11. The recent announcement is consistent with last year's statement. The total paid in formula grant to English local authorities in 2009/10 will be £28.25 billion, an increase of 2.84% over the comparable figure of £27.5m in 2008/09.

3. Report

3.1 Formula Grant is based on a complex calculation that applies weightings to data (for example population, deprivation, population sparsity and density) to determine each Council's share of the national cash sum that the Government has provided in the settlement. This is explained in the Government's simple guide to which reference is made in paragraph 2.2 above.

Formula Grant

- 3.2 **Formula Grant** is the name for the cash that the Council will receive from the Government. The following table shows the draft settlement figures announced in December.

Table 1: Formula Grant from the Government - Runnymede's share

	2009/10
	£
• Relative Needs , assessed by ascribing values to a range of demographic indices	2,701,255
• A deduction for Relative Resources , calculated by assessing the authority's taxbase in relation to its population	-2,828,422
• A Central Allocation , paid on a population based formula	5,758,866
• Floor Damping , providing protection for those authorities whose entitlement would otherwise fall below the 1% increase announced by the Government (and paid for by reducing the entitlement of authorities whose increase is more than 1%)	-149,583
	£5,482,116

- 3.3 The overall amount will be paid partly in the form of redistributed Business Rates (£4.454 million in 2009/10) and partly in Revenue Support Grant (£1.028 million).

- 3.4 The Government's approach this year has been to produce a distribution that is consistent with the three year settlement announced last year. Consequently, there have been no changes in the methodology or the resource equalisation used in the calculations. The result is a provisional figure for Runnymede (£5,482,116) that is identical to the amount shown in the data tabled in Parliament in January 2008.

Floor Damping

- 3.5 The settlement provides grant protection so that no authority will receive less than the minimum increase announced by the Minister. For districts the floor increase is 1%. The cost of paying for floor damping is met by scaling back the amount of grant paid to those authorities whose increase is more than the floor.
- 3.6 Runnymede's Formula Grant of £5,482,116 for 2009/10 is 2.18% more than it is receiving in 2008/09. Since its increase is above the floor, it means that Runnymede is one of the authorities whose grant is reduced to pay for floor protection elsewhere. The Council made representations to the Government last year arguing that the cost of paying for floor protection should not fall on districts above the floor but this continues to remain a feature of the settlement. As can be seen from Table 1, this negative adjustment will amount to £149,583 in 2009/10. Without this reduction, Runnymede would receive an increase of 5% rather than the 2.18% that has been announced.

Capping

- 3.7 As in previous years, the ministerial statement made it clear that the Government intends to cap Council Tax increases that it regards as excessive. The Minister for Local Government said, "For 2009/10 the Government again expects the average Council Tax increase in England to be substantially below 5%." The Minister has subsequently written to all local authorities to reiterate the Government's position.
- 3.8 Strictly speaking, Council Tax itself is not capped. The relevant provisions of the Local Government Finance Act 1992 give the Secretary of State power to control an authority's budget requirement (rather than the Council Tax) if she considers it to be excessive.
- 3.9 However, the Secretary of State can decide to take into account levels of increase in the budget requirement and of Council Tax, and controlling the budget requirement enables

her to control the Council Tax. Unsuccessful legal challenges over the years have shown that the discretion is very wide and the Courts will not interfere, even when the cap operates to the disproportionate disadvantage of a low-spending authority.

Efficiencies

- 3.10 The ministerial statement also included confirmation that the Government intends to press ahead with its proposals to require Councils to publish efficiency targets on their Council Tax bills with effect from 2009/10. For two-tier areas like Runnymede, this will mean that the bill will have to include efficiency figures for the Borough Council, the County Council and the Police Authority.
- 3.11 The Government acknowledges that this will require software changes and will add to the annual cost of billing (because many bills will no longer fit on one piece of paper). In the subsequent paper published on 5 December the DCLG states, "In order to cover the additional burdens that this new requirement will impose, the Department will provide £2.35m capital funding in each of financial years 2008-09 and 2009-10, plus £1.84m revenue funding in each of financial years 2008-09, 2009-10 and 2010-11." No information is yet available on what Runnymede's share of these national totals is likely to be.

4. Resource Implications

- 4.1 Runnymede's formula grant announced in the provisional settlement is identical to the amount included in the Financial Forecast reported to this Committee on 30 October. There are consequently no additional budgetary implications to those already reported.
- 4.2 The requirement to publish efficiency data on Council Tax bills will entail software changes and the extra detail on the bills is expected to lead to use of more paper. At the time of writing this report there was insufficient information available to assess these costs so it is not known if the grant that Runnymede will receive from the Government will cover the additional expenditure.

5. Conclusions

- 5.1 Runnymede's Formula Grant in 2009/10 will increase by 2.18% over the 2008/09 figure.
- 5.2 Runnymede's Formula Grant has been reduced to pay for the cost of floor protection awarded to other Councils.
- 5.3 The Government have made it clear that they expect Council Tax increases to be substantially less than 5% and that they will use their capping powers to prevent what they regard as excessive increases.
- 5.4 The latest figures available are still provisional. The final grant settlement figures approved by Parliament will be reported to Committee on 31 January 2009 when the overall budget for 2009/10 will be considered.
- 5.5 The requirement to publish efficiency data on Council Tax bills will require software changes and increase billing costs. It is not yet known whether or not the Government grant that Runnymede will receive for implementing the change will be sufficient to cover the additional costs.

(FOR INFORMATION)

Background Papers

Local Authority Finance Settlement papers received from the Department of Communities and Local Government.
Government response to the consultation on the inclusion of efficiency information with council tax demand notices, DCLG, December 2008.

7. REVENUE ESTIMATES 2009/10 (DF)

1. Members are asked to consider the draft Revenue Estimates for 2009/10.
2. A budget is the expression in financial terms of the Council's policies over the next year and is a statement of intention against which achievement can be compared. The main objectives of budgeting are:
 - Satisfaction of statutory requirements
 - Determining the amount which needs to be raised from Council Tax or rents
 - Assisting in the planning and policy making process
 - Policy implementation and control
 - A means of measurement, and
 - Strategic planning
3. The report of the Director of Finance containing the draft Revenue Estimates and fees and charges for the services under the remit of this Committee is attached at Appendix 'B'. (The Estimates have been circulated separately to members of the Committee and relevant Officers only and a copy has been placed on the website for all other Members and the public).
4. The estimates are separated into the following sections:
 - i) Corporate Management Committee Estimates (Appendix 'B' - pages 1-74)
 - ii) Current and proposed fees and charges (Appendix 'B' – pages 75-76)
 - iii) Assumptions used in setting the budgets for 2009/10 (Appendix 'B' - pages 77-80)

OFFICERS' RECOMMENDATION that -

- i) the probable outturn for 2008/09 and the draft Revenue Estimates for 2009/10 be approved as submitted; and**
- ii) the proposed schedules of charges for 2009/10, as set out in on pages 75 and 76 of Appendix 'B', be approved, to be effective either from the first week of April 2009 or 1 April 2009 as appropriate.**

(TO RESOLVE)

Background Papers

Director of Finance's Estimates Working Papers 2009/10 File for Corporate Management Committee (part exempt).

8. LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT 2007 (DAL)
 1. Purpose of Report
 - 1.1 **To remind Members of the broad content of this statute and to outline the current level of implementation and any decisions required.**
 - 1.2 **Most of the material in this report has been reported previously, sometimes in detail. However it would be appropriate to offer an update on the scope of the Act, particularly with approaching deadlines for decision on electoral arrangements and governance.**
 2. The Act
 - 2.1 Structural Change
 - 2.1.1 Members will be familiar with the provisions of the Act empowering the Secretary of State to invite or direct District and County level authorities to make proposals for unitary local government in their area. Authorities in Surrey, including the County Council,

decided not to participate in the initial tranche of proposals. No further invitation has yet been issued.

2.1.2 The Boundary Committee is empowered to review areas of local government, either on their own initiative or at the request of the Secretary of State or a local authority. Part of the purpose of this provision is to facilitate changes that might make sense in consequence of changes to unitary local government. No review has so far been invited in Surrey.

2.1.3 The Act contains a number of provisions to cover what happens to staff, land, and other resources of authorities which are subject to boundary or structural change.

2.2 Electoral Arrangements

2.2.1 At present all district Councils in England have opted to hold elections either by thirds, or for the whole Council once every four years. If elections by thirds were chosen (as in Runnymede) one third of the Council is elected each year for three years, and in the fourth year there is no election. The 2007 Act makes it easier to change the system. District Councils may move to whole Council elections, elections by halves, or elections by thirds.

2.2.2 If an authority wishes to do this, a resolution must be passed at a special meeting, by a majority of at least two thirds of the Members voting. Such a resolution must be passed before 31 December 2010 for implementation in the following election period. Subsequent opportunities to pass a resolution close on 31 December 2014 and every fourth year afterwards.

2.2.3 This Council has not previously indicated strong interest in changing its electoral system. Should it wish to do so, there are a number of procedural requirements and Officers should be asked to report further on the advantages, disadvantages, and steps which must be taken.

2.3 New Executive Arrangements

2.3.1 A number of changes are made to the requirements for authorities operating executive arrangements. In particular the Mayor and Council Manager model is abolished, and executive arrangements must either be based around an elected Mayor and Cabinet, or a 'Leader and Cabinet' model, with the Cabinet appointed by the Leader.

2.3.2 Authorities which were allowed to opt for 'alternative arrangements' in 2001 by virtue of their small size can still operate these arrangements. Only authorities which adopted alternative arrangements as the fallback option following a failed referendum for a Mayor have to change to executive arrangements. The only such authority in the country is Brighton and Hove.

2.3.3 Runnymede has not previously indicated any wish to change away from alternative arrangements, but should it wish to do so a resolution is required by 31 December 2010 or in any fourth year afterwards. Again a further detailed report should be requested if Members have any wish to investigate this possibility.

2.3.4 The authority may be compelled to hold a referendum to change to an elected Mayor or elected Leader model, the trigger size for which is still 5% of the population.

2.3.5 Members may wish to note that at its meeting on 9 December 2008, the County Council opted to modify its Leader and Cabinet system to comply with the new legislation rather than move to a Mayoral system.

2.4 Local Area Agreements and Local Partners

2.4.1 The Act sets up the framework for Local Area Agreements as previously reported to Committee. 'Responsible Authorities' (County or Unitary authorities) must consult 'Partner Authorities' (a wide range including District Councils, Police and Fire Authorities, NHS Trusts, Arts and Sports Councils, etc) and then settle a Local Area Agreement with the Secretary of State.

- 2.4.2 As well as targets agreed locally, the Secretary of State can designate particular targets.
- 2.4.3 The regime has been criticised by some because of the confusing mixture of influence by elected and unelected bodies.
- 2.5 Overview and Scrutiny Committees
- 2.5.1 Runnymede's Overview and Scrutiny Committee is known as the Review Board. Since 2001 every authority has been required to have at least one. Their original purpose was to monitor and control the executive in authorities operating executive arrangements, but they are still a requirement even for alternative arrangements authorities.
- 2.5.2 The emphasis is shifting towards using them as vehicles for engagement with the community and sharpening dialogue with partner authorities. The 2007 Act introduces a number of new provisions including the following which affect Runnymede:
- the Secretary of State may make regulations permitting a group of partner authorities to appoint a joint Overview and Scrutiny Committee to examine matters relating to local improvement targets from local area agreements. The Secretary of State has not yet exercised this power.
 - the Secretary of State may also make regulations allowing a District Council's Overview and Scrutiny Committee to make reports and recommendations to the relevant County Council, relating to local improvement targets. Again no regulations have yet been made.
 - Changes are made to Section 19 of the Police and Justice Act 2006, which requires local authorities to set up special Overview and Scrutiny Committees called 'Crime and Disorder Committees'. This section has not yet been brought into force.
- 2.5.3 A number of other changes (statutory power for individual Members of Overview and Scrutiny Committee to refer business to the Committee, power of Overview and Scrutiny Committees to require any member of the authority to attend to answer questions relating to the exercise of their functions, power to require information from partner authorities, duty of authority or executive to respond to reports or recommendations of Overview and Scrutiny Committees, amongst others) apply only to authorities operating executive arrangements, although it may be possible for the Secretary of State to make regulations applying similar provisions, where relevant, to alternative arrangements authorities.
- 2.6 Byelaws
- 2.6.1 The Secretary of State may specify certain classes of byelaw that can be confirmed by authorities themselves (instead of being submitted to the Secretary of State as at present).
- 2.6.2 The Secretary of State may also specify certain classes of byelaw which are punishable by fixed penalty notices issued by local authority Officers.
- 2.6.3 It is unclear how far either provision will be used.
- 2.7 Best Value
- 2.7.1 The general duty to seek best value in the performance of an authority's functions remains.
- 2.7.2 Where an authority thinks local representatives should be involved in the exercise of any of its functions - for example by being provided with information or consulted - it must take steps to ensure that is so.
- 2.7.3 The requirement to compile best value performance plans, and undertake best value reviews, is abolished.

2.7.4 There is new power to pay Government grant to advance the economic, efficient, and effective exercise of functions.

2.8 Inspections and Audit

2.8.1 The role of the Audit Commission is formally extended to include the review of performance of functions. Their powers to require documents etc are extended and they are given powers to access computers and associated equipment.

2.8.2 Some have expressed concern at the continued extension of Audit Commission powers, particularly in view of the effect their activities can have on an authority's actions, priorities, and approach.

2.9 Ombudsman

2.9.1 The existing powers of the local authority Ombudsman are extended to allow him or her to widen the scope of an investigation if further matters emerge beyond the original complaint.

2.9.2 The Ombudsman has no power, however, to initiate an investigation without a complaint having been made.

2.10 Ethical Standards

2.10.1 Some omissions from the earlier legislation are repaired and the sanctions available to local Standards Committees are increased in view of their greater role in handling complaints. The Chairman of an authority's Standards Committee must be an independent (non Councillor) Member. Power is given to set up a joint Standards Committee with another authority.

2.10.2 These matters have been previously reported and acted upon by the Council.

2.11 Joint Waste Authorities

2.11.1 Local authorities exercising waste functions in a particular area may after public consultation propose the setting up of a joint waste authority to exercise the functions jointly. One of the principal intentions appears to be to facilitate joint working between Counties and Districts.

2.12 Entities Controlled by Local Authorities

2.12.1 The Act allows the Secretary of State to impose additional controls or requirements on companies or trusts associated with local authorities. No such orders have yet been made.

2.13 Patient and Public Involvement In Health and Social Care

2.13.1 County and unitary authorities are given a duty to establish 'local involvements networks' in order to involve local people in the commissioning provision and scrutiny of local care services, and consult them in relation to such services. The proposals replace the former Community Health Councils and subsequent patients' forums.

2.13.2 Local involvement networks will have power to make recommendations, and the relevant service provider can be required to respond.

2.13.3 This part of the Act is not yet in force.

2.14 Exercise of Functions by Ward Members

2.14.1 A local authority may make arrangements for ward Members to exercise any functions of the authority in relation to their own ward. This power will not be restricted to authorities operating executive arrangements.

2.14.2 However, this part of the Act has not yet been brought into force.

3. Conclusion

3.1 The Local Government and Public Involvement In Health Act 2007 lays a legal foundation for most, but not all, of the proposals set out in 'Strong And Prosperous Communities - The Local Government White Paper' published in 2006.

3.2 Since that time the Government has published a further White Paper: 'Communities in Control: Real People, Real Power'. This contains proposals to give local authorities a duty to promote democracy with a range of public information and engagement, and extended duties to consult other bodies on decisions. It also proposes additional measures to assist volunteering, greater access to information, public participation in budgeting, and other measures. Several of these measures are contained in the recently published Local Democracy, Economic Development and Construction Bill. Reports on these proposals will come forward as necessary.

3.3 The Government is in the process of trying to effect a fundamental shift in the way local authorities operate by requiring a substantially higher level of community consultation, and participation and engagement with other agencies, and eroding their capacity to function unilaterally. The 2007 Act represents a legislative step along this road although some of the most community orientated provisions are not yet in force.

3.4 It would be appropriate for the Council to indicate whether it wishes Officers to prepare further reports on electoral or governance arrangements.

THE COMMITTEE IS ASKED -

whether it wishes Officers to provide any further information on:

- i) changing the frequency of Borough elections;**
- ii) changing to executive arrangements;**
- iii) any other matter covered in this report.**

(TO RESOLVE)

Background Papers

Bevan Britton notes 18 July 2008.

9. SUSTAINING THE LOCAL GOVERNMENT PENSION SCHEME IN ENGLAND AND WALES (CEO)

1. Purpose of Report

1.1 **This report brings to Members' attention draft proposals for further amendments to the Local Government Pension Scheme (LGPS) Regulations to take effect from 1 April 2009. Responses to a statutory consultation exercise are invited by 23 January 2009 and this report seeks Members' views on a proposed response to the consultation.**

2. Background Information

2.1 The Department for Communities and Local Government (CLG) is committed to the introduction of a cost sharing mechanism for the LGPS in England and Wales, by 31 March 2009. In order to take this commitment forward, CLG carried out an informal consultation to seek the views of stakeholders on 'Sustaining The Local Government Pension Scheme'. This exercise closed on 30 May 2008. The initial analysis of responses received indicates a broad consensus among interested parties on the principle of cost sharing. The summary of that informal consultation exercise can be found on the CLG website at www.xoq83.dial.pipex.com.

- 2.2 The Government's policy objective for the Local Government Pension Scheme (LGPS) is for it to remain affordable, viable and fair to all – employees, employers and taxpayers. This objective is shared by stakeholders across the Scheme and, in policy terms, it continues to provide a clear context for on-going Scheme reforms and amendments.
- 2.3 In his Statement to Parliament on 23 November 2006, (Hansard Official Record 70WS, 71WS and 72WS) the then Local Government Minister, Phil Woolas MP, confirmed the continued provision of good quality pensions for the local government workforce, and other employees eligible for LGPS membership, through benefits provided by an equality-proofed, final salary, pension framework:
- 2.4 The regulations outlining the new-look LGPS, the *Local Government Pension Scheme (Benefits, Membership and Contributions) 2007 Regulations (SI 2007/1166)* came into effect on 1 April 2008. These deliver on the Government's promise that the new-look LGPS should be affordable, viable, and fair to tax-payers who ensure its continued security and stability.
- 2.5 The cost-share arrangements when finally introduced are intended to both inform, and take account of future actuarial valuation exercises for the Scheme. The new arrangements are intended to be in place, therefore, when individual fund actuaries consider new employer contribution rates following each fund's valuation. Similarly, the outcomes of the future valuation exercises will need to be reflected in final decisions on the form and content of the cost-share arrangements themselves and how they will impact in turn on successive valuations.

3. Report

- 3.1 The draft Statutory Instrument which is the subject of this formal consultation phase of the process of introducing cost sharing arrangements is attached at Appendix 'C'. As consultations have already taken place on the policy implications of moving forward on a cost sharing process to ensure the ongoing sustainability of the LGPS, views are now sought on the applicability of the regulatory provisions rather than re-examining in detail policy issues and the administrative process which will follow the adoption of the proposed approach.
- 3.2 The nature of responses to the consultation indicate that progress needs to be made incrementally to ensure both full understanding of the longer term aim of maintaining a sustainable defined benefit pension scheme and, more pertinently, the results of any data collecting and modelling. This is of particular importance when decisions made will influence the future design of the overall benefit package or the cost which members may be required to bear in providing an affordable and viable defined benefit pension arrangement going forward.
- 3.3 The Statutory Instrument concentrates on key points where it is felt a regulatory framework is essential, and introduces requirement that
- Authorities have regard to guidance on how future costs will be met [36A(1)]
 - Administering Authorities provide the Secretary of State with the financial and other data by 31 July 2010 to enable the future service cost of the scheme to be calculated [36A (2)];
 - The Government Actuary's Department (GAD) carry out actuarial valuation of combined English and Welsh funds, and produce an overall future service cost certificate for the Scheme by 31 December 2010, which sets out cost of future accrual of pension liabilities for next triennium [36A (3) and (5)];
 - The valuation leading to the production of this certificate must set out the assumptions used [(36A (4) and (6)].
- 3.4 The purpose of these provisions is to pave the way for the establishment of a national model fund to be used by the Secretary of State for determining benchmark and overall costs of the LGPS going forward. Illustrative examples prepared by the GAD on cost-sharing and cost-capping are shown at Appendix 'D'.

- 3.5 The regulation will put in place a duty on funds to provide to CLG the same data made available to their actuary as at the 2010 and subsequent actuarial valuations. This is seen as essential in order to ensure that the data to be used in modelling represents 100% of the Scheme's membership. In previous evidence gathering exercises the obligation was not present and it led to degrees of uncertainty in the selection methods used and the resultant extrapolations. This should remove that hurdle and the scope for ultimately fruitless discussions on the validity of available data sets.
- 3.6 The regulation also sets out specific milestones and the timetable within which all the specified parties must comply in order for the Secretary of State to establish a model fund which will be the tool used to benchmark the Scheme costs relative to future service accrual. The regulatory timetable imposes a transparent framework and discipline within which all must operate. It also recognises the important statutory responsibility of the Secretary of State in operating as the regulator and administrator/trustee of the Scheme.
- 3.7 It is envisaged that the guidance that will flow from the modelling exercise and ongoing consultations with the parties about the assumptions to be used, could, subject to Ministerial approval, establish a series of "traffic light warnings", the parameters within which the cost sharing mechanism will operate and the triggers for taking action. This approach specifically excludes an overly simplistic formulaic approach to triggering of cost sharing processes, and recognises the very nature of the LGPS and the extent to which all interested parties should be given the opportunity to be actively involved in the future decision making processes. Working from the establishment of a baseline benchmark cost, which will be an intrinsic part of any national model, those interested parties with whom the Secretary of State will consult further will play an active role in monitoring and handling any fine tuning which will be an essential part of maintaining the ongoing stability and sustainability of the pension scheme at future actuarial valuations. In practical terms this may need to be a designated group, which will have to act with due regard to realistic timetabling set out in the proposed regulation.
- 3.8 In the worst cases, and based on validated evidence of trends within the scheme, there may need to be action to either amend the overall benefit package or vary contribution rates and overall employee contribution yields. At another extreme, decisions would need to be taken on whether it would be prudent in the short term to reduce contribution yields or consider improvements to the benefits package. However, if agreement cannot be reached decisions will need to be considered in the interest of members and beneficiaries but with due regard to external parties who contribute to the cost of the LGPS.
- 3.9 In order to assist in a full understanding it is proposed to carry out a dry run to construct a model fund based on the 2007 actuarial valuation data. This dry run is to operate in parallel with this statutory consultation and would then inform all interested parties of issues to be considered, problems to be tackled and the communication strategies required once the statutory framework is in place.
- 3.10 All administering authorities have already been asked to release their 2007 actuarial valuation data through their actuaries for the Government Actuary's Department to carry out the dry run.
- 3.11 From the outcomes of the dry run the structure and risk elements that are included in the national model will be evaluated. The dry run will also provide the opportunity to test varying sensitivities, leading to better understanding of the structure and function of the eventual national fund.
4. Conclusion
- 4.1 The Government's proposals have the aim of maintaining the future viability of the LGPS whilst controlling costs that are affordable to taxpayers. The Council has always wished to see a scheme develop in this way by effectively sharing costs between employer and employee. It is therefore recommended that the proposals be supported.

OFFICERS' RECOMMENDATION that -

in order to maintain the future sustainability of the Local Government Pension Scheme, the proposals contained in the draft Statutory Instrument shown at Appendix 'C' be supported.

(TO RESOLVE)

Background Papers

CLG Consultation letter 27 November 2008 'Sustaining the Local Government Pension Scheme in England and Wales'
Draft Statutory Instrument 'Local Government Pension Scheme (Amendment) Regulations 2009'
Government Actuary's Department 'Illustrative Examples on Cost Sharing'

10. COUNCIL REPRESENTATION ON THORPE PAROCHIAL CHARITIES (DAL)

1. Under terms of the Scheme for the administration of the Thorpe Parochial Charities the Council is required to appoint three Nominative Trustees, in two categories, these being:
 - (a) *"Two persons residing or carrying on business in or near the area of the Ancient Parish of Thorpe appointed by the Urban District Council of Egham"; and*
 - (b) *"One person appointed by the said Council who shall be a Councillor representing the Thorpe Ward of the Urban District of Egham".*
2. The appointments are for a 4 year period and all three were last made by the External Appointments Sub-Committee on 30 May 2007. Accordingly, the appointments would ordinarily next be considered in May/June 2011.

In 2007, the following persons were appointed:

category (a) Mrs M Harnden (who subsequently became a Runnymede Councillor in May 2008)
Mrs D Andrews

category (b) Former Councillor B J Relph (who resigned in May 2008)

The Charity now wishes to regularise the Trustee appointments following the resignation of Mr B J Relph and the election of Mrs Harnden as a Councillor in the Thorpe Ward last May. They have asked, therefore, if the Council would formally appoint Councillor Mrs M Harnden as the "Councillor representative of Thorpe Ward" (category (b)) and Mr Relph, in her place, as one of the two "other" (category (a)) Trustees appointed by the Council.

3. The Committee is advised that the choice of person to fill the category (a) appointment is entirely at their discretion provided that the person appointed either resides or carries on business in or near the area of the Ancient Parish of Thorpe.
4. The Committee is duly asked to consider making the appointment of Trustees to serve for the remainder of the term, expiring in June 2011, in order to regularise the appointment structure and meet the requirements of the Trust's Scheme.

THE COMMITTEE IS ASKED –

to consider appointing the following to serve as Nominative Trustees on Thorpe Parochial Charities until May/June 2011:

- i) Mr B Relph as a category (a) appointment; and**
- ii) Councillor Mrs M Harnden as a category (b) appointment**

(TO RESOLVE)

Background Papers

DAL Committee Section files.

11. URGENT ACTION – STANDING ORDER 42

The following action has been taken after consultation with the Chairman of the Committee under Standing Order 42.

<u>Officer</u>	<u>Action</u>	<u>Central Index No.</u>
Director of Technical Services	Approving a shortlist of contractors to carry out the demolition of the former Civic Offices and making provision for the financing of the project*	681

*(Consultation was also undertaken with the Chairman of the Economic Development Committee)

(FOR INFORMATION)

Background Papers

Proforma No. 681 dated 17 December 2008 (exempt)

12. EXCLUSION OF PRESS AND PUBLIC

OFFICERS' RECOMMENDATION that –

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

	<u>Para</u>
a) <u>Exempt Information</u>	
13. FRONT OF HOUSE CUSTOMER SERVICES - REVIEW OF SECOND STAGE OF PILOT	3
14. APPOINTMENT SUB-COMMITTEE - MINUTES	3
15. URGENT ACTION - STANDING ORDER 42	3
b) <u>Confidential Information</u>	

(No reports to be considered under this heading)