

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE MEETING OF THE EXECUTIVE – 10 FEBRUARY 2009

SUBMITTED TO THE COUNCIL MEETING – 24 FEBRUARY 2009

(To be read in conjunction with the Agenda for the Meeting)

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|----------------------------------|-------------------------|
| * Cllr Richard Gates (Chairman) | * Cllr Ms Denise Le Gal |
| * Cllr Mike Band (Vice-Chairman) | * Cllr Bryn Morgan |
| * Cllr Mrs Carole Cockburn | * Cllr John Sandy |
| * Cllr Mrs Carole King | * Cllr Roger Steel |
| * Cllr Robert Knowles | Cllr Adam Taylor-Smith |

* Present

Cllr Victor Duckett attended to speak on Agenda Items 8.1, 8.2 and 8.3 (Minute No. 171 refers)

Cllr David Inman attended to speak on Agenda Items 7, 8 and 13 (Minute Nos. 178, 171 and 173 refer)

Cllr Ken Reed attended to speak on Agenda Items 8.1, 8.3, 15 and 21 (Minute Nos. 171, 171, 174 and 176 refer)

Cllrs Peter Isherwood and Stuart Connolly were also present

167. MINUTES (Agenda Item 2)

The Minutes of the Meeting held on 6 January 2009 were confirmed and signed.

168. APOLOGY FOR ABSENCE (Agenda Item 3)

A late apology for absence was received from Cllr Adam Taylor-Smith.

169. DECLARATIONS OF INTEREST (Agenda Item 4)

There were no interests raised under this heading.

170. QUESTIONS (Agenda Item 5)

In accordance with Procedure Rule 10, Mr J Hyman, who was not able to be present at the meeting, had submitted the following question:-

"As members are aware, in December I asked specific questions regarding the Council's Interim Avoidance Strategy' which were not answered but was told that the matters raised would be brought to this meeting of the Executive. For brevity, I will not repeat the reasoning behind my question, as it has been sent to members separately, but I repeat the question, which as,

Can you please confirm

(i) whether Officers will be recommending Members agree to add the JSPB's SPA management tariff, and if so, how that can be consistent and justified in terms of the 'Habitats' directive, *Waddenzee* and the relevant government Planning Circulars;

(ii) whether WBC will now demonstrate good faith by committing to re-assess all the relevant extant permissions as appropriate ; and for completeness,

(iii) can you please state how many years WBC expect it will be before you are able to provide the public with the required convincing objective scientific evidence that the strategy is effective (rather than mere hopeful opinion, which has no standing under *Waddenzee*) ? "

My question tonight is: In order to avoid any further appearance of vicarious malfeasance, will you please ensure that Members are fully informed by now providing definitive answers to those questions, and will you please ensure that your response confirms clearly whether WBC accept that the written convincing objective scientific evidence required by law is not available?"

The Executive Portfolio Holder for Planning and Major Projects responded as follows:-

"I must refute your assertions that there has been any malfeasance, vicarious or otherwise, in this matter but I do think your question is pertinent if a little premature.

Items 19 and 20 on this agenda concern a full and thorough review of the Interim Miniplan. It is my intention that no stone will be left unturned during this review and no question from members unanswered.

I can assure you, Mr Hyman, there are no members in the Chamber who take the protection of the Thames Basin Heaths Special Protection Area more seriously than the Executive."

PART I - RECOMMENDATIONS TO THE COUNCIL

171. FINANCIAL STRATEGY 2009/2010 - 2012/2013 AND COUNCIL TAX SETTING (Agenda Item 8; Appendix C)

The reports from the Executive in respect of the 2009/2010 budget are set out at Appendix A to the Council agenda incorporating:-

- Appendix A.1 General Fund Revenue Estimates 2009/2010
- Appendix A.2 General Fund Capital Programme 2009/2010
- Appendix A.3 Housing Revenue Account Revenue Estimates 2009/2010
- Appendix A.4 Housing Revenue Account and Social Housing Grant

Capital Programme 2009/2010

Appendix A.5 Council Tax Setting 2009/2010

These will be dealt with under Agenda Item 9 of the Council agenda.

172. WAVERLEY COMMUNITY PARTNERSHIP - APPLICATIONS FOR REVENUE FUNDING 2009/10 (Agenda Item 9; Appendix D)

172.1 In October 2008 the Executive agreed to re-launch the Sponsored Organisation Scheme as the Waverley Community Partnership and approved the grant eligibility, criteria and timetable for 2009/10. The principal aim of the Waverley Community Partnership is to 'provide financial support for the on-going revenue costs of voluntary and charitable organisations that are delivering high priority service for the benefit of Waverley residents in partnership with the Council'. A copy of the criteria for the scheme is available on request if Members would like a copy.

172.2 The Executive also agreed a number of notable changes to the Council's revenue funding scheme:

- The evaluation criteria should be updated to measure the extent to which organisations will use the funding to meet Corporate Plan objectives.
- How partner organisations deliver their promises and provide services should be assessed to ensure they continue to provide high standard, value for money services from the funds that the Council invests.
- The financial status, including the extent of external funding support, and business plans of applicants should be closely examined to ensure the Council is satisfied with the applicants' efficient, prudent and effective service delivery.
- A Member evaluation panel should be given an early opportunity to contribute to the evaluation process.
- Ward Members/Waverley appointed representatives should be invited to submit comments on the relevant applicant organisation to add a local dimension to the assessment process.

172.3 A total of 29 applications to the Waverley Community Partnership were received, with 1 being from a new applicant. The total level of funding requested by the organisations for 2009/10 is £667,147. Annexe 1 details all the applications received and the level of grant requested by each one. This was updated at the Executive meeting taking into account a proposed amendment to the General Fund Revenue Estimates.

172.4 The Executive agreed that a Member Panel should be formed to assess the applications. The Member assessment panel, made up of the Portfolio Holder for Partnerships and the Chairs of the three Overview & Scrutiny Committees, met to agree priority ratings and initial suggested grant levels and to make any observations and comments on the applications ahead of the Overview & Scrutiny consideration.

172.5 To assist the Panel's considerations, each application was assessed against the Waverley Community Partnership grant eligibility and criteria by the relevant 'link officer' within each service area. An example of the assessment pro forma is available if Members would like a copy. In addition, Waverley's accountants undertook a financial assessment of each organisation's latest published accounts.

172.6 Two key factors were taken into account when assessing applications:

- ▶ When awarding grants for the current year (2008/09) the Council notified organisations of the likely future financial pressures on the revenue funding scheme and indicated that they should identify other sources of income.
- ▶ At its meeting in October the Executive agreed that when applying for funding in 2009/10, organisations should note that the revenue grants fund would not be increased by inflation as in previous years. Organisations were requested to provide an impact analysis of no grant increase in 2009/10 and of potential grant reductions in future years.

172.7 For relevant organisations and for those based in a particular ward, Ward Members/Waverley appointed representatives were also invited to submit comments on the service that the organisation provides to add a local dimension to the evaluation process.

172.8 The Panel was provided with a summary evaluation for each application showing the key purposes for the requested grant, which was detailed in the organisation's grant application, the key financial information taken from the organisation's accounts and the Waverley link officer's grant recommendation. Members were also provided with information on other financial support that Waverley provides to the partner organisations.

172.9 The Evaluation Panel assessed each application and agreed on a priority rating of High, Medium and Low. The Panel agreed that 'High'-rated applications should receive at least the level of grant awarded in the current year, unless it had requested a lower amount. The Panel felt that some applications had a particular importance and that, where the organisation had asked for more than their current year's grant, it should be awarded an increase. Given the need to accommodate the aggregate grant award for 2009/10 within the current year's amount of £628,926, the Panel allocated the balance across the other organisations on a case-by-case basis, having regard to the medium/low priority assigned, the financial position of each organisation and the link officer's recommendation.

172.10 The Council agreed the principle of three-year intention-to-fund agreements for larger partner organisations with approved grants of £10,000 and above. The current agreement provides one year approved funding for 2008/09 with two further years intention-to-fund for 2009/10 and 2010/11, dependent on sufficient budget being available and subject to an annual appraisal of the organisation's performance and an up-date of its financial status. In 2008/09 10 partner organisations received a grant of over £10,000.

172.11 Once a revenue grant is approved and a grant offer made, a partnership agreement is prepared between each organisation and the relevant Waverley service officer, who forms the key link officer during the funding period. The partnership agreement details the key outputs and achievements for the year and is signed by both parties. The partnership agreement enables service officers to monitor each organisation's performance against stated outcomes. In 2009/10, particular emphasis will be placed on the Council's requirement for publicity and visible evidence of Waverley's funding and on the need for the organisation to monitor and report on performance.

172.12 The Community Overview and Scrutiny Committee considered the report at its meeting on 12 January and made the following observations:

- The Committee wished to convey its concern to the Executive about the Panel's recommendations to reduce the amounts bid for by the Day Centres. Members considered the service supplied by these organisations was of great importance to the less advantaged residents in the community, particularly in the present difficult financial climate, and wished to emphasise their support for an increase in funding to the amount requested.
- The Committee therefore wished to convey to the Executive its view that, because of the economic situation, the Executive should increase the budget provision for the Waverley Community Partnership Fund in order to provide additional resources for Community-themed organisations.

172.13 The Environment & Leisure Overview and Scrutiny Committee considered this report at its meeting on 13 January and made the following observations:

- The Committee felt that particular attention should be given to how organisations helped to achieve council objectives.
- The Committee accepted the Panel's recommendations listed within the report and asked that the budget for ELOS grant funding was protected for those organisations under its remit.
- The Committee would have liked to retain a contingency fund to meet urgent needs throughout the year and suggested that this was achieved in future.
- The Committee endorsed the software being purchased by the Council to help organisations find alternative funding.
- The Committee raised a concern about the future of Haslemere Hall. Members suggested that the Committee could consider this at a future meeting.
- The Committee suggested that Members who were interested in serving on the Sub-Committee to discuss Grant Funding should raise their interest with the Portfolio Holder.

172.14 The Executive accordingly

RECOMMENDS that

- 43. the allocations proposed in Annexe 1 for the Waverley Community Partnership applications for 2009/10 be approved; and**

44. the level of Waverley's contribution to the Waverley Voluntary Grants Partnership in 2009/10 should be £54,000.

173. AMENDMENTS TO SENIOR MANAGEMENT REPORTING RESPONSIBILITIES (Agenda Item 13; Appendix H)

173.1 It is the legal responsibility of the Chief Executive, in her statutory role as Head of Paid Service, where she considers it appropriate to do so, to report to Councillors on proposals for the co-ordination of the Council's functions, and the organisation of the Council's staff. (Local Government and Housing Act 1989).

173.2 The Chief Executive considers it appropriate at this particular moment, to recommend certain amendments to the line-management reporting arrangements for some of the Council's service functions, to enable the Council to deliver its service and regulatory functions effectively in the light of experience, and taking into account the ill-health of a key member of staff.

173.3 The amendments to reporting arrangements proposed are as follows:

- The transfer of line management responsibility for the Head of Building Control & Car Parking to the Strategic Director (Environmental Services);
- The transfer of responsibility for the Council's statutory Licensing functions to the Head of Democratic Services.

These, if agreed, will necessitate changes to the Scheme of Delegation.

173.4 The reasons for these proposed amendments are: to distribute work-load responsibilities more evenly, to ensure sufficient Strategic Director capacity to cover all areas of service required (by ensuring that each Strategic Director has no more than four service heads as direct reports); and to ensure appropriate experience and knowledge are deployed towards critical areas of service delivery.

173.5 In addition, the Chief Executive considers it appropriate to seek Council endorsement of two further operational amendments arising from recent changes in personnel:

- With the retirement of the East Street project co-ordinator, this key project responsibility has been taken up by the Head of Housing Special Projects. It is proposed that line management responsibility for that service head be transferred to the Chief Executive, in recognition of the strategic importance of the East Street project, and in order to provide project management continuity.
- Changes in personnel within the Council's legal team have resulted in the Head of Democratic Services assuming responsibility for the management of that service function. It is proposed that this arrangement be made permanent, and the Head of Democratic Services be re-designated as "Head of Democratic and Legal Services".

173.6 It is not considered appropriate to instigate more wide-reaching changes to the management structure of the Council at this time. Councillors will undoubtedly wish to continue to monitor the effectiveness of the organisation's management arrangements, and in particular, to keep the role and functioning of the Strategic Director team under review, to ensure that the organisation is succeeding in delivering Council priorities and strategies, and producing the desired outcomes for our communities. The Executive agreed that the Human Resources portfolio holder should convene the restructuring SIG on a quarterly basis as appropriate, to monitor and evaluate the effectiveness of the Council's senior management arrangements, and make recommendations as appropriate.

173.7 The Executive accordingly

RECOMMENDS that

- 45. the transfer of line-management responsibility for the Head of Building Control and Car Parking be transferred to the Strategic Director (Environmental Services);**
- 46. responsibility for the licensing service be transferred to the Head of Democratic Services;**
- 47. permanent responsibility for the Council's legal service function be allocated to the Head of Democratic Services, and the post be redesignated as "Head of Democratic and Legal Services"; and**
- 48. line-management responsibility for the Head of Housing Special Projects be transferred to the Chief Executive;**

and the Scheme of Delegation be amended where appropriate.

Background Papers (CEX)

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

174. MEMBERS' ALLOWANCES - CARERS' ALLOWANCES (Agenda Item 15; Appendix J)

174.1. The Council is required, under the Members' Allowances (England and Wales) Regulations 2003, to maintain an Independent Remuneration Panel (IRP) and to periodically receive a report on the scheme of Members' Allowances.

174.2 The report of the Panel which was established towards the end of 2008 was submitted to the last meeting of the Executive when the decision was taken to give further consideration to modifications to the current scheme of allowances proposed in the Panel's report relating to carers' allowances.

174.3. Currently, the Scheme of Allowances makes the following provision for Carers' and Childcare Allowances:-

“A carer's and childcare allowance of up to £6.60 per hour up to a maximum of £100 per month is payable to support the expenses of those Members who may care for dependants, whether children, elderly persons or people with disabilities, whilst the Member is on Council business which attracts travelling & subsistence allowances as listed in Schedule 2.

The allowance is not payable for the employment of a member of the claimant's own household.”

174.4 The Panel report noted that the dependents allowance may not help support councillors who had very young children. In this case, professional day care may be required and the costs of this were beyond those covered in the allowance scheme. The majority of councillors supported the allowance on the basis that it could be an encouragement to potential candidates at election times and also to assist councillors to continue in office should their personal circumstances change. Officers have identified the arrangements in place in the other Surrey district/borough authorities with which Waverley is consistent.

174.5 Having sought additional information about the realistic costs of childcare, it is possible that the current scheme does not fully cover the charges incurred. Childcare provided by babysitters can cost between £5 and £10 per hour depending on the age and experience of the babysitter employed. More formal arrangements can be put in place, such as daytime crèche/nursery care, but these usually require regular booked slots and they are not usually transferable to coincide with the irregular pattern of councillor meetings.

174.6 Professional babysitting companies are another alternative, but these increase the cost of care because in addition to an hourly rate there are often quarterly fees, booking fees and minimum time requirements.

174.7 Care options for the elderly and disabled persons are much more complicated to assess because usually experienced and qualified personnel need to be employed and this usually has associated costs attached.

174.8 The length of meetings, including travel times, can vary considerably between 3 and 5+ hours, and the number of meetings a councillor can be involved in each month can mean that the monthly limit can rapidly be reached. An annual cap would address fluctuating meeting/work patterns, however, given the minimal number of councillors entitled to claim the carers' allowance, the Executive did not feel it necessary to enforce a limit on the amounts that can be claimed provided that costs were fair and reasonable.

174.9 The Executive accordingly

RECOMMENDS that

- 49. the existing scheme and current practice of increasing members' allowances on an annual basis in line with the staff pay award be reaffirmed and that the 2009/10 allowances be calculated on this basis;**
- 50. with effect from 1 April 2009, the Members' carers' allowance be reimbursed on the basis of actual costs incurred which are fair and reasonable, with no capped amount; and**
- 51. consideration be given to convening an Independent Panel again in 2010.**

Background Papers (CEx/DCEx)

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

175. EQUAL PAY AUDIT AND EQUAL PAY REVIEW (Agenda Item 16; Appendix K)

175.1. The 2003 report of the Local Government Pay Commission (LGPC) concluded that the gender gap between male and female full-time employees, comparing average hourly earnings, was 14%; the average hourly pay of full-time females was 86% of their male counterparts. The LGPC found that, overall, progress in local authorities towards developing equal pay and reward systems for both male and female employees were some way off completion. This comment must be seen in the context of the number of authorities that have yet to introduce a formalised job evaluation / job value process. Waverley has used a formal Job evaluation system since the late 1980's.

175.2 To analyse all the pay arrangements, the subsequent 2004 National Joint Council (NJC) pay agreement included a requirement on local authorities and trade unions to complete and implement Local Pay Reviews by 31 March 2007. Waverley, like a number of local authorities did not achieve the March 2007 deadline.

175.3 The scope of the review was to compare the pay of women and men performing equal work; explaining any pay gaps and closing those, which cannot be justified on grounds other than gender. It is best practice to undertake an equal pay audit at regular intervals. Regular pay audits will ensure that equality of pay becomes embedded in the culture of the Council and does not regress over time. Following a tendering process, Waverley instructed South East Employers to undertake the Equal Pay Audit. The main stages of the audit process are: -

- To cover all employees;
- To identify any differences of pay between the genders;
- To review the reasons for, and possible causes of, differences in pay, in particular whether these can be attributed to direct or indirect sex discrimination; and
- To determine how to close the gaps in pay that cannot be attributed to reasons / causes other than sex discrimination.

- 175.4 An Equal Pay Audit identifies potential areas of risk where there may be issues of unequal pay and reduce the risk of legal challenge which may be expensive, time consuming and damaging to the morale of the staff and the image of the Council as an employer. An Equal Pay Audit also provides the Council with the opportunity to ensure that it adopts best practice in employment policies and procedures as well as being equality-proofed; it also enables it to actively promote its success in achieving equality of treatment for all its employees.
- 175.5 The Audit identified that of the top 27 (5.26%) posts within the Council, i.e. those graded at Band 4 and above, 21 postholders are male, 77.78%, and 6 are female, 22.22%. Historically, such senior level posts within local government were the province of the male employee, although generally there is now a more noticeable move towards equality of the sexes. The gender split is male, 30.22% and female, 69.78%;
- 175.6 The audit showed no overt inequalities of treatment between the genders, but raised concerns about the operation of the job evaluation scheme, pay scales, pay protections and supplementary payments. The law requires that there must be commonality in the basic elements of the terms and conditions for all staff, e.g. pay scales, pay rates, where an analytical job evaluation scheme is in use that it is applied consistently for all posts, etc.
- 175.7 The use of an analytical Job Evaluation (JE) scheme is good practice and can form a very strong management defence against equality claims; it is therefore vital that where such a scheme is in use that its operation and application are both rigorous and consistent. Waverley has used the Hay system since the late 1980s. The audit has highlighted that the scheme has not been operated systematically and other pressures have impacted on the grading of posts. The audit found that
- 83 posts are paid above their evaluated banding.
- Note: In the early 1990's the pay scales were revised from scales with 5 points to 10 points within the same salary bandings, so each increment became smaller and each grade had 3 maximum points either a, b, or c. It is possible that some of these anomalies arise from that time, as staff in post at that time were protected on their existing maximum which in all cases was the a point, i.e. the top of the scale.
- 81 posts have not been evaluated.
- 175.8 The audit highlighted that it is bad practice and inconsistent to have pay scales of differing incremental lengths; C has 6 incremental points, B has 8 and A has 10. The grades are too long; it is not realistic to expect someone on an A range to take up to 10 years to reach the maximum point of the banding, and could also be discriminatory on the grounds of age. The pay scales overlap. Again this is bad practice as Waverley could have a long serving junior officer on a higher salary than a new more senior officer. Best practice is to have distinct (not overlapping) salary grades with no more than 4/5 incremental points.

175.9 The numbers of male and female employees were profiled against each Band, showing 35.67% of posts are on one Band, Band 9, and that 72.71% of posts are in the three lowest Bands, 8, 9 and 10. The result of the audit highlights this as being an almost covert attempt to suppress bandings and hence salaries.

175.10 If a post is downgraded following a review, or an employee is redeployed into a lower graded post, it is Waverley's policy to protect the postholder's salary only, not hours nor enhancements for out of hours etc (without the award of pay awards or increments) and conditions until such time as the salary and conditions of the new post match and overtake the "protected" salary and conditions. This does not comply with equal pay requirements and best practice would be to limit the protection, for 4 years on a sliding scale or for three years in full. At the end of the period the salary would reduce to the maximum (normal progression) increment of the resultant grade.

175.11 The audit has highlighted the lack of consistency in our application and lack of regular review of market supplements. Supplements appear over the years to have been added to salaries without a formula or policy, and without a review period, leaving Waverley with a legacy of a wide range of supplements paid. Some supplements are based on % ranging from 6% to 12.5% and others on fixed sums, which leads officers to speculate that the granting of supplements was perhaps budget driven. There is no policy in place to review supplements once awarded, they currently are open ended until the employee leaves. The recommendations from the audit are that Waverley:

- Develops a new pay structure and Pay Policy to include:
 - Salary scales, Method of Salary Progression – Service/performance, etc.
 - Pay benchmarking – Comparisons with competitors
 - Review Timetable – How and When do you review
 - Implementation of Decisions – Effective date
 - Market Position – Where does the Council place itself in the job market
 - Staff Turnover – Setting parameters for acceptable levels of turnover and the review process should it fall outside of the range
 - Market Supplements/Appointment Allowances – If they are used, how are they used and how are they reviewed
 - Flexible Benefits – If they are used, how are they used and how are they reviewed
- Reviews the application of the Job Evaluation system and re-evaluates all posts
- Develops a policy determining finite time protection limits for salary and associated conditions of service matters;
- Determines a resolution for any current officers who may still have indefinite "personal" protection; and
- Develops a Policy on the payment of market supplements.

175.12 Waverley has a small HR team with 1.7 FTE professionally qualified officers. This project cannot be covered from within existing HR staffing without dropping other important HR activities and altering timeframes. (The HR team is to reduce its staffing following the Star Chamber process by 1.1 staff). The alternative would be for the work to be undertaken externally. In terms of speed of completion and credibility with Staffside this would be the favoured option with costs in the region of £50,000. It is suggested that, subject to Council approval, the one-off cost of this Review should be met from the Revenue Reserve. Any future costs arising from the review would be a revenue cost.

175.13 The Executive accordingly

RECOMMENDS that

52. £50,000 from the Revenue Reserve Account is allocated to fund the Equal Pay project to ensure compliance with Equal Pay legislation and that officers consult with the portfolio holders for Human Resources and Finance when preparing the brief for the review.

Background Papers (DCEx)

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

176. ROWLAND HOUSE REDEVELOPMENT (Agenda Item 21; Appendix P)

[This item contains exempt information by virtue of which the public is likely to be excluded. The information is as specified in paragraph 3 of the revised Part I of Schedule 12A to the Local Government Act 1972, namely:-

Information relating to the financial or business affairs of any particular person (including the authority holding that information)].

With the agreement of the Executive, this item was considered immediately after Agenda Item 7.

176.1 At its meeting on 8 April 2008, the Executive agreed that the Rowland House site should be redeveloped with 100% affordable housing by an AHP (affordable housing partner) with nominations to Waverley tenants, and that proposals be invited from housing associations, to whom the site would be transferred for redevelopment.

176.2 Subsequent to discussions with Cranleigh Parish Council and the adjacent primary school governors, a core group of officers undertook a process of brief preparation and assessment of the 13 expressions of interest received. Two housing associations, Thames Valley (TVHA) and Raglan (RHA) were selected to submit more detailed proposals so a choice of Affordable housing partner could be made.

- 176.3 A Special Interest Group (SIG) was formed with representation from interested stakeholders including two local residents potentially affected by the redevelopment proposals, and representatives of Cranleigh Parish Council. An exhibition of the proposals was held at Rowland House where the public were invited to comment on the options presented. Presentations by the Housing Associations were made to the SIG on 18 December and at a subsequent meeting on 6 January, a debate was held as to the final choice of Housing Association.
- 176.4 The site of Rowland House and Ivy Hall includes a day centre for Cranleigh known as Rowleys, which was built by public subscription and has a long lease with the Council as landowner. The two Housing Associations were invited, when submitting their proposals to make detailed consideration for three options: -
- 1) to redevelop the site for housing and leave the existing day centre in situ;
 - 2) to redevelop the site for housing and to build a new day centre; and
 - 3) to redevelop the site assuming the day centre to be located elsewhere.
- 176.5 Each proposal asked for a potential design layout indicating the numbers and types of units to be provided and the amount of capital receipt each option would provide for the Council. When the development brief was being assembled there was uncertainty as to whether the scheme would attract social housing grant, and it was asked of the HA's what the effect of having no capital receipt would be. The confirmation of availability of grant means that a capital receipt is available and not to accept it would demonstrate that best value for money was not being obtained. The two sets of 3 layouts provided by Raglan and Thames Valley are set out at Annexe 2 and the details of unit numbers and tenure types are set out at Annexe 3.
- 176.6 Raglan's proposals concentrated on achieving a higher site density, and rejected the inclusion of a proportion of shared ownership units for a more innovative, but as yet untried proposal of rent to buy. TVHA opted for a less dense approach to the layout, and whilst including a proportion of shared ownership, provided a comparison with an all-rented scheme.
- 176.7 Both Housing Associations indicated that current market conditions were severely depressing the viability of shared ownership (SO), as opposed to a year ago when the inclusion of an element of SO would have boosted a capital receipt. It was stated by TVHA, that whilst at present the all rented scheme would provide the capital receipt baseline, when the scheme comes to fruition a decision at that time on the final tenure mix may increase the income.
- 176.8 For the option of providing a new day centre, Raglan proposed rebuilding a day centre on the existing site and including flatted accommodation in a second storey to maximise density. TVHA opted for a purpose built stand-alone day centre on another part of the site to enable continuity of use during construction. Both proposals include for a day centre of a similar floor area as the existing albeit making more efficient use of the space.

- 176.9 The density and layout of the site is largely dictated by the planning process, and neither Housing Association, although this was requested by the brief, submitted an option with no capital receipt, as this simply meant there would be a lower government grant applicable. Consequently Waverley would then forgo a receipt without any improved difference to the overall scheme.
- 176.10 It was stated that neither proposal represented a final scheme, and further adjustments would occur during the planning process, however the size of the capital receipt offered depended upon the amount of grant which the scheme would attract and that was dependant on the number of bed spaces provided on the site.
- 176.11 Both schemes were subject to an objective analysis based on compliance with the brief, which was carried out by officers. Members of the Special Interest Group reviewed this scoring and collectively made changes, producing their own modified assessment, however these revisions did not alter the relative ranking of the Raglan and TVHA proposals.
- 176.12 The financial section of the proposals were not subject to scoring and their impact on the overall proposals were left to the judgement of members. The final scores are set out in [Exempt] Annexe 4.
- 176.13 All six options were displayed at the exhibition and written comments were invited from members of the public. There were three main themes of concern:
- 1) that both schemes did not provide for sufficient parking – particularly around the day centre;
 - 2) that there was a need for the day centre provision to remain within the Rowland House site and not re-provided elsewhere in Cranleigh; and
 - 3) the proposals along and adjacent to Victoria Road were deficient in both bulk of the buildings and potential parking and traffic access issues.
- 176.14 The project has been treated as a development project, which included a disposal of some Council-owned land to facilitate achievement of a Council priority. Had this been regarded simply as a disposal, the requirements of Waverley's Contract Procedure Rules would have required four sealed bids to be invited. However, given that Waverley sought to procure at no cost to itself the best proposal or the development, a simple tendering exercise was not appropriate. A process was therefore agreed by the Council's Executive, which identified the optimum solution in an objective, rigorous and consistent manner, and endorsed the formation of a mixed membership Special Interest Group to receive and assess the proposals.
- 176.15 Of the thirteen expressions of interest received, two were selected for the shortlist to draw up proposals. This increased the chances of maintaining interest and commitment from the selected Housing Associations. There is considerable cost involved in drawing up proposals, and as housing associations are not commercial enterprises it was considered that the risk of one or more associations withdrawing would have been higher if the chances of being selected by Waverley were slimmer.

- 176.16 The Executive has noted that the option of a nil capital receipt has not been pursued because the resultant grant required from the government would be less, and best value for the site would not have been achieved. With grant available for the purchase of the land this secures a better financial solution for future investment in Waverley's Council housing.
- 176.17 The option for re-provision of the day centre elsewhere in Cranleigh was considered unrealistic by the Special Interest Group on the grounds that the timescale involved in identification and securing of a currently unknown site was uncertain, and would potentially put at risk the Rowland House project.
- 176.18 Upon completion of the scoring of the schemes it was felt that although Raglan provided more units, in most other respects TVHA had given more thought and application to the proposal, with a more obvious consideration for the context of the site and its environment.
- 176.19 Opinion at the SIG on the provision of the day centre was divided. The Cranleigh Parish Council and Waverley Borough Council members were in favour of a newly provided day centre with the continuity of use deriving from its new position on the site. The resident members on the group wished to see the present day centre remain in its current position. A brief summary of a resultant financial and numerical comparison between these two views is set out in [Exempt] Annexe 5.
- 176.20 In addition, there were particular points that the SIG wished to endorse and to be included for future refinement of the scheme
- a) there should be no three-storey buildings built on Victoria Road;
 - b) a clear car parking strategy be developed for the scheme, including the day centre, which avoids overspill parking outside the new development;
 - c) as a preference all parking access for the new development to be off Rowland Road not Victoria Road;
 - d) that the day centre build and extent of fitting out costs be agreed between Waverley Borough Council, Rowley's day centre and TVHA and built into a development agreement, which protects Waverley's expected capital receipt; and
 - e) the chosen Housing Association, as part of the planning process, should carry out further public consultation as details of the scheme emerge.
- 176.21 The Executive endorsed the approach in selecting an RSL partner and accordingly

RECOMMENDS that

- 53. Thames Valley Housing Association be the chosen organisation to work up a design for the Rowland House site;**

54. **Thames Valley Housing Association Option 1B be selected as the baseline, as set out in Annexe 3, with the specific requirements as noted at paragraph 176.20 a)-e) above, and endorses Waverley officers discussing with Age Concern Waverley Ltd (the lessees of the day centre building) and TVHA to investigate within the next three months from the date of the Council meeting, whether there are alternatives using the day centre site, but retaining a day centre, which would achieve at least the same capital receipt for Waverley as Option 1B;**
55. **the land to be used for housing be transferred to Thames Valley Housing Association on terms to be agreed with the Chief Executive and Deputy Chief Executive in consultation with the Portfolio Holder, with the minimum value as set out in Option 1B as shown in (Exempt) Annexe 5;**
56. **the capital receipt from the sale of Rowland House be fully reinvested in the remaining Council Housing stock to contribute towards achieving the Decent Homes Standard; and**
57. **Cranleigh Parish Council and local resident representatives be thanked for assisting in the process of assessment.**

Background Papers (SDCS)

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

Part II – Matters Reported in Detail for the Information of the Council

There were no matters falling within this category.

Part III – Brief Summaries of Other Matters Dealt With

177. EXECUTIVE FORWARD PROGRAMME (Agenda Item 6; Appendix A)

RESOLVED that the forward programme of key decisions for Waverley Borough Council be adopted, subject to.

178. PROPOSAL FOR FOUNDATION TRUST STATUS FOR THE ROYAL SURREY COUNTY HOSPITAL (Agenda Item 7; Appendix B)

Mr Nick Moberley, Chief Executive of the Royal Surrey County Hospital attended the meeting and gave a brief presentation to the Executive on the proposal to seek foundation trust status for the hospital.

RESOLVED that the Executive strongly support the application by the Royal Surrey County Hospital to become an NHS Foundation Trust and asked the Chief Executive to communicate this support to the Chief Executive of the Hospital.

179. PRUDENTIAL CODE FOR CAPITAL FINANCE (Agenda Item 10; Appendix E)

The Executive considered this report in conjunction with the budget setting report and the Treasury Management Policy report and

RESOLVED that the Prudential Indicators 1 to 6 in the report be approved, as amended if necessary following the decisions taken in approving a draft General Fund budget.

180. TREASURY MANAGEMENT POLICY 2009/2010 (Agenda Item 11; Appendix F)

RESOLVED that

1. the annual Investment Strategy, as set out in paragraph 8 of the report be approved; and
2. the prudential indicators in paragraph 10 of the report be approved.

181. WAVERLEY'S VALUE FOR MONEY TARGET (Agenda Item 12; Appendix G)

RESOLVED that

1. the proposals identified for meeting Waverley's value for money targets be supported; and
2. officers be requested to implement the measures proposed to secure value for money gains in the future, as identified in paragraphs 14 and 15 of the report.

182. SURREY SUSTAINABLE COMMUNITY STRATEGY (Agenda Item 14; Appendix I)

RESOLVED that

1. the revised draft Surrey Sustainable Community Strategy be noted and endorsed;
2. the Chief Executive be authorised, in consultation with the Leader and Portfolio Holder for Partnerships and Community Engagement, to finalise and submit the proposed response to the consultation on the draft Surrey Sustainable Community Strategy, attached at Annexe 1 to the report; and
3. the arrangements for the preparation of a Sustainable Community Strategy for Waverley be noted, based on the themes of the Surrey Sustainable Community Strategy as agreed by the Waverley Strategic Partnership.

183. IIP ASSESSMENT AND ACTION PLAN (Agenda Item 17; Appendix L)

The Executive noted that Waverley is once again, a fully recognised IIP organisation and the IIP awarding panel recognised a tremendous amount of work had been done since the last review.

The Executive agreed that everyone at Waverley should be congratulated and the action plan agreed by CMT be endorsed.

184. EVALUATION OF TENDERS FOR THE REFURBISHMENT OF THE SPORTS AND LEISURE CENTRES (Agenda Item 18; Appendix M)

RESOLVED that

1. the two-stage process of tender evaluation, as contained in CPR L105, be amended in respect of this tender to allow price to be evaluated alongside quality criteria to enable an overall best value solution to be identified;
2. the evaluation matrix attached at Annexe 1 of the report be approved; and
3. the approach to tendering outlined in paragraph 16 of the report be endorsed.

185. REVIEW OF THE INTERIM MINIPLAN FOR THE THAMES BASIN HEATHS SPECIAL PROTECTION AREA (SPA) (Agenda Item 19; Appendix N)

RESOLVED that the proposed review of the Interim Miniplan be agreed.

186. THAMES BASIN HEATHS SPECIAL PROTECTION AREA - PROPOSED DELIVERY FRAMEWORK AND PROPOSALS BY NATURAL ENGLAND FOR ACCESS MANAGEMENT AND MONITORING (Agenda Item 20; Appendix O)

RESOLVED that

1. the current version of the Delivery Framework be noted and the Executive agreed that it should be taken into account in reviewing the Miniplan and in any other SPA related work for the LDF; and
2. the proposals by Natural England be noted and the need for a scheme for access management and monitoring be acknowledged, noting the Council's concerns about the current proposals for the reasons set out in paragraph 24 of the agenda report.

187. RESPECT STANDARD FOR HOUSING MANAGEMENT (Agenda Item 22; Appendix Q)

RESOLVED that

1. the progress being made on meeting the requirements of the Respect Standard for Housing Management be noted;
2. Waverley's commitment to signing up to the Respect Standard in Housing Management be endorsed; and
3. the Council signs-up to the Respect Standard for Housing Management in the spring of 2009.

188. REVIEW OF CHOICE-BASED LETTINGS (Agenda Item 23; Appendix R)

RESOLVED that the contents of the report be noted and

1. the Council's allocation scheme be amended, as outlined in paragraphs 26 and 28 of the report; and
2. a Freephone service be implemented as soon as practically possible at an estimated cost of £700 a year.

189. FUTURE USE OF A HOUSING REVENUE ACCOUNT PROPERTY IN FARNHAM (Agenda Item 24; Appendix S)

[This item contains exempt information by virtue of which the public is likely to be excluded. The information is as specified in paragraph 3 of the revised Part I of Schedule 12A to the Local Government Act 1972, namely:-

Information relating to the financial or business affairs of any particular person (including the authority holding that information)].

RESOLVED that

1. the disposal of Marshall's Weydon Lane, Farnham, to Mount Green Housing Association be approved, on terms to be negotiated by the Council's Estates and Valuation Manager, which include that the building is to be used as a mixed scheme of affordable housing to which the Council will receive nomination rights; and
2. the capital receipt from the sale of this property be applied to contribute toward achieving the Decent Homes Standard in the remaining Council housing stock.

190. UNDERSHAW – ORAL UPDATE (Agenda Item 27)

RESOLVED that the oral update be noted.

The meeting commenced at 6.45 p.m. and concluded at 9.12 p.m.

Chairman