

Runnymede Borough Council

COUNCIL MEETING – 10 MARCH 2009

Supplementary Summons – Item 9 – Recommendations of Committees

Special Economic Development Committee – 5 March 2009

a) Highways Environmental Maintenance

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

The Committee considered a report recommending that RBC agreed to a request from Surrey County Council (SCC) to take over environmental highways maintenance as from the 2009/10 financial year, for the reasons set out in the separate minute on this matter from Corporate Management Committee. It had been ascertained that the current sub-contractors were keen to retain the contract, particularly, as they had invested in expensive new verge grass cutting equipment over the last few years, and had experienced fully trained staff. They had also offered a reduced price in order to continue the work.

In 2008, they had been contracted to carry out 7 urban and 2 rural cuts for Surrey County Council. RBC Officers had now negotiated, if Runnymede were to take on the service, to increase this to 8 urban and 3 rural cuts (at no additional cost) which would be more satisfactory. Officers were confident of delivering a better service than that currently provided.

Members were cautioned that whilst Officers had already negotiated an improved contract in terms of number of grass cuts (and weed treatments), at no extra cost to RBC, previous experience had shown that when the Borough Council managed this work, under the Agency agreement, there had been considerable public pressure to enhance the service still further and this had only been achieved by RBC meeting the additional financial burden.

It was noted that other Boroughs had already agreed to supplement the sums being offered by the County Council to further enhance the service and it was evident that comparisons would inevitably occur with substantial pressure resulting from the public on both Councillors and Officers to enhance the service still further. This would need to be resisted as the current financial situation in Runnymede simply did not allow for enhanced work, beyond that detailed above, and which, therefore, could only be funded by Runnymede from savings found elsewhere in the Budget. Members were urged to consider this important financial implication before coming to a decision.

Several Councillors spoke, at length, about residents' consistent complaints relating to the standards of grass cutting, the grass height resulting as a consequence of missed cuts due to bad weather, the failure to catch-up lost time, grass clippings left around after cuts, additional cuts in a fast growing season and the difficulties of dealing with individual complaints through successive levels of sub-contractors. Contract management and supervision would, therefore, be crucial, but this had proved to be less of an issue when these contracts were previously locally managed by RBC. Officers agreed that adherence to timetable was also of utmost importance in contract management control.

It was therefore agreed that any contract should contain a specific requirement that lost time must be made up by the contractor at weekends or early on weekday evenings and the Director of Administration and Leisure was asked to incorporate this in the contract accordingly.

Weed control was carried out by a separate contractor who currently carried out 2 treatments a year between May and September. The chemicals used took some 4-6 weeks to kill the weeds down to the roots and so they remained extant for some time during the treatment programme. Officers suggested that it would be better to increase control to 3 treatments so

that the weeds were still small and so not as visible when treated. The weed control contractor had offered a 20% discount on this third treatment. This information, too, was noted.

Turning to financial matters the Committee was pleased to learn that both contractors (grass verge cutting and weed control) had already agreed to "freeze" agreed rates until the end of the temporary arrangement in December 2010. The favourable comparison between the estimated costs to be incurred by Runnymede against the funding being offered by Surrey County Council was similarly welcomed. The latter, however, was based on 2007/08 prices. Discussions were therefore taking place for this funding to include: (i) an inflationary uplift provision to reflect 2009/10 prices; and (ii) an agreed mechanism in the allowances to meet annual price fluctuations thereafter. It was further reported that Officers were still negotiating with contractors and quotations might reduce further.

Members attention was particularly drawn to the fact that the estimated costs left very little margin should extras arise, (such as additional cuts in a fast growing season) and this would mean either that such matters were not actioned or that RBC paid the difference. In the light of the current financial situation this was not possible unless compensatory savings were found elsewhere.

SCC had also offered a lump sum which covered in addition, tree maintenance, verge maintenance, and hedge cutting as there was logic in adding the latter two items to the grass cutting contract. However, Officers had judged it to be prudent to ask SCC to itemise the sums payable for each, excluding maintenance at this stage.

Members were advised that in terms of tree maintenance, SCC had admitted that little had been done in recent years and Officers, therefore, had particular concerns about Runnymede inheriting a substantial maintenance deficit which also had implications for insurance liability. This view was strongly supported by Members who cited examples of trees in poor condition adjacent to the highway and one Member strongly cautioned Officers to review the Council's indemnity insurance levels to ensure that they were fully adequate.

It was noted that Officers had already suggested in their negotiations that tree maintenance could only be undertaken if SCC undertook or funded a highway tree condition survey and then carried out, or funded, the work necessary in order to bring the trees to a reasonable condition before transferring responsibility for regular maintenance to RBC. This was the position agreed by SCC in a similar arrangement with Spelthorne Borough Council. SCC had further suggested, to RBC, that tree maintenance should be excluded from this arrangement for the first year and that they would then review tree maintenance during that year with a view to including it as from April 2010.

As regards the staff supervision of the verge cutting and herbicide work, an additional 0.5 FTE post at scale 7/8 would be required in the Department of Administration and Leisure. The costs of this proposed new post, including such direct costs such as training and car allowances were fully reported together with a draft Job Description relating to the post.

Members were reminded that if the County Council or their contractors currently engaged any staff members, wholly or mainly, on the management of the relevant contracts, they might have the right to transfer their employment to this Authority under the Transfer of Undertaking (Protection of Employment) Regulations (TUPE). SCC had informed Officers that no SCC staff worked predominantly on this service and that they were checking with their contractors as to whether any of their staff might be so eligible. This was felt to be unlikely. Officers would, however, ensure that there were no TUPE implications before the agreement proceeded.

One Member expressed his particular concern about splitting the responsibility for general environmental maintenance work between two Directorates, DTS and DAL. However, other Members were comfortable with this arrangement particularly as this had been the past practice and it offered the scope for combining the work with that comprised in the leisure grounds maintenance contract when this expired at the end of 2010. It was also recognised that the Director of Administration and Leisure could draw on existing staff resources experienced in such matters as a supplement when required but that these were not available to the Director of Technical Services.

Whilst there were still a number of financial issues to be clarified, taking on this work did offer the opportunity to co-ordinate grass cutting with the litter picking and street cleansing carried out by the DSO by taking advantage of shared traffic management arrangements particularly on "high speed roads" which offered operational and financial advantages. Future combination with the grounds maintenance contracts offered the potential opportunity for greater economies of scale which, if realised, could be put towards financial savings or service enhancements.

Members noted that Standing Orders requiring competitive tenders would need to be waived in order to appoint the existing contractors for grass cutting and for weed control respectively. This was justified in the interests of minimising delay, cost and uncertainty as Runnymede assumed responsibility for the functions and because the negotiated terms, as discussed above, were unlikely to be bettered.

The Committee taking into account the identified risks, the financial safeguards envisaged and that the proposal would provide an enhanced service for residents after discussion –

RECOMMEND that –

- i) subject to authority for the matters detailed in (vi) and (vii) below, the Director of Administration and Leisure be authorised to enter into an appropriate agreement with Surrey County Council to undertake highways grass cutting and weed control in agreed areas in Runnymede from 1 April 2009 at the agreed budget prices;**
- ii) subject to the budget being sufficient to cover costs, hedge cutting and verge maintenance be included in the agreement;**
- iii) the Council does not contract with Surrey County Council to assume responsibility for highways tree maintenance, unless Surrey County Council first undertakes a tree condition survey and brings the trees to a reasonable and mutually agreed condition;**
- iv) contracts be let to Norris and Gardner in respect of grass and hedge cutting and verge maintenance and Complete Weed Control in respect of weed control, at or below the prices quoted in the report and Standing Order C.2 be waived in respect of this, for the reasons also stated in the report;**
- v) the contracts run until December 2010 whereupon, subject to continued confirmation from Surrey County Council that they will continue to fund the full cost, the work be included in the Council's grounds maintenance contract;**

RESOLVED that –

- vi) Corporate Management Committee be asked to authorise the creation of a 0.5 FTE post in the Department of Administration and Leisure to supervise the contract on scale 7/8, funded from the monies received from Surrey County Council, in respect of the above recommendations being accepted by the Council; and**
(An amendment requiring the 0.5FTE post to be created in the Department of Technical Services rather than in the Department of Administration and Leisure was lost).
- vii) Corporate Management Committee be asked to authorise the Director of Finance to make all necessary budgetary and accounting adjustments.**

Corporate Management Committee – 5 March 2009

- b) Nominations for the Offices of Mayor and Deputy Mayor for 2009/10

The Committee considered nominations for the offices of Mayor and Deputy Mayor for 2009/10.

RECOMMEND that –

- i) Councillor P B Tuley be nominated for the office of Mayor for the Municipal Year 2009/10; and**
 - ii) Councillor Mrs M Roberts be recommended for the office of Deputy Mayor for the Municipal Year 2009/10.**
- c) Members' Allowances – Chairman of Standards and Audit Committee and Membership of Advisory Panel

The Committee considered an adjustment to the allowance payable to the Chairman of the Standards and Audit Committee, and the membership of the Independent Remuneration Panel on Members' Allowances.

The Council was obliged to maintain a Scheme of Allowances for Members and co-opted Members which accorded with the Local Authority (Members' Allowances) (England) Regulations 2003. The current scheme would expire at the end of March 2010 and was to be reviewed in the Autumn of 2009. The Council had to establish an Independent Remuneration Panel of at least three Members, none of whom was a Member of the Authority. Before making or amending any scheme for Members' Allowances, the Council had to have regard to the recommendations of the Independent Remuneration Panel.

The present scheme had been established when the Chairman of the Standards and Audit Committee was an elected Member. As such, he or she had been entitled to the basic Members' Allowance of £2,335 in the current year, together with a Special Responsibility Allowance of £779. However, with effect from May last year, as a result of the Local Government and Public Involvement in Health Act 2007, the Standards and Audit Committee had to be chaired by one of the independent Members (non Councillors specially appointed to the Committee following public advertisement). Independent Members of the Standards and Audit Committee were treated as "co-optees" under the scheme of Members' Allowances. The Co-optee's Allowance in the current year was £291.

The 2003 Regulations made specific provision for co-optees who chaired overview and scrutiny committees, but not those who chaired Standards Committees. In the case of the former, the allowance payable to the co-optee was not to be less than the Special Responsibility Allowance which would be paid to an elected Member chairing any other Committee or Sub-Committee. However, Officers believed that the Regulations did not prevent a similar approach being taken for the Chairman of a Standards Committee, and it was known that other authorities had done this.

It appeared inequitable, particularly given the expanding responsibilities of the Standards and Audit Committee that the Chairman of that Committee should receive less for his or her Chairmanship than an elected Member holding the same office. Accordingly, Officers had consulted the Independent Remuneration Panel on a proposal that the Co-optees Allowance for the Chairman of the Standards and Audit Committee be increased to a total of £1,070 for each of the years 2008/09 and 2009/10, an increase of £779 in each of those years, which would be in line with the Special Responsibility Allowance payable to an elected Member chairing a Committee or Sub-Committee. The Independent Remuneration Panel had recommended this proposal to the Authority, pending the larger scale review of the scheme due next Autumn. The Corporate Management Committee agreed to recommend this change to the Council.

The present Members of the Independent Remuneration Panel were drawn from the local voluntary sector, a residents group, and the local business community. They were respectively Mr Arthur Birkby, Mr Chris Fisher, and Mr Mark Adams. Subject to their willingness to continue, the Committee agreed to recommend that the Council should confirm that it was content with the membership of the Independent Remuneration Panel for the next review of the scheme.

RECOMMEND that -

- i) the Co-optee's Allowance payable to the Chairman of the Standards and Audit Committee be increased by £779 with immediate effect;**
 - ii) an ex-gratia payment be made to the Chairman of the Standards and Audit Committee to place him in the same position as if the revised allowance had applied from the beginning of the Municipal Year; and**
 - iii) the current membership of the Independent Remuneration Panel be approved for the next review, subject to a further report being made if any of the current Members wish to retire from the Panel before then.**
- d) Annual Minimum Revenue Provision Statement 2009/2010
(Ref: Minutes of Corporate Management Committee, 26 June 2008, page 112, para. 115; and Council, 17 July 2008, page 153, para 140).

The Committee considered an annual minimum revenue provision statement for 2009/10.

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

The Department for Communities and Local Government (DCLG) required the full Council to approve an annual MRP statement before the start of each financial year, which was necessary even if the Council was "debt free". The Council was classified as debt free as for many years it had financed its capital programme from capital grants and capital receipts and had not needed to borrow for capital purposes. As long as the Council remained debt free, the MRP arrangements were of academic interest, because it was not necessary to make any charge in the revenue accounts (as there was no debt to repay). The MRP statement for 2007/08 and 2008/09 had been approved by the Council on 17 July 2008.

The Council had no underlying need to borrow in accordance with the CIPFA Prudential Code. There were no plans to borrow for capital purposes during 2008/09 or 2009/10, so the Council was expected to remain debt free for those years. Therefore, the Council did not need to, and did not intend to, make any MRP in the 2009/10 financial year and the Committee agreed to recommend that a statement to this effect be adopted by the Council.

It was noted that the Financial Forecast included a statement on revenue reserves and capital receipts that indicated that there would be sufficient capital receipts to fund the capital programme for the following five years without recourse to borrowing. However, this was dependent on capital receipts being realised in accordance with the forecast timetable. In particular, if the receipt from the disposal of the former Civic Offices site was delayed beyond 2010/11, it was likely that the Council would need to borrow to finance its capital programme in 2010/11.

RECOMMEND that –

the statement below be adopted by the Council:-

as the Council intends to be debt-free, the Council does not need to, and does not intend to, make any MRP in the 2009/10 financial year.

- e) Highways Environmental Maintenance

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100(A)(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

The Committee considered a report which had also been considered at a Special Economic Development Committee meeting held immediately preceding the Committee's meeting. The report related to the proposal to enter into an agreement with Surrey County Council to undertake certain aspects of highways environmental maintenance on the County Council's behalf and to appoint contractors to implement this work.

Prior to March 2002, Runnymede Borough Council and a number of other Districts in the County had undertaken highways maintenance and improvement work on behalf of the highway authority, Surrey County Council, under an agency arrangement. This included maintenance of landscaping, grass verges, hedges and trees. Surrey County Council had terminated the agency arrangements in March 2002, since when maintenance across the highways infrastructure, other than areas of highway shrubbery and flower beds which remained with Runnymede, had been contracted to two 'super' contracts dealing with the western and eastern sides of the County. Maintenance of the highways infrastructure had been sub-contracted. It had become clear over a number of years that this work had not been carried out to the same standards as previously as the resources that many Boroughs (including Runnymede) had brought in to supplement the service had been withdrawn.

The County Council had therefore approached the districts and boroughs in December 2007 with a view to their taking back some environmental maintenance work, along with the associated budgets for traffic management. Surrey County Council now wished Runnymede and the other districts and boroughs to take over highways environmental maintenance from 1 April 2009. Officers had therefore had discussions with both of the current sub-contractors for grass cutting and weed control in Runnymede who were keen to retain the contract. The existing contractors had been undertaking this work for some years and were experienced with relevant and trained staff and the current prices being offered by them were noted. Officers had agreed an enhanced level of service with both sub-contractors and were still negotiating regarding quotations. Both contractors had agreed to freeze agreed rates until the end of the temporary arrangement in December 2010. This was when the current leisure grounds maintenance contract ended. At that time, both contracts could be rolled together. Surrey County Council also had offered a lump sum which covered tree maintenance, hedge cutting and verge maintenance. There was logic in adding the latter two items to the grass cutting contract and Surrey County Council had been asked to itemise the sums payable for each. The Economic Development Committee had agreed to recommend that the Council should not take over responsibility for tree maintenance unless the County Council undertook a tree condition survey, as the County Council had not been able to give priority to this work in recent years. The funding being offered by Surrey County Council was at 2007/08 prices. Discussions were still taking place between Officers of Runnymede and Surrey County Council for this to be inflated to 2009/10 prices (inflationary uplift provision) and for agreement to be reached in allowances for annual price fluctuations thereafter.

The Committee noted a comparison between the funding which Surrey County Council were prepared to make available with the estimated cost associated with Runnymede taking on grass cutting and weed control. The estimated cost of Runnymede taking over these environmental maintenance functions was very close to the funding offered by Surrey County Council. This meant that, subject to the outcome of negotiations on inflationary uplift provision, there was little margin should extras arise (such as additional cuts in a fast growing season) which would mean either that such matters were not covered or that Runnymede would have to meet the cost of the difference.

When environmental maintenance work had been contained within the agency agreement, there had been considerable pressure to enhance the service and this had been done, with the additional financial burden borne by the Borough Council. Other Boroughs had already agreed to supplement the sums being offered by the County Council to further enhance the service from April 2009. The financial situation in Runnymede did not allow for this. If the Council agreed to undertake this work on behalf of the County Council, there would inevitably be substantial pressure from the public to enhance the service. Additional expenditure would not be funded by the County Council and could only be found by Runnymede by making savings from elsewhere within the Council's operation. Officers had stressed the significance of this and urged Members to consider this fully before agreeing to any new arrangements.

Taking on this work offered the opportunity to co-ordinate grass cutting with litter picking and street cleansing carried out by the DSO, and shared traffic management arrangements would offer real advantages, both operationally and financially. Standards should be able to be better maintained or enhanced. This was an important area in terms of public attitudes as the work associated with the new Sustainable Community Strategy showed. Future combination with grounds maintenance contracts offered the potential opportunity for greater economies of scale which, if realised, could be put towards financial savings or service enhancements. The budget offered for hedge cutting and verge maintenance (excluding tree maintenance) had yet to be clarified.

It would be necessary to enter into a limited form of agency agreement with Surrey County Council in order to undertake these areas of highways environmental maintenance. Runnymede would effectively be assuming legal liability for the way it discharged the functions, but would carry the normal insurances. If the County Council or their contractors currently engaged any staff members wholly or mainly on the management of the relevant contracts, they might have the right to transfer their employment to this authority under the Transfer of Undertaking (Protection of Employment) Regulations (TUPE). Surrey County Council had informed Officers that no Surrey County Council staff worked predominantly on this service. They were checking with their contractor whether any of their staff might be eligible but this was unlikely. Officers would ensure that there were no TUPE implications before the agreement proceeded.

The Council's Policy Guidance for Revenue Reductions stated that financial consequences of withdrawal or service remodelling by others would no longer be picked up by the Council, and that joint working with partners to achieve service resilience or reduction in unit costs would be rigorously pursued. It was hoped that more local management by the Borough Council of these highways environmental maintenance services would ensure that contractors' performance was timely, in compliance with contract and co-ordinated with street cleansing. It was also agreed that there should be arrangements requiring contractors to keep to a schedule, so that if there were delays through, for example, wet weather, they would have to make up the time which had been lost through extra work. The proposals reflected the twin aims in the Council's vision contained in the Strategic Plan 2005-2010 to enhance the quality of life and provide an attractive environment, as well as maintaining rigorous financial control.

The Special Economic Development Committee had made five recommendations to the Council, with the object of accepting an agency initially for the highways grass cutting and weed control, which were subject to recommendations on staffing and financing being agreed. It had referred these matters to this Committee.

Verge cutting and herbicide would need to be supervised and therefore an additional 0.5 full time equivalent post at scale 7/8 would be required in the Department of Administration and Leisure. Provision had been made for this in the estimated cost of taking on the service, including on costs and direct costs such as training and car allowances. A draft Job Description was noted by the Committee. There would be an adjusted recharge of central costs to cover premises, financial services and legal and administrative support. These were not additional costs but were the estimated costs of the internal resources required for the services to function.

The Committee concurred with the Economic Development Committee's recommendations and agreed to recommend the staffing and financial changes which would be required to the Council.

RECOMMEND that –

- i) the Special Economic Development Committee recommendations be supported;**
- ii) an 0.5 FTE post be created in the Department of Administration and Leisure to supervise the contract on scale 7/8, funded from the monies received from Surrey County Council; and**

iii) the Director of Finance be authorised to make all necessary budgetary and accounting adjustments.

f) Chief Executive Officer – Interim Management arrangements

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100(A)(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraphs 1 and 3 of Schedule 12A to Part 1 of the Act.

The Committee noted the draft minutes of the Appointment Sub-Committee meeting held on Friday 27 February which included an item on Chief Executive Officer – Options For Interim Management Arrangements. The Sub-Committee had made recommendations regarding the interim management of the authority in the period between the departure of the current Chief Executive Officer and the appointment of his successor. As the matter involved the appointment of the authority's Head of Paid Service, the proposal had to be submitted to full Council on Tuesday 10 March.

The Sub-Committee had considered options which ranged from a sharing of duties amongst the four Directors, through recruiting an external interim Chief Executive, to appointing one of the four current Directors as interim Chief Executive and making appropriate associated organisational adjustments. The Sub-Committee favoured the latter option. It had received a proposal from the current Chief Executive, after consultation with Directors on a workable solution in which the current Director of Technical Services would be appointed as Interim Chief Executive. The Committee thanked the Directors for their work in putting forward the proposal. The Committee concurred with the Sub-Committee's recommendations, bearing in mind the need for a clear line of communication and control, and the advantages of an interim appointment of someone already familiar with the organisation.

RECOMMEND that –

- i) Mr P Sims, Director of Technical Services, be designated Interim Chief Executive for a period of six months from 1 April 2009, the period to be subject to further review in the light of circumstances;**
- ii) Mr Sims be paid a responsibility allowance at the rate reported for the period during which the interim duties are exercised;**
- iii) the Chief Executive Officer or Interim Chief Executive, in consultation with the Personnel Manager, Chairman and Vice-Chairman of Corporate Management Committee and Councillor Mrs E Gill, be authorised to reallocate certain of the Chief Executive Officer's functions as may be considered appropriate, having regard to current duties of other Officers; and**
- iv) the Director of Finance, in consultation with the Chairman, the Chief Executive Officer or the Interim Chief Executive, and appropriate Directors, be authorised to make appropriate provision within the existing budget for the costs of the appointment, and any other responsibility allowances or back filling necessary in any Department.**