



Corporate Management Committee

Thursday 28 October 2010 7.30pm

**Council Chamber
Runnymede Civic Centre, Addlestone**

Members of the Committee

Councillors J R Furey (Chairman), P I Roberts (Vice-Chairman), A Alderson, M J Brown, Mrs L M Gillham, H W V Meares, P Taylor, P B Tuley, 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.

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বাঙলা

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اردو

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Polski

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LIST OF MATTERS FOR CONSIDERATION

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(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 30 September 2010 (at Appendix 'A') (to follow).

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. REFERENCE FROM THE ECONOMIC DEVELOPMENT COMMITTEE

Corporate Property Strategic Maintenance Programme

1. The expenditure proposed in this reference would normally be referred to full Council. In view of the need to seek tenders for the work in the plan as soon as possible, the Chairman is asked to agree that the Committee determine this matter under paragraph 1.3 of "Committee Responsibilities" in the Scheme of Delegation.
2. At its meeting on 5 October 2010, the Economic Development Committee considered a report outlining the progress that has been made in relation to a planned and reactive maintenance joint partnering agreement with Spelthorne Borough Council and setting out the Council's proposed five year programme of works to be included in the partnering agreement.
3. The Economic Development Committee noted that discussions have been continuing in relation to a possible joint partnering agreement for planned and reactive property maintenance between Runnymede and Spelthorne Borough Councils. The basis of the discussions has been that significant savings both in economies of scale and resources can be expected by both Councils if a partnering arrangement is adopted from the 2011/12 financial year.
4. Progress was noted as follows:
 - i) A project board has been established consisting of Officers from both Authorities and has had its first meeting.
 - ii) The target date for having both planned and reactive contracts in place is April 2011 (there will need to be some initial work undertaken in setting up the structure, updating the property database, visiting the properties and developing a plan. This is yet to be agreed with Spelthorne).
 - iii) Runnymede's 5 year planned maintenance schedule has been developed. Spelthorne's is currently being undertaken. Both have yet to be agreed by their respective Committees.
 - iv) Both Runnymede and Spelthorne legal teams are currently working on a draft partnering agreement.

- v) A draft Service Level Agreement has been compiled and will be integrated into the partnering agreement for approval by Members when ready.
- vi) Tender documentation for planned and reactive works is currently being drafted.
5. Both Runnymede Borough Council (RBC) and Spelthorne Borough Council (SBC) will benefit from the reduced costs that will be achieved by jointly procuring building maintenance. RBC will save an estimated £92,000 per year with this arrangement. SBC should achieve savings of around £100,000 per year with this arrangement.
6. Runnymede's 5 year planned maintenance schedule has been developed. The strategic maintenance budget is financed from both capital and revenue resources. Works that substantially lengthen the economic life of the building or provide significant improvements to the asset can be treated as capital expenditure and financed from capital receipts in hand. All other works are met from the revenue budget.
7. During the financial years 2009/10 and 2010/11, only essential planned and reactive maintenance works have been carried out, which means that buildings are starting to deteriorate. Buildings with high levels of traffic, such as Day Centres, Halls and Sports Centres will deteriorate first.
8. To put this in context, in the current and last financial years, expenditure on corporate property maintenance has been just over £300,000. The average annual budget for the previous 5 year strategic maintenance programme was £567,000. Substantial savings have therefore been produced.
9. Condition surveys have now been carried out on all of the RBC and SBC corporate properties and the 5 year programme of works has been produced from the data obtained. Due to the increase being greater than shown in the Financial Forecast, the estimated budget has been pared down to the minimum to maintain operational property. Any further reductions are not considered possible without compromising safety or allowing premises used by the paying public to deteriorate to a condition that would lose income by virtue of the reduced quality of their offering.
10. It is therefore recommended that the authority re-instates the maintenance regime as set out in the 5 year plan and the cost profile is shown in table 1 below.
11. The income of £92,000 is £67,000 more than had been projected in the original savings target (and included in last year's Forecast).
12. The maintenance programme over the next five years has been restricted to £1.9 million and Table 1 shows how this is split between planned maintenance and reactive maintenance.

Table 1: Revised corporate property maintenance 5 year plan

	Year 1 2011/12	Year 2 2012/13	Year 3 2013/14	Year 4 2014/15	Year 5 2015/16	Total
	£	£	£	£	£	£
Planned maintenance	276,131	257,452	269,288	266,451	200,153	1,269,475
Reactive maintenance	135,000	135,000	135,000	135,000	135,000	675,000
	<u>£411,131</u>	<u>£392,452</u>	<u>£404,288</u>	<u>£401,451</u>	<u>£335,153</u>	<u>£1,944,475</u>

13. It has been the Council's practice to charge the works to the capital programme where possible in order to cushion the revenue impact while the General Fund is facing financial constraints. This applies to works like window replacements where the improvement to the property has a benefit over many years. Other planned works like external painting cannot be capitalised and have to be treated as revenue expenditure. The works in the programme that can be treated as capital are shown in Table 2.

Table 2: Works that can be treated as capital expenditure

	Year 1 2011/12	Year 2 2012/13	Year 3 2013/14	Year 4 2014/15	Year 5 2015/16	Total
Works to be capitalised	43,382	19,773	19,295	96,047	41,117	219,614
	<u>43,382</u>	<u>19,773</u>	<u>19,295</u>	<u>96,047</u>	<u>41,117</u>	<u>219,614</u>

14. Based on this analysis, Table 3 summarises the split of the programme between capital and revenue expenditure.

Table 3: Estimated capital and revenue split of the maintenance programme

	Year 1 2011/12	Year 2 2012/13	Year 3 2013/14	Year 4 2014/15	Year 5 2015/16	Total
	£	£	£	£	£	£
Works capitalised	43,382	19,773	19,295	96,047	41,117	219,614
Revenue works	367,749	372,679	384,993	305,404	294,036	1,724,861
	<u>£411,131</u>	<u>£392,452</u>	<u>£404,288</u>	<u>£401,451</u>	<u>£335,153</u>	<u>£1,944,475</u>

15. The approved maintenance budget for the 2010/11 financial year totals £312,800, of which £143,100 has been provisionally treated as capital expenditure, as shown in Table 4. The outturn for 2009/10 is also shown for comparative purposes.

Table 4: Corporate Property Maintenance

	Actual 2009/10	Estimate 2010/11
	£	
Planned maintenance	148,000	177,800
Reactive maintenance	154,895	135,000
	<u>302,895</u>	<u>312,800</u>
Works capitalised	-30,364	-143,100
Charged to revenue	<u>£272,531</u>	<u>£169,700</u>

16. This means that the cost of maintenance works falling on the General Fund in the 2010/11 budget is £169,700 and this level of expenditure was projected forward over the next five years in last year's Financial Forecast. The revenue works in the new programme (£1,724,861 over 5 years shown in Table 3) will result in annual revenue expenditure that is substantially more than the 2010/11 budget.
17. However, £28,093 over the five year period from 2011/12 to 2015/16 relates to the Runnymede Pleasure Ground and this can be charged to the Trust rather than the General Fund. The additional financial commitment will also be offset by the annual saving of £67,000 that is expected to be achieved by the new building maintenance partnership arrangements on top of the saving that has already been included in the Financial Forecast (£25,000). Taking these factors into account, Table 5 shows that the new programme will require an additional revenue commitment of between £52,000 and £144,000 each year compared with the current budget.

Table 5: Additional revenue cost of the Corporate Property Maintenance plan

	Year 1 2011/12	Year 2 2012/13	Year 3 2013/14	Year 4 2014/15	Year 5 2015/16	Total
	£	£	£	£	£	£
Total revenue works	367,749	372,679	384,993	305,404	294,036	1,724,861
LESS Runnymede PG	-5,491	-9,119	-4,711	-4,091	-4,681	-28,093
Saving from partnership not already in Forecast	-67,000	-67,000	-67,000	-67,000	-67,000	-335,000
Currently revenue budget	-169,700	-169,700	-169,700	-169,700	-169,700	-848,500
Additional revenue cost	<u>£125,558</u>	<u>£126,860</u>	<u>£143,582</u>	<u>£64,613</u>	<u>£52,655</u>	<u>£513,268</u>

18. The Economic Development Committee noted the progress in relation to a planned and reactive maintenance joint partnering agreement with SBC and the financial benefits of the agreement and authorised the Director of Technical Services to agree the five year

programme of works to be included in the partnering agreement. The Economic Development Committee agreed to recommend that the cost implications of the 5 year strategic maintenance plan be approved.

19. During consideration of this matter at the Economic Development Committee there was discussion with regard to maintaining the ratio between planned and reactive maintenance. Officers were asked to keep this under review.

ECONOMIC DEVELOPMENT COMMITTEE'S RECOMMENDATION that –

the cost implications of the 5 year strategic maintenance plan be approved and incorporated into the next Financial Forecast.

(TO RESOLVE)

Background Papers

None

7. REPLACEMENT UNINTERRUPTABLE POWER SUPPLY (DTS)

1. Purpose of Report

1.1 **To report to the Committee that the current uninterruptable power supply system in the Civic Centre is failing to fully maintain the building during power cuts.**

1.2 **To request that the Committee approve the expenditure for a replacement system.**

2. Background Information

2.1 The existing Uninterruptable Power Supply (UPS) system was transferred to the Civic Centre from the old Civic Offices building and at the time of transfer was approximately 8 years old. A view was taken at the time that the Council should be able to obtain at least 15 years of use from the current system and a replacement was to be included in the 5 year strategic maintenance report for 2016.

3. Report

3.1 During a number of power cuts this year problems have arisen which caused damage to equipment in Safer Runnymede and service calls had to be made to engineers to put right problems to systems that had failed during the outages.

3.2 Maintenance contractors were instructed to investigate what had occurred, why it had occurred and what, if anything, needed to be done to resolve the problem. They reported the following:-

- i) the existing system is now in excess of 10 years of age and since its move into the new building has deteriorated considerably.
- ii) the heat generated has been a contributor to the system failure.
- iii) the current system is old technology and consumes far more energy than today's systems.
- iv) to guarantee continuity of supply the current system will need to be replaced.
- v) the return on investment is expected to be within 3 years of installing the new UPS.

3.3 The existing systems technology has been overtaken significantly since its installation. Today's electronics are 95% efficient which means that at current energy costs per kilowatt hour (kwh), estimated energy savings from a new system are in the region of £10,482 per year based on a charge of £0.10 per Kwh.

3.4 Currently the server rooms for Safer Runnymede, Runnymede Borough Council (RBC) and Surrey Police are supported by the UPS and generator. Safer Runnymede control room,

Police and some RBC areas are covered by the standby generator only, which means that in the event of a power cut, until the generator kicks in, these areas are unsupported. The Civic Suite is not currently supported by the UPS or a standby generator. It is proposed to replace the current UPS with a system that provides cover to all of these areas.

4. Resource Implications

- 4.1 The estimated cost of replacing the UPS rectifier, battery sets, Inverter, automatic by-pass, manual by-pass, interface cards, mimic panel, output circuit breaker, monitoring and shut-down system, commissioning, removing from site and upgrading the electrical supply to support critical areas not currently supported is approximately £26, 800. This can be provided by a supplementary estimate funded from the hardware replacement provision held in the capital programme.

OFFICERS' RECOMMENDATION that –

the Committee approves the sum of £26,800 for the replacement UPS and associated electrical alterations, to be funded from the hardware replacement provision held in the capital programme.

(TO RESOLVE)

Background Papers

None stated

8. FINANCIAL FORECAST DEFERRAL DF)

1. Purpose of Report

- 1.1 **To defer consideration of the Financial forecast this year.**

2. Background Information

- 2.1 The Financial Forecast is considered each year by the Council during the autumn. Its purpose is to review the financial prospects over the next five years and develop a strategy and target budget for the next financial year. This provides a framework within which the detailed budgets are brought forward for consideration by the policy committees during January and February prior to setting the next year's council tax.

3. Report

- 3.1 It has been the custom to present the Financial Forecast to this Committee at the end of October. However, Chairmen have expressed concern that this will be too early to reflect the outcome of the Government's comprehensive spending review, which is due to be announced on 20 October. This is expected to contain proposals for a significant reduction in funding of local government expenditure.
- 3.2 The full impact of the comprehensive spending review on Runnymede is unlikely to be clear until the local government finance settlement is published at the end of November. It is therefore recommended that consideration of the Financial Forecast should be deferred until after this information is available. This may require a special meeting of the Corporate Management Committee to be convened early in December with a view to making recommendations to the meeting of full Council on 16 December.

4. Financial Implications

- 4.1 The Financial Forecast has for many years provided the policy framework for the ensuing work on setting detailed budgets. While a delay in approving the Financial Forecast may require some late amendments to budgets it should still be possible to preserve the integrity of the financial planning process.

OFFICERS' RECOMMENDATION that –

the Committee considers the Financial Forecast as soon as the outcome of the local government finance settlement is known.

(TO RESOLVE)

Background Papers

None

9. 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 Administration and Leisure	In order to meet the timescales for the setting up of the Leisure Trust, waiving Standing Orders requiring three quotes and engaging Capita Symonds as the consultants for the preparation of the Leisure Trust's financial business plan, following comparison of two proposals from recommended consultants.	727

(FOR INFORMATION)

Background Papers

Proforma No 727 dated 15 September 2010.

10. 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 paragraphs 1 and 3 of Part 1 of Schedule 12A of the Act.

(TO RESOLVE)

PART II

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

- | a) | <u>Exempt Information</u> | <u>Paras</u> |
|-----|---------------------------------------------------------------------------------|--------------|
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| 12. | TEMPORARY STAFFING CONTRACT FOR THE DIRECT SERVICES ORGANISATION
(TO FOLLOW) | 3 |
- b) Confidential Information

(No reports to be considered under this heading)