

Runnymede Borough Council

CORPORATE MANAGEMENT COMMITTEE

4 September 2008 at 7.30 pm

Members of the Committee present: Councillors J R Furey (Chairman), D R Hamilton (Vice-Chairman), A Alderson, J M Edwards, Mrs L M Gillham, H W V Meares, C J Norman, P J Waddell, J J Wilson and G B Woodger.

Members of the Committee absent: None.

Councillors D A Cotty, R J Edis and P B Tuley also attended.

155. NOTIFICATION OF CHANGE TO COMMITTEE MEMBERSHIP

The Conservative Group had notified the Chief Executive Officer of its wish that the change listed below be made to the membership of the Committee. The change was for a fixed period ending on the day after the meeting and thereafter the Councillor removed would be re-appointed.

<b>Remove from Membership</b>	<b>Appoint Instead</b>
Councillor P I Roberts	Councillor J J Wilson

The Chief Executive Officer has given effect to these wishes in accordance with Section 16(2) of the Local Government and Housing Act 1989.

156. MINUTES

The Minutes of the meeting of the Committee held on 26 June 2008 were confirmed and signed as a correct record.

157. AUDIT COMMISSION ISA 260 REPORT

The Committee received a report from Kate Ball, an Audit Manager for the Council's appointed external auditor, KPMG, on matters arising from their audit of the 2007/08 Statement of Accounts, which had been approved by the Committee on 26 June 2008.

KPMG had concluded their examination of the Council's accounts for the 2007/08 financial year and had issued an International Standard on Auditing (ISA) 260 report, which contained the principles and procedures with which external auditors were required to comply when carrying out an audit of financial statements and whose purpose was for the external auditor to communicate audit findings to those charged with governance in an audited body. The report allowed the Council to consider the main issues arising from the audit of accounts before the opinion of the external Auditor and the certificates on the 2007/08 financial statements were finalised.

KPMG had concluded that Runnymede's Statement of Accounts fairly presented the financial position of the authority and that the Council had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Work undertaken in the summer and autumn of 2007 by the Audit Commission, the Council's previous external auditors, and finalised in December 2007, had assessed the Council's overall use of resources performance at level four, which represented strong performance. Runnymede was one of only 13 district Councils to achieve this rating. KPMG's 2008 use of resources assessment (which considered the 2007/08 financial year) was being undertaken in August and September of 2008.

KPMG had conducted a seven stage audit approach. The quality of supporting working papers provided to KPMG had been excellent. During the audit testing process KPMG had not identified any

significant issues that had not been adjusted by management and none of the adjustments made since the preparation of the draft accounts were considered to have had a material effect on the financial statements. During the course of the audit testing, KPMG had identified six performance improvement observations, which were noted by the Committee. None of these observations were considered to be priority one, which was defined by auditors as presenting an issue fundamental and material to the Council's system of internal control. The Committee noted the key judgemental areas that underpinned the financial statements and which had been subject to audit as well as KPMG's commentary on the status of each issue and its resolution. The Committee also noted the audit differences identified by KPMG's audit of the financial statements that had been corrected by Runnymede Borough Council and the draft management representation letter from the Council to KPMG.

The Committee was pleased to note that KPMG had produced an unqualified opinion on the accuracy of the accounts. The Committee considered that KPMG's report was clearly set out but also noted that there was no mention on this occasion of the Council's direction of travel. The Committee thanked the Audit Manager for her presentation and also asked that the Director of Finance pass on the Committee's appreciation of the work undertaken by members of his staff in presenting the accounts for audit.

#### 158. FINANCIAL MONITORING STATEMENT

The Committee was informed of the latest financial projections for the 2008/09 financial year for corporate and business services, which showed an updated position based upon the 2008/09 original estimates approved by the Committee in January 2008. The projection in the Financial Forecast approved by the Council on 1 November 2007 had been updated accordingly. The statement was split into three parts - projected budget and forecast, savings still to be delivered, and current year key budget indicators.

The present economic climate had had an adverse effect upon the statement. The financial forecast was proving difficult to prepare in the light of uncertainty about levels of income and inflation. Land Charges income had been particularly badly affected showing an actual amount to date of £77,000 against a budgeted figure of £127,000. Regulations which were to be made by the Government would increase the charge that could be made for personal searches, which would allow the Council to charge at a more realistic rate which reflected the cost of the service. However, it was not known when the Government would bring these regulations into effect. A potential shortfall of £100,000 on Land Charges income was being projected for 2008/09 as a whole. The level of income from planning would also be carefully monitored. Energy costs to the Council (gas, electric and water) were expected to increase by £90,000 in 2008/09 and £130,000 in 2009/10. However, the futures market currently suggested that further very large increases in energy costs were not expected. The Council was continually looking at ways to maximise energy efficiency. Opportunities were evaluated but not always pursued as the payback periods were often very long. Sale of recyclables was not a reliable market to enter as the market price for recyclables was so volatile. The technology relating to heat pumps was not reckoned to be reliable enough for this energy option to be pursued.

It was possible that the Government might announce that the County and European elections would be held on the same date in 2009, although there was no certainty about this change. Currently, these elections were scheduled to take place on different dates.

At its meeting on 26 June 2008, the Corporate Management Committee had resolved that a report be prepared for all service Committees requesting them to consider savings proposals for those areas of required savings within their budget which they had not yet achieved. The Committee accordingly also noted a statement of the progress towards the achievement of the £2.6 million net revenue reductions. This showed that from the planned savings of £2,623,000, the Council had achieved £2,072,000 by the end of 2007/08. Some of the savings were not programmed to be fully achieved until 2008/09 and when these were taken into account the final savings total was expected to be £2,415,000. The planned savings attributable to the Committee were £1,197,000. Of this amount, £136,000 of savings were now considered to be unachievable. However, some of the other initiatives had produced more savings than originally estimated with the result that the total savings expected to be achieved by the Committee were £1,155,000, which represented a shortfall of £42,000. Officers would be looking at ways of making up this shortfall. The statement only documented the progress on the savings initiatives in the original target list drawn up in March and September 2005. It did not include other savings initiatives that had been planned before the

revenue reductions targets had been approved (e.g. Community Transport) or that had been pursued subsequently.

There had been a target of reducing provisions by £20,000. This had not been achieved as all of the provision for the move to the Civic Centre had been required. Investment income was £30,000 less than forecast because of a delay in securing capital receipts. The other savings targets which would not be fully achieved for the Committee were democratic representation and management printing of £3,000, £2,000 on democratic representation and management IT training, £4,000 on the rebasing of the public relations budget, (although a review of the Council magazine expenditure was currently in progress), £2,000 on Council Tax collection bank charges, £10,000 of land charges income and £25,000 reduced provision for inflation, neither of which were achievable in the current financial climate, double counting of the finance and other provisions rebased budget with savings of £10,000 made within planning enforcement, £15,000 on staff advertising and e-recruitment, and £15,000 on DMS workflow which had resulted in no cash savings, (although scanning a large proportion of the files that had been stored in the former civic offices had avoided the need to incur additional storage costs). The savings of £50,000 on the cash office would be achieved. Operating and staff savings at Queen Elizabeth House were being realised although no property savings had yet been yielded.

159. NATIONAL INDICATORS 2008/09 - FIRST QUARTER PROGRESS REPORT

The Committee noted progress on the new National Indicators for the period April to June 2008.

The Local Government White Paper *Strong and Prosperous Communities* had introduced a smaller, more focused set of national indicators, which had replaced the previous Best Value Performance Indicators. A new single set of 198 National Indicators had come into effect from 1 April 2008, although a number of definitions were still awaited from the Department of Communities and Local Government. Remaining targets would be set when baseline figures were available.

The Committee noted the 61 indicators on which annual performance at district level would now be measured. 53 of these indicators had existed under the old regime and eight of them were new. 18 were to be collected through the two-yearly "Place Survey", which had replaced the BVPI user satisfaction survey. The first "Place Survey" was due to be undertaken in autumn 2008. 19 other indicators were to be collected by various other organisations, such as the Crime and Disorder Reduction Partnerships, the Environment Agency, and the Office for National Statistics. The remaining 24 indicators were to be collected by Runnymede Borough Council directly.

Best Value Performance Indicators had previously been reported on a quarterly basis, in the form of an excel workbook showing figures from each quarter of the current year, comparisons with the target for the current year and the performance of the same quarter in the previous year. It was intended that a new Sustainable Community Strategy/Strategic Plan together with committee based Service Plans would be settled during the next cycle. Targets would then be included in subsequent reports.

This was the first quarterly report on these new National Indicators (NIs). As this was the first year of a new framework, there were few comparable figures from the previous year and only some targets had been set for the current year. There were only a few quarterly figures to report, which were noted by the Committee, as a large number of the indicators were collected annually. On NI 180 and 181, which were Housing Benefit indicators, data had been submitted to the Department for Works and Pensions via specific software. There was currently a problem with extracting this information to record a monthly figure. However, these were areas on which the Council had previously achieved top quartile performance.

**RESOLVED that -**

- i) it be recorded that the Committee is content with the progress of the new National Indicators set; and**

- ii) **it be noted that the remaining targets are to be set once baseline figures are available.**

160. PRIORITY INDICATORS OF PERFORMANCE 2008/09 – FIRST QUARTER PROGRESS REPORT

The Committee noted the first quarter position for 2008/09 in the ten priority indicators of service delivery performance that formed the basis of more detailed scrutiny.

Ten National Indicators had been chosen by the Committee at its meeting on 29 May 2008 as priority indicators. As this was the first year of a new framework, there were only some comparable figures from the previous year and not all targets had yet been set for the current year. Data for a number of these indicators was collected annually and therefore some of the figures could not be reported on a quarterly basis. On NI 16, Serious Acquisitive Crime remained at a low level so far this financial year with no particular trends or hotspots identified. The Committee was also pleased to see that the targets for processing planning applications continued to be exceeded by a wide margin.

**RESOLVED that -**

**it be recorded that the Committee is content with the progress of the new Priority Indicators.**

161. COMMUNITY SERVICES CORE GRANT AID PROGRAMME 2009 - 2014

The Committee considered the Community Services Core Grant Aid Programme for 2009/10 – 2013/14.

The services provided by voluntary organisations made a significant difference to the quality of life of many people in Runnymede. Grant aid for voluntary organisations met several of the Council's strategic aims. Outturn expenditure on Community Services core grant aid to specific voluntary sector organisations stood at £245,442 in 2007/08.

At its meeting in November 2004, the Housing and Community Services Committee had approved the programme for core funding for voluntary organisations, including a policy of no further inflation rises from the 2007/08 financial year. Therefore, grants made in 2007/08 and 2008/09 had had no inflation uplift. At its meeting on 10 September 2003, the Housing and Community Services Committee had agreed to five year service level agreements for core grant funding. This commitment was a central part of the Runnymede Compact, the Council's partnership agreement setting the way of working with the voluntary sector. The level of grant aid now needed to be determined for the next five years, and new service level agreements drawn up for the five year period.

The profile of core grant aid expenditure for 2008/09 was estimated as follows:

Age Concern Runnymede	£ 99,100
Citizens Advice Bureau	£ 78,700
Runnymede Association of Voluntary Services (RAVS)	£ 31,000
Runnymede Mental Health Association	£ 25,500
Runnymede Care Assistant Scheme	£ 12,600
Runnymede Rentstart	£ 8,600
Relate	£ 6,000
Runnymede Community Forums	£ 1,000
Surrey Community Action	<u>£ 1,000</u>
	£263,500

Under the scheme of delegation, Officers could also award grants of under £10,000 per annum. This expenditure was met from a general provisions budget of £9,200 per annum. 5 year funding commitments had been made for applications below £10,000 as follows:

Cost Per Annum

Salvation Army – garage rental for storage	£400
Addlestone Toy Library – garage rental for toy storage	£400
Runnymede Dolphins – contribution to general running costs	£2,700
Runnymede Alzheimer's – contribution to Advice and Support Worker	£2,700
Runnymede Community Forums – contribution to part time administrator	£1,025
Village and Community Halls – contribution to advice service	<u>£2,000</u>
Total	£9,225

Since the review of grant aid in 2003 the following savings had been made on voluntary sector expenditure:

Surrey Community Development Unit - disbanded	£700
Disability Advice in Runnymede and Spelthorne (DAIRS) – closed (DAIRS Home Visiting Service for the disabled transferred to Runnymede CAB)	£4,380
Surrey Law Centre – funding withdrawn	<u>£2,500</u>
Total	£7,580

During March 2007 a benchmarking exercise of core grant support of voluntary organisations had been undertaken with all of the eleven district councils in Surrey. The comparisons included rent grant aid, discretionary rate relief, leisure grants as well as the core grant aid. The total amount expended by Runnymede was £381,800, plus £54,000 in capital expenditure. The Committee noted the totals, comparing Runnymede expenditure on the voluntary sector with all of the other Surrey Districts. Some boroughs included community transport, day centre provision, meals on wheels and care and repair services in grant aid. These were provided directly by the Council at Runnymede and therefore needed to be removed, if direct comparisons were to be made. This had been done and Runnymede ranked 5<sup>th</sup>, in terms of expenditure and 2<sup>nd</sup> in terms of spend per head of population. The average spend on similar voluntary services was £381,354 per annum. However, within this there was a wide variation of expenditure on specific voluntary organisations. Ten out of the eleven boroughs/districts gave most of their funding to the Citizens' Advice Bureau (CAB), the average spend being £116,000 per annum. Runnymede CAB received direct grant of £78,700. This included £3,500 to continue providing the disbanded Disability Advice in Runnymede and Spelthorne service to Runnymede residents. Although this grant was low compared to other CABs in Surrey, the CAB also had use of several Council buildings.

In Runnymede, Age Concern Runnymede received the most funding, at £99,100 each year. They also had free access to Council premises. The degree to which a local authority could support voluntary organisations was constrained by the availability of local funds. Runnymede and Waverley had not given inflation uplifts to voluntary organisations in recent years, because of significant financial pressures. Elmbridge had also restricted grants and had only given inflation uplifts to two of their voluntary organisations.

The Committee noted detailed information on the voluntary organisations currently receiving over £10,000 per annum, including their aims and objectives, the services they provided, their financial position and accounts.

The Council's financial support for the Runnymede Mental Health Association was in the form of building maintenance and rent grant aid. There was no Service Level Agreement in place with Runnymede Mental Health Association and they were the only voluntary organisation to have received an increased level of grant compared to the previous year. Their budget had been increased to allow for property repairs. The properties in question were owned by the Council and the maintenance of them was the responsibility of the Council. The Committee agreed that the Runnymede Mental Health Association should continue to receive sufficient grant to pay for repairs to the Council's property.

RAVS was increasingly having to source or work in partnership to provide specialist training, such as complying with public sector tendering requirements. As pressures on funders grow, there was less money available for voluntary and community projects. This meant that RAVS had to work hard to secure funding for new initiatives where gaps in provision had been identified and also to support

other groups where funding had been reduced. There was an increasing role for RAVS in encouraging partnership working to avoid duplication and overlap as well as working to ensure that service users continued to receive the appropriate support or services, where funding had been reduced or withdrawn from a project. Where services had to close, a huge amount of expertise and knowledge was lost. This took a considerable amount of time to rebuild. RAVS faced considerable challenges in seeking to ensure that viable services were maintained.

Surrey Councils for Voluntary Services such as RAVS were subject to a tripartite funding agreement between borough/district councils, Surrey County Council and Surrey Primary Care Trust. Surrey County Council would contribute £37,174 for 2008/09 which included a recently agreed 3% inflationary uplift. Confirmation of £10,000 funding from Surrey Primary Care Trust for the coming year had been received but the possibility of future funding and an inflationary uplift was currently awaited. Runnymede Borough Council would contribute £31,000 per annum with no uplift for inflation. There was no SLA in place as there was a multi-agency tripartite agreement, which would be re-negotiated during the course of 2008.

Over the past 8 years RAVS had raised over £ 400,000 (from Government funds, joint finance and lottery funds) rather than solely relying on Council funding, to build the organisation into its present form and maintain the required level of revenue expenditure. They would continue to endeavour to attract other funds but these could not be anticipated with any certainty. RAVS had achieved a level 1 community voluntary service (highest level of service) as defined by the National Association for Voluntary and Community Action, although they did not receive the core funding which was associated with that status. The offices that RAVS occupied were on a short-term lease and RAVS were currently in negotiation with the freeholders over the lease terms and were being put under pressure to reduce their current accommodation. They would continue to negotiate with the owners, but if unsuccessful this could have serious implications for their services.

Voluntary organisations in the County had been asked to participate in a Local Public Service Agreement (LPSA) for Surrey. RAVS had taken a leading role in this and had coordinated a range of activities designed to increase volunteering and attract a reward grant from Government. The targets set had been achieved and it was anticipated that the voluntary sector would attract over £2 million in Government rewards. This would be shared amongst a range of organisations in Surrey, including RAVS. The District Authorities in Surrey would also receive a reward for the volunteering element of the LPSA and it was estimated that this would be in the region of £83,000. This potential grant had only been obtained because of the hard work and determination of RAVS.

The Committee agreed that once the level of funding had been confirmed by the Government, arrangements should be made for 80% of the LPSA funding award received by Runnymede to be allocated to RAVS, because of their key role. It was further agreed that RAVS should produce a report outlining how it proposed that these funds would be applied, for the consideration of the Committee. The amount of performance reward grant receivable under the LPSA was determined by achieving stretch targets. These targets had a reporting period covering the 2006/07 and 2007/08 financial years. If the Council received £83,000, £50,290 had already been recognised in the Council's accounts for 2006/07 and 2007/08. Therefore, only £32,710 would be new income in this financial year. When the amount of the reward grant was known, it would be necessary to approve a supplementary estimate at the appropriate time, so that the major portion of the grant (80%), could be passed on to RAVS.

The Committee noted that several of the voluntary organisations had shown a deficit during the year and that although they had reserves, these were not substantial. However, the Council's current financial situation limited its ability to allocate additional grant to voluntary sector organisations. The benchmarking results also indicated that overall core grant expenditure per head of population was high. The Committee therefore agreed that current core grant levels be continued for the next 5 years, without inflation uplifts for most of the organisations, but that the Council's Officers should continue to work with the organisations to identify opportunities for raising additional income. The Committee acknowledged that the pressures on all of the organisations were increasing. However, concerning the Citizens Advice Bureau and the Care Assistant Scheme, while the Committee agreed that these two voluntary sector organisations should be funded at at least the existing levels for the next five years, in the light of the pressures which these organisations were experiencing, the Committee considered that it would be appropriate to consider an increase in a year's time.

The voluntary sector played a very important part in providing services to vulnerable people within Runnymede and the Committee asked for its appreciation of the work of these organisations to be

passed on to them. The Council currently committed substantial funds towards the sector and, although costs and demands upon the organisations were increasing, it was difficult, in the current financial climate, to increase grant aid.

**RESOLVED that –**

- i) the existing level of funding be continued at the current grant levels for the following voluntary sector organisations:-**  
**Age Concern, Runnymede**  
**Runnymede Association of Voluntary Services (RAVS)**  
**Runnymede Rentstart**  
**Relate**  
**Runnymede Community Forums**  
**Surrey Community Action;**
- ii) the existing level of funding for the Citizens Advice Bureau and the Runnymede Care Assistant Scheme be continued for a further year and the level of support be reviewed in 12 months time in view of the extra pressures being placed on these organisations;**
- iii) Runnymede Mental Health Association continue to receive sufficient grant to pay for repairs to the Council's properties;**
- iv) the service level agreements be extended for a further five year period;**
- v) a further report be received from RAVS on their proposals for utilising the major portion of the volunteering element of the LPSA reward grant; and**
- vi) the appreciation of the Committee and the Council of the work of the volunteers be passed on by Officers to the organisations.**

162. RUNNYMEDE TOWN TWINNING ASSOCIATION - CORE REVENUE FUNDING  
(Ref: Minutes of Corporate Management Committee 29 November 2007, page 617, para. 413)

The Committee considered the annual core revenue funding given to the Runnymede Town Twinning Association.

The Council made annual core revenue funding available to a number of local voluntary organisations because they were considered worthy of support as a matter of policy in view of their community or public service role. The Runnymede Town Twinning Association sought to foster cultural, social, educational, community, commercial and official links with the Borough's twin towns in France, Germany and the United States. The Association promoted understanding between the respective communities through initiatives such as visits, exchanges and jointly sponsored events.

The Association currently had 43 members, 35 of which were residents of the Borough. The Association presently received £1,400 from the Council in the form of core revenue funding. The present level of grant aid had originally been fixed for a 5-year period, with the benefit of inflationary increases, by the Housing and Community Services Committee in 2003. This arrangement had expired at the end of the financial year 2007/2008 and the Association had requested that its grant support be renewed for a further 5-year period in the sum of £1,400, with the benefit of inflationary increases each year in accordance with the Retail Price Index.

At its meeting on 29 November 2007, the Committee had agreed that, subject to the submission of a statement of its objectives and priorities over the next five years, with a particular emphasis on the way in which it intended to promote exchanges between young people, the Runnymede Town Twinning Association be awarded a grant of £1,400 in 2008/09 and further grants for the same amount annually, for the period up to and including 2012/13. No provision had been made for inflationary uplift, in accordance with the Council's policy to cash limit grants.

The Association had submitted a Statement of the Association's Objectives and Priorities, which was noted by the Committee. The Committee also noted the Association's response to a request for

further information along the lines previously specified by the Committee, setting out how it would be developing its activities over the next few years. This response did not enlarge on what the Association intended to achieve over the 5 year period. There was some evidence of intermittent youth exchange initiatives but no commitment to promote this in future. The Association had suggested that existing funding levels would be insufficient to sustain even this limited level of activity and consideration might have to be given to transference of civic related costs back to the Council.

The grant for the current financial year had been released, but in view of the response from the Association the Committee's views were sought on the type of activity required in return for the Council's grant in future years. Applicants for annual core revenue funding were currently expected to be able to demonstrate that they fulfilled a community or public service role sufficient to justify ongoing revenue support. The Association had an important role to play in fostering educational, community and official links between the Borough and its three twin towns, but it was for Members to determine the type of activity required to warrant a continuing annual commitment of public funds. The decision to 'twin' with a particular town was taken at Council level but it was common for local authorities to arrange for the handling of activities and relationships through a town twinning association. The level of engagement would be dependent on the funding available to the Association from the authority and elsewhere, such as the EU and voluntary donations. In Officers' view the Association had not complied fully with the Committee's previous request for information. Withdrawal of the grant, however, would have an impact not just on the Association but on relations between Runnymede and the twin towns, and on the objectives of twinning. Accordingly, Officers had not made a recommendation for withdrawal of the grant but sought the Committee's instructions.

The Committee discussed the role of town twinning in the twenty first century, noting that it had originated from the years after the Second World War when it was seen as important to foster links between towns in countries that had recently been in conflict. The Committee concluded that there was still a role for town twinning in the very different world of today, when there was much more contact than previously, as well as cheaper air travel and the communications opportunities afforded by the internet. The Committee did not consider that the Association had done enough to promote exchanges between young people, to use new technology to link people, or to engage with older people. The Committee considered that the Association could do more by acting as a facilitator which need not involve much expenditure and that they needed to involve more members of the public in Runnymede in their activities. The Committee suggested that web cameras should be used to link schools at low cost, more use should be made of language departments at schools, computers should be used in day centres for older people to communicate with the twin towns, that the Association should undertake more liaison with Runnymede's Leisure Department and Runnymede Youth Council, and look at the possibility of sporting links between the twinned towns in the London Olympic year of 2012. There was value in what the Association was currently doing, for example, through the promotion of musical activities such as jazz concerts and the Association had a role to play in helping to make Runnymede known throughout the world as the home of the signing of Magna Carta, a fact which was of particular constitutional significance to the citizens of the United States of America.

The Committee accordingly agreed that the Association should be asked to report six months from the date of the receipt of the grant on what action they had taken to achieve these objectives, and that support for 2009/10 onwards should be dependent on the Association satisfying the Committee that sufficient progress was being made.

It was also agreed that Officers should arrange for space to be made in Council publications for the Association to explain what they did and to promote their work to the public.

**RESOLVED that -**

- i) the grant to the Town Twinning Association be continued for a 12 month period;**
- ii) the Association be asked to report to the Committee six months from the date of the receipt of the grant, on their progress in promoting youth exchanges and work with young people, on using new technology and in engaging with older people; and**
- iii) future support be dependent on the Committee being satisfied that sufficient progress is being made on the issues outlined in ii) above.**

163. COMPETENCIES AND PERFORMANCE PAY

The Committee noted the results of a pilot exercise to test revised arrangements for the Council's Appraisal and Performance Related Pay Scheme and considered how the scheme should be taken forward.

The Appraisal Scheme was designed to identify and encourage individual, group and departmental contributions to meet the Council's aims and purposes. The Performance Related Pay (PRP) element was a method to link salary rewards to achievements by identifying performance in a job in terms of level of competency and achievement of targets. In 2003, Tribal Consulting had reviewed the Council's Appraisal and PRP Scheme, in conjunction with developing a Job Evaluation Scheme. Tribal had concluded that the scheme was amongst the best and had only made minor recommendations for improvement. The Committee had subsequently decided not to proceed with Job Evaluation, but had agreed that a revised Appraisal and PRP Scheme with relevant competencies should be introduced, after a pilot exercise. In view of preparations for the move to the new Civic Centre, the Committee had agreed that the pilot exercise should be delayed until after the transfer to the new offices had taken place with a view to final implementation taking place in time for the 2008 Appraisal programme. In the event, with the delayed transfer to the new offices, the pilot had commenced in March 2008 and had been completed just prior to the office move.

The aim had been to use 50 individuals within the pilot. Following a number of requests for volunteers to participate, a total of 45 staff and managers had been briefed on the pilot scheme. These individuals had been asked to undertake the appraisal process and to complete an evaluation questionnaire afterwards. The questions which had been asked and the results which had emerged were noted. Officers had drawn up a revised scheme on the basis of the feedback which had been received which was considered by the Committee. In the event, a total of 29 individuals eventually participated in the pilot. The Committee considered that this was not a sufficiently comprehensive sample to warrant implementing a new scheme at this stage. Any new scheme would also have to be implemented within existing budgetary constraints.

The Committee noted the comments of UNISON and of the Council's Directors on the pilot. UNISON and the Directors had raised a number of concerns. The Committee agreed that these concerns would need to be addressed before any new scheme could proceed. Staff who had participated in the pilot had been more positive about it than UNISON and the Directors, while also raising some issues which would require resolution.

The Committee agreed that the Personnel Services Member Working Group should reconvene to consider a way forward and report their findings to the Committee. The Committee expressed its appreciation of UNISON's contribution to the process and agreed that it would be appropriate for UNISON to be represented at the reconvened Personnel Services Member Working Group. In view of Directors' concern, it would also be helpful that they were represented.

It was also agreed that Officers should research whether it was possible to find data comparing Runnymede with the private sector for comparable jobs in terms of total remuneration package consisting of basic salary, performance pay and pension and, if so, report it to the Committee.

**RESOLVED that -**

- i) the current arrangements for appraisal and PRP be retained for the time being; and**
- ii) the Personnel Services Member Working Group reconvene including representation from UNISON and Directors, and consider a way forward and bring further proposals to the Committee at a later date.**

164. IT HARDWARE REPLACEMENT

The Committee considered the computer hardware that was scheduled for replacement during the year and the arrangements for procuring the required hardware, software and licences.

The move to the new building had provided the opportunity for a major change of hardware in all areas of activity, most notably in the server room with all of the major servers being replaced, in the

Business Centres with over 100 printers being used in the old building being superceded by 6 multi-functional devices (MFD)s plus a small number of specialist printers and on the desktop, where nearly all PCs had been replaced and where new handsets had been installed as part of the Voice Over Internet Protocol (VOIP) upgrade. The telephone system had been completely upgraded and the Internet connection had been made more resilient with use of two separate lines.

There had been fewer problems than anticipated in virtualising the hosts in the virtualisation project, which allowed applications running on individual servers to be consolidated into a small number of physical machines with a storage area network (SAN). As a consequence of this, more servers had been virtualised than planned and Officers had developed a greater expertise in virtualising in-house than had been originally envisaged.

Very few printers had been brought over from the old building and all but two of the devices in the new building were managed by the business centres management software (Equitrac). This gave staff the information to manage and control printing, copying and faxing to a degree which had not been possible under the old arrangements. In addition, the cost per copy had reduced considerably, because of the efficiency of the new equipment.

Nearly all Personal Computers (PCs) had been replaced as part of the move and only selected Workstations in specialist areas had been retained. As a result of this, most PCs had a standard build, modified where required for specialist local software. Monitors which were less than 2 years old had been retained and were of the same specification as the new monitors purchased. This had allowed the extensive use of roaming profiles and the majority of users to hot-desk where this was necessary or convenient. The VOIP handset further promoted this way of working, as it could adopt any extension number on demand.

The Council now operated with 40 physical servers virtualised onto 5 VMWare servers with 4.6tb of mirrored SAN. A further 30 physical servers were suitable for virtualisation, all of them running on machines that were over 3 years old. In particular, the hardware running Exchange was due for replacement and, as this was such a critical service whose loss, even for a short period of time, affected the majority of staff and vital areas for service delivery, it was prudent that Exchange be moved onto a more resilient hardware platform this year. The hardware to achieve this could be made available by adding an additional tray to the existing SAN and populating this with larger capacity disks than had been used until now. This would release high speed disk capacity for Exchange itself and for other systems where response time was critical. Applications or parts of applications where the data was non-volatile and retrieval times were less critical, would be moved to the new high capacity disks. These would be volumes holding data such as image libraries, email archives and spooled files from production systems.

The equipment in the Business Centres would enter the second year of its life and so no equipment had been identified as requiring replacement or upgrade in this year. The only printer requirement was for the old cheque printer to be replaced with a more robust device. The number of Workstations and PCs requiring replacement would be minimal and so only a small provision had been made to cover problems with older Workstations or PCs.

The production systems had all been successfully migrated to the new virtual environment. However, the version of the Revenues and Benefits and the Housing applications currently in use would not be supported by the supplier from 2009 onwards. Provision had therefore been made for assistance in what would be a major upgrade to these applications, moving from Version 5 to Version 6 of the software. The core work would be carried out by in-house staff. The upgrade would be scheduled to occur immediately after the VMWare and SAN upgrade as this would provide a ready testing environment for the upgrades and would allow the process to be completed before the users entered the billing and year end time, when it was essential that the systems were kept as stable as possible.

All PCs were now running Windows XP SP2/3 which was proving very stable. In view of the fact that there was no great industry wide move to Vista and that few substantial benefits for making the change had been identified, there was no proposal to upgrade at this stage. All PCs had the resources and the licences to move to Vista when this became desirable. The situation would be reviewed during 2009. Similarly, no substantial advantages had been identified in upgrading to Office 2007 at this stage. The decision to move to new versions could be taken whenever the benefits were identified as outweighing the costs and risks. There would also be considerable training implications arising from implementing upgrades and time lost while users became

accustomed to the new systems. Furthermore, there were a number of reports from organisations which suggested that the transition to Vista might not, at this stage in the product's development, be easily accomplished.

For the past month the Council had been subjected to a very high level of attack from external sources. The number of viruses, spyware and malware that were being received had greatly increased and at times, the security systems had been severely stretched. Provision had therefore been made for a one off consultancy at a cost of £5,000 to review the present security arrangements and consider how they could be modified. The provisions of the statement of recommended accounting practice relating to the capitalisation of expenditure meant that it was appropriate to charge this security review to a revenue rather than a capital budget. Runnymede was not being uniquely attacked but was more vulnerable than many other organisations as so much of its information was publicly available. It was also likely that the number of attacks would increase in the future, as automated ways of bombarding organisations with information became more sophisticated.

The Committee agreed that the replacements and upgrades be made as set out at Appendix 'A'. All of this expenditure could be met from capital through the Hardware Replacement Programme, apart from the security review.

It was agreed that the following hardware be used in the above replacements: SAN – Expansion of the Sun StorageTek 6140 by adding 1 new tray in each SAN and populating this with 750GB SATA II; VMWare Virtual Server – addition of 1 HP Proliant DL585 server with 32GB memory; 5 HP Compaq dc5700 Microtower Personal Computers with 2x1GB DRAM and 160gb hard disk, supplied as a special build from Hewlett Packard and delivered with the Council's configuration and software pre-loaded; and 5 Toshiba Satellite Pro 200 laptop computers.

The upgrade to the Revenues and Benefits and Housing systems to version 6 would be carried out in-house with the support of the supplier Northgate in reviewing the current systems for upgrade suitability, identifying areas where the data needed to be cleaned or the structure of the data files needed to be modified, designing a migration plan, providing a testing framework and testing the upgraded systems. Licensing incurred no additional costs to the Council as it was provided as part of the maintenance contract. Northgate provided the above as part of an upgrade support package that would be purchased. Given the need to provide a stable system for the run up to annual billing, it was important that this upgrade was completed before the end of the calendar year.

It was agreed that suppliers for the equipment should be for Personal Computers, Servers and licences, the lowest bid from three suppliers who were part of either the OGC (Office of Government Commerce) Catalyst Products or Services schemes or PASA (The National Health Service Purchasing and Supply Agency). Both of these organisations would carry out the tendering processes on behalf of the Council and ensure that best value was achieved. Suppliers for Monitors would be the best of at least three quotations and support for the Revenues and Benefits and Housing applications upgrades would be purchased from the supplier Northgate as no other supplier had sufficient knowledge of the applications and the underlying code to provide the correct level of support. It had been found to be financially most advantageous to purchase processors and monitors under separate contracts. This practice would continue.

The capital programme included a sum of £325,300 in 2008/09 to provide for the replacement of equipment. The delay in moving to the new building had resulted in some expenditure anticipated for this year being deferred until 2009/10 and so it was agreed that a second report, later in the year, would identify this deferred expenditure and the level of saving that could be achieved on this budget this year.

In addition, the life of the new SAN and servers was predicted to be longer than that of the previous hardware and this would be reflected in the provision made for future replacements. The reduction in the number of physical servers and the reduction in the cost of data storage achieved by using the SAN would result in lower running costs in the form of maintenance contracts. As the exercise would not be completed until late on in the financial year, these savings would be realised fully in the 2009/10 financial year. Savings would be realised in this financial year as a result of the move to cost effective centralised printing and photocopying. The actual costings would become evident once 3 months of operation had been completed and the findings analysed.

**RESOLVED that -**

- i) **the software, hardware and licences, as set out at Appendix 'A' be replaced or upgraded at a sum not exceeding £138,525;**
- ii) **£133,525 of this expenditure be met from the Hardware Replacement Programme;**
- iii) **the remaining expenditure of £5,000 on the security review be met from the IT revenue budget;**
- iv) **Standing Orders relating to the seeking of tenders be waived in respect of the upgrade to the Revenues and Benefits and Housing applications and Northgate be appointed to undertake this work, as they are the only supplier able to offer the support needed; and**
- v) **the revenue implications of the above procurements be noted.**

165. APPOINTMENTS TO OUTSIDE BODIES – RUNNYMEDE ASSOCIATION FOR VOLUNTARY SERVICES

The Council currently appointed two Members, each serving for a three year term of office, as its representatives on Runnymede Association for Voluntary Services (RAVS). The current representatives were former Councillor B J Relph and Councillor P B Tuley. Both had been appointed in June 2006 and Councillor Tuley's current term of office would end in May 2009. As Mr Relph was no longer a Councillor and the appointment currently required that the person must be a Member of the Council there was a vacancy which needed to be filled for the remainder of the period of his term of office. It was understood that Mr Relph would still serve on RAVS as he was to be appointed by RAVS as a Trustee. At its meeting on 26 June 2008, the Committee had decided to defer the appointment to serve on RAVS for further consideration. The Committee accordingly considered this appointment again.

**RESOLVED that –**

**Councillor Mrs P I Broadhead be appointed to serve on RAVS for a one year term.**

166. URGENT ACTION - STANDING ORDER 42

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

<u>Officer</u>	<u>Action</u>	<u>Central Index No</u>
Chief Executive Officer	Supplying new and re-elected Councillors with laptop computers, printers and a broadband connection to the internet.	664
Director of Technical Services	Creating a one year Senior Planning post to support heavy workload in the Development Control Service.	667
Director of Administration and Leisure	Purchasing a queue management system for the Runnymede Civic Centre front of house service.	668

167. CHANGE OF DATE OF NEXT COMMITTEE MEETING

The Committee's next meeting had been scheduled to take place on Thursday 2 October 2008 at 7.30pm in the Council Chamber, Civic Centre, Addlestone. The Magna Carta Trust had arranged a 50<sup>th</sup> anniversary dinner to take place at that same evening, which a number of Members of the Council would be attending, including Members of the Committee. Under Standing Order 27.1, the leaders of the political groups had therefore agreed that the Committee's next meeting be

rescheduled to take place on the day before, Wednesday 1 October 2008 at the same time and venue.

168. QUEEN ELIZABETH HOUSE AND ST JUDE'S COTTAGE

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 received a progress report on the progress of the proposal to convert Queen Elizabeth House, Englefield Green into a health centre and on the latest plans for a temporary use for St. Jude's Cottage. The Committee noted the current position regarding negotiations with various parties regarding the conversion of QEH into a health centre and it was noted that there had been some positive developments, and that Officers hoped to be able to report a final package of proposals for the consideration of the Committee in the not too distant future.

Concerning a temporary use for St. Jude's Cottage, Royal Holloway College representatives had visited St. Jude's to assess the potential use of the unit for a limited period as student accommodation. Royal Holloway College remained interested in utilising the unit for this purpose and discussions about the terms of use were ongoing. Some work would be required to the building and the charge that the Council made to the College would need to reflect this. If the College was to use St. Jude's Cottage for the forthcoming term then it would be necessary for an agreement to be concluded very quickly. It was therefore agreed that Officers be authorised to approve the terms, which would be limited to an initial period of no more than one year, provided that an agreement could be reached which was acceptable to both parties.

**RESOLVED that -**

**the Director of Housing and Community Services and the Director of Administration and Leisure be authorised to approve terms with Royal Holloway College for the use of St. Jude's Cottage, Englefield Green.**

169. WRITE-OFFS

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.

**RESOLVED that -**

**the Council Tax arrears of £11,647.30 and the Sundry Debt arrears of £15,692.82, as detailed in Exempt Appendix '4' to the Agenda, be written off as irrecoverable.**

170. SAFETY COMMITTEE - MINUTES

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 noted the Minutes of the meeting of the Safety Committee held on Wednesday, 4 June 2008, and of the Extraordinary meeting of the Committee held on Wednesday, 30 July 2008, and the latest position on the items raised.

Chairman

(The meeting ended at 9.50pm)