

Runnymede Borough CouncilREVIEW BOARD18 April 2007 at 7.30 p.m.

Members of the Board present: Councillors P. B. Tuley (Chairman), J. Broadhead (Vice-Chairman), R.J. Edis, J.R. Furey, M.T. Kusneraitis and D.W. Parr.

Members of the Board absent: Councillors J.B. Dean, Mrs L.M. Gillham and J.E. Haas.

Councillor N. Thewlis also attended

664. NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

The Conservative Group had notified the Chief Executive Officer of its wish that the changes listed below be made to the membership of the Board. The changes were for a fixed period ending on the day after the meeting and thereafter the Councillors removed would be reappointed.

<u>Remove from Membership</u>	<u>Appoint Instead</u>
Councillor H.A. Butterfield	Councillor J.R. Furey
Councillor Mrs. R.M. Denby	Councillor D.W. Parr
Councillor C.J. Ruane	Councillor R.J. Edis

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

665. MINUTES

The Minutes of the Review Board meeting held on 8 February 2007 were confirmed and signed as a correct record.

666. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor J.B. Dean.

667. DECLARATIONS OF INTERESTS

In respect of the item on Staff Recruitment and Retention Policy – Officer Final Year Salary Enhancement Councillors J.R. Furey and N. Thewlis declared personal and prejudicial interests, having been Members of the Corporate Management Committee on 1 March 2007 which had made the decision to change the Officer Final Year Salary Enhancement Policy.

The Councillors remained in the room for this item for the purpose of answering questions or otherwise giving evidence relating to that decision.

668. ENFORCEMENT OF PLANNING CONTROL – PROGRESS REPORT

The Board noted the progress report on enforcement of Planning Control as at 30 March 2007. On particular cases within the report, the Board noted the following:-

i) Willow Farm, Chobham Road, Ottershaw

The Council was liaising with the Police, who had greater powers to obtain names and addresses than the local authority. One of the problems with taking action at this site (and at other sites) was that the names and addresses of occupiers changed on a regular basis and were not always readily obtainable. These were needed in order to serve notices.

ii) Amberwood and Lone Pine, Christchurch Road, Virginia Water

The problem here was the excessive height of the fence. A Warrant for Arrest had been issued but had not been enforced as yet.

iii) Capital House, Woodham Park Road, Woodham

It was envisaged that the outcome of the Public Inquiry arising from an appeal against Surrey County Council's refusal of permission for a waste transfer station, would be known in June or July.

iv) Padd Farm, Hurst Lane, Egham

38 breaches of planning requirements had been recorded at this site. The drafting of notices was therefore an onerous task and further Committee reports were anticipated.

v) The Farm Shop, Hardwick Lane, Lyne

An appeal in respect of the refusal of permission for log preparation had been lodged. It was considered likely, although not certain, that this appeal would be determined by means of a Public Inquiry.

vi) 105, Chertsey Road, Addlestone

A prosecution statement was being prepared for a Magistrates' Court Hearing in April 2007, in respect of failure to comply with a Waste Land Notice.

vii) Tasis School, Coldharbour Lane, Thorpe

Enforcement Notices were being prepared in respect of breaches of conditions in relation to sheds and the use of a playing field. Negotiations with the school with a view to an acceptable arrangement being reached, were, however, making progress.

General

The Board noted that the production of statements for Court hearings was sometimes delayed because of manpower shortages. The Board also considered that it would be helpful if the word "structures" could be defined in future, where possible.

669. STAFF RECRUITMENT AND RETENTION POLICY - OFFICER FINAL YEAR SALARY ENHANCEMENT

(Ref: Minutes of Corporate Management Committee, 1 March 2007, page 1008, para.572)

The Board received information on the cost of enhancing the salaries of eligible staff during the final year of their service prior to retirement, further to a request from the Board Chairman.

In 1990, the Council introduced a scheme whereby staff with 10 years satisfactory service with Runnymede qualified for a 10% final year enhancement of salary. This scheme aimed to maintain the authority's competitive advantage in the employment market and to underline the policy of attracting and retaining able staff. The scheme had replaced a discretionary arrangement for the acceleration of salaries during the final year that had been introduced in 1979. The 1990 scheme had been modified slightly in 2003 to make it clear that it was discretionary rather than an entitlement.

At its meeting on 1 March 2007 the Corporate Management Committee had approved a revised wording of the policy. This emphasised the discretionary nature of the benefit, explicitly required consideration of the value of the employee's continued service to the Council, and allowed for awards of up to 10%, i.e. an award of less than 10% could be made. The purpose of these amendments was primarily to ensure that the scheme was within the Council's powers. The Board noted the contents of the report to the Committee containing the revised wording. The Board also noted further

information on the financial implications of this policy which had been prepared at the request of the Chairman of the Board, after consultation with a Member colleague.

The policy of enhancing final year salaries gave rise to additional costs consisting of an uplift in salary of up to 10% in the last year of service, employer's National Insurance and Pension Fund contributions on the additional salary that had been paid, and an increase of up to 10% in the pension paid to the employee.

While the salary uplift and additional employer's National Insurance and pension contributions were costs that were directly incurred by the Council, the additional pension costs were borne by the Pension Fund and could fall on the Council in two ways:-

- i) If no contributions had been made to the Pension Fund to cover the cost of paying the additional pension, the increased liabilities of the Fund would increase the deficit that was attributable to Runnymede. This would result in increased backfunding contributions. Since the Actuary had spread the cost of paying for the deficit over twenty years, the additional annual cost to the Council would be similar to the additional annual pensions that were being paid.
- ii) If the Actuary had increased the employers' contributions paid by Runnymede in the light of historic trends that showed that Runnymede pensions turned out to be higher than expected, then the cost of enhancing salaries would be reflected in the higher current contribution rates rather than in deficit backfunding payments. This might be one reason why Runnymede's contribution rate to the Surrey Pension Fund of 12.5% was higher than the average rate of 12.2% for Surrey District Councils (representing an additional cost of £25,000 per annum).

It was also possible that the costs were falling on the Council through a combination of the two ways outlined above.

No specific provision was made in the budget to cover the cost of enhancing salaries by up to 10%. Effectively, the additional salary and employer's oncosts had been met in the past from within the overall salary budget. The additional pension costs formed part of the contributions that the Council made to the Pension Fund, either as backfunding contributions or as current contributions.

The Board noted that the policy of enhancing Officer final year salaries had in the past proved useful in facilitating major restructurings and achieving consequential revenue savings. While the policy was unlikely to have any effect on the Council's recruitment ability, there was evidence to suggest that the policy could have a significant effect on the Council's ability to retain able staff. The average length of service of Runnymede staff was 7.8 years with 30% of staff having in excess of ten years Runnymede service. Turnover at senior level was particularly low. Over the past year turnover of staff on Management grades and above had been 10% with Senior Management turnover at 8.3%. Whilst this high retention rate could not be attributed solely to the policy of final year enhancement of salaries, anecdotal evidence suggested that it had had a marked effect on staff's decision on whether or not to leave the authority's service. Currently, 76% of staff with ten or more years service with Runnymede were banded at 'very good' or above in the Performance Related Pay scheme. Retention of these key staff had not only benefited the authority by having highly experienced and able staff to deliver efficient and high standard services, but had also resulted in the saving of potentially significant recruitment and training costs.

The Board noted that the financial information before them had been produced by Council Officers and accepted that this provided a general indication of the cost implications. Consultation with the Actuary would have been costly and while more precise, would have been unlikely to provide a better understanding. The Board also noted that the average salary of Officers who had benefited from the scheme since 2001/02 was £23,200. It was reported that the cost of enhancing a final year salary of £23,200 would be to add £2,800 to final year costs (i.e. including employer's on costs) while the amortised pension costs at an annuity rate of 5% would cost another £10,500, producing an average total cost per Officer of £13,300. It was noted that it had not been the practice in the past to report the financial implications of final year salary enhancement.

The Board considered whether there should be some form of affordability criteria included within the policy but took the view that because the scheme was discretionary and as there was now provision to pay less than 10%, costs could be contained if necessary. The Board suggested that it might be

helpful for the Corporate Management Committee to have a list of Officers who might be retiring soon and therefore might be eligible for the scheme. This could never be definitive because Officers may die, suffer ill health or move on for various reasons, but it would give some indication of the costs which might be incurred in future.

The Board believed that the Council valued experienced staff and that this scheme was a factor in making senior staff decide to continue working with the Council. The Board considered that discontinuing the scheme would add to uncertainty amongst senior Officers, particularly in view of the move to new Civic Offices which already had a potentially unsettling effect on all staff. While the Corporate Management Committee did not have as much financial information as was now before the Board, the Board did not consider that the Committee would have decided differently because the scheme was discretionary (i.e. final year Officers did not have any entitlement to receiving this extra pay) and there was also now a discretion to pay Officers less than 10%. The Board concluded that the extra information was not sufficient to potentially alter the original decision.

The Board did, however, consider that the policy should be kept under close review by the Corporate Management Committee. They considered that the Committee should look at whether there may be alternative schemes which could achieve a similar objective, but allow costs to be identified more clearly. This could either be done as part of an exercise looking at a range of recruitment and retention packages, or through a separate report, whichever was appropriate.

The Board asked for their comments on the policy to be brought before the Corporate Management Committee for consideration.

#### 670. ANNUAL REPORT OF OVERVIEW AND SCRUTINY FUNCTION

The Board considered a draft Annual Report for the period 1 April 2006 to 1 April 2007 in accordance with sub-paragraph 6.03(d) of the Council's Constitution which states that Overview and Scrutiny Committees must report annually to full Council on their workings and make recommendations for future work programmes and amended working methods if appropriate.

The Board made the following additional comments in relation to sections within the report:-  
(The numbers below relate to sections within the report)

##### 2. Green Garden Waste Collection

The Board noted that some residents had expressed the view that the sacks were too small. However, they had been designed to a size which did not make them too heavy to lift for health and safety reasons.

##### 3. Proposals for Fortnightly Refuse Collections

The Board considered that it should be made clear to the public that even if fortnightly refuse collection was introduced, there would continue to be a weekly collection for recycling products. Householders also needed to be informed of the adverse financial consequences which they would have to face if recycling targets were not met.

The Board noted the recycling targets being set by Government and by Europe over the next few years were extremely onerous. The Government had also not recognised the resource implications of the manual sorting of recyclables.

It was suggested by a Member that the Working Group for refuse collection and recycling might look at a pay per lift scheme as a potential alternative to alternate weekly refuse collections. Under this scheme a bar code label was fixed on the bin and householders were charged according to the number of times that they put the bin out for collection.

##### 4. Partnership Arrangements with Surrey County Council - Participation In Local Committee

The Board noted that participation in this Committee had been beneficial, although Runnymede Members could only vote for part of the meeting.

6. Action On Air Quality And The Environment

Regarding the environment in general, the Board noted that radioactivity emanating from the ground was not a problem in Runnymede. Other Councils such as Woking (solar panels) and Arun (recycling) had chosen to spend large proportions of their budgets on environmental initiatives. Runnymede had preferred to spend more on services for older people and community safety. All of these matters were questions of political priority.

10. Delays At Level Crossings

Officers would continue to pursue the reduction of delays at level crossings in the borough, both for the beneficial economic impact and for the convenience of residents.

It was understood that bridges would need to be built to prevent level crossing delays worsening if the Airtrack Scheme came to fruition.

The Board understood that under the South East Regional Assembly Scoping exercise, the Airtrack scheme was a second tier item and the date for progress was after 2011, depending on funding being obtained.

13. Runnymede Contributions To The Surrey Pension Fund

It was understood that the meeting between the Head of Finance at Surrey County Council, the Actuary, and Members and Officers from all of the Surrey districts to discuss technical issues relating to the Surrey Pension Fund, was scheduled for late summer/early autumn 2007.

14. Progress On Revenue Reductions

The Board would continue to receive regular reports on progress on achieving revenue reductions.

15. Staff Recruitment And Retention Policy - Officer Final Year Salary Enhancement

A summary of the Board's discussion earlier in the meeting is included in the revised Report attached at Appendix 'A'.

**RECOMMEND that –**

- i) it be noted that items 2,4,5,8,9 and 11 in the draft Annual Report have been satisfactorily completed and that the other items in the Report remain ongoing; and**
- ii) the revised report taking in the Board's comments at this meeting (as set out at Appendix 'A') be submitted to full Council.**

(NB: the additional comments made at the meeting are underlined within the report at Appendix 'A').

Chairman

(The meeting ended at 8.45 p.m.)