



REPORT TO EXECUTIVE

PORTFOLIO AREA: ENVIRONMENT, INFRASTRUCTURE & TRANSPORT

Date of Meeting:

7th July 2003

Public

Key Decision:

No

Recorded in Forward Plan:

No

Inside Policy Framework

Title: LSVT ACTION PLAN UPDATE

Report of: EXECUTIVE DIRECTOR

Report reference: CE 11/03

Summary: This report updates Members on the progress of the LSVT Action Plan.

Recommendations: That the report be noted.

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1. 2. BACKGROUND INFORMATION

1.1 Following the transfer of the Council's housing stock to Carlisle Housing Association (CHA) in December 2002, a number of issues and actions which needed to be addressed were drawn up into an 'Action Plan' by the then Treasurer of the City Council.

1.2 Since the transfer date, the Action Plan has been addressed by a number of Lead Officers, who have taken responsibility for the relevant actions identified in the Plan. These actions have been addressed and a number of them have been successfully completed. There are others which are inevitably on-going issues

which will necessarily have a longer timeframe for completion.

3. In May 2003 the Audit Commission requested a meeting with the Lead Officers to discuss the Action Plan generally and specific areas which were possibly causing concern. This meeting took place on 27 May 2003.

3. UPDATE

2.1 A copy of the completed Action Plan is attached at Appendix (1). Members will note that there are a number of milestone dates identified in the Plan:

- Date completed
 - Update as at 22 May 2003.
 - Action required following meeting with Audit Commission
 - Update as at 17 June 2003.
2. A copy of the Action Plan will be forwarded to the Audit Commission, together with any relevant supporting papers.
 3. Members will note from the Action Plan that the majority of issues identified in December 2002 have now been resolved. The Executive's agenda for 7th July includes provisional outturn reports on both the Housing Revenue Account and the Housing Capital Programme for 2002/2003. However there are still some financial issues identified within the Action Plan that need to be finalised with CHA. These will be progressed as the Action Plan is monitored.
 4. The Action Plan also outlines the second stage of LSVT, notably the transfer of staff to CHA. This also has its own Project Implementation Plan, which was reported to the Executive on 3rd April 2003 and will be updated at the Executive's September meeting.
 5. There are clearly other housing issues relating to the transfer which are not part of the Action Plan, but nevertheless have significant implications for the success of the transfer and the further development of a future partnership with CHA. These key issues relate mainly to Property and Regeneration. The Senior Officers responsible will continue to develop these areas of work in collaboration with relevant Portfolio Holders, the Lead Officers on the Action Plan and CHA

1. RECOMMENDATIONS

That the report be noted.

2. REASONS FOR RECOMMENDATIONS

That the Executive is fully updated on the completed and ongoing issues identified in the LSVT Action Plan.

3. IMPLICATIONS

- Staffing/Resources – Not applicable.

- Financial – Financial Services have been fully involved in the preparation and implementation of the Action Plan.
- Legal – Legal and Democratic Services have been consulted and are fully involved in the implementation of the Action Plan.
- Corporate – not applicable
- Risk Management –Monitoring risk management is a key element of the Action Plan.
- Equality Issues – not applicable
- Environmental – not applicable
- Crime and Disorder – not applicable

LSVT ACTION PLAN

	ACTION REQUIRED	DATE REQUIRED BY	REMARKS	WHO	DATE COMPLETED	UPDATE AS 22 MAY
1.	Transfer DSO staff to CHA	1 October 2003	Details to Actuary and County Pensions by 01 July 2003	MSES		Will meet 1 st Deadline. St Lists continu Updated; su Additional st July – Sep 2
2.	Transfer remaining support services staff to CHA.	On expiration of the Support Services Agreement.	Details to Actuary and County Pensions by 01 January 2004	MSES		Staff identifi though this vary, dependen upon service by CHA. Cur mainly IT st
3.	Assignment of arrears of rent by the Council	28 days after completion (i.e. 9 December 2002)	Schedules of arrears supplied to Philip Heath of Wright Hassall	Legal & Democratic Services	February 2003	

	to CHA in the form of the assignment set out in 14th Schedule.	or 5 days after the Council tells CHA of the Arrears Payment.	Assignment to be completed	Wright Hassall		
4.	Under Clause 9.2.8, the Council to notify CHA of the Arrears Payment within 28 days of the Completion Date.	Within 28 days of 9 December 2002.	Details to be analysed by HoF	Financial Services	20 th January 2003	
5.	Under Clause 9.4, CHA to pay the Council the Arrears Payments.	2 equal instalments on 31 March 2003 and 30 June 2003, with a final payment of £167,500 on 1 October 2003.	To be billed and monitored by HoF Will need to be retrospectively amended for effects of backdated benefit awards/recovery	Financial Services Revenues & Benefits		Will need to Benefits pos identify arre

	ACTION REQUIRED	DATE REQUIRED BY	REMARKS	WHO	DATE COMPLETED	UPDATE , 22 MAY 20
6.	Under Clause 9.5, the Council to pay CHA £266,000 in respect of prepayment of rent.	9 December 2002.	Paid on completion at 09 December	Financial Services	09 Dec 2002	

7.	Under Clause 9.7, the Council to provide CHA with information to enable it to pursue its rights against tenants and leaseholders to collect arrears.	Within 28 days of 9 December 2002.	Schedules provided – see point 3	Legal & Democratic Services	Dec 2002	
8.	Under Clause 10, the Right to Buy Sharing Agreement comes into force once the Accrued Deficit in respect of Pensions is discharged.	The date will depend on the calculation of the Accrued Deficit and when this is discharged but it will need monitoring opposite CHA to ensure that the Council picks up its appropriate share as soon as the Accrued Deficit has been cleared.	<p>HoF to arrange monthly monitoring of RTB sales with CHA.</p> <p>Duty to report is only on an annual basis.</p> <p>Tony Bramley agrees in principle to provide monthly report on RTB completions.</p>	<p>Financial Services</p> <p>CHA</p>		Right to Buy proceeds to CHA. The progress for situation a back.
9.	Under Clause 13, the Council is to assign to CHA the contracts set out in the Third Schedule.	Within 28 days of 9 December 2002.	<p>Lesley Dixon has written to all contractors on basis approved by Wright Hassall.</p> <p>Copy of letter to be supplied to John Egan and Doug Thomas.</p>	Strategic & Performance Services	December 2002	

	ACTION REQUIRED	DATE REQUIRED BY	REMARKS	WHO	DATE COMPLETED	UPDATE AT
						22 MAY 2003
10.	Under Clause 13.8, the value of any work in progress under any assigned contracts and	This should be done on 9 December 2002 or, in default, subsequently valued by an	<p>To be agreed between Brian Durham (CHA) and David Steele.</p> <p>Copies wanted by CT/HoF</p>	<p>Financial Services</p> <p>(CHA)</p>		Partial payment has been made, but no final agreement date. List of

	retained contracts has to be agreed between the parties.	independent quantity surveyor if the parties cannot agree.				outstanding commitment is being monitored. Will progress with CHA.
11.	Under Clause 15.1, the DSO staff will be transferred to CHA.	1 October 2003. There is also a requirement under Clause 15.2 for a Disclosure Letter to be given by the Council to CHA not later than 1 September 2003 in respect of the DSO staff.	Jean cross to agree wording of disclosure with John Egan	MSES		Cross-reference with (1). Letters to be sent to staff transferring in September 2003. Will meet deadline date.
12.	Under Clause 15.6.1, the Council assigns the right to receive monies in respect of Car Loans to the Association and the Association agrees to pay the sums outstanding to the Council.	The sums to be paid to the Council have to be made within 28 days of the relevant Transfer Date i.e. 9 December 2002 in respect of most of the staff and 1 October 2003 in respect of DSO staff. Arrangements need to be made to pick up these payments.	The billing of CHA in respect of outstanding balances on any car loans is to be arranged by CT. Alison Taylor /Michelle Bellis note requirements produce data for Housing Staff produce car loan data in October in respect of DSO staff and arrange S Debtor Invoice.	Financial Services	31 Dec 02	

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						22 MAY 2003
13.	Under Clause 15.7.3, the Council undertakes to procure the Assignment to CHA of the Car	Within 28 days of the relevant Transfer Date i.e. 9 December 2003 or, for DSO staff, 1 October 2003.	It may be that the Leasing Companies will refuse to assign in which case CCC will need to bill CHA annually until expiry of leases	Financial Services		Almost complete. Angela Brown to confirm before AC visits 27/5.

	Lease Agreements.					number of DSO staff to be identified
14.	Under Clause 15.7.4, CHA are to pay to the Council any amounts due under Car Leases for transferred staff in respect of the period commencing 09 December.	Within 28 days of being notified by the Council that such amounts are due.	HoF to calculate any prepayments of existing leases for periods post 08 December	Financial Services		Under Clause 15.7.4, CHA are to pay to the Council any amounts due under Car Leases for transferred staff in respect of the period commencing 09 December.
15.	Under Clause 15.9.5, CHA discharge the Accrued Deficit on the Pension Fund from Right to Buy Sales. Once the deficit is cleared, then the Council becomes entitled to Right to Buy Sales until 31 March 2018.	The Council needs to put in place a checking mechanism with CHA to verify the Right to Buy position in relation to the Accrued Deficit and then show that the Authority receives its entitlement once the Deficit has been discharged.	See point 8	Financial Services CHA		See point 8 Identified a significant issue on the Action Plan and will progress urgently. Will include identification of Actuary Progressing
16.	Under Clause 17.1, the Council has to deliver to CHA management records and accounts relating to the property.	As soon as practicable after 9 December 2002.	Angela Brown / David Steele to agree formal provision of information which in any event CHA already have. Tony Bramley accepts that provisioned via Orchard System	Financial Services		CHA will adopt 'Contractor Plus' software and purchase from Carlisle Works

	ACTION REQUIRED	DATE REQUIRED BY	REMARKS	WHO	DATE COMPLETED	UPDATE AT 22 MAY 2003
17.	Under Clause 17.6, the Council has to assign its interest in the DSO vehicles and equipment set out in the 12th Schedule to CHA and the Association pays the Council the book value of the vehicles and equipment.	The Transfer Date for the DSO staff i.e. 1 October 2003.	To be organised in consultation between Head of Finance and DSO	Commercial & Technical Services Financial Services CHA		Agreed an initial list with CHA; agreed method of evaluation and on target to meet 1st October deadline.
18.	Under Clause 17.15, the Council transfers the DSO to CHA.	1 October 2003.		Legal and Democratic Services		Progressing this issue under other heading of the Action Plan
19.	Under Clause 17.16, the Council pays CHA the balance on the Major Repairs Allowance Fund.	£1m on December 2002, £1m on 31 January 2003 and the balance on or before 31 March 2003.	£1m paid on 09 December. David Steele to agree final capital expenditure and financing with CT/HoF by 24 January	Financial Services		Initial payment of £1m made in December 2002; £750,000 as additional payment made. This issue still to be finalised with CHA- Financial Services progressing
20.	Under Clause 17.18, the Council will grant a Licence of Bousteads Grassing to CHA, if such is required	1 October 2003, subject to CHA serving not less than one month's notice not later than 31 July 2003.		Legal and Democratic Services		CHA wish to take on licence – area of land and accommodation needs to be identified. Progressing towards milestone date of 31 st July 2003

21.	Under Clause 17.19, the Council will assign to CHA Hire and Maintenance Agreements in respect of DSO vehicles.	Within 28 days of 1 October 2003.	Vehicles leases to be identified by Mike Thompson and notified by HoF to suppliers by 01 August 2003	Commercial & Technical Services Financial Services		Various lease and maintenance grants to be resolved. This is in hand to meet the deadline date
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	ACTION REQUIRED	DATE REQUIRED BY	REMARKS	WHO	DATE COMPLETED	UPDATE AT 22 MAY 2006
22.	Under Clause 17.19.2, CHA pays to the Council any rental on vehicles for any period after 1 October 2003.	Within 28 days of being notified by the Council.	HoF / David Steele to organise in conjunction with point 21	Financial Services		Relates to above
23.	Under Clause 17.20, the Council is to use its endeavours to find a solution to the long-term maintenance of the Sandysike Sewage Treatment Plant. CHA are to contribute up to £133,000 towards a solution and one-third of the maintenance work on the plant on an ongoing basis.	As soon as the Council can reasonably find a solution. A mechanism should also be put in place for the Council to bill CHA any ongoing maintenance costs of the level of one-third of those costs.	CT to include within report to Executive "setting aside" £267k from proceeds of sale as a "transfer cost" to be ring fenced against "solution" HoCATS to organise ongoing maintenance and recovery from freeholders (8/12) and /CHA (4/12) HoF to monitor	Financial Services Commercial and Technical Services		Estimated costs have been reduced to £75,000 for the Council and £25,000 for CHA. This reflects a much smaller commitment than first envisaged. This issue requires Executive approval and will include a package of measures

24.	Under the Housing Agency Agreement, CHA are to provide reception services on behalf of the Council.	From 9 December 2002 to 31 March 2004. The Council will pay CHA £3,500 during this period, with any additional costs in respect of invoices for interpreters or translator services.	Tony Bramley agreed that invoice to be submitted by CHA for £3,500 should be paid to CHA on 31 March 2004.	Environmental Protection Services Financial Services		Reception Services established and budget place
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	ACTION REQUIRED	DATE REQUIRED BY	REMARKS	WHO	DATE COMPLETED	UPDATE AT 22 M
25.	The Council has granted CHA accommodation in the Civic Centre from 9 December 2002 until 30 September 2004 at a Licence Fee of £342,000 per annum. plus any additional payments for services beyond those specified for IT, telephony and cash collection services.	The Council should send CHA an invoice on the last business day of each month and on the termination of the Licence, on a VAT exempt basis and pro rata for any period of less than a month CHA can terminate the Licence on 31 March 2004 by serving not less than 3 months notice at any time on or before 31 December 2003.	CT to organise monthly billing To be monitored by HoF	Financial Services		Council monitor bring with Corporate object Review to place September 2004
26.	Under the Lease from CHA to the Council of various play areas, the Council has to insure against third party liability for a minimum of £5m	Immediately. The City Treasurer has confirmed that insurance is in place automatically for any services provided by the City Council in its capacity as a local	CT to formally confirm position to CHA.	Financial Services		Insurance now in place – but check formal notification has been sent to CHA

		authority.				
27.	<p>Under the Professional Services Agreement, the Council provides CHA with communal lighting; highway/environmental enhancement; CCTV management; building cleaning; drainage-</p> <p>Related work; trade refuse collection; fleet maintenance; pest control and street cleaning and litter removal.</p>	<p>Various charges are specified for each of these services but arrangements should be set up to invoice CHA for the services, mostly</p> <p>To be billed on a monthly basis, in accordance with the rates specified in the Agreement.</p>	<p>HoCATS to ensure regular monthly billing for provision and supervision of professional services.</p> <p>This is separate and distinct from any works placed with the Council</p> <p>HoF to monitor</p> <p>HoCATS to ensure monthly billing plus VAT</p> <p>HoF to monitor</p>	<p>Commercial and Technical Services</p> <p>Financial Services</p>		<p>Estab mont meet CHA ; invoic again are in The r help t monit the S to en appr charg being Comp of inv will b provi AC or 27/5/</p>
	ACTION REQUIRED	DATE REQUIRED BY	REMARKS	WHO	DATE COMPLETED	UPD/ AT 22 M
28.	The Council provides services to CHA under the Grounds Maintenance Agreement.	<p>From 9 December 2002 to 31 March 2003. Fees are at the rate set out in the Schedule of Rates plus VAT.</p> <p>From 1 April 2003 to 31 March 2004. Fees are at the Schedule of Rates plus an uplift of 4.5% plus VAT.</p> <p>The Council should put in place arrangements to bill CHA for these payments. The Agreement provides for them to be invoiced monthly to the Association in</p>	<p>HoCATS to render timely invoices</p>	Commercial and Technical Services		<p>Invoic paym 2003/ progr But th issue: relati 2002/ financ Conce about paym acros boarc need progr Also r check tende proce from 2004 groun maint</p>

		arrears.	(in respect of work actually done)	Financial Services		
			HoF to monitor that billing and timely payment takes place			
29.	Under the Deed of Assignment of Rent Arrears, CHA are to pay the Council a figure for all the arrears.	2 equal instalments on 31 March 2003 and 30 June 2003 and a final payment of £167,500 on 1 October 2003.	Covered at point 5	Covered at point 5		Cover point
30.	Under 12.1 Council to pay for all work "done" to 08 December		David Steele to monitor payments to 08 December as part of year end close down and agree pre and post splits for work done with Brian Durham and DSO	Financial Services CHA Commercial and Technical Services		Will b comp part c Claus proce to dis 27/5/

	ACTION REQUIRED	DATE REQUIRED BY	REMARKS	WHO	DATE COMPLETED	UPDATE / AT 22 MAY 20
31.	Under 12.2 Council to recover any prepayments by way of apportionments for services		Schedule of Creditor apportionment's to be drawn up and agreed with Brian Durham (CHA) by HoF. Sensible lower limit to be applied	Financial Services CHA		Will be completed part of the Clause process. D discuss on 27/5/03

32.	Under 12.3 Final Accounting to be agreed with CHA	28 February	HoF	Financial Services		Progressin but deadlin date not n
33.	Under 13.7 all retentions to be resolved	31 January	HoCATS and HoF as part of closure of capital accounts (see also point 19)	Commercial and Technical Services Financial Services		Part of the capital assessmer Some hou: jobs still to completed but most cleared be the Transf date. Progressin
34.	Under 13.8 Work in progress (on capital accounts/works) to be agreed as at 09 December	31 January	HoCATS and HoF to agree formal certificates for contract work to 08 December 2002 (see also point 19)	Commercial and Technical Services Financial Services	13 Dec 02	

	ACTION REQUIRED	DATE REQUIRED BY	REMARKS	WHO	DATE COMPLETED	UPDATE AT 22 MAY 2
35.	Under 15.9.1 CCC to pay over to CHA the balance of Initial Contribution re Pension Fund Deficit once PWLB premium established A further balance may be able to paid to	Paid £2.1m on completion Paid £72,000 balance on 13 December	Formalised by letter to CHA on 13 December 2002 HoF to monitor closure and finalisation of transfer costs.	Financial Services		

	CHA when final CCC transfer costs established, if less than provisions in completion statement					
36.	Under 17.4 CHA to pay Council £3,000 plus VAT for furniture and Fittings excluding IT for Housing staff transferring on 09 December	Paid in completion Statement on Sundry Debtor Invoice		Financial Services	09 Dec 02	
37.	Under 17.5 CHA must pay the written down value of any IT kit to be taken at the end of their period in civic Centre And similarly on transfer of DSO in October 2003		To be agreed between HoF and HoCS PCs and small printers written off over 3 years Large printers over 4 years	Financial Services Customer & Information Services		To take pl when CHA move premises - Septembe 2004
38.	VAT of £12,914,709.85p on Development Agreement Invoice to be recovered from HM Customs and Excise. £12,914,709.85p VAT element of CHA Development Agreement Invoice to be paid to CHA by telegraphic transfer on 31 January		Alison Taylor to submit early estimate of December VAT claim by no later than 06 January David Steele to monitor recovery from early claim and arrange payment on 31 January advising HSBC in advance of large payment	Financial Services	January 2003	