

**COMMUNITY OVERVIEW AND SCRUTINY COMMITTEE –
SPECIAL MEETING**

MONDAY 3 DECEMBER 2007 AT 2.00 PM

PRESENT: Councillor Mrs Luckley (Chairman), Councillors Bainbridge, Boaden, Mrs Bradley, Earp, Hendry and Mrs Vasey (as substitute for Councillor Mrs Fisher)

ALSO

PRESENT: Councillor Knapton - Community Engagement Portfolio Holder
Councillor Mrs Prest – Health and Wellbeing Portfolio Holder

COS.145/07 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Mrs Fisher and Harid.

COS.146/07 DECLARATIONS OF INTEREST

There were no declarations of interest affecting the business to be transacted.

COS.147/07 BUDGET 2008/09 TO 2010/11

The Director of Corporate Services (Mrs Brown) began by providing an overview of the overall context for the Committee's consideration of the Budget process.

Mrs Brown referred Members to report CORP.59/07 which provided a summary of the Council's revised revenue base estimates for 2007/08, together with base estimates for 2008/09 and updated projections to 2010/11 showing the impact on the Council's overall revenue reserves.

The report also set out any known revisions to the Medium Term Financial Plan (MTFP) Projections, although there were a large number of significant issues affecting the projections that would not be known for some time, including:

- (a) the outcome of the Job Evaluation Project.
- (b) Government Finance Settlement – National Non-Domestic Rates
- (c) Specific Government Grant allocations including Local Authority Business Growth Incentive Scheme, Housing and Planning Delivery Grant and Concessionary Fares Funding.

(d) Triennial revaluation of the Pension Fund.

It was envisaged that the Government Finance Settlement in respect of the Revenue Support Grant figures would be known by Thursday of this week.

Mrs Brown emphasised the current projected deficit and that savings would be required.

She further drew attention to the following errors in the Budget report booklet:

- Page 13 - the total available Council balances figure of £15,302,000 should read £25,762,000; and
- Page 110 – Table 2 (Report Note/Appendix) – the paragraphs should read 3.2 – 3.8 respectively.

The Executive had on 28 November 2007 (EX.304/07) considered the report and decided:

- “1. That the revised Base Estimates for 2007/08 and Base Estimates for 2008/09 be noted.
2. That the updated Medium Term Financial Plan Projections to 2010/11 be noted.
3. That the key issues which are unresolved and would be considered further in the budget cycle be noted.
4. That the current projected deficit to be funded over the next three year period based upon the current budget provisions be noted.”

RESOLVED – That the Committee welcomed the overview provided by the Director of Corporate Services and noted the position.

COS.148/07 BUDGET 2008/09 TO 2010/11 – SUMMARY OF NEW REVENUE SPENDING PRESSURES

The Director of Corporate Services (Mrs Brown) submitted report CORP.61/07 summarising the new revenue spending pressures and reduced income projections that had emerged as part of the current year budget monitoring procedures and which would need to be considered as part of the 2008/09 budget process. Details of the four recurring revenue expenditure pressures, five income shortfalls and eight non-recurring revenue pressures were submitted.

The bids could not be considered in isolation and would need to be viewed alongside:

- The current forecast budget shortfall of £1,169,000 in 2008/09 rising to £2.1m in 2010/11 as set out in report CORP.59/07, whilst noting the uncertainties still surrounding those projections as set out in that report.

- The savings and additional income proposals which were considered elsewhere on the agenda (CORP.62/07)

The Executive had on 28 November 2007 (EX.309/07) received the report and forwarded it to Overview and Scrutiny Committees for consideration as part of the 2008/09 budget process.

Members then considered the following new priorities for revenue spending which fell within the areas of responsibility of this Committee.

(a) Synthetic Football Pitch – a bid for £9,000 in 2009/10 and 2010/11

The Director of Community Services (Mr Battersby) reported that improvement works which would have generated an additional £43k per annum had been planned to take place in 2006 and incorporated to the budgets, but had not as yet taken place. Last year the £43k income was taken out of the budget up to 2008/09. Following approval by the Executive on 19 November 2007 of the recommendations set out in report CS.86/07 it was now estimated that the works would generate £34k per annum from 2008/09. That would deliver an additional £34k in 2008/09 and £9k less than was budgeted for from 2009/10 onwards.

A Member noted that no shortfall had been identified for 2008/09 and sought clarification of the position.

In response the Head of Financial Services advised that the income receipt for 2008/09 was detailed within the savings report.

(b) Bereavement Services – a recurring bid for £42,200

The Director of Community Services (Mr Battersby) outlined the bid commenting that the Charges Review Report (CS.80/07) provided the details for the current three year projections differing substantially to those last year at this time. Last year an expectation was created to make that service self financing by 2009/10 through increasing charges by considerably more than the level included in the Corporate Charging Policy, taking account also of the falling death rate. Those figures had been revised and now projected the above shortfalls.

It was agreed that the Committee would consider the matter as part of the Community Services Charges Report later on the Agenda.

(c) Health and Safety Inspections – a recurring bid for £42,000

The Director of Community Services (Mr Battersby) explained that a recent audit of the Occupational Health and Safety function and subsequent benchmarking identified the need for additional resources to enable minimum acceptable standards to be achieved. That pressure was to cover the cost of an additional post of Health and Safety Enforcement Officer on a three year fixed term contract basis from 2008/09.

Mr Battersby then responded to Members' questions as follows:

- (i) Advertisement of the post would have to wait until after the City Council had determined its final budget resolution in early February 2008. Funding would not be in place until April 2008.
- (ii) The additional post of Health and Safety Enforcement Officer would be on a three year fixed term contract basis in order to kick start improvements to the Council's processes. It was also difficult to recruit to posts of a lesser duration.
- (iii) Market forces and job evaluation may influence the Council's ability to recruit to that post. If funding was approved it might well be necessary to look at alternative means of buying in the service until such time as the recruitment exercise was completed.

In light of the above a Member sought and received confirmation that the budget would be adequate.

(d) Tullie House Trust

The Director of Community Services (Mr Battersby) outlined the background to this potential revenue pressure. It was estimated that circa £150k was required to support the work involved in transferring that service to a Trust. A report setting out further detail regarding that option and the central services reductions necessary would be provided in early 2008.

A Member expressed surprise that the matter was being considered at a time of significant budgetary pressure given the costs involved in transferring the service to a Trust.

(e) Tullie House

The Director of Community Services (Mr Battersby) reported that a shortfall in income of £60k was anticipated by the end of the current financial year. That repeated the pattern of previous years but, as in previous years, it would be contained within the overall budget for Museums. A permanent virement would be actioned to resolve the issue for future years.

Members then raised the following questions and observations:

- (i) In response to a question, Mr Battersby said that it was not possible to identify the potential to raise the £60,000 of income until the Development Plan proposals were in place. The Head of Community and Culture was looking into a range of options in that regard.
- (ii) A Member referred to the lack of detail provided concerning other potential pressures (section 6.7).

In response the Director of Corporate Services (Mrs Brown) commented that the intention was to flag up to Members that there were other issues currently under consideration which could potentially result in pressure on the budget.

A Member expressed disappointment that the Finance and Performance Management Portfolio Holder was not in attendance at the meeting (nor had he submitted apologies), given that he had given an earlier assurance that such issues would be brought forward.

In response to a question Mrs Brown advised that information on the other potential pressures was expected on differing timescales e.g. figures on the triennial revaluation of the Pension Fund were expected from the County Council by mid December; a report would be coming forward on the Sands Centre; but the Customer Contact Centre review was not sufficiently progressed for consideration as part of this budget.

- (iii) Members expressed serious concern that much of the information necessary for the Committee to undertake effective scrutiny of the budget process remained outstanding, despite previous assurances that it would be in place in time for the meeting.

Mrs Brown accepted those sentiments. She commented that the Executive had asked for additional reports on a number of areas to be provided to their December meeting.

She suggested that the Overview and Scrutiny Committees may wish to meet again following publication of the Executive budget proposals in December 2007.

RESOLVED – (1) That the observations of the Community Overview and Scrutiny Committee, as outlined above, be conveyed to the Executive it being noted that these were limited due to the lack of necessary information on a number of areas.

(2) That the Committee would scrutinise the budget again once the necessary information became available.

COS.149/07 BUDGET 2008/09 TO 2010/11 – SUMMARY OF SAVINGS PROPOSALS

The Director of Corporate Services (Mrs Brown) submitted report CORP.62/07 summarising proposals for savings and additional income generation to be considered as part of the 2008/09 budget process. The Savings Strategy approved by the Council on 19 February 2007 and endorsed in the Medium Term Financial Plan approved by Council on 17 July 2007 had concentrated on the following areas to deliver the savings required to produce a balanced longer term budget:

- (a) Service Improvement Reviews
- (b) Asset Review

- (c) Shared Services
- (d) Recurring revenue reductions in base budgets

At this stage Members were being asked to give initial consideration to the proposed permanent reductions/savings in base budgets and also additional income generation proposals from 2008/09 onwards.

The Executive had on 28 November 2007 (EX.310/07) considered the report and decided:

“1. That the proposed permanent amendments to the base budget from 2008/09 onwards be noted and forwarded to the relevant Overview and Scrutiny Committees for consideration as part of the budget consultation process.

2. That the relevant Directors prepare reports on the following to the Executive on 17 December 2007:

(a) further details on the Arts, Brampton Live, Energy Efficiency Advice Centre, review location of the Tourist Information Centre, Community Services review, Conference Group budget savings proposals; and

(b) reports on the Pubwatch and Shopwatch scheme.

3. That it be noted that further savings were being worked on to meet the deficit projected for 2008/09 to 2010/11 as set out in the Revenue Summary budget report (CORP.59/07).”

Details of the proposals for savings and additional income generation which fell within the remit of the Committee were as detailed on the Agenda for the meeting.

Members then raised the following questions and observations:

(a) Service Improvement Review – Community Development

The Director of Community Services (Mr Battersby) said that Community Development was the first major review undertaken by the City Council, but that had been delayed as a result of uncertainties around the future of local government. Problems had arisen around the prioritisation of resources to progress the review and accordingly it was considered more appropriate to commission an independent advisor to work with the Council.

The intention was that the Committee would be actively involved in that work.

In response to a question, Mr Battersby advised that the figures contained within the report were based upon a percentage of the Council's budget.

(b) Arts – savings of £15,000 in 2008/09 rising to £32,000 in 2009/10 and 2010/11. A further report setting out the options in more detail would be provided in December 2007.

In response to a question, Mr Battersby indicated that there were 3.5 full-time equivalent posts in the service and that £70,000 of grants were received from the Arts Council each year.

A Member asked whether the proposed savings would adversely affect the Council's ability to attract grants. Mr Battersby replied that that risk required to be balanced against the need for savings.

(c) Brampton Live – savings of £10,000 in 2008/09 rising to £18,000 in 2009/10 and 2010/11. A further report setting out the options in more detail would be provided in December 2007.

In response to questions Mr Battersby and the Head of Community and Culture stated that Brampton Live had been in existence for eleven years and was very popular.

It was felt that the authority had taken the event as far as was possible and that the event was being run by the Arts Officer when in fact the Council had an Events Team. The intention was to move it to a community based festival.

The Deputy Chief Executive stressed that the savings were in response to the need to address the projected budget deficit and the resources would not therefore be redirected towards other events.

(d) Community Services Review

The Director of Community Services (Mr Battersby) outlined the background to the Community Services Review, commenting that options to reduce costs by £153k per annum from 2009/10 had been provided as part of that review. The options being worked up included a review of the criteria for providing support and the potential to transfer assets.

A Member expressed concern that savings had been proposed prior to all the necessary information being forthcoming. She sought clarification of the nature of the options being worked up e.g. did they relate to reductions in staffing or support to community centres and which assets were to be transferred.

The Community Engagement Portfolio Holder said that the City Council supported a tremendous range of organisations and it was therefore necessary to make a judgement as to those who required continued support as opposed to those who could continue in existence with reduced support. A report would come back on those issues.

In response to a question, Mr Battersby advised that the figure of £153,000 represented 10% of the existing budget. As part of the preparatory work for

the review consultation had been undertaken with other local authorities via a questionnaire. A number of issues had arisen, one of which being that the City Council supported community centres to a greater degree than any other local authority. Account had also to be taken of emerging best practice regarding community ownership of assets which was why an independent expert would be asked to explore community ownership issues.

A Member emphasised that some organisations were extremely reliant upon grants from the City Council and it would therefore be vital that the Committee had early sight of the draft Review.

He referred to the inaugural meeting of the Migrant Workers Task and Finish Group held earlier in the day, commenting that it would be news to parties such as the Community Law Centre and the CAB should their funding be under threat. It was important that the position was clarified.

The Portfolio Holder replied that he had no intention of implying that all support would be taken away, rather a judgement had to be made as to which organisations needed support against those who could continue without it.

In response to a question Mr Battersby advised that cross-district funding issues would be looked at as part of the review.

In response to a question the Portfolio Holder clarified that, where further information had not been requested by the Executive, the proposed savings had been accepted.

(e) Recruitment Freeze

The Deputy Chief Executive (Dr Gooding) reported that the Senior Management Team had been requested to reduce the salary budget by way of a targeted recruitment freeze to minimise the required use of allocated reserves for the implementation of job evaluation.

That would mean that up to one in four posts that became vacant were subsequently filled, subject to strategic direction to be provided by the Executive. It was important that the concomitant reduction of resources and capacity matched the Council's stated priorities.

The approach would have the advantage that it would not incur redundancy costs and would help minimise impact on members of staff. The disadvantage was that the areas in which vacancies occurred were unpredictable, with potentially a similar unpredictable and unfocussed impact on services. It was therefore critical that the process was driven by priorities, a clear understanding that services would reduce in some areas and unambiguous strategic direction.

Members then raised the following questions and observations:

- (i) A Member said that he wished to ask the Executive to guarantee that no service cuts would take place as a result of the freeze on recruitment.

The Community Engagement Portfolio Holder replied that there may be some diversion of resources from non-priority to priority areas.

- (ii) A Member considered the proposal, which would mean that up to one in four posts that became vacant were subsequently filled, to be ridiculous particularly since it had come forward on the basis of three paragraphs within a report.

Some Members were concerned as to how that would work in practice, the impact it would have upon staff (additional stress could result in increased sickness levels and adversely affect staff morale) and service provision, including statutory services.

Members questioned how the issue would be monitored and whether the Trades Unions had been consulted.

Dr Gooding replied that the proposal was at the request of the Executive and it remained to be determined how that would work as a process. Senior Management Team would decide which posts could be filled within the Executive criteria and the Council's stated priorities.

On the latter point, the Portfolio Holder had met with Trades Union representatives, but Dr Gooding was unaware of the outcome of that meeting.

(f) Synthetic Football Pitch

The Director of Community Services (Mr Battersby) reported that a recurring amount of £43k was originally anticipated to be generated from the scheme. That was incorporated to the Budgets as income but had been taken out of the Budget last year as it was unlikely to be achieved because the capital works had not been completed. As detailed in report CS.86/07 it was now considered that £34k per annum would be generated from 2008/09 onwards i.e. income which had not been budgeted for. An adjustment to the Carlisle Leisure Ltd contract budget would be made to reflect the improved position. The exact amount achieved would depend on the timescale of the works being completed which was estimated to be by the end of May 2008.

The £9k deficit from 2009/10 onwards (£43k - £34k) was incorporated in the budget pressures report (CORP.61/07) as a reduction in income as that was how it was originally shown.

(g) Museum/Guildhall Service Review

The current management arrangements for the service were being reviewed and would be the subject of a report to Members.

(h) Sands Centre Events Venue

The Council had commissioned a feasibility study for adapting the Sands to an events venue. That would be presented to Members in Spring 2008 and would include capital and revenue funding implications.

RESOLVED – (1) That the comments of the Committee, as outlined above, be conveyed to the Executive together with the request that the further reports be made available as soon as possible.

(2) That the Committee was particularly concerned at the implications of the potential recruitment freeze on City Council staff and services and requested further details on how that would be progressed and monitored.

COS.150/07 REVIEW OF CHARGES 2008/09 – LICENSING

There was submitted, for information, report LDS.82/07 setting out the proposed fees and charges for areas falling within the responsibility of the Licensing Section of the Legal and Democratic Services Directorate. The Regulatory Panel had on 17 October 2007 approved the charges.

The Executive had on 28 November 2007 (EX.305/07) noted that the Licensing Charges were approved by the Regulatory Panel on 17 October 2007.

RESOLVED – That the report be noted.

COS.151/07 REVIEW OF CHARGES 2008/09 – COMMUNITY SERVICES

The Director of Community Services (Mr Battersby) submitted report CS.80/07 setting out the proposed fees and charges for the services falling within the remit of the Community Services Directorate. Where relevant background information was provided on performance in the current year.

Mr Battersby explained that, with the exception of Bereavement Services, the increased charges were relatively small in income terms. He outlined each area in turn.

The Executive had on 28 November 2007 (EX.307/07) decided in relation to this Committee's area of responsibility that all the proposed charges (excluding car parking) in report CS.80/07 be agreed with effect from 1 April 2008."

Mr Battersby then responded to Members' questions as follows:

- (a) Referring to the table of proposed cemetery charges on page 67 of the report, a Member noted that certain of the increases were considerably in excess of 10%. She questioned the criteria used to work out the percentage increases.

Mr Battersby replied that even although the increases varied they were modest in general terms. Where the increases were larger, this was in areas where demand was relatively low.

- (b) Referring to Bereavement Services and the projected reduction in forecast income, a Member recalled that last year the new Crematorium at Dumfries had been identified as an issue. He asked whether that had been taken into account this year.

In response Mr Battersby said that the facility at Dumfries had had an impact when it first opened. Since that time and in view of the fact that the charges imposed were higher the City Council was not losing business to Dumfries. He emphasises, however, that weather conditions over the remainder of the year or one of a variety of pandemics could cause significant variations.

- (c) Referring to page 66 of the report, a Member asked that the phrase "Transit of Cremated Remains by TNT (UK) be worded more sensitively.

RESOLVED – That the comments of the Committee, as outlined above, be conveyed to the Executive.

COS.152/07 CHARGES REVIEW REPORT 2008/09 – DEVELOPMENT SERVICES

The Director of Development Services (Mrs Elliot) submitted report DS.100/07 setting out the proposed fees and charges for areas falling within the responsibility of the Development Services Directorate.

Referring to the Assembly Room Mrs Elliot pointed out that it was still currently envisaged that the income for 2008/9 would fall short of the Medium Term Financial Plan by £4,000. Proposed adjustments to the discount currently applied to registered charities, OAP groups and other community groups were as detailed within the report.

In addition, one saving proposed was an alternative location for the Tourist Information Centre which would have an impact on the availability of the Assembly Room for future hire.

Mrs Elliot then outlined the position in relation to Housing Services, commenting that inflationary increases were proposed this year.

The Executive had on 28 November 2007 (EX.308/07) considered and agreed the report, including the proposed charges as set out in the Appendices with effect from 1 April 2008.

In response to a question, Mrs Elliot explained that charges were in line with the Corporate Charging Policy.

RESOLVED – That the decision of the Executive be noted.

COS.153/07 PROVISIONAL CAPITAL PROGRAMME 2008/09 TO 2010/11

The Director of Corporate Services (Mrs Brown) submitted report CORP.60/07 detailing the revised capital programme for 2007/08, together with the proposed method of financing as set out in Appendices A and B. The report also summarised the proposed programme for 2008/09 to 2010/11 in the light of the capital bids submitted to date for consideration, together with the estimated capital resources available to fund the programme.

The Executive had on 28 November 2007 (EX.311/07) considered the report and decided:

“1. That the following be noted and referred to the Overview and Scrutiny Committees for consideration as part of the 2008/09 budget process:

- (a) The revised Capital Programme and relevant financing for 2008/09 as set out in Appendices A and B;
- (b) The capital spending requests for 2008/09 to 2010/11 contained in report CORP.60/07, in the light of estimated available resources; and
- (c) That any capital schemes approved by the Council may only proceed after a full report, including business case and financial appraisal, had been approved.”

Details of the new capital spending proposals which fell within the area of responsibility of the Committee were as detailed on the Agenda for the meeting.

(a) Adelaide Street Allotment Fencing - £10,000 to install security fence at Adelaide Street allotments.

In response to a question, Mr Battersby indicated that a planned programme of fencing and security work was in place, which was adjusted if localised problems occurred. The security work at Adelaide Street was the most urgent.

(b) Hammonds CCTV - £25,000

The proposal sought to upgrade the existing, obsolete CCTV equipment at Hammonds Pond/Upperby Park. The existing system had been in place for about fifteen years and was now not fit for purpose. It could not transmit images to the central monitoring station at the Civic Centre and the recorded image quality was poor.

The proposed new system would enable 24/7 monitoring and the images would be of ‘evidence quality’ if required.

The system would comprise 3 no. new dome cameras, mounted on the existing columns, connected to the City Council's existing electronic network to allow transmission of live images to the control room. Speakers would also be mounted on the columns to enable controllers to have dialogue with persons identified on camera.

In response to questions, the Director of Community Services said that the bid was to replace obsolete CCTV cameras and staff would have additional cameras to look at.

A Member said that the Friends of Hammonds Pond had successfully fund raised for the provision of CCTV cameras which would act as a deterrent for anti-social behaviour.

Mr Battersby added that images were recorded 24/7 which resulted in taped evidence being available.

(c) MUGA and Sports Initiatives - £105,000

The proposal was for the provision of a Multi Use Games Area (MUGA) on the site of the existing disused games area at Raffles.

In response to questions, the Head of Community and Culture said that he would like to add to the number of MUGAs but that would be dependant upon available funding. Issues including the provision of support to such areas also required to be addressed.

The revenue aspect was borne by the area in question, linked to the Grounds Maintenance Budget. Sport England had initially provided grant aid for two MUGAs.

The Community Engagement Portfolio Holder paid tribute to the excellent work undertaken by Officers in attracting funding in respect thereof.

RESOLVED – That the comments of the Committee, as outlined above, be conveyed to the Executive.

[The meeting ended at 3.25 pm]