

EXECUTIVE

MONDAY 2 SEPTEMBER 2013 AT 4.00 PM

PRESENT:

Councillor Glover (Leader)
Councillor Mrs Martlew (Deputy Leader; and Environment and Transport Portfolio Holder)
Councillor Mrs Riddle (Communities and Housing Portfolio Holder)
Councillor Dr Tickner (Finance, Governance and Resources Portfolio Holder)
Councillor Mrs Bradley (Economy and Enterprise Portfolio Holder)

OFFICERS:

Town Clerk and Chief Executive
Deputy Chief Executive
Director of Governance
Director of Resources
Director of Community Engagement
Director of Economic Development
Director of Local Environment

ALSO PRESENT:

Councillor Mrs Bowman (Chairman of the Environment and Economy Overview and Scrutiny Panel)
Mr Alex Sargeson - Student

WELCOME

The Leader welcomed all those present to the meeting. In particular, he extended a warm welcome to Mr Alex Sargeson who was currently on work placement with the Council, and wished him well with the remainder of his University studies.

APOLOGY FOR ABSENCE

An apology for absence was submitted on behalf of Councillor Ms Quilter (Culture, Health, Leisure and Young People Portfolio Holder).

DECLARATIONS OF INTEREST

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

CALL-IN

The Leader announced that The Mayor had, on 21 August 2013, agreed that the following items should be exempt from call-in as call-in procedures would overlap the City Council meeting on 10 September 2013 when the matters would be considered:

- A.1 – Draft Medium Term Financial Plan 2014/15 to 2018/19
- A.2 – Draft Capital Strategy 2014/15 to 2018/19

- A.3 – Draft Asset Management Plan 2013 - 2018

EX.96/13 **DRAFT MEDIUM TERM FINANCIAL PLAN 2014/15 TO 2018/19
(Key Decision – KD.010/13)

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, the Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

Pursuant to Minute EX.81/13, the Finance, Governance and Resources Portfolio Holder presented report RD.36/13 concerning the draft Medium Term Financial Plan 2014/15 to 2018/19. He reminded Members that the Medium Term Financial Plan set out the current framework for planning and managing the Council's financial resources, developing its annual budget strategy and updating its current five year financial plan. The Plan further sought to link the key aims and objectives of the Council, as contained in the Carlisle Plan, to the availability of resources thereby enabling the Council to prioritise the allocation of resources to best meet its overall aims and objectives.

The Medium Term Financial Plan was reviewed annually commencing with the assumptions made in the Budget resolution approved by Council on 5 February 2013. In addition, the Corporate Charging Policy had been reviewed and included within the Medium Term Financial Plan. The Corporate Charging Policy provided a framework for potential policy options for each charging area, but recognised the different approaches that might be required for different services and the various influences which needed to be acknowledged in setting individual charges.

The Resources Overview and Scrutiny Panel had, on 29 August 2013, considered the matter and resolved:

“1) That the Draft Medium Term Financial Plan 2014/15 to 2018/19 (RD.32/13) be welcomed;

2) That a report on the Localisation of Business Rates be submitted to the Resources Overview and Scrutiny Panel in October.”

A copy of Minute Excerpt ROSP.60/13 had been circulated prior to the Executive meeting. The Finance, Governance and Resources Portfolio Holder wished to place on record his thanks to Members of the Resources Overview and Scrutiny Panel for their thorough scrutiny and questioning on the matter.

In response to the points raised, he indicated that:

- The Minimum Revenue Provision would have no impact upon the MTFP;
- The sum of £1,534,000 (referred to at Section 2.3) was a required savings target for 2013/14, and had now been identified;

- The Executive were doing their best with the Medium Term Financial Plan; and the 2013/14 savings had been met in line with the priorities of keeping jobs and encouraging growth;
- The Executive would also support payment of the Living Wage; and
- The issue of car parking would be considered in overall terms next year

In conclusion the Finance, Governance and Resources Portfolio Holder moved the recommendation which was duly seconded by the Deputy Leader; and Environment and Transport Portfolio Holder.

Summary of options rejected None

DECISION

1. That the Resources Overview and Scrutiny Panel be thanked for their comments on the draft Medium Term Financial Plan, which had been considered by the Executive.
2. That the draft Medium Term Financial Plan 2014/15 to 2018/19 be referred to Council for approval on 10 September 2013.

Reasons for Decision

To receive the views of the Resources Overview and Scrutiny Panel prior to recommending the draft Medium Term Financial Plan 2014/15 to 2018/19 to Council for formal approval

EX.97/13 **DRAFT CAPITAL STRATEGY 2014/15 TO 2018/19
(Key Decision – KD.010/13)

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, the Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

Pursuant to Minute EX.82/13, the Finance, Governance and Resources Portfolio Holder presented report RD.37/13 on the Draft Capital Strategy 2014/15 to 2018/19. He reiterated that the Draft Capital Strategy was a key policy document, intended to direct the Council's Capital Programme and the allocation of resources for the five year period 2014/15 to 2018/19 and would complement and supplement guidance contained in the Medium Term Financial Plan. The Capital Strategy was reviewed annually alongside the Medium Term Financial Plan, commencing with the assumptions made in the Budget Resolution approved by Council on 5 February 2013. The position had been updated to reflect any known changes since that date.

He reminded Members of the objectives of the Capital Strategy in ensuring that capital investment decisions and capital resources contributed to the achievement of the Council's corporate priorities; co-ordinated strategic priorities emerging from service planning and ensuring that investment opportunities were maximised; managed performance and

decision making processes to help achieve the best use of available capital resources and setting out processes to monitor and evaluate proposed and actual capital spending on projects to ensure that value for money was obtained. The Strategy had been developed using a number of overarching guidelines, details of which were provided.

The Finance, Governance and Resources Portfolio Holder outlined the current capital programme forecasts, reminding Members of the key assumptions which had been considered in making the projections including the Capital Programme of £9.280m for 2013/14 and £4.641m for 2014/15. The impact of the 2012/13 outturn and the carrying forward of budgets into 2013/14 and other adjustments had reduced the programme to £4.655m in 2013/14.

The Finance, Governance and Resources Portfolio Holder indicated that the current capital programme forecast spending on capital projects of around £1m - £2m per annum for years 2016/17 to 2018/19, although past experience had indicated that actual spending would be much higher due, in the main, to the fact that a number of initiatives were still at an early stage of development and had not yet been included in the projections. He identified a number of schemes, including the Asset Review Programme; Vehicle Replacement Programme; and Disabled Facilities Grants, commenting that the position on those schemes would need to be updated during the budget process when an indication of capital schemes coming to fruition and their timing could more accurately be made.

The report further set out an estimated level of capital finance resources which would be generated over the next five years and highlighted the current position regarding borrowing; capital receipts; reserves and balances; Government and other capital grants and external funding; and revenue contributions. Also summarised was the level of capital spending and available financing for the period 2013/14 to 2018/19 which indicated that currently there was approximately £7.4m uncommitted estimated capital resources available to support any future capital programme as at the end of 2018/19.

The Resources Overview and Scrutiny Panel had, on 29 August 2013, considered the matter and resolved "That the Draft Capital Strategy 2014/15 to 2018/19 (RD.33/13) be welcomed".

A copy of Minute Excerpt ROSP.61/13 had been circulated prior to the Executive meeting.

The Finance, Governance and Resources Portfolio Holder thanked the Panel for the valuable questions raised during their scrutiny of the matter. A key point of note was that the Executive recognised the fact that revenue was low and that balances must be maintained to a prudent level. The Capital Strategy would be reviewed annually and changed to meet new requirements if needed. It would, however, be difficult to support new capital expenditure other than invest to save schemes at the present time.

The Finance, Governance and Resources Portfolio Holder then moved the recommendation set out in the Director of Resources' Report, which was duly seconded by the Deputy Leader; and Environment and Transport Portfolio Holder.

Summary of options rejected None

DECISION

1. That the Executive had considered the observations of the Resources Overview and Scrutiny Panel.
2. That the draft Capital Strategy 2014/15 to 2018/19 be referred to the meeting of the City Council on 10 September 2013 with a recommendation that the Strategy be approved.

Reasons for Decision

To consider the comments of the Resources Overview and Scrutiny Panel on the draft Capital Strategy prior to recommending the Strategy to Council for approval

EX.98/13 **DRAFT ASSET MANAGEMENT PLAN 2013 - 2018 (Key Decision – KD.012/13)

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, the Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

Pursuant to Minute EX.83/13, the Finance, Governance and Resources Portfolio Holder presented report RD.40/13 on the draft Asset Management Plan 2013 – 2018.

The Finance, Governance and Resources Portfolio Holder outlined the background to the matter, reminding Members that the draft Asset Management Plan was being updated to reflect the key issues and changes affecting the management and use of the City's property resources, and the impact of the Asset Review Business Plan approved by Council in January 2011 details of which were provided.

The Plan also reported on the current position and performance of the Portfolio and the Asset Disposal Programme.

The Resources Overview and Scrutiny Panel had, on 29 August 2013, considered the matter and resolved:

- “1) That the Draft Asset Management Plan 2013 – 2018 (RD.31/13) be welcomed;
- 2) That an update on the Asset Business Plan would be submitted to the Panel in November.”

A copy of Minute Excerpt ROSP.62/13 had been circulated prior to the Executive meeting.

The Finance, Governance and Resources Portfolio Holder reported that a Member of the Panel had declared a disclosable pecuniary interest in relation to the Enterprise Centre, and retired from the meeting during discussion on that aspect.

The Portfolio Holder indicated that the Executive would take on board the comments of the Resources Overview and Scrutiny Panel; and the position would be monitored as the year

progressed. He further clarified that the Asset Management Plan should not be confused with the Asset Disposal Programme.

In conclusion, the Finance, Governance and Resources Portfolio Holder moved the recommendation which was duly seconded by the Deputy Leader; and Environment and Transport Portfolio Holder.

Summary of options rejected None

DECISION

1. That the Executive had considered and would take on board the comments of the Resources Overview and Scrutiny Panel.
2. That the draft Asset Management Plan, as attached to Report RD.40/13, be referred to the meeting of the City Council on 10 September 2013 for adoption.

Reasons for Decision

To receive the comments of the Resources Overview and Scrutiny Panel on the draft Asset Management Plan 2013 – 2018 prior to recommending the Plan to Council for adoption

EX.99/13 BUSINESS RATES POOLING (Key Decision)

(With the consent of the Chairman, and in accordance with Rule 15 of the Access to Information Procedure Rules; and Regulation 10 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 this item was included on the Agenda as a Key Decision, although not in the Notice of Executive Key Decisions)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Finance, Governance and Resources Portfolio Holder reported (RD.38/13) that the introduction of the Business Rates Retention Scheme on 1 April 2013 had given Councils much greater control over the impact that Business Rates and Business Rates collection had on an area.

He reminded Members that previously the Council had collected all the Business Rates in its area and paid those over to the Government in their entirety. The Government then allocated the nationally collected Business Rates to each Council as part of the annual Formula Grant funding settlement.

From 1 April, however, Councils had been allocated a baseline level of funding as part of the formula grant which they could keep from the income they collected from Business Rates. Of the total income collected, 50% was returned to Central Government, 10% was allocated to the County Council and 40% to the District Council. The Government had then determined whether top-ups or tariffs would apply. For Carlisle, the 40% share

related to £15.856 million in 2013/14, but a tariff was payable to Government of £12.942 million, meaning that the baseline was set at £2.914 million.

As a tariff authority, any growth which could be achieved in Business Rates income was shared on the same percentages, with a 50% levy payable to Central Government and 10% growth passed to the County Council. Safety nets were also in place to ensure that no authority suffered significant financial losses should income drop.

The Finance, Governance and Resources Portfolio Holder explained that pooling combined the top-ups and tariffs of the individual authorities in the pool as though the pool was a single authority. The County Council was a top-up authority and the Cumbrian Districts were tariff authorities. A single levy rate and safety net threshold was calculated for the pool overall. Since a Cumbria pool would overall be a top-up authority, the pool would pay nothing in levy payments on rateable value growth compared to the total levy payments for individual member authorities. But it also increased the threshold for safety net payments.

The Finance, Governance and Resources Portfolio Holder outlined the advantages in forming a pool, together with the governance arrangements, commenting that pooling was likely to be beneficial to Cumbria as the locally retained share of business rates was predicted to be higher than the Business Rates Baseline.

However, because pooling increased the safety net threshold, the pool would have to manage much larger losses before it would be eligible for safety net payments. An authority that expected to be below the safety net threshold would be better off remaining outside the pool. Due to the particular circumstances in Copeland (i.e. most of their rate income came from one business, Sellafield; and due to the impact of outstanding rating appeals the Council had, it was unlikely to benefit from pooling in the immediate future.

Members' attention was also drawn to Appendix 1 which presented scenarios to illustrate potential implications of pooling for Cumbrian authorities i.e. current baseline, 2% growth (Carlisle only), 2% growth across Cumbria (except Copeland) and 2% negative growth.

In terms of the way forward, Carlisle had made an initial decision to join a "pool" with the County and other Cumbrian Districts by 31 October 2013. Whilst the analysis set out at Appendix 1 suggested that Carlisle would benefit from pooling arrangements, several decisions would have to be made Cumbria wide to progress the initiative. Cumbrian Chief Finance Officers would produce proposals for discussion by Cumbrian Chief Executives on issues such as pool membership; how to distribute the shares of additional NNDR income retained in the pool (or sharing out any losses); governance arrangements; and other issues, including obtaining expert advice. A final recommendation on joining a pool would be made by the Executive as part of the 2014/15 budget deliberations.

In conclusion, the Finance, Governance and Resources Portfolio Holder moved the recommendations which were seconded by the Leader.

Summary of options rejected None

DECISION

That the Executive:

1. Agreed, in principle, to enter into pooling arrangements with other Cumbrian Authorities (as appropriate) under the Business Rates Retention Scheme for 2014/15 financial year.
2. Noted the arrangements being progressed to support the in principle decision set out in paragraph 3.1 of Report RD.38/13.
3. Noted that a final recommendation on whether or not to progress business rate pooling arrangements would be submitted to the Executive as part of the 2014/15 budget deliberations.

Reasons for Decision

To obtain “in principle” agreement to enter into pooling arrangements with other Cumbria Authorities (as appropriate) under the Business Rates Retention Scheme for 2014/15 financial year

EX.100/13 NOTICE OF EXECUTIVE KEY DECISIONS (Non Key Decision)

Portfolio Cross-Cutting

Relevant Overview and Scrutiny Panel Community; Environment and Economy; and Resources

Subject Matter

The Notice of Executive Key Decisions dated 2 August 2013 was submitted for information.

The Director of Local Environment was scheduled to report on Carlisle’s Play Provision (KD.018/13). The matter had been deferred to allow further consideration of the principles under which the review was carried out.

Summary of options rejected None

DECISION

That the Notice of Executive Key Decisions dated 2 August 2013 be noted.

Reasons for Decision

Not applicable

EX.101/13 SCHEDULE OF DECISIONS TAKEN BY PORTFOLIO HOLDERS (Non Key Decision)

Portfolio Finance, Governance and Resources; Communities and Housing

Relevant Overview and Scrutiny Panel Resources

Subject Matter

Details of decisions taken by Portfolio Holders under delegated powers were submitted.

Summary of options rejected None

DECISION

That the decisions, attached as Appendix A, be noted.

Reasons for Decision

Not applicable

EX.102/13 SCHEDULE OF DECISIONS TAKEN BY OFFICERS
(Non Key Decision)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

Details of decisions taken by Officers under delegated powers were submitted.

Summary of options rejected None

DECISION

That the decisions, attached as Appendix B, be noted.

Reasons for Decision

Not applicable

EX.103/13 JOINT MANAGEMENT TEAM
(Non Key Decision)

Portfolio Various

Relevant Overview and Scrutiny Panel Community; Environment and
Economy; and Resources

Subject Matter

The Minutes of the meeting of the Joint Management Team held on 1 July 2013 were submitted for information.

Summary of options rejected None

DECISION

That the Minutes of the meeting of the Joint Management Team held on 1 July 2013, attached as Appendix C, be received.

Reasons for Decision

Not applicable

EX.104/13 REFERENCE FROM OVERVIEW AND SCRUTINY – MARKETING OF TALKIN TARN (Non Key Decision)

Portfolio Environment and Transport

Relevant Overview and Scrutiny Panel Environment and Economy

Subject Matter

Consideration was given to a reference from the Environment and Economy Overview and Scrutiny Panel on 25 July 2013 following their consideration of the implementation of the recommendations contained in the final report of the Talkin Tarn Task and Finish Group.

The Panel had resolved:

“4) That the Executive be asked to consider looking at marketing of Talkin Tarn and consider a franchise for the tea-room.”

A copy of Minute Excerpt EEOSP.51/13 had been circulated.

The Chairman of the Environment and Economy Overview and Scrutiny Panel was in attendance at the meeting. She reiterated the Panel’s comments, indicating that Members were very concerned that the recommendations contained within the final report of the Talkin Tarn Task and Finish Group had been “kicked into the long grass”.

Whilst the spell of good weather over the summer had resulted in extra footfall, that could not be relied upon next year. There was a need to maximise benefits for residents, visitors and the City Council.

The Panel had therefore asked that the Executive consider looking at the marketing of Talkin Tarn and a franchise for the tea-room.

In response, the Deputy Leader; and Environment and Transport Portfolio Holder said that the Executive took very seriously the comments of Overview and Scrutiny. Only one month had passed since the Panel meeting; work was ongoing; and the Executive was looking at ways to improve marketing, especially outside of the Brampton area.

The Deputy Leader further recognised the problems and drawbacks in terms of access to Talkin Tarn. She added that the Green Spaces Team was working with the Communications Section to develop a marketing strategy which hopefully would allay the fears expressed by Overview and Scrutiny.

The Leader re-assured the Chairman that work was in progress; and the Executive did wish to see Talkin Tarn marketed effectively.

Summary of options rejected None

DECISION

That the Executive:

1. had given consideration to the reference from the Environment and Economy Overview and Scrutiny Panel (EEOSP.51/13); and
2. wished to reassure Panel Members that work was ongoing; and the Executive was committed to ensuring effective marketing of Talkin Tarn.

Reasons for Decision

To respond to a reference from the Environment and Economy Overview and Scrutiny Panel

(The meeting ended at 4.14 pm)