

EXECUTIVE

MONDAY 2 FEBRUARY 2015 AT 4.00 PM

PRESENT:

Councillor Glover (Leader / Chairman)
Councillor Mrs Martlew (Deputy Leader, and Environment and Transport Portfolio Holder)
Councillor Mrs Bradley (Economy, Enterprise and Housing Portfolio Holder)
Councillor Ms Quilter (Culture, Leisure and Young People Portfolio Holder)
Councillor Mrs Riddle (Communities, Health and Wellbeing Portfolio Holder)
Councillor Dr Tickner (Finance, Governance and Resources Portfolio Holder)

OFFICERS:

Deputy Chief Executive
Director of Resources
Director of Governance
Director of Economic Development
Director of Local Environment

ALSO PRESENT:

Councillor Burns (Chairman of the Community Overview and Scrutiny Panel) – for Agenda
Item A.1 – Inter-Agency Homelessness Strategy for Carlisle 2015-2020
Councillor Allison (Observer)

WELCOME

The Leader welcomed all those present to the meeting.

APOLOGY FOR ABSENCE

An apology for absence was submitted on behalf of the Town Clerk and Chief Executive.

DECLARATIONS OF INTEREST

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

PUBLIC AND PRESS

RESOLVED – That the Agenda be agreed as circulated.

EX.12/15 INTER-AGENCY HOMELESSNESS STRATEGY FOR CARLISLE 2015-20
(Key Decision – KD.23/14)

Portfolio Economy, Enterprise and Housing

Relevant Overview and Scrutiny Panel Community

Subject Matter

Pursuant to Minute EX.05/15, the Economy, Enterprise and Housing Portfolio Holder submitted report ED.02/15 concerning the Inter-Agency Homelessness Strategy for Carlisle 2015-20.

By way of background, the Portfolio Holder summarised the power and statutory responsibility placed on housing authorities by the Homelessness Act 2002, including the requirement to formulate and publish a Homelessness Strategy. She added that the 2015-20 Strategy built upon the strengths and achievements of the previous strategy as outlined within the report.

The Portfolio Holder reminded Members that, as part of the review process in line with best practice, Carlisle City Council had examined the last six years homelessness demographic data; correlating that with information from local social services as to the current and likely future members of social services client groups who were likely to be homeless or at risk of homelessness; for example young people in need, care leavers and those with community care needs.

Trend patterns, current and future demands were determined, including housing and support resources and availability; ensuring that the future strategic priorities set were based on realistic assumptions as to how they would be delivered in practice, and collectively owned by all stakeholders within the district.

In addition, an audit of repeat presentations, applications and of those residents in emergency temporary accommodation for long periods of time over the past six years was reviewed identifying 29 people annually as experiencing multiple exclusion. 1:1 interviews were then conducted with 10 sample cases over a two month period as part of an in-depth local study into Multiple Exclusion homelessness (MEH) within the district (the full report would be available on-line with the publication of the strategy).

The main findings, and the national, regional and local context, were as set out at Sections 2.2, 2.3 and 2.4 of the report.

The Portfolio Holder further explained that the Homelessness Strategy 2015-20 incorporated and contributed towards the key objectives within Carlisle's current Housing Strategy in relation to supporting vulnerable people through supporting the delivery of housing and support services to meet the needs of all.

The Community Overview and Scrutiny Panel had considered the matter on 15 January 2015 and resolved:

- “1. That Ms Dixon and Mr Sellers be thanked for their attendance and input in the meeting;
2. That Report ED.02/15 be noted;
3. That the observations of the Community Overview and Scrutiny Panel, as outlined above, be conveyed to the Executive;
4. That an update on the Action Plan be submitted to the Panel in twelve months time.”

A copy of Minute Excerpt COSP.07/15 had been circulated.

The Chairman of the Community Overview and Scrutiny Panel was in attendance at the meeting.

The Chairman reported that the Panel had been quite impressed with the Homelessness Strategy. However, Members' biggest concern related to the fact that so much was dependent upon partnership working and the Homelessness Strategy could only be delivered properly if all those involved worked effectively together.

In response the Economy, Enterprise and Housing Portfolio Holder indicated that she was in agreement with the need for close partnership working, adding that it was essential for all partners to play their part.

The Portfolio Holder also expressed thanks to the Community Overview and Scrutiny Panel for their comments.

In conclusion the Economy, Enterprise and Housing Portfolio Holder recommended that the Executive consider the observations of the Community Overview and Scrutiny Panel prior to recommending the Strategy to Council on 3 March 2015.

The Portfolio Holder further emphasised the importance of ensuring that the Homelessness Strategy was embedded within each organisation involved, and moved an additional recommendation, namely that the Director of Economic Development arrange to write to each Partner asking them to sign up to the Strategy.

The Leader seconded the recommendations.

Summary of options rejected None

DECISION

That the Executive:

1. Thanked the Community Overview and Scrutiny Panel for their observations on the Inter-Agency Homelessness Strategy for Carlisle 2015-20, which had been taken into consideration.
2. Approved the Strategy for recommendation to Council on 3 March 2015.
3. Requested that the Director of Economic Development arrange to write to each Partner asking that they sign up to the Strategy.

Reasons for Decision

To agree an Inter-Agency Homelessness Strategy for Carlisle

EX.13/15 ENERGY SUPPLY PARTNER
(Key Decision – KD.01/15)

Portfolio Economy, Enterprise and Housing
Relevant Overview and Scrutiny Panel Community

Subject Matter

The Economy, Enterprise and Housing Portfolio Holder reported (ED.07/15) that, across the UK and the Republic of Ireland, there had been a growing disquiet with perceived failings in the energy market and the escalating costs of energy; even though there may be some reductions due to dropping oil prices at the moment. She added that, within the local government sector, Councils were increasingly concerned that the market was not just “broken” but was failing local communities, particularly the poorest groups suffering from increased levels of fuel poverty. For example, consumers felt that not all of the current reductions in wholesale markets would be passed on to them.

Within a policy context of potential future reforms to the energy market, there were a number of obvious reasons for considering increased activity in the development of energy policy in Carlisle. Those included:

- The City Council was a large consumer of energy and energy prices could markedly affect the Council’s cost base for delivering services;
- The impact of fuel poverty in the District had a significant impact on the Health and Wellbeing of the locality.

The 2012 Private Sector Stock Condition survey highlighted that around 22.2% private sector households (owner occupiers and private tenants) were in fuel poverty. As energy prices had increased significantly since 2012, it was assumed that the estimated 9,000 households in fuel poverty would have increased.

Speaking from a policy context point of view, the Portfolio Holder explained that it was now possible for community groups and local authorities to become partners with an Energy Company in the energy supply market; removing some of the barriers to entry which had previously existed.

The necessary requirements to become an energy supplier were complex and involved, for example, a number of IT related steps bound by regulation. That complexity had prevented new entrants from entering the market, especially if they were from the community or local authority environment. Any new entrant would also need to have access to the wholesale energy market or be able to generate their own energy for sale into the market. In addition, they would have to set up their own customer service and billing operations.

For any potential Energy Supply Partner, there were clear benefits in using the trusted and reliable brand of the Council as a way of marketing their offer to residents, the key objective being to switch new customers to their company's offer.

The Portfolio Holder indicated that, for the Council, the benefits of becoming an energy supplier would be that it could generate income for the local authority through selling energy which was either sourced from the Partner or that the Council had generated itself and offer help to disadvantaged groups to reduce their bills such as those on pre-payment meters.

For residents, the arrangement would also potentially provide access to cheaper tariffs and other benefits such as smart meters replacing prepayment meters for vulnerable groups who could not access cheaper tariffs - typically 25% more expensive than tariffs found through direct debit and online. That would help people with their bills and free up household income to grow the local economy.

She also explained that currently Energy Suppliers were only able to offer 4 national tariffs, whereas a potential partner would probably offer one of those tariffs for use by the Authority to market and sell to its residents. The Partner would offer the Council Electricity and Gas at a wholesale rate and offer a route through that tariff for the Council to sell its own generated power into the market in the future.

It had been agreed, following a report to the Council's Joint Management Team in October 2014, that the Council should first seek expressions of interest through a soft market testing exercise, which had concluded at the end of November. The Council had been successful in attracting four potential partners (British Gas; OVO Energy; Smart Metering Systems; and Utiyix). British Gas and OVO Energy were Energy Supply companies supplying the retail market. Utiyix and Smart Metering Systems were IT/Data companies.

The Economy, Enterprise and Housing Portfolio Holder stated that the next stage in the process, subject to approval by the Executive, was to proceed to tender via a specification. That would set out the requirements that the Council would expect of a Partner and ask potential partners to set out their proposals, and make clear their financial offer to the Council. After a Partner had been procured, under OJEU, the business model would be established and taken forward. The offer would then be launched and marketed to Carlisle residents.

She added that the initial proposed Business Model would be to establish a social enterprise under the Homelife branding to market the tariff to residents. That would be part of the specification in the tendering process and would need to be negotiated and agreed once a Partner had been procured.

In conclusion, the Economy, Enterprise and Housing Portfolio Holder moved the recommendations which were duly seconded by the Leader.

Summary of options rejected None

DECISION

That the Executive approved that:

1. The tendering process to secure an Energy Supply Partner be taken forward.
2. Following procurement, the Council and the successful provider would establish a business model for the marketing and supply of energy and seek further approval by the Executive.

Reasons for Decision

Becoming an energy supplier would allow the Council to maximise the income from future generation of energy and gain a potential income stream to invest in services. The offer to residents would also be substantial in that the authority could give residents the opportunity of obtaining cheaper electricity and gas, which would reduce fuel poverty and have a significant effect on their ability to spend money both in the local economy and to manage their household budgets. The authority could also offer changing card meters to smart meters to some of their most vulnerable residents. That would give them the

opportunity of gaining from the cheaper tariffs normally only available to direct debit customers

That offer could also be coupled with other energy efficiency measures and services to help improve homes and save residents money on their energy bills. A key aim of the initiative was to reduce fuel poverty and maximise disposable income

EX.14/15 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 31 December 2014 was submitted for information.

The Director of Local Environment was scheduled to report on the Green Box Collection Service (KD.02/15). However, the Director was granted delegated authority (Report LE.34/13) and the matter had therefore been taken as an Officer Decision (OD.005/15).

Summary of options rejected None

DECISION

That, subject to the above, the Notice of Executive Key Decisions dated 31 December 2014 be noted.

Reasons for Decision

Not applicable

EX.15/15 SCHEDULE OF DECISIONS TAKEN BY OFFICERS
(Non Key Decision)

Portfolio Communities, Health and Wellbeing; Economy, Enterprise and Housing;
Culture, Leisure and Young People; Finance, Governance and
Resources; Environment and Transport;

Relevant Overview and Scrutiny Panel Community; Environment and Economy;
and 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 A, be noted.

Reasons for Decision

Not applicable

EX.16/15 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 15 December 2014 were submitted for information.

Summary of options rejected None

DECISION

That the Minutes of the meeting of the Joint Management Team held on 15 December 2014, attached as Appendix B, be received.

Reasons for Decision

Not applicable

**EX.17/15 REVENUE BUDGET OVERVIEW AND MONITORING REPORT – APRIL
TO DECEMBER 2014**
(Non Key Decision)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Finance, Governance and Resources Portfolio Holder submitted the Revenue Budget Overview and Monitoring Report for April to December 2014 (RD.57/14). The Portfolio Holder outlined the overall budgetary position and the monitoring and control of expenditure against budget allocations, together with the exercise of virement. An explanation of balance sheet management issues; a number of high risk budgets; Section 106 Commuted Sums and action taken to write off bad debts was also provided. He added that the City Council was still one of the best performing authorities nationally in terms of bad debt recovery.

The Portfolio Holder pointed out that the Council's financial position was affected by a number of external factors (including the general effect of the economic climate on the Council's income streams; fuel prices, energy costs and other inflationary issues; and the effects of the housing market and property prices, especially with regard to income from land charges, rents and building and development control). The Council's overall position would be closely monitored as the year progressed. He also highlighted some of the significant service and income variances estimated for the year end (Section 5.2), which would give the Council a net underspend position (after carry forwards for any committed expenditure) of £328,000.

Members' attention was further drawn to Section 5.4 which recorded that the Capital Strategy (RD.19/14) approved by Council in September 2014 highlighted that the capital resources available to support the capital programme were reducing, and due to projects currently under consideration, the capital programme for 2015/16 to 2019/20 may require the use of Prudential Borrowing (including internal borrowing). It was therefore proposed that an Improvements and Renewals Reserve be established and a balance of up to £300,000 from the projected year end underspends, be transferred to the Reserve which would help to negate the need for Prudential Borrowing in future years. It was further recommended that management of the Reserve should rest with the Director of Resources with the use of the Reserve requiring Executive approval.

The Portfolio Holder reported on a number of key issues together with their budgetary implications, including the corporate Salary Turnover Savings Budget. Details of the main variances in the Directorates' budgets were also set out in the report. He considered the level of detail within the report to be excellent and thanked the members of staff involved.

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:

- (i) Noted the budgetary performance position of the Council to December 2014, as detailed within Report RD.57/14;
- (ii) Noted the potential forecast year end position;
- (iii) Noted the action by the Director of Resources to write-off bad debts as detailed in paragraph 9; and
- (iv) Made recommendations to Council to approve the establishment of the Improvement and Renewals Reserve for up to £300,000 subject to the provisional out-turn position, as detailed in paragraph 5.4.

Reasons for Decision

To show that the Executive had been informed of the Council's actual financial position compared with the budgeted position, and to bring to their attention any areas of concern

EX.18/15 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT – APRIL TO DECEMBER 2014

(Non Key Decision)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Finance, Governance and Resources Portfolio Holder submitted report RD.58/14 providing an overview of the budgetary position of the City Council's capital programme for the period April to December 2014. He outlined for Members the overall budget position of the various Directorates and the financing of the 2014/15 Capital Programme, details of which were set out in the report.

The Portfolio Holder further commented upon performance against the 2014/15 programme, informing Members that the Senior Management Team would provide a strategic overview and monitor the effectiveness of the overall programme of work in delivering the Council's priorities and objectives. Technical project support and quality assurance of business cases and associated project management activities would be managed by a Corporate Programme Board chaired by the Chief Executive. Decisions to proceed or otherwise with proposed projects would be made in the usual way in accordance with the Council's decision making framework.

In summary, the Finance, Governance and Resources Portfolio Holder said that a review of all capital expenditure incurred was ongoing to ensure that the expenditure had been correctly allocated between revenue and capital schemes. That work would facilitate the year end classification of assets. He then moved the recommendation, which was seconded by the Leader.

Summary of options rejected None

DECISION

That the Executive noted the budgetary position and performance aspects of the capital programme for the period April to December 2014, as detailed within Report RD.58/14.

Reasons for Decision

To inform the Executive of the Council's actual financial position opposite its Capital Programme

EX.19/15 TREASURY MANAGEMENT OCTOBER – DECEMBER 2014
(Non Key Decision)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Finance, Governance and Resources Portfolio Holder submitted report RD.59/14 providing the regular quarterly report on Treasury Transactions, including the requirements of the Prudential Code.

The Portfolio Holder drew Members' attention to Appendix 1 to the report, which recorded that Interest receivable was falling behind budgeted projections due to average investment returns being lower than those anticipated when the budget was set. Although bank base rates had remained at 0.50%, investment rates had continued to fall due to banks being able to access capital from the Bank of England that had meant they did not need to offer higher rates to attract investment from the financial markets. To counteract that, £3million was placed in the CCLA Property Fund at the end of July and interest from that fund would start to appear through quarter 3. At the end of December the fund was attracting a yield of 4.72%.

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

Summary of options rejected None

DECISION

That Report RD.59/14 be received and the Prudential Indicators noted as at the end of December 2014.

Reasons for Decision

To advise Members of the Council's Treasury Transactions

EX.20/15 HADRIAN'S CAMP GYPSY AND TRAVELLER SITE
(Non Key Decision)

Portfolio Economy, Enterprise and Housing

Relevant Overview and Scrutiny Panel Environment and Economy

Subject Matter

The Economy, Enterprise and Housing Portfolio Holder reported (ED.01/15) that the City Council was the Local Housing Authority and, as such, provision of Gypsy and Traveller facilities fell within the Council's remit.

Speaking by way of background, the Portfolio Holder informed Members that the Hadrian's Camp site was approximately 4 hectares in size, and incorporated a total of 70 pitches – 40 permanent and 30 transit. The site was let to the current site manager and his daughter on two 99 year leases – the first let in 1988 and the second in 1996 (those were full Repairing and Insuring leases). The permitted use in the lease was a site for caravans for habitation by Gypsies and Travellers.

It was understood that a counter bid had been submitted from the current leaseholder of Hadrian's Camp. Although the County Council was proposing to put conditions in place to retain the existing use of the site, in the event the freehold was sold to the current leaseholder, concerns remained that those conditions would become increasingly difficult

to enforce over time. Whereas, if the site remained in public sector ownership that would significantly reduce the risk of a loss of provision in the District. The loss of the site would inevitably lead to an increase in unauthorised encampments and homelessness presentations.

The Portfolio Holder added that in 2007 the transfer from the County Council to the City Council for £1 was agreed by the Executive; however, the transfer did not proceed, as the Council decided to focus on developing Low Harker Dene as a Gypsy and Traveller site instead, following the eviction of all the residents at Hadrian's Camp.

In early 2013 the County had again discussed the possible transfer with the City Council, which was supported by the Strategic Housing Development Group and the Housing Portfolio Holder had indicated they would like to progress the transfer of the site. It was explained to the County that resourcing Hadrian's Camp would be the key issue; although in principle the leaseholder had a full Repair and Insure lease. Further meetings and discussions were held between both Councils during 2014, leading to the City Council's Expression of Interest being approved by the County Council's Local Area Committee in September 2014. The County's Cabinet would need to decide between the Council's bid and the financial offer from the current leaseholder. If the Executive approved the proposal, the City Council's application would go to the County Council's Local Area Committee on 3 March and then to Cabinet in June 2015. The County Council's preferred option was for the transfer to be via a Community Asset Transfer (CAT), but advice from Legal Services was that from the City Council's perspective the transfer would have to go ahead through the usual land transaction procedures.

In terms of the proposals before Members, the Economy Enterprise and Housing Portfolio Holder advised that taking over the freehold of Hadrian's Camp would have a number of benefits for the City Council:

- Following the successful development of the Council's 15 pitch site at Low Harker Dene that could provide opportunities to develop services between the two schemes with other partners; including Children's Services (through working with their Equality Learning Officer, Gypsy, Traveller Roma Virtual Schools and Learning) as Gypsy children were more likely to be educated at home;
- There would be a benign capital cost – If that substantial asset was offered to the City Council at a nil cost it still had a value. It was anticipated that there was only a low cost involved in holding and managing the asset under existing leasehold arrangements. It was not envisaged that it would be a significant drain on scarce staff and financial resources;
- Taking over the freehold would provide clarity in regard to ownership of Gypsy and Traveller sites in the Carlisle area. Although the new Local Plan 2015-30 would make it clear that any change of use to Gypsy and Traveller sites would be resisted as long as it could be demonstrated that there was still a need for such a facility, ownership strengthened control on use and development of the land, giving the Council a stronger negotiating or bargaining position in future compared to if the site fell into private ownership;
- It would improve safeguarding and increase the security for the provision of accommodation for the Gypsy and Traveller community – securing the transit provision would help to reduce cases of unauthorised encampments;
- There would be a significant risk to maintaining the longer-term Gypsy and Traveller provision on the site in the event of the scheme falling into private ownership.

Members' attention was also drawn to the guidance provided by Property Services, as detailed at Section 2.2 of the report.

The Economy, Enterprise and Housing Portfolio Holder also highlighted that:

The original lease, from 1988, required the site to be used as a caravan site. The terms of the 1996 lease were the same, but included an additional piece of land. The lease arrangements only allowed the premises to be used as a caravan site for Gypsies, and the use of the house on the site was restricted to the use of the warden and their family. The leaseholder was required to provide a full time site warden and manage the site in an orderly way. Should the leaseholder decide to close all or part of the site, the Authority would have to respond to unauthorised encampments and homelessness presentations; however, the leaseholder would suffer a parallel reduction in income, and over recent years the provision on the site had increased. In the event of the lease being surrendered, the Council would have options in terms of securing alternative management arrangements, such as bringing the service 'in house', with management costs funded by the revenue from the site, or outsourcing it to another private sector manager. That was considered a smaller risk than losing 70 pitches (each pitch typically accommodated 2 caravans) so potentially up to 140 caravans in the event of a change of use following the site being sold to a private sector owner. As Hadrian's Camp provided 40 of the 75 permanent pitches in the District, and 100% of the transit provision (30 pitches) permanent loss of the site would have severe repercussions for the Authority in terms of increased unauthorised encampments and homelessness presentations.

The other concern regarding the City Council taking over the freehold of Hadrian's Camp related to what implications the current arrangement might have in respect of financial and staffing resources, especially as it was understood that capital investment was required in the transit element of the site to improve drainage and amenity facilities. Those concerns had been relayed to the County Council, and the response provided by the County Council's Area Engagement Officer, on 24 April 2014, in respect of the amount of time and money the County had been required to invest in the site was detailed at Section 2.4.

In conclusion, the Economy, Enterprise and Housing Portfolio Holder moved the recommendation adding that, in the event that the County Council's Cabinet approved the Council's bid to take over the freehold of Hadrian's Camp, due diligence would be carried out in respect of the terms of the transfer, before any deal was finalised. That would include contamination checks, as it was a former MOD site.

The Leader seconded the recommendation.

Summary of options rejected not to proceed with the proposal

DECISION

That the Executive approved the proposal to proceed with the application to take over the freehold of Hadrian's Camp from Cumbria County Council thereby securing the future of that important facility in Local Authority ownership.

Reasons for Decision

Hadrian's Camp provided an important role in meeting the needs of the Gypsy and Traveller community. In the event of the site being closed, that would lead to the loss of

70 pitches. The ramifications of losing that number of pitches for the City Council as well as the local community would be significant in terms of the likelihood of increased numbers of illegal encampments and homelessness presentations. It was therefore considered that it would be in the City Council's best interests to proceed with the transfer of Hadrian's Camp

EX.21/15 LOCALISATION OF REVENUES AND BENEFITS SHARED SERVICE OPERATIONS
(Non Key Decision)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Finance, Governance and Resources Portfolio Holder reported (RD.60/14) that in 2010 Carlisle City Council, Copeland Borough Council and Allerdale Borough Council had set up a Revenues and Benefits Shared Service.

The Portfolio Holder explained that the Shared Service, which administered Council Tax, Business Rates, Housing Benefits and Council Tax Reduction Scheme for the three Councils, had achieved efficiency savings. Carlisle's savings equated to 13.67% (as set out in Table 1) were mainly in respect of reduced management resources and ICT savings on licences, maintenance and hardware costs. In addition, many improvements to Revenues and Benefits administration had been delivered by the shared arrangements.

Importantly, however, the Shared Service had never been able to deliver upon "performance" and consistently match required turnaround times in dealing with workloads, particularly in Benefits administration. At busy times and due to high levels of sickness and staff turnover performance had been particularly poor and a major cause of concern to Members and Chief Executives at the three Councils.

That had resulted in the setting up of a Transformation Board led by the three Chief Executives, terms of reference being to come to a view as to whether the performance of the Shared Service could be improved. A resulting report and action plan commissioned by the three Chief Executives was delivering further improvements (Assessment at Appendix 1), but could not guarantee the performance levels required over the longer term.

The main reason for that was the difficulty of managing a complex transactional service with the three sites being located up to 40 miles apart. Also, the fact that the Councils had diverged on Corporate initiatives being followed.

In the circumstances the Transformational Board was recommending that operational staff be returned to the three Councils, with each Council being responsible for operational performance of the Revenues and Benefits service in dealing with their Council Tax/Business Ratepayers and Benefit Claimants.

The Transformational Board was also keen for those aspects which had worked well in Shared Service to continue if operationally beneficial to each of the three Councils.

The Finance, Governance and Resources Portfolio Holder then summarised the legal issues, details of which were provided at Section 2 to the report.

Members' attention was also drawn to the detailed Project Plan (Appendix 2) designed to achieve the following:

- Smooth transfer of operational staff to the three Councils by 1 July 2015
- Retaining and improving on the "best" of the Shared Service
- Early planning on making the decision, on an individual Council basis, on the way forward for current ICT shared infrastructure and shared Systems and Controls Team

The Plan prioritised maintenance of the current Shared Service arrangements to 1 July 2015. The Shared Service operation was entering its most important phase in the annual timetable of main billing of Council Tax and Business Rates, mass Benefits recalculation of all of the Councils' claimants benefit entitlement and 2014/15 year end routines.

The Portfolio Holder pointed out that the main issue covered by the Project Plan (Phase 1) was planning for the TUPE transfer of staff to Allerdale and Copeland by 1 July 2015, which work would be co-ordinated by the HR Teams of each Council. Members were asked to note that staff not subject to TUPE would remain as Carlisle employees and be based at the Civic Centre.

In conclusion, the Finance, Governance and Resources Portfolio Holder moved recommendations i. and iii. as detailed within the report; and that recommendations ii. and iv. be amended so as to read:

"ii. Resolve, in principle, to terminate the Staff Transfer Agreement and vary the service level agreement to reflect the proposals set out in the report with the final decision whether to terminate / vary delegated to the Chief Executive following consultation with the Portfolio Holder for Finance, Governance and Resources.

iv. Note that any subsequent financial implications that are deemed significant will go through the appropriate decision making processes if required (i.e. under those circumstances the decision may be deferred pending authority to proceed)."

The Leader seconded the recommendations moved by the Portfolio Holder.

Summary of options rejected not to localise the service

DECISION

That the Executive:

- i. Had considered the Chief Executive's recommendations that Revenues and Benefits Operational staff be returned to the three Councils by 1 July 2015 in following the Project Plan actions set out in Appendix 2 to Report RD.60/14.
- ii. Resolved, in principle, to terminate the Staff Transfer Agreement and vary the service level agreement to reflect the proposals set out in the report with the final decision whether to terminate / vary delegated to the Chief Executive following consultation with the Portfolio Holder for Finance, Governance and Resources.

- iii. Delegated responsibility for TUPE transfer arrangements for staff returning to Copeland and Allerdale to the Chief Executive with professional support provided by each Council's HR Teams.
- iv. Noted that any subsequent financial implications that were deemed significant would go through the appropriate decision making processes if required (i.e. under those circumstances the decision may be deferred pending authority to proceed).

Reasons for Decision

To inform Members of the reasons for operational staff within the Revenues and Benefits Shared Service being brought back in-house

[The meeting ended at 4.22 pm)