

## **RESOURCES OVERVIEW AND SCRUTINY PANEL**

**THURSDAY 29 MARCH 2012 AT 10.00AM**

**PRESENT:** Councillor Layden (Chairman), Councillors Allison, Bainbridge (until 12.20pm), Bowditch, S Bowman, Ms Franklin (as substitute for Cllr Hendry), Watson (until 12.30pm) and Whalen.

**ALSO PRESENT** Councillor Ellis – Performance and Development Portfolio Holder  
Councillor Bloxham – Environment and Housing Portfolio Holder (for part of the meeting)

### **ROSP.23/12 APOLOGIES FOR ABSENCE**

Apologies for absence were submitted on behalf of Councillor Hendry and the Governance and Resources Portfolio Holder, Councillor J Mallinson.

### **ROSP.24/12 DECLARATIONS OF INTEREST**

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

### **ROSP.25/12 MINUTES OF PREVIOUS MEETINGS**

**RESOLVED** – 1) That the minutes of the meetings held on 6 December 2011 and 5 January 2012 be agreed as a correct record of the meeting and signed by the Chairman

2) That the minutes of the meeting held on 16 February 2012 be noted.

### **ROSP.26/12 CALL-IN OF DECISIONS**

There were no items which had been the subject of call-in.

### **ROSP.27/12 OVERVIEW REPORT AND WORK PROGRAMME**

The Overview and Scrutiny Officer (Mrs Edwards) presented report OS.10/12 which provided an overview of matters that related to the work of the Resources Overview and Scrutiny Panel's work.

Mrs Edwards reported:

- The Forward Plan of Executive Key Decisions, covering the period 1 April to 31 July 2012 had been published on 16 March 2012 and there were two issues which fell within the remit of the Panel:  
 KD.009/12 Planned Enhancements to Council Properties – This report would be considered by the Executive on 5<sup>th</sup> April 2012 when the decision would be made. The Panel could consider the report at their meeting on 14<sup>th</sup> June 2012, however, it was felt that there would be little value in doing this.  
 KD.005/12 2011/12 Provisional Outturn Reports – The Panel had the opportunity of considering the outturn reports on 14<sup>th</sup> June 2012 prior to presentation to Council on 17<sup>th</sup> July 2012.
- The draft of the Scrutiny Annual Report had been attached to the report and aimed to summarise the work carried out in the Civic Year and discuss issues for the future. Suggestions made by the three Overview and Scrutiny Panels would be used to amend the draft before it was considered by the Scrutiny Chairs Group for agreement prior to being submitted to full Council.

During discussions the Panel asked how effective scrutiny could be carried out on the decisions made by the Executive that were not scheduled to come to Overview and Scrutiny Panels.

The Town Clerk and Chief Executive (Dr Gooding) reminded the Panel that Overview and Scrutiny had access to the Leader's Forward Plan and Executive agendas and reports and they could use the call in process to scrutinise decisions.

A Member asked when discussions would take place with regard to the potential of moving the authority back to the old committee structure.

Dr Gooding informed the Panel that he had received a letter from the Department for Communities and Local Government regarding the process the Council should follow in considering any changes. The letter had been circulated to all Group Leaders and Dr Gooding agreed to circulate the letter to all Scrutiny Members.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Forward Plan items relevant to this Panel be noted.

2) That Forward Plan item KD.009/12 Planned Enhancements to Council Properties would not be considered by the Panel and item KD.005/12 2011/12 Provisional Outturn Reports be considered by the Panel at their meeting on 14 June 2012.

3) That the Scrutiny Annual report be referred to the Scrutiny Chairs Group for approval.

## **ROSP.28/12      WELFARE REFORM AND THE LOCALISATION OF COUNCIL TAX SUPPORT**

The Director of Community Engagement (Mr Gerrard) introduced report CD.30/12 regarding the Welfare Reform Bill and the Local Government Finance Bill which would result in significant changes for the Revenues and Benefits Services within the Council.

The Shared Revenues and Benefits Partnership Manager (Mr Bascombe) gave the Panel a presentation on the Revenues and Benefits reforms and identified three main blocks to the reform:

- Benefits Welfare Reform including Localised Support for Council Tax and the Introduction of Universal Credit and Working Age Benefit Reforms
- Retention of Business Rates
- Council Tax Discount and Exemption Charges

Mr Bascombe took the Panel through each of the main blocks giving an overview of the changes and the implications on Revenues and Benefits Services:

### *Benefits Welfare Reform*

Under the Welfare Reform Bill, Council Tax Benefit would be abolished and replaced by Localised Support for Council Tax. Housing Benefit and Local Housing Allowance would be abolished and replaced by Universal Credit for working age claimants. Pension Credit would remain for claimants of pension age and a new Housing Credit would be introduced. Many other changes to means-tested benefits would occur in order to prepare for the full implementation of Universal Credit.

### Localised Support for Council Tax

- To improve the incentives to work
- To ensure resources were targeted more effectively at reducing worklessness and ending the culture of benefit dependency
- Expenditure for localisation of Council Tax would realise a 10% reduction in overall expenditure
- The Billing Authority was responsible for the design, approval and implementation of the Scheme with certain elements built in
- The Local Scheme must be adopted by the Council before 31 January 2013 and fully operation from 1 April 2013 – the day after Council Tax Benefit was abolished
- The risks were financial and IT related

### Universal Credit and Working Age Benefit Reforms

- Would replace the main income related benefits for working age people
- Would commence on 1 October 2013 for new claimants who were 'out of work'
- Claims for new claimants who were 'in work' would commence 1 April 2014
- Migration of existing benefit claimants would happen through change in their circumstances or as part of a managed transition throughout the

- period 1 October 2013 to 30 Sept 2017 – the date Housing Benefit would be abolished
- The Bill also made other significant changes to the benefits system including:
    - Introduction of Personal Independence Payments to replace the current Disability Living Allowance
    - Restricting Housing Benefit entitlement for social housing tenants whose accommodation was larger than they need
    - Up-rating Local Housing Allowance rates by the Consumer Price Index
    - Amending the forthcoming statutory child maintenance scheme
    - Limiting the payment of contributory Employment and Support Allowance to a 12-month period
    - Capping the total amount of benefit that can be claimed.
  - Housing Benefit expenditure, subsidy and administration grant was dependant on caseload and any reduction would impact adversely on funding
  - The risks were financial, an impact on human resources required, failure to take opportunity to deliver services locally and/or through partner service delivery

#### *Retention of Business Rates*

Provisions within the Local Government Finance Bill enabled powers for local authorities to retain revenue as a result of changes within the local area. Recognition was given to the influence council could have through planning and investment in infrastructure as a means of stimulating growth within the private sector. There were safeguards to maintain fairness given the very different local economic and business environments across England.

Currently, the amount of business rates received by an authority therefore has no connection with the amount raised locally. From 2013/14, authorities would retain the growth in business rates but would also take the risk if rates fell or have slow growth. Mechanisms were proposed so that authorities with very high business rate growth would pay some of the gains into a fund to protect any authorities otherwise suffering large losses.

There were risk considerations involved in introducing the new scheme including financial and economic.

#### *Council Tax Discount and Exemption Changes*

Provisions within the Local Government Finance Bill were intended to provide greater flexibility to address levels of empty properties and to give scope to impose additional liability to encourage owners to take appropriate action to bring properties back into use. However, the ability of charge payers to bring properties back into use may be affected by the current financial climate. The changes would take effect in April 2013.

In considering the report Members raised the following comments and questions:

- In response to a question from a Member the Director of Resources (Mr Mason) confirmed that, although the guidance had not been received, the authority had enough information to begin the process for the implementation of the changes to keep on track with the tight timescale.

- Members asked for clarification with regard to the resources available for the new Scheme,

Mr Mason explained that there would be a 10% saving on the 2010/11 expenditure, the remaining 90% would be divided between the people who had to be protected under the scheme, approximately 80%, and the remaining 20% would be the amount left for distribution to claimants in accordance with the Council's scheme.

- A Member commented that the changes to tax credits would also increase the pressure on local people.

- Were the Welfare Reform Changes achievable?

Mr Bascombe confirmed that, in his opinion, the changes were achievable but the timescale was causing a lot of anxiety and there were social issues which would also put a great deal of pressure on the authority. He added that the Council had to be clear what the implications were of the changes were.

- Members were disappointed that a governing body had not been set up yet to deal with the administration of the Reform. It was felt that the Council could not contribute properly without clear guidance and support.

- A Member suggested that Mr Bascombe's presentation be given to all Members for their information.

- How would the 'bedroom tax' be actioned? What was the role for the authority?

Mr Bascombe responded that the details were not yet known but it was expected that there would be a restriction on Housing Benefit or the housing support element of Universal Credit depending on the type of properties and the rooms required.

Mr Mason added that the Council had a small amount of money available for discretionary payments to support the most vulnerable.

- Carlisle was a growth centre based on retail and tourism which did not have large rateable values, would the authority suffer with because of the changes?

Mr Mason informed the Panel that the Director of Economic Development had been closely monitoring the changes and the legislation. He added that the

Council would not lose out in the short term but there could be longer term issues.

- The City Council had to prepare the Local Scheme for Council Tax but received the smallest amount of the monies received. How would the preparation of the scheme involve the County Council and what would happen if they did not approve of the scheme?

Mr Bascombe there would be discussions with the County Council regarding the scheme but ultimately it was the City Council's decision.

Members had a general discussion about the advantages and disadvantages of the existing and proposed benefit schemes. During part of this Councillors Franklin, Bowditch and Whalen left the meeting until the conclusion of the said discussion, returning when it had finished.

- Would the new system eliminate benefit fraud?

Mr Bascombe responded that it was one of the mechanisms being discussed and it was hoped that there would be less problems.

RESOLVED – 1) That Mr Bascombe be thanked for his informative and detailed presentation;

2) That the presentation on the Revenues and Benefits Reforms be given to all Councillors at an Informal Council Briefing;

3) That the Scrutiny Chairs Group consider how best to undertake the scrutiny of the implementation of Welfare Reform and Localisation of Council Tax 2012/13.

## **ROSP.29/12      ANNUAL REVIEW OF SIGNIFICANT PARTNERSHIPS 2011/12**

The Development Support Manager (Mr Mark) submitted report RD.96/11 providing information relating to the Council's Significant Partnership arrangements, the categorisation of partnerships and the monitoring of the main aims and objectives over the first six months of 2011/12.

Mr Mark outlined the background to the report and the definition of partnership. He reported that the Council had eight significant partnerships which included three shared service arrangements and two other contracted services. The annual review procedure required the lead officer of each partnership to provide information on key monitoring questions and ensured that an exit strategy existed. If an external review had been undertaken the review records it was available for Scrutiny. The reviews had been completed for the first six month period of 2011/12 and a summary of the outcomes had been attached to the report.

The overall conclusion to be drawn from the information provided was that each partnership had different roles and priorities but each had a system of monitoring in place which allowed for the early notification of issues which may become problematical and would enable actions to be taken to address the issues before they developed further.

Mr Mark added that a summary of significant partnership responses had been attached to the report. Each had a responsible officer who had provided information to enable an opinion to be formed on the progress of that partnership. The content identified that each had a formal system of control, was providing benefits towards the Council's objectives, supported the wider community and provided direct or indirect benefits.

He explained that in general terms the performance of each partnership was measured by the attainment of objectives and targets however, in a number of these arrangements the base targets and output requirements had yet to be determined or the partnership was too young to have sufficient evidence with which to accurately monitor performance. In those instances each Partnership Manager had been asked:

- to confirm if the partners clearly understood and identified their roles and responsibilities and,
- if the partnerships work impacted positively on the services it provided to its customers.

Each Partnership Managers response had been included in the report.

In considering the report Members raised the following comments and questions:

- There was no evidence in the report of how the Carlisle Partnership supported economic growth.
- The update reported that Tullie House had 'advised they will break even in 2011/12'. The Panel had been informed that Tullie House would be able to generate monies that the Council could not, how had they only been able to break even?

The Performance and Development Portfolio Holder explained that the funding from the Council to Tullie House represented 70% of their total spend, the rest of the money had come from Museum and Libraries Archives Council and had also been generated from the shop and restaurant.

Mr Mark added that Tullie House would not be able to submit accounts until the end of the year but they had informed him that they would break even.

Members felt that there was not enough financial detail in the report to scrutinise the partnership.

- How was the financial benefit to the Council quantified?

Mr Mark highlighted a number of the partnerships and the benefits to the Council which included some financial savings and improvement to services.

Mr Mason reminded the Panel that financial savings were a by product of the partnerships and the prime reason for new partnerships was to improve services.

A Member commented that he understood that the partnerships were not for financial reasons but felt strongly that there should be more information provided in the report so the Panel can see where the improvement had been made as a result of the partnership. He added that he would not be happy to accept the report in its current format.

Dr Gooding provided some clarification as to the purpose of the report. He informed the Panel that the report was an overview of all the significant partnerships and each partnership had a business case, financial information and action plan behind it. The Panel were able to consider the overview and decide if they wanted further information or to scrutinise a partnership in more detail.

RESOLVED – That the Annual Review of Significant Partnerships 2011/12 be noted.

## **ROSP.30/12            EMPLOYEE OPINION SURVEY 2012**

The Organisational Development Manager (Ms Titley) submitted report CE.09/12 which set out the result of the 2012 Employee Opinion Survey.

Ms Titley reported that the Employee Opinion Survey for 2012 had been carried out between 12 January and 3 February 2012. 341 returns had been received which gave a response rate of 54.7% compared with 46% in 2011.

Ms Titley reminded the Panel that the key staff issue in 2011 had been communication and this survey showed a marked improvement. The key issue from the 2012 survey was feeling valued. Staff said that they wanted to feel more appreciated at work and for managers at all levels of the organisation to recognise the increased workload that many staff had as a result of the transformation programme. Another key issue was to make the Carlisle City Council staff based at Allerdale and Copeland feel more included.

A question on how staff rated the City Council as an employer had been included in several previous surveys. This year 87.6% rated the City Council as a good employer, compared with 76% in 2011. 78.6% of staff said their line manager supported them in their role compared with 70% in 2011 and 70% said their line manager kept them in touch with what was going on compared with 57% in 2011.

Ms Titley reported that communication had been a key issue in 2011 and the 2012 survey showed an improvement with 65.5% of staff saying they were satisfied with internal communications compared to 44% in 2011. The Chief Executive had continued with the quarterly briefings and monthly newsletter



for staff and had also added a weekly blog which had proved popular with staff.

She highlighted the positive result with regard to learning and development where 85.9% of staff were very satisfied or satisfied with the learning and development opportunities offered by the City Council.

Ms Titley concluded by informing the Panel that the results of the survey had been considered by the Senior Management Team (SMT), shared with staff through the Chief Executive's briefing and via email and with the Consultative Joint Committee.

The key issue which arose from the survey was about staff feeling valued and the SMT would be working with the Organisational Development Team to consider how this could be improved. Other actions from the survey would include senior managers spending time shadowing staff in their directorates to learn more about their roles, managers at all levels empowering their staff to make more decisions and looking at ways to involve staff based at Allerdale and Copeland.

As a result of the 2011 survey a Challenge and Change Group had been set up to bring together staff from across the organisation and the first issue they would consider was the introduction of a staff suggestion scheme to enable more staff to get involved in giving their ideas for how the City Council could be improved.

In considering the report Members raised the following comments and questions:

- There had been an improvement in the number of staff who felt valued at work, was the reason for this known to assist future work?

The Town Clerk and Chief Executive (Dr Gooding) responded that SMT had worked hard to engender a cultural change within the organisation and there had been an improvement in the communication although he acknowledged there was still work to be undertaken. He added that the first step to improving how valued staff felt was to understand what they meant and work out if the authority had the power to change the issue, from there the Council could determine what action was required.

- A Member commented that the staff suggestion of a work place gym was a good idea but capital intensive; would it be a better focus to use the resources the Sands Centre had?

Ms Titley responded that the gym had been a staff suggestion in the survey but due to the cost it would not be possible to pursue the idea at this time, she added that the Council had an excellent relationship with the Sands Centre and there was already a staff discount scheme in place.

- How were the questions within the survey devised and were the Trade Unions involved?

Ms Titley explained that a number of the questions had been used over several years to allow the Council to gather comparative data. New questions had come from SMT and information gathered from other authorities. The Trade Unions had not been involved in compiling the survey but could be in the future.

Dr Gooding added that SMT had been careful to ensure that the questions provided answers which could be actioned and that the survey was kept short to encourage staff to complete it.

- The take up of the Holiday Purchase Scheme had initially been low, had there been any improvement?

Ms Titley reminded the Panel that the Scheme had been introduced for the November to March period and there had been low numbers. The April to March period had been introduced and the up take had been significantly higher. The Holiday Purchase Scheme would pilot for 2 years and the April to March would be monitored and reported back to the Panel in the quarterly Organisational Development report in June 2012.

A Member commented that Schemes such as the Holiday Purchase Scheme could contribute to staff feeling undervalued as they may feel that the scheme is only available for people on higher salaries who could afford to purchase leave.

Dr Gooding confirmed that this could be a possibility and that was why he would talk to staff to understand their meaning of being undervalued before he took any action to improve the issue.

- A Member felt that surveys were not the appropriate tool for gauging staff opinion. He understood staff had a number of concerns about outside influences which were outside of the Council's control and felt that it would be more beneficial to have small groups of staff discuss issues with SMT and Trade Unions.

Dr Gooding acknowledged the concerns and reminded the Panel that in 2011 4 out of 5 staff were not afraid to say that SMT were not strong leaders. He agreed that there was still a lot of work to be undertaken on how valued staff felt within the authority.

- Members agreed that the overall direction of travel for the City Council was very positive and, given the circumstances, the results of the survey were credible and reflected the change that was happening within the authority. It was hoped that the next survey would continue with the positive increases.

The Performance and Development Portfolio Holder thanked the Town Clerk and Chief Executive and the Senior Management Team for the improvement and the Organisational Development Manager for her continued enthusiasm for improving the organisation.

RESOLVED – That the Employee Opinion Survey 2012 be welcomed and actions be reported back within the Organisational Development quarterly reports to Panel.

## **ROSP.31/12            PROJECT ASSURANCE GROUP**

The Town Clerk and Chief Executive (Dr Gooding) submitted report CE.08/12 which gave a summary of significant projects that were being undertaken.

Dr Gooding reminded the Panel that the Project Assurance Group had an advisory and high level monitoring role in relation to all significant projects.

He gave a summary of the significant projects drawing Members attention to the Old Town Hall Project and the Planned Enhancements to Council Buildings.

He explained that the Old Town hall project predominantly focused on the restoration and repairs required to preserve the fabric of the building with a smaller amount for internal repairs and improvements including the first floor which was occupied by the Tourist Information Centre.

The total budget for the project was £551,000 from the City Council capital Programme £131,300, LABGI £164,700 plus £255,000 awaiting receipt of English Heritage's funding approval. The English Heritage funding could only be used for prioritised building restoration works relating to the historic fabric of the building for up to 50% of the works and must be fully spent by 31 March 2012.

He added that two schedules had been drawn up regarding the restoration works and the enhanced repairs to the interior and consultant 'invitation to tender' had been issued. The project would be managed by the Economic Development Project Group and was scheduled to be completed by 31 March 2013.

Dr Gooding informed the Panel that there was a central allocation of funding for planned capital enhancements to Council property which was allocated annually on a needs basis. The majority of works had been carried out for this financial year's allocation, however, significant underspends remained for works to the Civic Centre, Tullie House and Bousteads grassing.

Work which had been completed within the Civic Centre included the lift controls, boiler replacement and re-wiring of the first floor. The refurbishment of the first floor had been put on hold until the new Chief Executive was in place and was planned for May 2012.

He outlined the work which had been carried out at Tullie House including the boiler and chiller replacement and work to the heating system. Plans to replace a large roof light had been delayed as no tenders had been returned for the work which could only be carried out in January and would be rescheduled for January 2013.

In considering the report Members requested that Dr Gooding circulate more detailed information on the reason why the Dalton Avenue, Raffles project had an Amber RAG rating and not a Red RAG rating. They asked if it would be possible for the Council to take the decision to forgo the land value for the project to stop any further delay and Mr Mason confirmed that this option was being considered alongside a number of other options.

RESOLVED – That the Project Assurance Group update be noted.

## **ROSP.32/12      CORPORATE RISK MANAGEMENT**

The Town Clerk and Chief Executive (Dr Gooding) presented Report SD.04/12 which updated the Panel on risk management arrangements and the Corporate Risk Register.

Dr Gooding reported that Corporate Risk Register had been reviewed by the Senior Management Team and the Corporate Risk Management Group and were detailed within the report.

He outlined the new risks which had been identified in association with delivering Central Government's Localisation and Welfare Reform agendas. A senior officer project group had been set up to oversee the implementation of changes, with the appointment of a skilled and experienced lead project officer to manage the project up to and beyond April 2013. Aligned to this would be a review of customer contact and communication processes, advice and support mechanisms and strengthening of relationships with partners working effected groups and in community settings. It was too early to assess the level of financial risk to the Council, however, the Director of Resources was a member of the senior officer project group and would lead on all financial issues.

Dr Gooding informed the Panel that the current system of pooling and redistributing business rates would cease by April 2013 and Councils would retain their locally-based business rates. The purpose was to give local authorities stronger incentives to grow the business rates base and promote economic growth. Initially local authorities would be protected from any substantial change; however, in the long term, the business rates would be affected by economic growth. As a consequence there was a potential financial risk as any downturn in the local economy will directly affect the Council's finances. Mitigation actions being considered included:

- Establishment of Carlisle Economic Partnership.
- Appointment of consultants to undertake the Economic Potential Report.
- Establishment of a project group to identify potential projects to enable economic development.
- Key priority in the Corporate Plan and Economic Development service.

In response to a Member's question Dr Gooding agreed that there were a number of significant changes coming that would be high risk for not only this authority but a number of authorities across the country.

Mr Mason reminded the Panel that the Council had been able to capitalise its redundancy costs in previous year but last year the authority no longer fit the criteria. He informed the Panel that he had written to Central Government asking them to make the scheme fairer for smaller authorities. The redundancy funding had not yet been identified but methods were in place to do so.

RESOLVED – That the Corporate Risk Management update be noted.

### **ROSP.33/12      CHAIRMAN'S COMMENTS**

The Chairman thanked the Panel, the Town Clerk and Chief Executive, the Director of Resources and the Lead Committee Clerk for their involvement, help and support during the year and gave specific thanks to the Scrutiny Officer for her detailed work, support and dedication.

(The meeting ended at 12.40pm)