

EXECUTIVE

WEDNESDAY 15 JANUARY 2014 AT 4.00 PM

PRESENT:

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

OFFICERS:

Town Clerk and Chief Executive
Deputy Chief Executive
Director of Resources
Director of Governance
Director of Economic Development

ALSO PRESENT:

Councillor Mrs Luckley (Chairman of the Community Overview and Scrutiny Panel)
Councillor Mrs Bowman (Observer)

Mr J G Higginson – Petitioner (Agenda item A.1)

WELCOME

The Chairman welcomed all those present to the first meeting of the Executive in the New Year and, in particular, Mr Higginson.

CALL-IN

The Chairman reported that The Mayor had, on 6 January 2014, agreed that the following items should be exempt from call-in as call-in procedures would overlap the special City Council meeting on 4 February 2014:

- Revenue Estimates – Summary of Overall Budgetary Position 2014/15 to 2018/19
- Provisional Capital Programme 2014/15 to 2018/19
- Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy 2014/15
- Executive Response to the Budget Consultation and Recommendations for the 2014/15 Budget

PROCEDURES PRIOR TO PRIVATE MEETINGS

Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 prescribed that, at least 28 clear days before a private meeting, the decision making body must make available / publish a notice of its intention to hold the meeting in private.

It was noted that the Director of Governance required to submit an urgent private report to this meeting (Agenda item B.1 – Release of Licensing Reserve) to enable the overpaid fees referred to in the report to be returned as soon as possible.

Since compliance with the above regulation was impracticable, The Mayor had (in his capacity as Chairman of the Council) agreed that the decision was urgent and could not reasonably be deferred, and that the matter could be dealt with today.

APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Mrs Bradley (Economy and Enterprise Portfolio Holder) and the Director of Local Environment.

DECLARATIONS OF INTEREST

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

MINUTES OF PREVIOUS MEETINGS

The Minutes of the meetings of the Executive held on 28 October and 18 November 2013 were signed by the Chairman as a true record of the meetings.

EX.01/14 BUDGET 2014/15 – CONSIDERATION OF CONSULTATION FEEDBACK (Key Decision – KD.030/13)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Leader reported the submission of the following documents in response to consultation on the Executive's draft Budget proposals:

- (a) Minutes of the budget consultation meeting with the Large Employers Affinity Group - 8 January 2014
- (b) Minutes of the budget consultation meeting with Trade Union representatives - 8 January 2014
- (c) Minutes of the Resources Overview and Scrutiny Panel - 6 January 2014

In response, the Finance, Governance and Resources Portfolio Holder commented upon each in turn:

- (a) The meeting with the Large Employers Affinity Group had been extremely constructive and quite challenging in nature. The City Council and business representatives shared a common agenda, namely to drive Carlisle forward and manage growth. The Executive was keen to continue to work throughout the year with businesses to develop priorities for the City.

- (b) The Trade Unions were aware of the difficult position in which the Council found itself and were supportive of the Executive's budget proposals. The Council recognised that its staff were a very important resource and the Executive was endeavouring to maintain the terms and conditions of the staff, particularly with regard to pensions.
- (c) The Resources Overview and Scrutiny Panel had responded with some extremely useful comments in what were challenging areas for the authority.

The Portfolio Holder thanked the above parties for taking the time to input into the budget process, adding that the Executive had taken account of every comment submitted as part of their budget deliberations.

The Leader endorsed the Portfolio Holder's comments. He added that the above mentioned meetings had been very positive, and had resulted in good and challenging feedback to inform the budget proposals.

Copies of the following documentation received in response to the budget consultation process had also been circulated to the Executive prior to the meeting:

- Comments from members of the public
- Comments from the Liberal Democrat Group
- Petition from The Socialist Party – "Stop The Cuts" (signed by 80 persons) calling upon Carlisle City Council to set a budget to meet the needs of the people of Carlisle, and demand the necessary finance from central government

Mr J G Higginson (petitioner) was in attendance at the meeting.

Mr Higginson began by thanking the Executive for giving him the opportunity to speak in support of the petition, which asked them not to carry out any further cuts in jobs or services, and instead to set a Budget to meet the needs of the people of Carlisle District, in opposition to the orders of central government.

The petition was not from a particular interest group, asking the Council to save a particular local facility or service, possibly at the expense of some other facility or service. The petition asked the Council to stop the process of cutting services generally, year after year, in ways which were increasingly damaging to the community which the Council was supposed to represent – which Members had a duty to represent and to champion.

The petition was organised at short notice by Carlisle Socialist Party, and the signatures were mostly obtained on Saturday 11 January 2014 from people who were passing by their stall in the centre of Carlisle and took the trouble to find out why they were there. They were also collecting signatures on a petition to Cumbria County Council and tried to ensure that the Carlisle petition was only signed by Carlisle District residents, but he was afraid there were a few non-Carlisle signatures on the petition. Discounting them, the Party had collected at least 75 valid signatures from residents of Carlisle District in little more than an hour, and Mr Higginson was sure that they could have obtained many more, given time.

Those people were not an organised pressure group and most of them were not members of the Socialist Party and would not necessarily agree with all their policies. But they were quite clear that they wanted the Council to stop following the orders of a government which

nobody elected, on an austerity programme which nobody voted for, and which one of the parties now in government said it was opposed to at the general election. The people who signed the petition said “Enough is Enough – No More Cuts in Jobs or Services”.

Because of the way in which Carlisle City Council had presented its proposed Budget, it was not at all clear exactly what amount of cuts were intended in 2014/15 or any subsequent years, nor exactly what services and facilities would be affected and how many jobs would be lost. But it was clear that the overall level of cuts, nearly £4 million was substantial, and must have damaging effects of the community, especially coming on top of cuts made in previous years.

However, there did not appear to be any acknowledgement in the Executive’s so-called budget consultation document of the existing and future effects of those cuts. Instead the tone was smug and self-congratulatory, that they had been so “successful” in carrying out the cuts so far, and they had no doubt that their plans for further cuts would be equally successful. They seemed to be quite happy to play their part in carrying out the government’s orders, whatever their local community thought about the cuts.

The Petitioners did not believe that Carlisle City Council, or any other local authority, was responsible for bankrupting the country, so why should the people of Carlisle be made to pay for an economic or financial crisis which was international, and caused by the reckless and irresponsible manner in which those who controlled the nation’s economy conducted their business?

Mr Higginson added that you yourselves know who was to blame. Last Friday the local newspaper quoted the opinion of one of Carlisle’s most experienced politicians, that “If they (the government) tackled tax loopholes, if they hadn’t cut taxes for millionaires, then the cuts wouldn’t be necessary.” That was said in relation to cuts in the Environment Agency, which threatened the safety of the community – but it applied equally to the cuts in other services, including the ones administered by the Council.

The Executive would say that the cuts they were making were “necessary” because the government insisted they made them, and they had no alternative. He said there was an alternative. There were sufficient resources in the economy not only to avoid those cuts but to reverse them, by investing in jobs and services which people needed, to enable people to be employed and earn a “living wage”, instead of having to rely on benefits or sink deeper and deeper into debt – but that alternative could only be achieved by a radical shift in national political and economic policies.

And they believed that as a local Council Members could play a part in bringing that about, by refusing to carry out the orders of the government, by setting a budget to meet the needs of the people of Carlisle, by explaining to them the true causes of the “national deficit”, and by assisting them, leading them, to organise against “Austerity”.

If local Councils like Carlisle did not fight for the right to make their own decisions and to provide the services which their communities needed then local government ceased to have any meaning.

The petitioners asked the Council to stand up for Carlisle; stand up for local government and democracy, against central government and dictatorship.

The Leader thanked Mr Higginson for his attendance, indicating that he was most welcome to stay for the remainder of the public session should he so wish.

The Finance, Governance and Resources Portfolio Holder also thanked Mr Higginson for his input. Responding to the main points, he indicated that many of the comments and observations were political, rather than financial in nature, and could be resolved at the ballot box.

Setting a balanced budget was a legal requirement and the Executive had taken the advice of the Council's Section 151 Officer with regard to the robustness of the estimates and the adequacy of reserves. His statutory report, prepared in accordance with Section 25 of the Local Government Act 2003, was set out within the consultation document. However, that was not easy bearing in mind that the authority had been subject to an approximate 38% reduction in government grant since the coalition government took power.

The Petitioners were asking the Executive to refuse cuts but that was not possible given the need to ensure proper financial administration of the Council's affairs. The Executive could, however, continue to lobby for the provision of funding.

The Finance, Governance and Resources Portfolio Holder stated, when all was put in context, the Executive was working to the best of their ability to create jobs and to deliver upon the Council's priorities.

Turning to the budget consultation responses received from the public / Liberal Democrat Group, the Finance, Governance and Resources Portfolio Holder stated -

Councillors' Expenses – the Council had a scheme for the payment of expenses pursuant to Section 18 of the Local Government and Housing Act 1989 and the Local Authority (Members' Allowances)(England) Regulations 2003, and Members were paid a basic allowance in accordance with those Regulations. The Executive took the matter seriously and expenditure was not incurred unless required.

Reserves – it was prudent to set a minimum level of reserves and, where possible, revenue reserves should not be used to fund recurring expenditure. For 2014/15 all recurring expenditure had been funded from incoming resources; however reserves had been used to fund non-recurring expenditure thus reducing reserves below the minimum level in 2014/15. The robust savings strategy being progressed ensured that reserves were replenished to above minimum levels in the medium term. The need for prudential borrowing to fund capital schemes was constantly kept under review and was dependent upon the level of other capital receipts and funding received; as always the affordability of any borrowing requirement was a key criteria. The Executive followed Officers' advice on the matter.

Capital Projects – the Executive had not looked at any detailed method of borrowing. The proposed £5m scheme for Leisure Facilities would be an "invest to save" scheme, expected to generate savings of £250,000 per annum. However, any proposal would be subject to further reports to the Executive supported by a full business case and business plan.

Sports Facilities – would be considered as part of the Leisure Facilities proposed project (i.e. out with the budget proposals).

Coach Terminus/Interchange in Rickergate – was a County Council matter. The Executive recognised the benefits of attracting new retail investment into the City Centre, and the need for integrated public transport provisions. However, integration into site specific proposals currently was premature until the completion of the strategic City Centre Master planning / Local Plan exercise and the underlying demand from end users / operators was known.

Civic Centre – it was accepted that the Civic Centre was the most cost effective place to be; and was currently very well maintained and, whilst energy efficiency could always be improved, the current energy efficiency rating was good for a building of that age. The Executive was always looking for opportunities to let space in the Civic Centre and to create revenue.

Members' Allowances – the spend in all areas over the last twelve months was well under budget and the position would continue to be monitored.

In conclusion, the Finance, Governance and Resources Portfolio Holder moved the documentation, indicating that all comments raised in response to the budget consultation process had been taken into consideration by the Executive during their deliberations on the budget.

Consultees would receive a more detailed written response in due course.

The Leader seconded the Portfolio Holder's comments. He was grateful for the time people had taken to respond and for the very helpful feedback provided.

Summary of options rejected None

DECISION

1. That the Minutes of the consultation meetings with the Large Employers Affinity Group and Trade Union representatives, attached as Appendices A and B; and the Extract from the Minutes of the Resources Overview and Scrutiny Panel be received.
2. That the consultation feedback be received, it being noted that the comments had been taken into account by the Executive when formulating its final recommendations for the City Council's 2014/15 Budget to be submitted later in the meeting.
3. That the Executive had given consideration to the Petition and representations made by Mr Higginson on behalf of the petitioners; which would also be taken into account as part of their budget deliberations.

Reasons for Decision

To take into account consultation feedback when formulating recommendations on the 2014/15 Budget

**EX.02/14 **BUDGET 2014/15 – REVENUE ESTIMATES – SUMMARY OF OVERALL
BUDGETARY POSITION 2014/15 TO 2018/19
(Key Decision – KD.030/13)**

(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.151/13, the Finance, Governance and Resources Portfolio Holder submitted report RD.69/13 providing an update on the Council's revenue budget position for 2014/15 to 2018/19. He informed Members that the report had been amended to mirror the Executive's draft Budget Proposals which were issued for consultation purposes on 16 December 2013, and updated to take account of any further known changes since that date. He then outlined the changes for the benefit of Members.

The Finance, Governance and Resources Portfolio Holder summarised the General Fund Budget Projections for 2013/14 revised to 2018/19. He added that the potential budget shortfall was the projected position that would occur only if all of the new Savings and Spending Pressures were accepted. He further detailed the projected impact on the Council's revenue balances.

In terms of the medium term outlook and budget discipline, it was recognised that the current budget projections for the next five year period were challenging and indicated that substantial savings would be required to enable the Council to contain its ongoing commitments within available resources.

Members further noted that some information particularly on Government Grant allocations remained outstanding and, depending upon the timing of any announcements, the final figures within the Executive's budget proposals would be revised for presentation to Council on 4 February 2014.

The Finance, Governance and Resources Portfolio Holder then moved the recommendations, which were duly seconded by the Leader.

Summary of options rejected None

DECISION

That the Executive:

1. Noted the draft updated budget projections for 2013/14 to 2018/19, together with the potential use of balances and reserves, in order to recommend a budget to Council on 4 February 2014.
2. Approved for recommendation to Council the continuation of the Local Support for Council Tax Scheme for 2014/15, as outlined in paragraph 3.2 of Report RD.69/13.

Reasons for Decision

To prepare a draft budget proposal for 2014/15 for recommendation to the City Council

EX.03/14 **BUDGET 2014/15 – PROVISIONAL CAPITAL PROGRAMME 2014/15 TO 2018/19
(Key Decision – KD.030/13)

(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.152/13, the Finance, Governance and Resources Portfolio Holder submitted report RD.70/13 on the Council's Capital Programme for 2014/15 - 2018/19. He informed Members that the report had been updated to reflect the Executive's budget proposals together with any other known changes. The report detailed the revised capital programme for 2013/14 and proposed capital programme for 2014/15 to 2018/19, together with the proposed methods of financing.

The Finance, Governance and Resources Portfolio Holder added that the report summarised the implications of the changes on the proposed programme for 2014/15 to 2018/19 in light of the capital pressures identified; together with the capital resources available to fund the programme.

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 the Provisional Capital Programme for 2014/15 to 2018/19 in the light of the capital bids submitted to date, together with the estimated available capital resources, for recommendation to Council on 4 February 2014 and approved carry forwards of £710,000 from 2013/14 into 2014/15.
2. Recommended to the City Council that any capital scheme for which funding had been approved by Council may only proceed after a full report, including business case and financial appraisal, had been approved by the Executive, following detailed consideration by the Corporate Programme Board.

Reasons for Decision

To prepare a draft Budget proposal for 2014/15 for recommendation to the City Council

EX.04/14 **TREASURY MANAGEMENT STRATEGY STATEMENT, INVESTMENT STRATEGY AND MINIMUM REVENUE PROVISION STRATEGY 2014/15
(Key Decision – KD.030/13)

(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.153/13, the Finance, Governance and Resources Portfolio Holder submitted report RD.71/13 setting out the Council's Treasury Management Strategy Statement for 2014/15 which had been prepared in accordance with the CIPFA Code of Practice on Treasury Management. He added that the Investment Strategy and Minimum Revenue Provision Strategy for 2014/15 were also incorporated as part of the Statement, as were the Prudential Indicators as required within the Prudential Code for Capital Finance in Local Authorities.

The Portfolio Holder advised that those requirements came into operation on 1 April 2004 under the provisions of the Local Government Act 2003. Part 1 of the Act allowed a local authority to borrow money for any purpose that was within its control or for the purposes of the prudent management of its financial affairs. Since 1 April 2004 there had been no statutory limit to the amount that could be borrowed. There was, however, a requirement for full compliance with CIPFA's Prudential Code; the key objectives of which were to demonstrate that the proposed capital investment plans had been assessed by the Council as affordable, prudent and sustainable. Section 3(1) of the Act placed a duty on the Council to determine before the start of the financial year and keep under review the maximum amount that it could afford to borrow. That amount was called the Authorised Limit and was discussed at Appendix A to the report.

The Finance, Governance and Resources Portfolio Holder reminded Members that the draft Statement had been considered by the Executive on 16 December 2013 prior to the consultation period on the budget proposals for 2014/15. It had also been considered by the Resources Overview and Scrutiny Panel and would be considered by the Audit Committee on 24 January 2014.

The Finance, Governance and Resources Portfolio Holder then moved the recommendation, which was seconded by the Leader.

Summary of options rejected None

DECISION

That the Treasury Management Strategy Statement for 2014/15, which incorporated the Investment Strategy and Minimum Revenue Provision Strategy, together with the Prudential Indicators for 2014/15 as set out in Appendix A, be approved for submission to the City Council on 4 February 2014.

Reasons for Decision

To recommend the Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy for 2014/15 to the City Council

EX.05/14 PROVISIONAL PENSION FUND REVALUATION (Key Decision – KD.030/13)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Finance, Governance and Resources Portfolio Holder reported (RD.68/13) that the City Council was an employing authority within the Local Government Pension Scheme as administered by Cumbria County Council. It was a funded scheme meaning that both the Council and its employees, who were members of the scheme, paid contributions into a fund independent of the Authority's own assets. The employer's contribution rate was determined every three years following an actuarial valuation of the assets and liabilities of the fund. Different rates applied to different employers dependent upon the future pension liabilities that they would each have to accommodate.

The Pension Fund was re-valued every three years and the provisional results of the actuarial valuation as at 31 March 2013 had recently been received from the Fund's Actuary. The new contribution results arising from the valuation would apply for the three year period commencing 1 April 2014.

The Finance, Governance and Resources Portfolio Holder explained that, for the next three year period, no options had been provided for future service contribution rates; instead a fixed contribution rate (of pensionable pay) had been provided based upon a default 19 year deficit recovery period. There was no option to extend that recovery period (however a shorter recovery period could be adopted if required) and no option for a phased implementation.

The provisional results also provided details of the future funding of past service costs. In previous years the actuary provided 2 options; (1) to continue funding past service costs as a percentage of pensionable pay, or (2) to pay a lump sum expressed as a £ amount. However option 1 was no longer permitted and the deficit recovery had only been provided as a cash lump sum. He added that Members would recall that the City Council agreed to fund past service costs as a lump sum as part of the 2010 valuation as it prevented contributions to the scheme falling due to reductions in staff numbers. The Council had benefitted from that decision with only a marginal increase required to overall contributions as part of the 2013 revaluation process.

Members' attention was drawn to Table 1 which detailed the assumptions set out in the provisional results of the 2013 Valuation with Table 2 (paragraph 2.4) comparing those to the sums that had been set aside as contained in the revenue budget. It was noted that those sums were all based upon the current level of payroll costs with no specific provision made for any changes arising from the transformational process, shared services or inflation etc.

The financial implications of implementing those provisional results were summarised in Table 2 of the report.

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

Summary of options rejected None

DECISION

That the Executive:

1. Noted the information received from Cumbria County Council.
2. Approved the contribution rate of 13.6% (up from 11.8%) to be applied in the period 2014/15 to 2016/17 for future service cost and to approve the deficit recovery contributions payable as a lump sum over the same period.
3. Noted the 19 year deficit recovery period.

Reasons for Decision

To ensure that future pension liabilities are adequately provided for within the annual budget process

EX.06/14 **EXECUTIVE RESPONSE TO THE BUDGET CONSULTATION AND RECOMMENDATIONS FOR THE 2014/15 BUDGET
(Key Decision – KD.030/13)

(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

The Finance, Governance and Resources Portfolio Holder referred to the Executive's Budget proposals for 2014/15, copies of which were tabled at the meeting.

The Finance, Governance and Resources Portfolio Holder informed the meeting that preparation of the budget was an ongoing process, the main issues being as detailed within Reports RD.69/13, RD.70/13 and RD.71/13 considered earlier in the meeting. Although the Executive constantly monitored the position there were certain pressures which they could not dictate, for example income from car parking.

The Portfolio Holder emphasised that the Council was obliged to ensure proper financial administration of its affairs, i.e. to table a balanced budget. The Council was facing many financial challenges over the next five year planning period, some of the main issues relating to:

- Government Finance Settlement – RSG and NNDR
- The impact of the Welfare Reform Act
- Revaluation of the Pension Fund
- Transformation

The following had been included in the Executive's budget proposals as a result of announcements by Government regarding Council funding and as a result of consultation responses received:

- Draft RSG figures now included that showed decrease in RSG from 2015/16 to fund New Homes Bonus
- New Homes Bonus Allocations for 2014/15 of £269,000 and 2015/16 of £269,000 included
- Small Scale Community Projects included as £40,000 for 2014/15 as requested in the consultation process by Members of the Resources Overview and Scrutiny Panel
- Finalised Taxbase figures included with small increase in Council Tax yield as a result
- Appropriation to Transformation Reserve of £600,000 for transformational costs
- Reduction in Business Rate Pooling estimate from £600,000 to £500,000 due to some minor changes to new reliefs and discounts.

The following were still outstanding and currently still estimated in the Budget Proposals:

- Council Tax surplus still to be calculated as at 15 January 2014
- Parish Precepts still outstanding for some parishes as at 15 January 2014

The position in terms of budget reductions had not changed. In terms of Treasury Management, investment returns were likely to remain relatively low during 2014/15 and beyond making it more difficult to produce a balanced budget.

The Finance, Governance and Resources Portfolio Holder reiterated that the Executive was keen to work with partners and to do what it could on issues including the use of asset review income; building of rented accommodation; and the creation of jobs. He added that car parking charges had been frozen for the third year running, the aim of which was to assist businesses.

The Portfolio Holder also reinforced his previous statement that any capital scheme for which funding had been approved by Council would only proceed after a full report, including business case and financial appraisal, had been approved by the Executive.

The Portfolio Holder expressed grateful thanks to Executive Members, Officers and all those who had contributed to the budget process.

Although the current economic climate was difficult, the Executive had an ambitious programme for the City and would endeavour to manage cuts and lobby for changes to create new revenue streams.

In conclusion, the Finance, Governance and Resources Portfolio Holder looked forward to presenting the Budget proposals to Council on 4 February 2014.

In seconding the recommendation, the Leader indicated that the Local Government Association had highlighted the fact that people were all living in unprecedented times. He commended Officers for their excellent work during what was a very challenging period, adding that the Executive was committed to driving forward growth.

Summary of options rejected A number of options which had been considered as part of the Council's 2014/15 budget deliberations as identified in various reports

DECISION

That the Executive Budget Proposals for 2014/15, attached as Appendix C, be forwarded to the City Council for approval on 4 February 2014.

Reasons for Decision

To produce the Executive's budget proposals for 2014/15 for recommendation to the City Council

EX.07/14 CARLISLE SPORTS AND PHYSICAL ACTIVITY STRATEGY
(Key Decision – KD.029/13)

Portfolio Culture, Health, Leisure and Young People

Relevant Overview and Scrutiny Panel Community

Subject Matter

Pursuant to Minute EX.141/13, the Culture, Health, Leisure and Young People Portfolio Holder submitted report SD.01/14 returning the City Council's overall Sports and Physical Activity Strategy for 2013 – 17, and related Sports Facilities Strategy, to the Executive following consultation with the Community Overview and Scrutiny Panel.

The Portfolio Holder reminded Members that the Sports and Physical Activity Strategy, attached at Appendix A, proposed the City Council's vision for Carlisle to become more active, healthy and successful by creating opportunities and overcoming barriers to the taking part in sport and physical activity. The Strategy was underpinned by and dependent upon specific work around the provision of indoor and outdoor facilities and pitches.

Turning to the Carlisle Sports Facilities Strategy 2013 – 23, attached at Appendix B, she reiterated that it proposed a framework for the development of indoor facilities across the City to successfully support and enable the Sport and Physical Activity Strategy. The Carlisle Sports Facilities Strategy 2013 – 23 was therefore also included for approval and adoption by the Executive.

Whilst the two documents were stand alone texts, they were co-dependent and together formed a platform for an integrated sports development, participation and investment programme in future years. There was a third element to the Sports Development Strategic Framework, namely a Playing Pitch Strategy, which outlined the development needs and provision of outdoor pitches and facilities across Carlisle over the same period.

That was also in draft format, but was currently subject to final consultation with Sport England (who had offered some strategic planning related lessons learned from other authorities and were keen to offer that advice in direct relation to Carlisle's playing pitch strategy). The finalised Playing Pitch Strategy would be brought before the Executive as soon as that advice had been reviewed.

The Culture, Health, Leisure and Young People Portfolio Holder emphasised that the Sports and Physical Activity Strategy had been developed following a considerable amount of partnership working across the City. The associated health benefits and need to focus existing Council resources on areas of greatest need; bring partners together; and align resources towards shared and explicit resources were particularly important.

The Portfolio Holder thanked Kavanagh, Knight & Page; all partners and staff; and the Community Overview and Scrutiny Panel for their work.

The Community Overview and Scrutiny Panel had considered the matter on 9 January 2014 and resolved:

- "1) That report SD.11/13 – Carlisle Sports and Physical Activity Strategy – be noted
- 2) That the Panel were concerned about the lack of clarity in respect of financial implications of the strategy."

A copy of Minute Excerpt COSP.06/14 had been circulated.

The Chairman of the Community Overview and Scrutiny Panel said that Members generally welcomed the strategies, but discussed a central point of a need for extra resources to achieve the aims incorporated therein. They noted that informal conversations had been held with Sport England regarding how external funding might assist. A number of areas were identified in discussion and there would be others where that funding would be required.

For instance, in recent years, the weather and the climate changes would have thrown up problems in relation to drainage improvement on some of the Council's outdoor pitches. Drainage improvements could cost considerable sums, into many thousands of pounds.

In terms of practical requirements, another factor was that up and down the country more and more women and girls were participating in what were seen in the past as strictly male outdoor sports, such as football and cricket. That participation called for appropriate changing facilities to serve both genders, and resources would have to be found to carry out those needs. Something that both the Council and the private clubs would have to provide.

The strategies stressed that equity in sport was part of their aim. Sport could contribute to improving health and wellbeing, and disabled people were encouraged to take part in sport. According to the report the percentage of disabled people enjoying sport in Carlisle at present was small and it was hoped that figure would grow as a result of the strategies. Extra provisions would, however, be required which would need funding.

The Chairman added that the Panel felt that there was a lack of clarity or explanation as to what and from where the funding needed for those practical aspects would come and who would provide the necessary resources. Accordingly they had inserted a request for

further clarification on those questions within the final resolution, recognising that may take some time to produce.

In response, the Portfolio Holder stated that she had read the Minutes with interest and did consider the issues raised. The Portfolio Holder was in agreement with greater engagement, especially with disabled people. An Action Plan was in the course of development which would encompass all comments raised.

In conclusion, the Culture, Health, Leisure and Young People Portfolio Holder moved the recommendation which was duly seconded by the Communities and Housing Portfolio Holder.

The Leader thanked the Chairman and Portfolio Holder for their input.

Summary of options rejected None

DECISION

That the Executive had considered and approved both the Carlisle Sports and Physical Activity Strategy and the Sports Facilities Strategy.

Reasons for Decision

Approval of both the Sport and Physical Activity Strategy and the Sports Facilities Strategy would support increased participation in sports and physical activity across the district, together with the well documented health and wellbeing benefits that brought to all communities

EX.08/14 PRIVATE SECTOR HOUSING ENFORCEMENT
(Key Decision – KD.033/13)

Portfolio Communities and Housing

Relevant Overview and Scrutiny Panel Community

Subject Matter

Pursuant to Minute EX.160/13, the Communities and Housing Portfolio Holder submitted report ED.05/14 seeking approval of the Enforcement Policy for Private Sector Housing.

The Communities and Housing Portfolio Holder gave an overview of the background to the matter reminding Members that, the draft Enforcement Policy attached at Appendix 1 and Appendix 1a outlined how the Council proposed to utilise fairly and consistently all the powers contained within the Housing Act 2004 to achieve improvements to housing, health and the environment in the City. She added that the policy would ensure that the authority protected vulnerable occupants and provided the foundation for strategic targeted enforcement.

The Community Overview and Scrutiny Panel had scrutinised the matter on 9 January 2014 and resolved:

“1) That Report ED.03/14 – Private Sector Housing Enforcement – be noted.

2) That the Executive be requested to re-examine the current charges for HMO registration fees to ensure enough income was generated to enable Officer to carry out the necessary functions. “

A copy of Minute Excerpt COSP.07/14 had been circulated.

The Chairman of the Community Overview and Scrutiny Panel reported that the Panel recognised the importance of the service performed by that Section in relation to the standards required in rental properties and, particularly, those classified as HMOs. The private sector rental market had expanded in recent years, an increase which was expected to continue.

As it was, it was the landlord that was licensed by the Council, rather than the property, which could throw up problems in keeping the Council's information on rented properties up to date. Members felt that an aid to tenants making them aware of the conditions which should be in place in rented properties would be of use.

The Panel suggested that the Council consider:

- (a) Producing a leaflet setting out the above mentioned information, which would be available to both tenants and letting agents; and
- (b) Providing simpler and clearer information on the Council's web pages setting out the hazards which classified as Category I or II, hazards which should be eliminated.

Finally, in order to adequately fund the service provided by the Council's Team, the Panel requested that the Executive re-examine the charges made for registration as a licensed HMO.

In response, the Communities and Housing Portfolio Holder believed that the Panel had raised a number of interesting points which had been answered by Officers. The Portfolio Holder was very aware of the work undertaken by the Team, adding that current charges could be re-examined as requested.

The Director of Governance clarified that the draft Policy attached to the report should in fact have been dated 2014 (rather than 2013).

In conclusion, the Communities and Housing Portfolio Holder recommended that the Executive approve the Enforcement Policy for Private Sector Housing. The Deputy Leader; and Environment and Transport Portfolio Holder seconded the recommendation.

Summary of options rejected None

DECISION

That the Enforcement Policy for Private Sector Housing 2014, attached at Appendix 1 to Report ED.05/14, be approved.

Reasons for Decision

To ensure a consistent, proportionate and transparent approach to private sector housing enforcement

EX.09/14 LOCAL PLAN PREFERRED OPTIONS CONSULTATION – STAGE TWO
(Key Decision – KD.034/13)

Portfolio Economy and Enterprise

Relevant Overview and Scrutiny Panel Environment and Economy

Subject Matter

The Leader submitted report ED.01/14 presenting the Local Plan Preferred Options Consultation – Stage Two which had been updated in response to the consultation held over the summer.

In addition, copies of an amended Table 16 and an additional housing site at Burgh by Sands (omitted from the original document) had been circulated to Members prior to the meeting.

The Leader outlined the background to the matter commenting that the consultation on the first stage of the Preferred Options (referred to above) had resulted in 1138 comments, objections, suggested sites for development and expressions of support. Those had all been assessed and had resulted in a number of suggested changes, details of which were provided.

One of the key outcomes from the previous consultation was the opinion that the housing target for the District should be raised to 665 dwellings per annum over the Plan period, matching the growth projections from the Housing Needs and Demands Study.

Appendix 1 showed the preferred locations for a range of housing to meet the needs of current and future population. The sites had all been assessed against a range of factors including location, landscape, biodiversity, heritage, access, flooding etc. Those allocations would be shown on the Local Plan Policies Map, which would also show existing established land uses such as areas of housing, employment, retail etc, and areas of land which were protected such as parks, playing fields, other protected landscapes and sites which are important for nature conservation.

In addition, work on the City Centre Masterplan had progressed and had been incorporated within the Local Plan. The intention was therefore to allow the public to view and comment upon the updated Local Plan Preferred Options – Stage Two, before progressing towards Publication in the summer of 2014.

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

Summary of options rejected None

DECISION

That the Carlisle District Local Plan Preferred Options – Stage Two be made available for consideration by the Environment and Economy Overview and Scrutiny Panel and that, subject to any additional information arising from the Scrutiny Panel, be reported back to the Executive on 10 February 2014 to consider referral to Council on 4 March 2014 for approval to commence public consultation on 10 March 2014.

Reasons for Decision

Approval for the Preferred Options – Stage Two would enable the Local Plan to meet the timescale set out in the Planning Service Project Plan. Having an up to date Local Plan was a central requirement of Government Planning policy, and provided an effective policy framework to guide development over the plan period, and on which to make decisions on planning applications. It also gave certainty and confidence to developers and the community

EX.10/14 HCA FUNDING OFFER – DURRANHILL INDUSTRIAL ESTATE (Key Decision – KD.035/13)

Portfolio Economy and Enterprise

Relevant Overview and Scrutiny Panel Environment and Economy

Subject Matter

The Leader submitted report ED.02/14, the purpose of which was to brief the Executive on an offer of additional funding to undertake environmental improvements at Durranhill Industrial Estate.

The Leader outlined the background position, reminding Members that one of the strategic objectives within the City Council's Corporate Plan for 2013-2016 was to "support the growth of more high quality and sustainable business and employment opportunities", of which one of the key actions related to improving the performance of industrial estates. The Montague Evans Business Plan identified the estate as being strategic to delivering economic development – in simple terms employment land and jobs. The M6 Corridor Baseline Review (2009) identified the site as providing a good opportunity to increase land supply whilst providing employment opportunities to deprived neighbourhoods to the south of the City.

In 2008 the site was included in the NWDA's Cumbria Sub Regional Employment Sites Programme (SCRES) and the City Council was given a grant of £1.8m to acquire and demolish the former Border TV and part of the Hewden's frontage sites, with the intention of providing employment sites. Following the demise of the NWDA and the subsequent poor market conditions little progress had been made in achieving redevelopment of the sites. The NWDA's assets had now passed into the control of the HCA and ongoing discussions had taken place over the last 6 months to progress the regeneration of the site. The original contract with the NWDA set out a long-stop date for that project of 30 June 2013 and consequently the HCA could ask for repayment of the £1.8m at any time.

In order to try and rejuvenate the project the agency had offered further grant funding to assist the disposal process. £265,000 had been offered to allow environmental improvements to be undertaken to assist in the disposal of the Border TV site. The long stop date in the grant funding agreement would be put back to 31 March 2015 thus removing the immediate risk of default.

The Leader advised that the proposed improvements included:

- Improved signage, including entrance signage & tenant signboards
- Soft landscaping & fencing to Brunel Way
- Redesigned site entrances to key Brunel Way sites
- Enhanced footpath provision
- Further site investigations to assist with the disposal of the Border TV site
- Finalise proposals for second road access from Eastern Way
- Implement marketing plan for disposal of Border TV site

the intention being that the improvements would not only assist the disposal process but also enhance the visual appearance of the estate. Completing the proposals to create a secondary road access would place the Council in a prime position to access future funding opportunities that might arise.

He added that the HCA funding offer came with conditions. Initially they required the grant spent by 31 March 2014. Following concerns from the City Council over the restrictive nature of the timetable, the HCA agreed to relax that requirement, with the County Council proposing to act as delivery agent, undertaking the works on behalf of the City Council. However, the repayable element of the grant, £250,000, had to be repaid by 31 March 2015. That was a significant risk for the City Council in that it meant that there was only a short marketing period to achieve a disposal of the Border TV site. In terms of the worst case scenario, the City Council would have to repay the grant from its own funds. Any sale proceeds in excess of £250,000 would be retained in the ring-fenced account for reinvestment into the estate.

Discussions were ongoing with the HCA and major employers regarding future funding opportunities, and positive action taken now could only help the Council's position in securing future funding.

The Leader then moved the recommendations which were seconded by the Deputy Leader; and Environment and Transport Portfolio Holder.

Summary of options rejected None

DECISION

That the Executive:

1. Accepted the offer of additional grant funding from the HCA on final terms to be agreed by the Director of Economic Development.
2. Authorised the Director of Governance to complete the associated Grant Funding Agreement.

Reasons for Decision

The additional HCA funding would allow for environmental improvements that would enhance the appearance of the estate and improve the likelihood of disposal of the Border TV site creating new employment and development opportunities. Accepting the funding offer would also remove the immediate risk of default and allow time for further proposals to be developed for additional investment.

EX.11/14 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 16 December 2013 was submitted for information.

Summary of options rejected None

DECISION

That the Notice of Executive Key Decisions dated 16 December 2013 be noted.

Reasons for Decision

Not applicable

EX.12/14 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 18 November 2013 were submitted for information.

Summary of options rejected None

DECISION

That the Minutes of the meeting of the Joint Management Team held on 18 November 2013, attached as Appendix D, be received.

Reasons for Decision

Not applicable

EX.13/14 COMPUTERS FOR STAFF SCHEME
(Non Key Decision)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

Pursuant to Minute EMP.18/13 the Finance, Governance and Resources Portfolio Holder reported (CE.02/14) that the Employment Panel had, on 12 November 2013, considered the introduction of a Computers for Staff Scheme and given in principle decisions to approve the scheme for implementation, subject to authority to incur expenditure being granted by the Executive. The Employment Panel report was attached at Appendix 1, in addition to which an Excerpt from the Minutes of that meeting had been circulated.

The scheme required the Council to incur expenditure up front which would then be recovered from employees' pay via monthly deductions, therefore operating at nil cost to the Council.

The Finance, Governance and Resources Portfolio Holder explained that under the Computers for Staff Scheme a small range of PCs, laptops and tablets from a variety of manufacturers and at different price points would be selected for staff to choose from. Computer peripherals e.g. printers will not be included in the scheme. The cost of the device would be taken in equal monthly instalments from the employee's salary. He clarified that it was not a salary sacrifice scheme and so costs were taken from net (after tax and National Insurance Contributions were deducted) rather than gross salary. Payment would be over 12 months.

Since the Council would pay for the computers up front, there would be an initial outlay of cash which would be recovered over a 12 month period from employees. Executive approval was therefore sought to incur that initial expenditure, albeit the scheme would operate at a nil cost to the authority.

The Employment Panel had asked for an assessment of the potential take up from staff before a paper came to the Executive. A questionnaire had been sent to staff with a range of tablets, laptops and PCs listed to get an idea of the numbers of staff who might be interested and possible costs. 65 staff responded to the survey saying they were interested in taking part. Based on current prices the total cost was £28,199. Adding on an additional 15% to allow for extra staff who may want to get involved gave a cost of £32,429.

The Computers for Staff scheme had been judged as being a Category B procurement project so quotations for the computers had been sought from three companies. The number of staff who may take up the Computers for Staff scheme made using the Council's Digital and Information Services Team for technical support unfeasible and so a company was needed who could provide the computers and technical support. The Finance, Governance and Resources Portfolio Holder stressed that the initiative was one of a number of benefits for staff and was welcomed by members of staff. He was also

satisfied that sufficient safeguards were in place to protect the Council's position should staff leave the authority.

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

Summary of options rejected None

DECISION

The Executive granted approval for the Computers for Staff Scheme to incur expenditure which would then be fully recovered from the member of staff taking up the benefit.

Reasons for Decision

In order to progress the implementation of the Scheme, the Executive was required to give approval to incur expenditure which would then be fully recharged to the employee taking up the benefit

PUBLIC AND PRESS

RESOLVED – That in accordance with Section 100A(4) of the Local Government Act 1972 the Public and Press were excluded from the meeting during consideration of the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in the paragraph number (as indicated in brackets against the minute) of Part 1 of Schedule 12A of the 1972 Local Government Act.

EX.14/14 RELEASE OF LICENSING RESERVE
(Non Key Decision)

(Public and Press excluded by virtue of Paragraph 3)

(In accordance with Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, The Mayor had agreed that this item of business was urgent and could not reasonably be deferred)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Finance, Governance and Resources Portfolio Holder submitted private report GD.07/14 providing information on a Court of Appeal decision which had significant bearing on licence fees.

The Portfolio Holder outlined for Members the case in question, together with the implications for Carlisle. He also requested that the Executive release the Licensing Reserve Fund in order to facilitate the return of overpaid fees.

The Leader seconded the recommendation,

Summary of options rejected None

DECISION

That the Executive:

1. Noted the Court of Appeal decision in respect of licence fees as detailed within Report GD.07/14.
2. Released the Licensing Reserve to allow the return of overpaid fees.

Reasons for Decision

The Council must comply with the Court of Appeal judgement and return any overpaid fees

(The meeting ended at 4.53 pm)