

AGENDA

Executive

Monday, 12 May 2014 AT 16:00

In the Flensburg Room, Civic Centre, Carlisle, CA3 8QG

Apologies for Absence

To receive apologies for absence and notification of substitutions.

Declarations of Interest

Members are invited to declare any disclosable pecuniary interests, other registrable interests and any interests, relating to any item on the agenda at this stage.

Public and Press

To agree that the items of business within Part A of the agenda should be dealt with in public and that the items of business within Part B of the agenda should be dealt with in private.

Minutes of Previous Meetings

To confirm the Minutes of the meetings of the Executive held on 10 and 17 February, and 10 March 2014.

[Copy Minutes in Minute Book Volume 40(6)]

PART A

To be considered when the Public and Press are present

A.1 COUNTY WIDE CCTV CONTRIBUTION

5 - 10

(Key Decision - KD.09/14)

The Director of Local Environment to submit a report seeking Executive agreement to the release of the agreed contribution of £89,000 to the Police Commissioner's office for the 15 City CCTV cameras that will form part of the county wide CCTV system.
(Copy Report LE.06/14 herewith)

A.2 TREASURY MANAGEMENT COUNTERPARTIES

11 - 38

(Key Decision)

(The Leader has agreed to this Key Decision item being considered at this meeting, although not in the Notice of Executive Key Decisions)

The Director of Resources to submit a report considering options for adding an additional institution to the Council's approved list, and investment in a managed property fund which would provide an alternative for the capital receipts generated by the Asset Management Plan.
(Copy Report RD.006/14 herewith)

A.3 NOTICE OF EXECUTIVE KEY DECISIONS

(Non Key Decision)

The Notice of Executive Key Decisions, published on 11 April 2014, is submitted for information.

The Deputy Chief Executive was scheduled to report on the Playing Pitch Strategy (KD.04/14). Further work / information is required and the matter is therefore deferred.

A.4 SCHEDULE OF DECISIONS TAKEN BY OFFICERS 39 - 40

(Non Key Decision)

A Schedule of Decisions taken by Officers under delegated powers is attached for information.

(Copy Schedule herewith)

Background Papers - Executive Report SD.02/13 and the Council's funding agreement with Cumbria County Council

A.5 JOINT MANAGEMENT TEAM 41 - 42

(Non Key Decision)

The Minutes of the meeting of the Joint Management Team held on 10 March 2014 are submitted for information.

(Copy Minutes herewith)

A.6 SCRAP METAL DEALERS 43 - 50

(Non Key Decision)

The Minutes of the Scrap Metal Dealers determination hearings held on 17 March and 9 April 2014 are submitted for information.

(Copy Minutes herewith)

A.7 RECYCLING 51 - 94

(Non Key Decision)

To consider the final report of the Recycling Task and Finish Group and respond to the recommendations contained therein.

(Copy Report OS.13/14 and Minute Excerpt herewith)

(Non Key Decision)

To consider a reference from the Audit Committee concerning the Committee's Annual Report / Rules of Governance.
(Copy Report RD.03/14 and Minute Excerpt herewith)

PART B

To be considered when the Public and Press are excluded from the meeting

- NIL -

Members of the Executive

Councillor C W Glover (Leader)

Councillor Mrs E B Martlew (Deputy Leader; and Environment and Transport Portfolio Holder)

Councillor Ms A Quilter (Culture, Health, Leisure and Young People Portfolio Holder)

Councillor Mrs J Riddle (Communities and Housing Portfolio Holder)

Councillor Dr L Tickner (Finance, Governance and Resources Portfolio Holder)

Councillor Mrs H M Bradley (Economy and Enterprise Portfolio Holder)

Enquiries to:

Lead Committee Clerk - Morag Durham tel: 817036

Notes to Members:

Decisions made at this meeting, if not subject to call-in, will become live on 22 May 2014

Report to Executive

Agenda
Item:

A.1

Meeting Date: 12th May 2014
Portfolio: Environment and Transport
Key Decision: Yes
Within Policy and Budget Framework: No
Public / Private: Public

Title: County Wide CCTV Contribution
Report of: The Director of Local Environment
Report Number: LE 06/14

Purpose / Summary:

A report requesting the Executive to release the agreed contribution of £89,000 to the Police Commissioner’s Office for the 15 City CCTV cameras that will form part of the County Wide CCTV system.

Recommendations:

1. That the Executive agree to release £89,000 from the Capital Programme to the Police Commissioner as its contribution to setting up the County Wide CCTV network.

Tracking

Executive:	12 th May 2014
Overview and Scrutiny:	
Council:	

1. BACKGROUND

1.1 The proposal from the Police Commissioner is for a Cumbria county-wide CCTV scheme composed of 54 cameras. The proposal has been developed by specialist consultants engaged by Cumbria Constabulary. The Constabulary's professional view is that the proposed number of cameras and the locations of those cameras meet the basic requirements for CCTV provision in Cumbria.

1.2 Under the proposal the Carlisle City Council area would have 15 cameras, all located in Carlisle (see appendix.1. for the initial proposed locations).

1.3 The cost allocation has been worked out as follows –

1.3.1 Overall cost for Cumbria (54 cameras) = £1 million (subject to variation when tenders are received)

1.3.2 The Commissioner is to meet 50% of this cost (£500,000). Each of the Cumbrian District and Borough Councils have agreed to meet the other 50% of the capital cost on a pro rata basis, based on the number of cameras in each council area. The overall cost for the provision of 15 cameras in Carlisle is £277,778, which equates to £138,889 each for Carlisle City Council and the Commissioner.

1.3.3 At the start of the 2013/14 financial year the Commissioner asked all six district/borough councils to bid for up to £100,000 of matched funding to tackle anti-social behaviour in their area. Carlisle still has £50,000 of that funding unallocated. That £50,000 is to be used by the City Council towards their element of the CCTV costs, which leaves the £89,000 to pay. The contribution has being budgeted for within the Council's Capital Programme.

1.4 The system should have a life of seven years. It will be possible to add additional cameras to the system at any time. However, the Commissioner would look to the Council to meet 100% of the cost of any additional cameras. The Council is liaising with the Commissioner and the company installing the WiFi into the City centre to transfer its unused CCTV assets, such as poles and brackets, to help keep costs down. The Police Commissioner expects to go out to tender in April 2014 with an intention that works should start by the end of 2014.

1.5 Monitoring of the new system will be undertaken by the Constabulary at Police Headquarters in Penrith. There would be no on-going revenue cost to the City Council.

2. PROPOSALS

The Executive agree to release £89,000 from the Capital Programme to the Police Commissioner as its part of the County Wide CCTV .

3. CONSULTATION

3.1 Consultation to Date. –

3.2 Consultation proposed. –

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

4.1 The City Council has successfully reduced its expenditure on community CCTV. The Police were the significant users of the CCTV and it is welcomed that they have now agreed to take the lead on its provision and management. The capital contribution from the City Council assists the Police in taking on this leadership role.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

5.1 **Priority 3:** Working more effectively through partnerships

Contact Officer: Angela Culleton

Ext: Ex 7325

Appendices attached to report: Environmental Health – Supporting Business Through Better Regulation.

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's –

Deputy Chief Executive –

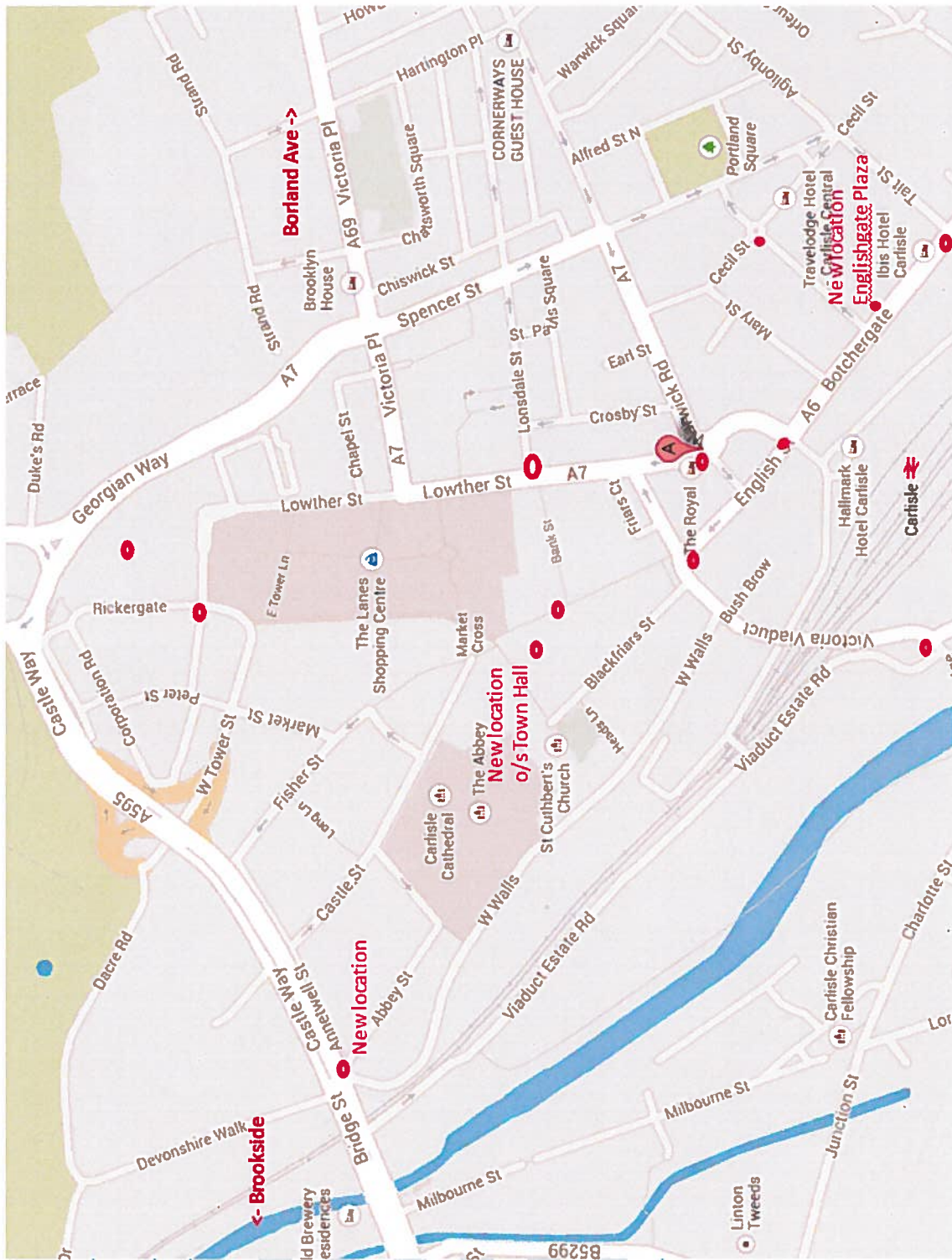
Economic Development –

Governance – The Local Government Act 2000 (Section 2) provides that the Council has the power to do anything which it considers likely to achieve the promotion or improvement of the economic, social or environmental well-being of its area. The power may be used in relation or for the benefit of the whole or any part of the community or all or any persons present or resident in the Council's area. The Council is able to incur expenditure and give financial assistance of the type referred to in this report about CCTV. In exercising the power, the Council must have regard to its Community Strategy

Local Environment –

Resources – There is £89,000 within the 2014/15 Capital Programme to provide capital funding to support the Cumbria Wide CCTV Initiative, subject to further reports to the Executive prior to any expenditure being incurred. This report requests the release of the £89,000 budget provision.

Carlisle



Tait St/ Botchergate

Botchergate/The Crescent

Lonsdale St/ Lowther Rd

Englishgate Plaza

Town Hall square (English St/Scotch St)

Lowther St/Warwick Rd/The Crescent

Civic Centre – Lowther Street

B&M/Lower Viaduct

Upper Viaduct

Brookside

Borland Ave

Rickergate

Bank Street/Scotch Street

Abbey Street

Portland Place

Report to Executive	Agenda Item: A.2
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Meeting Date: 12 May 2014
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Considered under general exception
 Within Policy and Budget Framework YES
 Public / Private Public

Title: TREASURY MANAGEMENT COUNTERPARTIES
 Report of: DIRECTOR OF RESOURCES
 Report Number: RD006/14

Purpose / Summary:

The Treasury Management Strategy for 2014/15 was approved at Council on 4 February 2014. Since this date, the Council has been investigating alternative ways of increasing the available counterparties available to invest with. As a result of these investigations, Members are asked in this report to consider options for adding an additional institution to the Council’s approved list and also to gauge Members interest in investing in a managed property fund which would provide an alternative for the capital receipts generated by the Asset Business Plan.

Recommendations:

The Executive is asked to consider and refer to Overview and Scrutiny:

- (i) The approval of the investment counterparty limits as outlined at Appendix A and set out in paragraph 2.7, for recommendation to Council;
- (ii) The approval of the use of the CCLA managed LAMIT Property Fund for inclusion in the Council’s investment portfolio for recommendation to Council

Tracking

Executive:	12 May 2014 & 23 June 2014
Overview and Scrutiny:	13 May 2014
Audit Committee:	10 July 2014
Council:	15 July 2014

1. BACKGROUND

- 1.1 The Council has been investigating alternative ways of increasing the available counterparties the Council is able to invest with. As a result of these investigations, Members are asked in this report to consider options for adding an additional institution to the Council's approved list and also to gauge Members interest in investing in a managed property fund.
- 1.2 The Council has historically limited its investment strategy to investing only with UK financial institutions (or institutions authorised by the UK regulatory bodies – Financial Conduct Authority and Prudential Regulation Authority).
- 1.3 The Council bases its criteria for investments on the credit ratings of these institutions and since the banking crash of 2008, has seen a number of institutions fall below the Council's minimum criteria for investment. This has led to a much reduced investment counterparty list.
- 1.4 The Council's Treasury Advisors (Capita Asset Services – formerly known as Sector) provides the Council with weekly updates of credit risk associated with all global financial institutions.
- 1.5 The Council maximises the use of the Government backed banks, RBS and Lloyds group and primarily utilises these banks for longer dated investments, typically 1 year, where the rates are slightly more attractive (approx 1%). For shorter dated investments, the Council uses the other rated banks and building societies on its approved list, e.g. Barclays and Nationwide. For overnight investments, the Council was using AAA rated Money Market Funds, however, the return on these has now dropped to below 0.35%. This led the Council to negotiate a overnight deposit account with its day to day bankers, HSBC which offered 0.50%. We are unaware of any other authority who has managed to secure such a good rate with HSBC.
- 1.6 Unfortunately, HSBC has notified the Council that this rate cannot remain in place much longer which means the alternative is to place funds with the Money Market funds which offer a significantly lower return.

2. PROPOSAL – SVENSKA HANDELSBANKEN

- 2.1 Therefore, in order to try and maximise the return the Council can achieve on its short term investments whilst still maintaining security of the investment, an additional counterparty is proposed as set out below.

- 2.4 Svenska Handelsbanken is one of the largest global banks and has a long term credit rating of Aa3 and a short term rating of Prime-1 from Moody's with a stable Outlook. The ratings are the same as HSBC but Handelsbanken has a better Outlook. It also has better ratings and Outlooks than Lloyds, RBS, Barclays and Santander.
- 2.5 Handelsbanken is not, however, registered in the UK so does not class as a UK institution for the Council's current investment policy. It is registered in Sweden, which at the moment is one of the strongest economies in Europe and has maintained its AAA credit rating.
- 2.6 Handelsbanken operates a very traditional type of bank. They do not pay bonuses to employees and only deal in very plain normal banking products, e.g. deposits and savings. They have a large branch network throughout the UK and have an office based at Kingstown in Carlisle which has 8 employees who deal solely with the north Cumbria area. As they only operate basic banking products, they offer an instant access account that is currently offering 0.55%. Many Local Authorities are including Handelsbanken on their approved list.
- 2.7 Therefore, given the strength of Handelsbanken, the reducing number of counterparties and the diminishing returns on short term investments it is proposed that the Council's investment policy is amended to be able to include Handelsbanken on the Council's approved counterparty list.
- 2.8 The Council has approached its Treasury advisors, Capita Asset Services, regarding these proposals and they have indicated that this proposal does not put the Council's investments at any additional risk.
- 2.7 The revised limits and investment criteria are set out at **Appendix A**, and in summary would be as follows:

Lloyds Group/ RBS	£8million
HSBC	£6million (split £4m long term,
£2million less than 1 month)	
Other Credit Rated banks/institutions	
(Including Svenska Handelsbanken)	£4million
Non Credit Rated Banks/Building Societies	£2million

3. ALTERNATIVE INVESTMENT OPPORTUNITIES

- 3.1 The Council tends to invest its cash balances in cash deposits with banks and

other approved financial institutions. For some time now, returns on such cash deposits have been at historically low levels. This has had an adverse effect on the Council's overall budget as in 2007, investment returns were £1,865,000 or 5.75% based on average balances of £32.1million. Currently in 2013/14, investment returns are £223,000 or 0.86% based on average balances of £26million.

- 3.2 The Council's treasury management advisors, Capita Asset Services, suggest that interest rates will not rise from their historically low level until late 2015, and even then will only rise gradually. Alongside this, the credit outlook remains challenging, with the number of institutions accepting deposits being very restricted. These factors result in expectations for returns from cash orientated investments remaining low.
- 3.3 In theory, the Council could increase its exposure limits (i.e. amounts deposited with individual institutions) to the approved financial institutions, or it could revise its minimum credit thresholds lower than the current minimum acceptable thresholds in its policies. However, as the overriding principle in treasury management is security of capital, this would not be recommended. In any event, this would not increase returns significantly.
- 3.4 With these factors in mind, Officers have undertaken some research into alternative investment opportunities and have looked specifically at a property fund as a means of securing better returns and limiting exposure to financial institutions failing.
- 3.5 There are many managed property funds in the financial market, however Officers have made enquiries about is the LAMIT (Local Authority Mutual Investment Trust) property fund managed by CCLA (Churches, Charities and Local Authorities) which is owned by the Church of England Investment Fund (56%), the Charities Investment Fund (23%), Local Authorities' Mutual Investment Trust (14%) and others (7%).
- 3.6 As at 31 December 2013, there were 37 local authorities holding units in the fund. The fund was valued at £126m and owned 21 properties.
- 3.7 Details of the operation of the property fund are attached at Appendix B.
- 3.8 As noted at paragraph 4.5 below, investment in the LAMIT fund is classed as revenue expenditure and therefore treasury management. This is due to lobbying which has incorporated these rules in to the regulatory framework. Investment in other property funds may be treated as capital expenditure.

4. PROPOSAL TO INVEST IN A POOLED PROPERTY FUND

- 4.1 There are examples of authorities investing in property by directly purchasing/developing properties with the intention of securing a revenue income from that investment. The Council is undertaking this itself through its Asset Business Plan initiative. It is also felt that an alternative route to receive income from property would be to invest in an appropriate property unit trust. However, such investment would not preclude the Council also directly investing in property if there was a business case.
- 4.2 The LAMIT fund would give the Council exposure to a diversified portfolio of commercial property throughout the UK, but without the issues of maintenance, management and repairs, if it were to own the property directly. In the past income returns from this fund have been in the order of 5.5%-6% per annum. It is an actively managed property fund, which means that fund managers have the potential for growth in the income as, over time, higher rents can be achieved by buying properties in areas where demand is growing, by adjusting the exposure to different areas of the market and by improving the quality of the properties as appropriate. It should be noted that, due to its active management style, the returns can be more volatile, as it is more likely to have void periods (when no rental income is being earned on a property) than a passively managed fund. In addition, property prices may go down as well as up, which will impact the underlying price of each unit in the fund. This will have greatest impact at a point in the future when the Council looked to sell its position.
- 4.3 Units in the LAMIT fund can be bought or sold on any monthly valuation date (usually the last working day of the month). However, where redemptions are required, these may take longer depending on the size of the withdrawal and the notice given to do so. In some cases, the fund may need to sell property to raise the cash to meet a redemption request. This process is typical for redemptions from all property funds. **This could require notice of approximately 18 months prior to requiring the funds.**
- 4.4 **Should the Council wish to invest in this type of fund, it needs to be aware that it will be investing for a longer time period than usual and must commit itself to the stated monetary investment and time period. The fee for this particular fund is 0.65% per annum of the capital sum invested.**
- 4.5 Investment in the LAMIT fund is classed as revenue expenditure and the return on the investment is revenue income, as defined under the Capital Finance Regulations (SI 2010 No 454). This, therefore, means that the Council can use its short term investments to invest in the fund and the return on the investment can be shown as revenue income and not capital receipts. It is thus part of treasury

management. In contrast, direct investment in property would not be treasury management and would be classed as capital expenditure.

5.0 PROPOSAL TO INVEST

- 5.1 Before making a proposal it must be stressed that, as with any investment, there are risks and financial implications. As stated earlier, the Council needs to be confident that the cash invested will not be required at short notice, or within a short time span. Four to five years is seen as the norm for investing in this fund.
- 5.2 The Council has average balances of approximately £25million, although this is forecast to reduce in line with the capital programme in the MTFP that will see the balance of capital receipts almost exhausted by 2018/19. The Council will still have a 'core' balance of investments of over £10million. There is, therefore, scope within the current 'core' investment portfolio to invest for the longer term in this type of fund.
- 5.3 As investments in property funds are subject to fluctuations in the property market, any volatility in the valuation of the investment would need to be managed through the "Available for Sale Reserve". There will, therefore, be no impact on the Council's revenue account for the day-to-day fluctuations in the value of the investment. It is not until the investment is sold that any gain or loss on the principal sum invested will be recognised in the revenue account. However, it is important to recognise that when units are redeemed, a capital loss could be incurred. It is for this reason that this type of investment is best seen as a long term investment to reduce the likelihood of the volatility in the property market impacting on the Council's capital invested.
- 5.4 To acquire units in the fund the Council has two options:
- to buy directly from existing unit holders – this reduces the acquisition and sale costs but at present this is an unlikely option as those wishing to buy outnumber those wishing to sell;
 - to buy directly from the fund, as the above option is unlikely at present and will almost certainly be the means of acquiring units.

There is a 5% cost of acquiring units to cover a range of one-off costs, such as stamp duty and arrangement fees. There is also a 2% sale charge.

- 5.5 If the Council were to buy and then immediately sell, there would be a 7% cost. This is why it is important that the Council sees this as a longer term investment. Based on recent fund performance and likely trends on the commercial property market it is forecast that that capital growth would cover the 7% cost of buying and selling within a period of about two years. Obviously, such forecasts are not always accurate and the capital value of the fund could fall as well as increase. If

the Council were to invest in property directly, i.e. purchase a property for rental outright, it would still be subject to fluctuations in market values and upfront costs such as stamp duty.

- 5.6 Appendix C shows the index for units in the fund over the last ten years. The average increase in unit price (this is what any capital profit or loss would be based on) is 6.2%. However, as will be noted, there are some years when the unit price falls, e.g. 2008.
- 5.7 Assuming average annual capital growth and average rental return over the last ten years (see Appendix C) then after two years, the property fund will have recovered the 7% entry and exit charge and the foregone investment from a cash deposit. This means that assuming average returns the Council only has to continue investing in the fund for two years before it is making a higher return than a cash deposit.
- 5.8 Assuming that the Council redeems its investment after five years it would receive:
- five years net rental share - this is the income shown at 5.3 above and received quarterly;
 - five years" capital growth (or loss) less the buying and selling costs. This would be received or paid at the time of redeeming the units. Whilst termed "capital growth" this would, under the regulatory framework, be accounted for as revenue income or expenditure as appropriate.
- 5.9 The purchase of units in the fund is a treasury management transaction, therefore it does not impact on reserves. There would only be an impact if any capital gain or loss arose on redemption.
- 5.10 For example, if the Council were to invest £3million, it could achieve additional investment income as follows:

	£
Amount Invested (gross):	3,000,000
Less 5% entry cost (paragraph 7.2)	<u>-150,000</u>
Net Investment	2,850,000
Interest per Annum at 5%	142,500
Management Fee 0.65%	<u>-19,500</u>
Net Income	123,000
Current Net Income from £3m (0.87%)	<u>26,100</u>
Extra Income	96,900

N.B Any decision to withdraw this investment would have to take into consideration the entry and exit costs against any capital growth achieved. The longer the investment is left, the greater the opportunity for capital growth to outweigh the entry and exit costs.

The 5% return assumed is at the lower end of the projected rate of returns. Appendix C shows the return for each year over the last ten years; the average income return is 5.4%.

The additional income achievable by this investment opportunity would help towards the Council's transformation savings requirement.

- 5.11 Whilst unit holders can redeem their units, there may be some time delay and the intention is to hold units for a number of years to even out variations in capital fluctuation. Therefore, investing in the fund does reduce the council's financial management options to some degree.

6. DUE DILIGENCE

- 6.1 An investment in the LAMIT fund is a new treasury management approach for the Council and appropriate due diligence would need to be undertaken as follows:

- That the fund is recommended by the Council's treasury management advisers, Capital Asset Services, who are regulated by the Financial Conduct Authority (FCA);
- Checks that CCLA are regulated by the FCA:
- Thorough review of scheme information provided by CCLA
- Thorough review the latest annual accounts of the fund
- Obtaining two references from local authorities which hold units in the fund
- Confirming the taxation position of fund receipts (tax is fully reclaimable)
- Thorough review of the LAMIT Trust Deed

Risks

- 6.2 There are a number of risks in investing in this type of instrument. The main ones are as follows:

- The fund manager ceases to exist:
The Trust would appoint another manager or wind the Trust up and distribute the net assets, though there would be some cost in either of these;
- The fund is wound up:
The assets and liabilities of the fund are owned by the LAMIT which is a separate legal entity. Because of this, all unit holders would be legal and beneficial owners of the properties held by the fund. The fund would be wound up by selling the units and distributing the sums invested to all of the unit holders;
- Cash may not be immediately available:
See paragraph 4.3 above;
- Returns may vary and could be volatile in the short-run:
See paragraph 5.5 above.

6.3 The Council's current approach to Treasury Management is low risk. By investing in a property fund, the Council is clearly taking on higher risk (through reduced liquidity and increased volatility of valuation) for, potentially, a higher return.

7. CONSULTATION

7.1 The Council's Treasury Advisers have been involved in the Strategy and proposals contained within this report.

8. CONCLUSION AND REASONS FOR RECOMMENDATIONS

8.1 The Executive is asked to consider and refer to Overview and Scrutiny:

- (i) The approval of the investment counterparty limits as outlined at Appendix A and set out in paragraph 2.7, for recommendation to Council;
- (ii) The approval of the use of the CCLA managed LAMIT Property Fund for inclusion in the Council's investment portfolio for recommendation to Council

9. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

9.1 To ensure that the Council's investments are in line with appropriate policies including the Treasury Management Strategy Statement.

Contact Officer: Steven Tickner Ext: 7280

Appendices attached to report:

- Appendix A - Approved investment instruments**
- Appendix B – The Local Authorities Property Fund – Scheme Information**
- Appendix C – The Local Authorities Property Fund – Historical Performance**
- Appendix D – Capita Briefing Note on CCLA**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's – n/a

Economic Development – n/a

Governance – The Treasury Management Strategy (TMS) does not currently provide for investment of the type described in this report and the purpose of this report is to ensure that the TMS allows the Council to so invest. This will ensure that that the council’s investments are, and will continue to be, within its legal powers. The TMS is defined in Article 4 of the Constitution as being part of the authority’s “Budget”. As such, the matter should be considered by Overview & Scrutiny prior to recommendation to the Council by the Executive. Council must approve any amendment to the TMS.

Local Environment – n/a

Resources – Contained within the report. Any changes to counterparties form part of the Treasury Management Strategy Statement and Investment Policy that is required to be approved by Council. The use of individual counterparties and financial instruments that form part of the approved list, is delegated to the Director of Resources in line with the Council’s constitution.

APPROVED INVESTMENT INSTRUMENTS

Specified Investments

All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' rating criteria where applicable. **A maximum of £4m of the investment portfolio** will be placed with any one counterparty or banking group, or a maximum of **£8m of the investment portfolio for Lloyds Group banks and RBS Group Banks and £6m with HSBC Bank (with £2m being limited to investments less than 1 month in duration)** whether by way of specified or non-specified investments except for building societies without a credit rating where **the limit will be £2m**.

Fixed Term Deposits with fixed rates and maturities:-	Minimum 'High' Credit Criteria	Use
Debt Management Agency Deposit Facility	Government backed	In-house
Term deposits – local authorities	--High level of security	In-house
Term deposits – U K banks**	Short-term F1 (Fitch) or P1(Moodys)	In-house
Term Deposits – UK building societies**	Short Term F1 (Fitch) or P1 (Moodys) or as determined by the Director of Resources	In-house
Term Deposits – Non UK Banks	Sovereign Rating AAA Short Term F1 (Fitch) or P1 (Moodys) or as determined by the Director of Resources	In-house
Fixed term deposits with variable rate and variable maturities: -	Minimum 'High' Credit Criteria	Use
Callable deposits	Short-term F1 (Fitch) or P1 (Moodys)	In-house
Certificates of deposits issued by UK banks and building societies	Short-term F1 (Fitch) or P1 (Moodys)	In-house buy and hold
UK Government Gilts	Government backed	In-house buy and hold
Bonds issued by multilateral development banks	AAA	In-house on a 'buy-and-hold' basis.
Bonds issued by a financial institution which is guaranteed by the UK government	AAA	In-house on a 'buy-and-hold' basis.
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs):	Minimum 'High' Credit Criteria	Use
-		
1. Money Market Funds	Short-term AAA	In-house
2. Enhanced Cash Funds	Short-term AAA	In-house
3. Government Liquidity Funds	Short-term AAA	In-house

** If forward deposits are to be made, the forward period plus the deal period should not exceed one year in aggregate.

Non-Specified Investments:

A maximum of 50% will be held in aggregate in non-specified investments

1. Maturities of ANY period.

	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
Term deposits with non credit rated UK Building Societies	As approved by the Director of Resources. Minimum asset base of £1bn	In-house	50	364 days

2. Maturities in excess of 1 year

	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
Term deposits – local authorities	Any authority	In-house	50	3 Years
Term deposits – UK banks and building societies	Long-term A (Fitch) or A2 (Moody's)	In-house	50	3 Years
Fixed term deposits with variable rate and variable maturities	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
Certificates of deposits issued by UK banks and building societies	Long-term A (Fitch) or A2 (Moody's)	In house on a 'buy and hold basis'	50	3 Years
UK Government Gilts	Government backed	In house on a 'buy and hold basis'	50	3 Years
Bonds issued by multilateral development banks	AAA	In-house on a 'buy-and-hold' basis.	50	3 Years
Bonds issued by a financial institution which is guaranteed by the UK government	AAA	In-house on a 'buy-and-hold' basis.	50	3 Years
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs)	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
1. Bond Funds	Long-term AAA	In-house	50	3 Years
2. Gilt Funds	Long-term AAA	In-house	50	3 Years

3. Approved Property Funds

	Use	Max % of total investments	Max. maturity period
CCLA Property Fund	In-house as determined by the Director of Resources	50	No maximum

The Council uses Fitch (primarily) or Moody's ratings to derive its counterparty criteria. All credit ratings will be monitored monthly. The Council is alerted to changes in credit ratings through its use of the Sector creditworthiness service. If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

Appendix B

The Local Authorities' Property Fund Scheme Information

Scheme Information

The Local Authorities' Property Fund

Effective from September 2013

This Scheme Information summarises the terms on which the Fund operates. For full information as to the terms on which the units of the Fund are issued, reference should be made to the Fund's Trust Deeds. Copies are available on request from the Manager.

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CCLA INVESTMENT MANAGEMENT LTD

The Fund

The Local Authorities' Property Fund (the Fund) is an unregulated collective investment scheme established under a Scheme approved by H M Treasury under Section 11 of the Trustee Investments Act 1961 and is subject to provisions of a Trust Deed dated 6 April 1972 and a supplemental Trust Deed dated 13 September 1978. The Fund operates as an open-ended Fund under Part IV of the schedule to the Financial Services and Markets Act 2000 (Exemption) Order 2001.

Trustee

The Local Authorities' Mutual Investment Trust (the Trustee) is the Trustee of the Fund. It is a company incorporated under the Companies Act 1948, limited by guarantee and not having a share capital. Under the provisions of the Financial Services and Markets Act 2000 (FSMA), LAMIT, as Trustee of the Fund, is not considered to be operating the Fund 'by way of business'. In consequence, it is not required to be regulated by the FCA and the members of LAMIT are not required to be authorised by the FCA for this purpose. The Trustee is controlled by members and officers appointed by the Local Government Association, the Convention of Scottish Local Authorities, the Northern Ireland Local Government Officers' Superannuation Committee and by the Trustee to represent unitholders.

Manager

CCLA Investment Management Limited (the Manager), registered in England as a company No. 2183088, authorised and regulated by the Financial Conduct Authority (FCA), manages the Fund's properties and provides administrative and registrar services for the Fund and company secretarial services to the Trustee under Agreements dated 1 October 1998.

Investment Objectives of the Fund

Investment Objectives

The Fund is invested in commercial and industrial properties in the United Kingdom. It aims to provide, over the long term, a satisfactory total capital and income return on the units of the Fund.

Investment Powers

The Fund's powers of investment are not restricted either to particular types of property, or subject to the consent of H M Treasury, to specific parts of the world, but it is the present policy to confine investment to freehold and leasehold commercial and industrial property in the United Kingdom.

The Fund is permitted to finance developments of, or improvements to, both freehold and leasehold property or purchase a right or interest in, or over,

freehold or leasehold land, or borrow for the purpose of gearing against the property assets of the Fund; provided that the aggregate borrowing does not exceed 25% of the value of the property of the Fund on any quarterly valuation date. With the prior written approval of the Council, the Manger may borrow for any purpose set out above up to the limit of 50% of the net asset value of the Fund.

Investment Restrictions

The Fund will maintain a suitable spread between different types of property and geographical location. Importance will be attached to location, standard of construction and quality of covenant with lease terms preferably embodying upwards only rent reviews at intervals of not more than five years.

Performance Benchmark

The performance benchmark for the Fund is the Balanced Property Unit Trust Index compiled and calculated by Investment Property Databank (IPD) and published by HSBC and the Association of Real Estate Funds (AREF), calculated on a net asset value basis; or such other performance benchmark as the Manager may agree.

Administration

The Manager provides the Trustee with all administrative and registrar services necessary for the management of the Fund. These include the valuation of the Fund's assets in conjunction with an appointed External Property Valuer, the issue and redemption of units in the Fund, the operation of the Fund's unit Register, the payment of dividends and the maintenance of the accounts of the Fund. The Fund operates on a financial year to 31 March.

Eligible Contributors

The units of the Fund can only be issued and owned by local authorities in England, Wales, Scotland and Northern Ireland. The Trustee under the Scheme and the Manager under the Money Laundering Regulations are required to satisfy themselves as to the identity of participants in the Fund.

Unit of the Fund

The Fund issues units which pay dividends quarterly.

Valuations

The Fund is valued monthly, at the end of each calendar month, for the issue and redemption of units (the Valuation Date). Properties held by the

Fund are valued at open market value. The assets of the Fund valued also include capital cash.

To calculate the issue and redemption price (offer and bid prices) of the units the net capital asset value of the Fund shall be divided by the number of units in issue. The Trustee may increase the issue price by such a surcharge and reduce the redemption price by such a deduction as in either case it may think fit with a view to protecting the holders of subsisting units from being adversely affected in respect of the values of the units by the effects of contributions and/ or withdrawals. The Trustee may vary the amount of the surcharge or deduction at any time.

The valuation of the Fund's properties is made by an External Property Valuer at each quarter-end and by the Manager, in consultation when necessary with External Property Valuers, on other monthly valuation dates. Additions to the portfolio are valued externally after acquisition.

Issue and Redemption of Units

Instructions for the issue or redemption of units must be made in writing to the Manager at Senator House, 85 Queen Victoria Street, London EC4V 4ET.

Purchases or sales of the Fund's Units can be made on any month end Valuation Date, subject to a period of notice or delay (or successive periods of notice or delay) of such period (or periods) as the Trustee or Manager may impose to permit properties to be sold to meet withdrawals or to protect the interest of Unitholders in the Fund.

In the event of the suspension of redemption requests in full or part (i) those applications for the redemption of units first made in respect of an earlier month end Valuation Date will be dealt with in priority to those first made in respect of a later month end Valuation Date (ii) without prejudice to (i) all applications for the redemption of units made in respect of particular month end Valuation Date shall be treated *pari passu*, irrespective of the time such applications for the redemption of units were actually received in respect of that month end Valuation Date and (iii) the Manager can accept in part an application for the redemption of units and, in the event that it does so, such application for redemption of units (and any other applications for redemption of units which are to be treated *pari passu* with it) shall be redeemed in part *pro rata*.

Application monies paid by cheque should be drawn on an EEA (European Economic Area) banking institution and

made payable to The Local Authorities' Property Fund. They must be received by the Manager not later than 5.00pm on the business day prior to the Valuation Date. Application monies so received will not earn interest and will be paid into a Fund bank account. Cheques made payable to CCLA Investment Management Limited will be returned.

Contract notes will normally be despatched by close of business on the next business day after the issue of the units. The contract note will show *inter alia*, the number of units and the issue or redemption price. Units will be issued to the nearest round number.

Redemption instructions must be received by 5.00pm on the business day preceding a Valuation Date and may be subject to a period of notice. Cheques in respect of redemption of units are issued within four business days after the Valuation Date on which the units are redeemed.

If a delay is imposed, proceeds of units redeemed (or the cost of units issued) will be calculated on the Valuation Date when the units can be redeemed (or issued) by the Fund and not on the Valuation Date when notice is received.

Secondary Market Units

From time to time the Manager may become aware of opportunities for unitholders to trade units other than via the Manager (the Secondary Market). In which case and at its discretion the Manager may, but is not obliged to, inform other unitholders and or other local authorities.

This can enable investors to transfer holdings on terms set between themselves, with the transfer or instructing the Manager as Registrar to amend its records accordingly.

Local Authorities should note that the Manager does not make a market and, therefore, may not be aware of every opportunity that exists to trade on the secondary market.

Minimum Investment

The minimum sum that can be invested initially is £25,000. Thereafter additions to unitholdings can be made of £10,000 or above.

Exchanging Existing Property

The Fund may consider accepting existing properties in exchange for units of the Fund.

However, the Trustee may do so but only if it is judged to be in the best interest of existing unitholders of the Fund and on the basis of an independent professional valuation. If accepted, the exchange would be made at the open market value of the property at the net asset value of the units issued. The Trustee has absolute discretion as to which properties it will accept.

Registration of Units

Units are registered in the name of the local authority or in recognised bank nominee names under a designated account. No certificates are issued and the Register of the unitholdings is the definitive evidence of title. The units have no par value and entitle the holder to a proportionate interest in the Fund. Units cannot be assigned or transferred except from one local authority to another subject to the payment of Stamp Duty Reserve Tax payable by the Trustee and recharged to the purchaser. The number of units held will be certified on written request for audit or other purposes.

Publication of Prices

The Fund's unit Price is published in the FinancialTimes.

Management Charges

Annual Management Charge

The Manager makes an annual charge on the assets of the Fund at a fixed rate of 0.65% per annum (plus VAT if applicable and if any). The Annual Management Charge is based on the valuation of the Fund on the last day of the preceding month. The charge accrues daily and is deducted from the income of the Fund on the last business day of each month. The Manager makes no charge in respect of transactions carried out by the Fund.

Preliminary Charge

The Manager makes no Preliminary Charge on the issue of units.

Costs and Expenses

The following expenses incurred for the Fund shall be paid either directly by the Fund or by the Trustees and recharged to the Fund:

- a) legal and other costs associated with obtaining and maintaining any authorisation or registration of the Fund
- b) any governmental duties payable in respect of the issue of the Fund's units
- c) cost of property transactions including, but not limited to, stamp duty, agents and survey fees
- d) External Property Valuer's fees
- e) legal Fees
- f) professional and agency fees

- g) audit fees
- h) bank charges
- i) any rates, taxes, insurance premiums, costs of security, maintenance and repairs and other costs and service charges related to specific properties which cannot be recovered
- j) the fee of any External Property Adviser to the Trustee
- k) cost of liability insurance for the Trustee
- l) costs incurred in respect of unitholder meetings or in modifying the constitution of the Fund
- m) such other fees or expenses as may from time to time be agreed with the Trustee

Taxation

The Trustee is not subject to capital gains tax but is subject to income tax at the basic rate. For each dividend payment, vouchers confirming the deduction of income tax are supplied for use by unitholders, as appropriate.

This is our understanding of the tax position as of the date of these Scheme Particulars. The tax position may change in the future. Investors should obtain their own tax advice in respect of their own position.

Dividends

Dividends are paid quarterly to a nominated bank account in respect of the three months to the end of June, September, December and March. They are paid one month after each quarter end. Income is calculated as income receivable by the Fund whether already received or not, less any costs and expenses accrued to date. Income is allocated to unitholders monthly but is not included in the unit price.

Treating Customers Fairly

CCLA is committed to Treating Customers Fairly (TCF). CCLA has reviewed this Scheme Information in the context of TCF and believes it is in accordance with its commitment.

Authority to Open and Operate an Account

The Manager is entitled to assume that the person(s) signing an Application Form to purchase the Fund's units in a local authority's name are duly authorised. In the case of sales, money is only remitted to the local authority or its bank but not to third parties. Where instructions are received in respect of units held in a nominee name, the written confirmation from the local authority may be required by the Manager.

Acceptance of Terms and Conditions

By completing the Application Form, the unitholder acknowledges and accepts the terms and conditions of the unitholding and agrees to be bound by the provisions of this Brochure and of the Trust Deeds of the Fund.

Amendments

The Trustee and the Manager reserve the right to amend these terms and conditions at any time. Unitholders will be notified of any amendment material to them.

Regular Statements

Statements of unitholdings, Management Expenses and Dividends paid are provided as at 30 September and 31 March.

CCLA reserves the right to charge reasonable expenses in relation to printing and postage of any additional documentation required by the client.

Custody of Assets

The Trustee has appointed both The Royal Bank of Scotland plc, Securities Department, and Lovells to hold in safe custody the deeds, leases and other documents relating to the properties owned by the Fund. The Royal Bank of Scotland plc has also been appointed by the Trustee to hold cash balances of the Fund. The Trustee may review these arrangements from time to time.

Report and Accounts

Report and Accounts of the Fund are prepared at 30 September and 31 March, being the half year and year ends respectively. All Accounts are audited. Copies of the Half Year and Annual Report and Accounts are sent to all unitholders.

Regulatory Position

The Fund is constituted by a Scheme and Trust Deeds under the Trustee Investments Act 1961 and is an unregulated collective investment scheme. The Fund operates as an open ended Fund under Part IV of the schedule to the Financial Services and Markets Act 2000 (Exemption) Order 2001. Under the provisions of the Financial Services and Markets Act 2000 (FSMA), LAMIT as Trustee of the Fund, is not considered to be operating the Fund 'by way of business'. In consequence, it is not required to be regulated by the FCA and the members of LAMIT are not required to be authorised by the FCA for this purpose. The Manager is regulated by the FCA and this covers any investment advice given by the Manager about the Fund's units to a local authority.

The management of the properties of the Fund is outside the scope of the FSMA.

Compensation

Investments in The Local Authorities' Property Fund are not covered by the Financial Services Compensation Scheme. The Manager will pay fair compensation on eligible claims arising from its negligence or error in the management and administration of the Funds.

As the Fund is not an Authorised Unit Trust within the meaning of the FSMA 2000, investments in the Fund are not covered by the Financial Services Compensation Scheme. The Manager will pay fair compensation on eligible claims arising from its negligence or error in the management and administration of the Fund.

Further information is available from the Manager on request or via www.fscs.org.uk or at their address below:

Financial Services
Compensation Scheme,
7th Floor,
Lloyds Chambers,
Portsoken Street,
London, E1
8BN.

Risk Warning

The value of the Property Fund units and the income from them can fall as well as rise and a local authority may not get back the amount originally invested. Past performance is no guarantee of future returns.

Property and property related assets are inherently difficult to value because of the individual nature of each property. As a result, valuations are open to substantial subjectivity. There is no assurance that the valuations of the properties will reflect the sale price achieved even where such sale occurs shortly after a Valuation Point.

The performance of the Fund could adversely be affected by a downturn in the property market in terms of capital value or a weakening of rental yields. The income received by the Fund is dependent to a large extent upon the occupancy levels of any property owned by the Fund and the rents paid by these tenants. Rental revenues and property values are affected by changes in the general economic climate and local conditions. Property values

are dependent in particular on current rental values, prospective rental growth, lease lengths, tenant creditworthiness and the valuation yield (which is itself related to interest rates, the market appetite for property investments in general and with reference to the specific property in question) together with the nature, location and physical condition of the property concerned.

The units are intended only for long-term investment and are not suitable for money to be spent in the near future. They are realisable only on each monthly Valuation Date and a period of notice may be imposed for the redemption of units.

Complaints

Complaints concerning the operation or marketing of the Fund should be referred in writing to the Compliance Officer of the Manager, or to the Trustee: The Compliance Officer, CCLA Investment Management Limited, 85 Queen Victoria Street, London, EV4V 4ET or to: The Secretary, Local Authorities' Mutual Investment Trust, Senator House, 85 Queen Victoria Street, London, EV4V 4ET.

Material Interests and Conflicts

The Manager operates a client relationship management service and the Fund's trustee, The Local Authorities' Mutual Investment Trust, owns 14% of the share capital of CCLA Investment Management Limited. The Manager operates a Conflicts of Interest Policy to ensure fair treatment of its clients. A brief summary is provided in Appendix 1 of this document.

Trustee Meetings

The Trustee and the Manager meet at least half yearly and the Trustee receives quarterly written reports from the Manager. The Trustee's Property Sub Committee meet each quarter with the Manager.

Winding Up

The Trustee has the power to wind up the Fund in accordance with the Trust Deed.

Applicable Law

Any agreement to invest in the Fund is governed by English law and subject to all applicable laws, regulations and rules. In the event of a conflict between such agreement and any such laws, regulations and rules, the latter shall prevail.

Data Protection

The Manager is the data controller and in accordance with data protection legislation will hold relevant personal details which have been supplied to the Manager for the purposes of fulfilling its

obligations to unitholders. Data will be stored by the Manager, either on computer or hard copy, in order to fulfil the services described. This will be treated as confidential. Any personal data will be maintained in accordance with the provisions of the Data Protection Act 1998. The Manager may pass your data to others in order to fulfil the service obligations described.

The Manager may use the information to contact you from time to time by post, fax, e-mail or telephone to bring your attention to additional products or services which may be of interest to you. You may ask us to stop doing this by contacting us at any time.

The Manager will keep records of all business transactions for at least five years. You have a right to inspect copies of contract notes and entries in The Manager's books or computerized records relating to your transactions. The Manager will treat all unitholders' records as confidential and so reserve the right to provide copies of your particular record, rather than allow access to files which may contain information about other clients.

Scheme Information

Any person relying on the information contained in the document which was current at the date shown, should check with the Manager that the document is the most current version and that no revisions or corrections have been made to the information contained herein. Copies of this document are available free of charge.

Appendix 1 The

Manager

The Manager, CCLA Investment Management Limited, is a limited liability company registered in England and Wales with its Registered Office at Senator House, 85 Queen Victoria Street, London, EC4V 4ET.

Incorporated on 26 October 1987 The directors of CCLA are:

J. Dawnay (Chairman)*
J. Bevan
R. Fitzalan Howard*
C. Peters
M. Quicke
A. Robinson
A. McMillan
T. Salmon*

J. Tattersall*

R. Williams*

*Non-Executive Director of CCLA

CCLA Customer Telephone Helpline Number is 0800 022 3505. Please note telephone calls may be recorded.

Registrar

The Registrar of the Fund is CCLA Investment Management Limited. The Register of unitholders may be inspected at the Registered Office of CCLA Investment Management Limited.

Regulator

CCLA Investment Management Limited is authorised and regulated by the Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS.

Conflicts of Interest Policy

- CCLA operates a Conflicts of Interest Policy to ensure that our clients are fairly treated. Our policy seeks to avoid circumstances which we consider may give rise to potential conflicts of interest and materially disadvantage our clients. It describes the controls and arrangements for preventing CCLA and its staff from:
 - favouring one client above another;
 - market abuse and disclosing confidential information;
 - giving or receiving gifts and entertainment, monetary or otherwise, that would be in breach of our Conflicts of Interest Policy;
 - favouring one of CCLA's owners, The CBF Church of England Investment Fund (56%), COIF Charities Investment Fund (23%) and the Local Authorities' Mutual Investment Trust (14%) at the disadvantage of its clients;
 - not disclosing CCLA's close association with The CBF Church of England Funds, COIF Charity Funds and the Local Authorities' Property Fund or its ownership (above); and
 - not disclosing any remaining conflicts of interest to our clients before we advise or transact on their behalf.

Full details of CCLA's Conflicts of Interest Policy are available on request.

This document, issued by CCLA Investment Management Limited, is effective from September 2013.

CCLA INVESTMENT MANAGEMENT LIMITED

Senator House
85 Queen Victoria Street
London EC4V 4ET
Client Service:
Freephone: 0800 022 350

Email: clientservices@ccla.co.uk

Appendix C

LAMIT Property Fund

Total Capital Growth by Calendar Year

	%
2004	21.63
2005	17.09
2006	19.74
2007	-2.29
2008	-29.56
2009	-0.58
2010	17.15
2011	6.26
2012	3.88
2013	9.16

Dividends (Rental Income) Declared in Calendar Years (Not Fund Years)

Dividend is the gross after deduction of management expenses

	Pence per Unit	As % of Unit Price
2004	17.1283*	6.09*
2005	13.4361	4.27
2006	13.8299	3.82
2007	12.4352	3.64
2008	15.9201	6.99
2009	14.4137	6.85
2010	12.7127	5.45
2011	14.0716	6.03
2012	14.1522	6.20
2013	10.8479	4.57

CCLA Investment Management Limited (registered in England No. 2183088 at the above office) is authorised and regulated by the Financial Conduct Authority.

*In this year the dividend changed for half-yearly to quarterly and, therefore, has the equivalent of five quarters in the number

CCLA Property Fund

Description of the product offering

• Name	Local Authority Property Fund
• Fund Size	£100m (September 2013)
• Benchmark	IPD other Balanced Property Funds Index
• Type	Unregulated Collective Investment Scheme
• Net Asset Value (NAV)	Variable NAV
• Liquidity	Illiquid asset class
• Pricing	bid/ offer spread on the fund (Entrance and exit fee can equate to 7%)
• Primary Objectives	Generate long term growth in capital
• Minimum Initial Investment	£250k
• Management fees	0.65% plus VAT
• Income distribution	Quarterly basis
• Gearing	11% (can have a maximum gearing of 25%)

The fund structure as at June 2013:

• Retail	43.5%
• Offices	26.7%
• Industrial	28.7%
• Cash	1%

When investing in a property fund it should be treated as a long term investment and should only be considered in the context of 'core' cash. The funds would be invested in high quality properties that have strong covenants in terms of the occupiers of the properties.

Investment in this fund is a minimum of £250k. Fees can be quite high at c40bp entry and exit fee. Rental income is distributed quarterly. Investors in these funds need to take a five year view as generally the Managers of the funds do not allow any redemption for the first few years of the fund. Thereafter, there are often annual redemptions with a notice period required.

The fund will provide a well diversified portfolio not only through holding of different types of properties but also through geographical spread, to maximise the level of return and mitigate Portfolio Risk. It does carry a high market risk as the property value and performance will fluctuate based on the condition of the real estate market.

Liquidity: Property is an illiquid asset class and it is not always possible to sell units immediately. The cost of dealing is also relatively high. These two factors indicate that the investment horizon for this fund should be in years, minimum of 5 years.

Yield: Since 1970 the fund has returned relatively smooth income return (rental income) of an average of 5% each year; however capital growth should also be taken into consideration in order to recognise the true return on the fund.

English Authorities: The acquisition of share capital in a body corporate, including in unregulated collective investment schemes normally counts as capital expenditure under section 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. However, as the CCLA Property Fund is approved by the HM Treasury under section 11(1) of the Trustee Investment Act 1961, and in accordance with section 25(3)(d) of the regulations it does not count as capital expenditure.

Wales Authorities: No such exemption has been enacted by the Welsh Assembly, so in accordance with section 20(1)(d) of the Local Authorities (Capital Finance and Accounting) (Wales) Regulation 2003 this will be capital expenditure.

Consideration of Risk: The value of the Property Fund Units and income can fall as well as rise and the Authority may not get the amount originally invested. The Units are intended only for long term investments and are not suitable for money to be spent in the near future. They are realisable only on each monthly valuation date and a period of notice, may be imposed for the redemption of units.

Accounting Issues:

To comply with the CIPFA Code of Practice on LA Accounting 2013, the Authority would need to classify the financial asset as either:-

- 1) Loans and Receivable
- 2) Fair Value through Profit or Loss
- 3) Available for Sale

Loans and receivables

7.1.5.4 If a financial asset meets the requirement to be classified as loans and receivables it shall be classified as loans and receivables. Loans and receivables have two defining characteristics. They:

- have fixed or determinable payments, and
- are not quoted in an active market.

As the units fluctuate in value this fund would not be a loan and receivable

Financial assets and liabilities at fair value through profit or loss

7.1.5.9 The category at fair value through profit or loss can apply to both financial assets and financial liabilities. A financial instrument that is 'held for trading' shall be classified as at fair value through profit or loss. The definition is met if it is:

IFRS 9 Financial Instruments is expected to replace IAS39 Financial Instruments – could be 2015. If they implement using current consultation approach, the Available for Sale category will disappear. The only choice will be amortised cost or Fair Value – this would mean all gains/losses (realised and unrealised) within the CCLA Property Fund will have to flow through the CI&ES. As the clients are being sold this fund as a long term (circa 3 to 5 year investment) the impact of this accounting change should be considered.

OFFICER DECISIONS

Below is a list of decisions taken by Officers which they have classed as significant:-

REF: OD.019/14 Harraby Campus Development Project

Decision of Town Clerk and Chief Executive in conjunction with the Communities and Housing Portfolio Holder (Minute Excerpt EX.24/13 Executive 11 March 2013)

Portfolio: Communities and Housing

Subject Matter:

Funding of capital development of new community facilities in Harraby as part of the Harraby Campus Project.

Summary of Options rejected:

None

DECISION:

In line with the Executive report SD.02/13 and the City/County Council Funding Agreement (Schedule 5) the County Council have completed the RIBA Stage C development of the project and are now entitled to the first phase payment of £600,000. The asserted completion of this milestone has been assessed by officers from Project Management and Legal Services and the decision had now been taken to transfer these funds.

Reasons for Decision:

To allow progress on this capital development

Date Decision Made : 07-Apr-14

JOINT MANAGEMENT TEAM

Date 10th March

MINUTES

Present:	Cllr H Bradley, Cllr Elsie Martlew (Chair), Cllr A Quilter, Cllr J Riddle, Cllr L Tickner D Crossley, Liam Gallagher, M Lambert, P Mason and J Meek, & Alison Taylor
Apologies:	A Culleton, Cllr Colin Glover, J Gooding

JMT 06/14 – JMT Minutes of previous meeting	Action
Minutes of the 10 th February 2014 agreed.	
JMT 07/14 –Harraby Campus Update	Action
G Capstick joined the meeting and presented an update. A Discussion took place.	
JMT 08/14- Arts Centre Governance Options	
G Capstick presented a paper and a discussion took place. JMT Agreed more information was needed and that it would be looked at again on the 12 th May. R Harmison to update forward plan.	RH
JMT 09/14 – Employee Opinion Survey – Headlines 2014	Action
E Titley joined the meeting and presented an update on the results which was very positive for the City Council. JMT pleased with the continuous positive feedback from staff. The results of the staff survey and the recent work together get results workshops will be coordinated to ensure consistent response to staff.	
JMT 10/14 – Access to the Lanes	Action
M Lambert updated JMT on ongoing issues within The Lanes.	
JMT 11/14 – Revenue and Benefits Shared Service(Verbal)	Action
P Mason gave a verbal update and a discussion took place. P Mason to produce report for Executive	PM
JMT 12/14 – Stafffield House	Action
J Meek provided a verbal update and a discussion took place on Stafffield House. J Meek will continue to update JMT on any further interest.	
JMT 13/14 – Notice of Key Executive Decisions	
M Lambert to update on Asset Review Business plan refresh.	ML
JMT 14/14 – Forward Plan	
Amendment made and updated by R Harmison	RH

JMT 15/14 – Any other business	
None	

SCRAP METAL DEALERS DETERMINATION HEARING

MONDAY 17 MARCH 2014 at 2.00PM

PRESENT:

Councillor Dr Tickner (Finance, Governance and Resources Portfolio Holder)
Mr M Lambert (Director of Governance)

OTHER ATTENDEES:

Detective Sergeant Peter Goulston (Cumbria Police)

OFFICERS:

Licensing Manager
Licensing Officer

APOLOGY FOR ABSENCE

There were no apologies for absence submitted.

DECLARATIONS OF INTEREST

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

SMD.01/14 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 items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraph number (as indicated in brackets against each minute) of Part 1 of Schedule 12A of the 1972 Local Government Act.

SMD.02/14 APPEAL AGAINST REFUSAL TO GRANT SCRAP METAL DEALERS COLLECTORS LICENCE
(Paragraph 1)

Portfolio Finance, Governance and Resources

Subject Matter

The Licensing Officer submitted report GD.14/14 regarding the proposal to refuse an application for a Scrap Metal Dealers Collectors Licence.

The Applicant, JG, was in attendance at the meeting.

The Director of Governance outlined the procedure the Hearing would follow. The Applicant confirmed that he had received and read the Licensing Officer's report. The

Director of Governance advised the Applicant that he had a right to be represented but he indicated that he did not wish to be so represented.

The Licensing Officer reported that an application for a Scrap Metal Dealer Collector's licence had been received from the Applicant. As part of their consideration of the application the Licensing Office had requested further information. The Applicant was informed that he was not able to trade in the area until his application was determined.

The Licensing Officer reported that the Licensing Manager had carefully considered the application, the Applicant's previous offence, the lack of bank account details as required by Schedule 1, paragraph (2)(1)(i) and the information supplied by the relevant Local Authorities, Cumbria Police and the Environment Agency. The Licensing Manager was not satisfied that adequate procedures would be in place to ensure that the provisions of the Act were complied with and he therefore proposed to refuse the application as he did not consider the Applicant to be a 'suitable person'. A Notice of Refusal had been sent to the Applicant which also informed him of his right to make representations against the decision.

In response to questions the Licensing Officer clarified the following:

- The Applicant's offence was not deemed a 'relevant' offence under the legislation but it could be taken into account in terms of the application as it related to the collection of scrap metal and the Hearing may have regard to any information which it considers relevant.
- The application was not a renewal, it was a new application.

Detective Sergeant Goulston addressed the Hearing. He stated that the combination of the Applicant's previous offence and his lack of a business bank account gave Cumbria Police cause for concern and as a result they felt that the Applicant was not a suitable person to deal in scrap metal in the area.

Detective Sergeant Goulston clarified that the Collectors Licence that the Applicant had applied for allowed him to pay for scrap metal by cashless means when it was collected, it did, however, prevent him from holding the scrap metal. He added that the change in the legislation to cashless payments had resulted in a 30% reduction in metal related crime.

The Applicant then addressed the Hearing. He outlined the details of his previous offence and explained that he had made a genuine mistake and had not understood the limitations of the licences he had held at the time. He had found the new legislation difficult to understand and had lost trade because he had to ask for identification from the people he was collecting from. He had been given conflicting advice from different local authorities on the licences that he had needed and had not fully understood the extent of the Collectors licence. He understood the need for a business bank account and agreed to take the necessary steps to open one. He added that his previous offence had been a mistake and he wanted to ensure that he had all the necessary licences in place.

In response to questions the Applicant clarified the following:

- All of the cheques he cashed were traceable to him.
- He did not pay for the scrap metal he collected.
- He had a paper trail showing where he had collected the scrap and where he sold it.
- He collected scrap from people who called him or by knocking on doors.
- He was self employed and could produce the relevant paper work.

The Licensing Officer reminded the Hearing of the relevant Legislation and outlined the options open to the Hearing.
The Applicant had nothing further to add.

The respective parties then withdrew from the meeting whilst the Hearing Panel gave detailed consideration to the matter.

RESOLVED

That the meeting be adjourned until the 9 April 2014 at 9.45am. JG, the Applicant is requested to produce the following documentation to the Licensing Office no later than 12 noon on Thursday 3 April 2014:

- Evidence showing that the Applicant has set up a business bank account with cheque facilities in his name;
- Examples of his business records;
- Proof that he is registered self employed.

The evidence will be considered at the adjourned meeting and a decision on the application will be given at that time.

The meeting was adjourned at 2.55pm until 9 April 2014 at 9.45am.

SCRAP METAL DEALERS DETERMINATION HEARING

WEDNESDAY 9 APRIL 2014 at 9.50am

PRESENT:

Councillor Dr Tickner (Finance, Governance and Resources Portfolio Holder)
Mr M Lambert (Director of Governance)

OTHER ATTENDEES:

Detective Sergeant Peter Goulston (Cumbria Police)

OFFICERS:

Licensing Manager
Licensing Officer

The Licensing Officer summarised the resolution of the Scrap Metal Dealers Determination Hearing which took place on 17 March 2014 and was adjourned until today. In response to the resolution the Applicant had submitted the requested documentation to the Licensing Office on 1 April 2014, copies of which had been circulated to Members of the Hearing.

The Hearing discussed the submitted paperwork and asked JG for clarification on a number of points.

The respective parties then withdrew from the meeting whilst the Hearing Panel gave detailed consideration to the matter.

The Hearing Panel's decision was:

**CONSIDERATION OF AN APPLICATION FOR A SCRAP METAL DEALERS
COLLECTORS LICENCE
Section 1, Scrap Metal Dealers Act 2013**

This matter concerned the submission by JG of an application for a Scrap Metal Dealers Collectors Licence under the Scrap Metal Dealers Act 2013.

The Hearing had considered the application and had taken into account the evidence before it. In particular, it had listened to the submissions made by:

1. JG, the Applicant
2. Detective Sergeant Peter Goulston (Cumbria Police)
3. The Licensing Manager
4. The Licensing Officer

The Hearing had also considered written evidence in the form of a document from Lloyds Bank showing JG had opened a Sole Trader account, receipts for income and expenditure of JG's business and a Tax Self Assessment Notification as requested by the Panel.

After careful consideration, the Hearing Panel had decided to grant JG a Scrap Metal Dealers Collectors Licence for a period of three years.

The Hearing Panel was satisfied that the applicant was a suitable person to carry on a business as a Scrap metal Dealer in accordance with Section 3 of the Scrap metal Dealers Act 2013.

The Hearing Panel advised JG that his business records would be reviewed after six months.

The decision would be confirmed in writing.

(The meeting ended at 10.01am)

SCRAP METAL DEALERS DETERMINATION HEARING

WEDNESDAY 9 APRIL 2014 AT 10.00AM

PRESENT:

Councillor Dr Tickner (Finance, Governance and Resources Portfolio Holder)
Mr M Lambert (Director of Governance)

OTHER ATTENDEES:

Detective Sergeant Peter Goulston (Cumbria Police)

OFFICERS:

Licensing Manager
Licensing Officer

APOLOGY FOR ABSENCE

There were no apologies for absence submitted.

DECLARATIONS OF INTEREST

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

SMD.03/14 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 items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraph number (as indicated in brackets against each minute) of Part 1 of Schedule 12A of the 1972 Local Government Act.

SMD.04/14 DETERMINATION OF APPLICATION FOR SCRAP METAL DEALERS COLLECTORS LICENCE (Paragraph 1)

Portfolio Finance, Governance and Resources

Subject Matter

The Licensing Officer submitted report GD.17/14 regarding the proposal to refuse an application for a Scrap Metal Dealers Collectors Licence.

The Applicant, GF, was in attendance at the meeting.

The Director of Governance outlined the procedure the Hearing would follow. The Applicant confirmed that he had received and read the Licensing Officer's report. The Director of Governance advised the Applicant that he had a right to be represented but he indicated that he did not wish to be so represented.

The Licensing Officer reported that it had come to the attention of the Licensing Office, through Police communications and other observations that the Applicant may have been trading in scrap metal without a licence. The Licensing Office wrote to the Applicant inviting him to apply for a Scrap Metal Dealers Licence and reminding him of the penalty for trading without a licence.

On receipt of the letter the Applicant immediately submitted an application along with the necessary fee and documentation, including his Criminal Disclosure which contained a number of offences. The Applicant had not provided any proof of a business bank account. The Environment Agency Waste Carrier's Permit the Applicant had supplied had belonged to a business which was not in operation. The Applicant's former business partner had submitted a written statement. An acknowledgement letter was sent to the Applicant informing him that he was not permitted to trade until his application was determined.

The Licensing Officer outlined the Applicant's relevant convictions. She informed the Hearing that compliance checks had been undertaken by the Licensing Officer at Scrap Metal Sites. During a visit to one Site records had been obtained showing that the Applicant had weighed in scrap metal without a licence after two warning letters had been sent out from the Licensing Office informing him he must not trade without a licence. The information had been passed onto the Police with a view to possible prosecution action.

The application had been carefully considered by the Licensing Manager. As well as being unable to establish if a bank account was used for the conduct of his business, his relevant convictions, along with possible pending Police prosecutions, it was proposed that the application be refused on the grounds of suitability under Section 3 (2,6 & 7) of the Scrap Metal Dealers Act 2013.

The Applicant had been informed of the proposed refusal and his right to make representations. The Applicant confirmed he wished to appeal against the proposed refusal. Cumbria Police also confirmed that they wished to object and make formal representations at the Hearing.

In response to questions the Licensing Officer clarified the following:

- The basic Disclosures for all of the United Kingdom were carried out by Disclosure (Scotland).
- The receipts obtained from the Scrap Metal Site had been issued to the Applicant as the Site had understood that the applicant was working with a licensed Scrap Metal Dealer.

The Applicant explained that he had always gone to the Scrap Metal Site with a licenced Dealer and had mistakenly thought that he would be covered by the Dealer's licence. He understood now that this was incorrect. He added that the licenced Dealer would have records of dealings with the Site.

Detective Sergeant Goulston addressed the Hearing. He stated that the Police primarily had concerns with regard to the Applicant's relevant convictions which he gave a detailed report of. He also gave a brief overview of the pending prosecutions. He finished by stating the Police based their objections on the Applicant's suitability and that they would have objected to the issue of a licence to him irrespective of the pending prosecutions.

In response to questions Detective Sergeant Goulston clarified the penalties the Applicant had received for the two relevant convictions.

The Applicant then addressed the Hearing. He clarified the situation with regard to the Environment Agency permit and confirmed that he had not applied for a new permit in his name until the Hearing determined his application. He gave a detailed overview of the circumstances of the convictions and clarified the circumstances of the pending prosecutions. He added that he had made mistakes in the past and he wanted a second chance to prove that he could carry out a business in the correct way. He understood any mistakes that he made could result in him losing his licence or being prosecuted.

In response to questions the Applicant clarified the following:

- He had stopped working in December 2013 for medical reasons.
- The scrap that he had weighed in at the Scrap Metal Site had been his.
- He was not currently employed by another Scrap Metal Dealer.
- He had mistakenly thought that selling scrap was different to collecting scrap under the licence.
- He had opened a Post Office account which had a cheque book but it had not arrived to date.

At the request of the Hearing the Applicant detailed the processes required for buying and selling scrap metal and the documentation that would be required.

The Licensing Officer reminded the Hearing of the relevant Legislation and outlined the options open to the Hearing.

In summing up the Applicant urged the Hearing to give him a second chance adding that he would be happy to have conditions on his licence and for the Licensing Office to review it, or his business dealings at any time.

The respective parties then withdrew from the meeting whilst the Hearing Panel gave detailed consideration to the matter.

The Hearing's decision was:

**CONSIDERATION OF AN APPLICATION FOR A SCRAP METAL DEALERS
COLLECTORS LICENCE
Section 1, Scrap Metal Dealers Act 2013**

This matter concerned the submission by GF of an application for a Scrap Metal Dealers Collectors Licence under the Scrap Metal Dealers Act 2013.

The Hearing Panel had considered the application and had taken into account the evidence before it. In particular, it had listened to the submissions made by:

1. GF, the Applicant
2. Detective Sergeant Peter Goulston (Cumbria Police)
3. The Licensing Manager
4. The Licensing Officer

The Hearing Panel had also considered written evidence in the form of a witness statement from DF (GF's former business partner).

After careful consideration, the Hearing had decided to refuse GF a Scrap Metal Dealers Collectors Licence as they were not satisfied that the applicant was a suitable person to carry on a business as a Scrap Metal Dealer in accordance with Section 3 of the Scrap Metal Dealers Act 2013.

The Hearing gave the following reasons:

1. Section 3(2)(a) the Applicant had relevant convictions
2. Section 3(2)f) the Applicant was not able to demonstrate that there would be in place adequate procedures to ensure that the provisions of the Act were complied with namely he did not have evidence of a bank account or Environment Agency permit

The Hearing was grateful for the Applicant's openness and wanted to support him in his willingness to work to the regulations. They, therefore, advised the Applicant that it was open to him to re-apply for a Scrap Metal Dealers Collectors Licence following a suitable conviction free period and submission of evidence that he had obtained the relevant Environment Agency Registration and a cheque account.

The decision would be confirmed in writing.

(The meeting ended at 11.25am)

Report to Executive	Agenda Item: A.7
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Meeting Date: 12 May 2014
 Portfolio: Environment & Transport
 Key Decision: No
 Within Policy and Budget Framework: No
 Public / Private: Public

Title: Recycling
 Report of: Recycling Task and Finish Group – Environment & Economy
 Overview and Scrutiny Panel
 Report Number: OS 13/14

Summary:

This provides the final report of the Recycling task and finish group, which was endorsed by the Environment & Economy Overview and Scrutiny Panel on 12th May 2014. The Panels supported the recommendations of the task group, which are contained in page 3 within the attached report. The minute extract from the Panel meeting is also provided for information. The Panel agreed to forward the report to the Executive for a formal response to this Panel on the recommendations made.

Recommendations:

The Executive is asked to:

- Consider the attached Recycling scrutiny report.
- Provide their response to each recommendation made within the report to the next meetings of the Environment & Economy O&S Panel on 3rd July 2014.

Tracking

Executive:	12th May 2014
Overview and Scrutiny:	10th April 2014
Council:	

Contact Officer: Nicola Edwards

Ext: 7122

**Appendices Recycling - Report of the Task and Finish Group
attached to report:**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- **None**

Recycling Task & Finish Group

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Appendix 1 Comparison tables with top and bottom performing Councils

Appendix 2 Recycling Survey and full evaluation

Recommendations

The Task Group make the following recommendations:

1. That the Council keep to a fortnightly collection of residual waste.
2. That the Re-thinking Waste Project gives consideration to collecting a wider range of recyclables at kerbside including foil, tetra packs and textiles.
3. That consideration is given to the make up of the containers which are provided to residents for their recycling so that they are more durable and have a larger capacity. Members would also like to consider the pros and cons for a co-mingled service with a wheelie bin for all recyclates.
4. That the Waste Services Operatives are requested wherever possible to return the waste containers where they were collected. This should reduce the amount of lost or damaged containers and reduce the amount of unnecessary contact with the Council.
5. That the Council strictly enforce the no side waste policy and publicity is provided to that effect.
6. That consideration is given to how information is provided on the internet to residents so that it is easily accessible and to the point.
7. That priority is given to updating the CRM system for all requests complaints and queries so that an up to date record of actions and responses are available. In order to monitor this recommendation a performance report should be developed and presented to the Economy & Environment Overview and Scrutiny Panel on a quarterly basis.

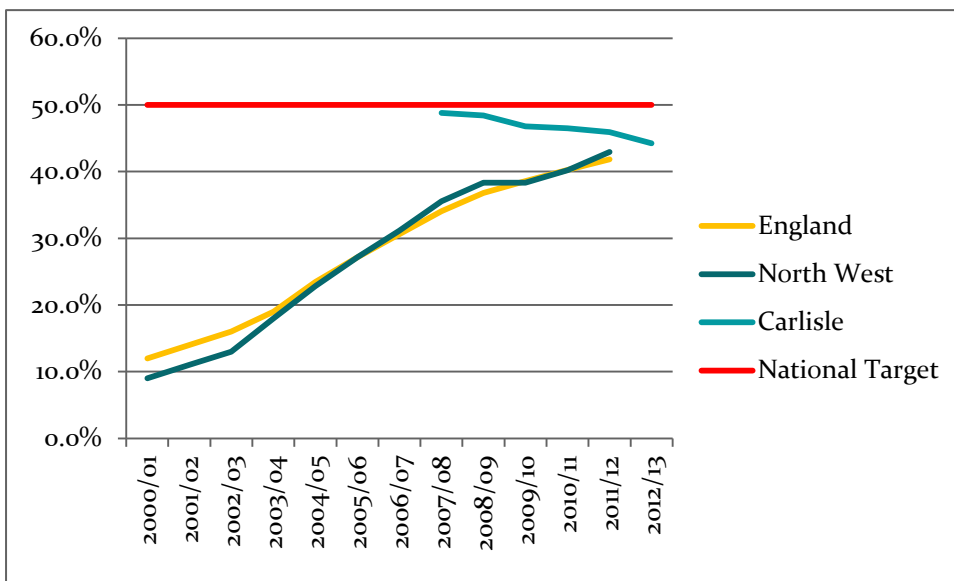
Introduction

According to Defra we generate about 228 million tonnes of waste every year in England alone. They see this as a poor use of resources which costs businesses and households money. It also causes environmental damage - for example, waste sent to landfill produces methane, a powerful greenhouse gas.

Defra state that they want to move towards a 'zero waste economy'. "This doesn't mean that no waste exists - it's a society where resources are fully valued, financially and environmentally. It means we reduce, reuse and recycle all we can, and throw things away only as a last resort."

Carlisle introduced kerb-side recycling collection in April 2004 and has been a high performing authority for several years. However it is noted by Members of Economy & Environment Overview and Scrutiny Panel that although performance is still relatively high it is reducing. Members of the Panel wished to know the reasons behind this and to look at how the downward trend could be reversed.

The graph below charts the percentage of waste recycled or composted nationally, in the North West and in Carlisle together with the Government's national target of 50% by 2020. Clearly



Carlisle needs to reverse the downward trend in order to meet this target.

Members have also been informed about the review of waste services which is being undertaken and the current pressures on the budget. The Economy & Environment Scrutiny Panel agreed that they would like a Task Group to look at the performance of Carlisle against high performing authorities, the public perception of recycling and how this could be fed into the larger review of the service.

Cllrs Nedved (Lead Member), M Bowman, McDevitt and Whalen were appointed to the Task Group who would undertake the review. It was agreed that the Task Group should present their findings and draft recommendations to the Environment and Economy Overview and Scrutiny Panel on 10th April 2014.

The Task Group held their initial meeting on 27th August 2013 and agreed that their Terms of Reference would be:

- To gain a basic understanding of recycling in Carlisle and how this has developed over the last 10 years.
- To find out what the customer perception is of the recycling service in the District?
- To look at the best design in kerbside recycling performance.
- To gain an understanding as to why some people do not participate in recycling.
- To understand operational and financial pressures on the service so that further scrutiny, particularly of the re-tendering process, is well informed and evidence based.

This report details the Task Groups findings and makes a number of recommendations to the Executive of the Council.

Methodology

In order to develop the evidence base for the review Task and Finish Group Members considered a wide range of information and data including the following:

- Carlisle recycling performance data 2008 – 2013
- CRM reports from Customer Services regarding waste requests, queries and complaints.
- The Waste Collection Commitment, WRAP, September 2009
- Choosing the right recycling collection system – WRAP, June 2009
- Green Credentials Focus Groups Report, Southampton City Council, November 2010
- Customer Led Transformation Programme, Case Study – Southampton City Council, LGDC, LGA and Southampton City Council, August 2012
- Letsrecycle.com (recycling and waste management news and information site for industry, local authorities and the third sector) Performance Data for Waste Collection Authorities 2011/12 and 2012/13.

Meetings of the Task Group were held on:

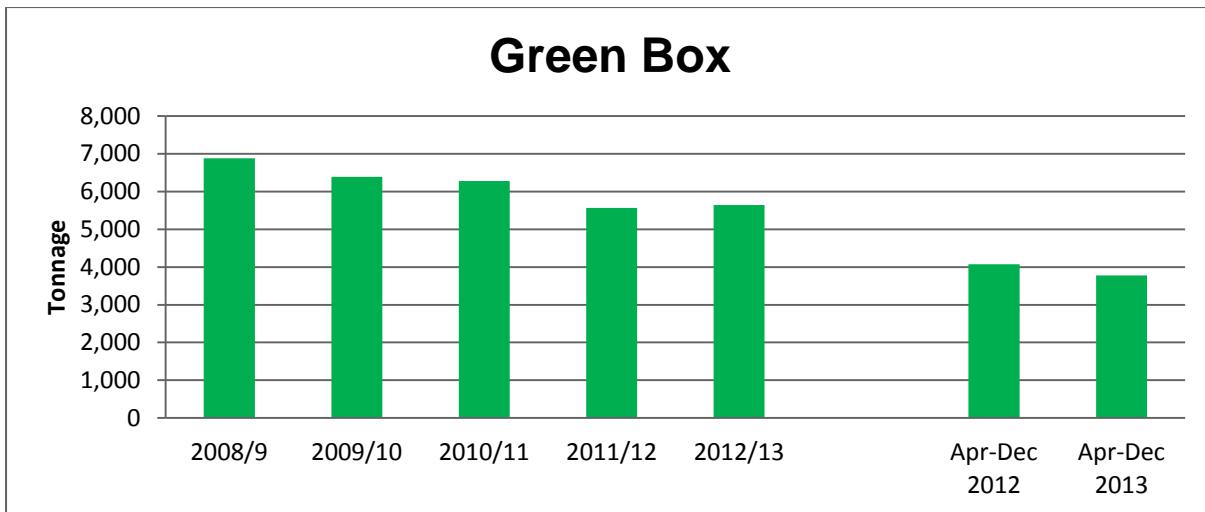
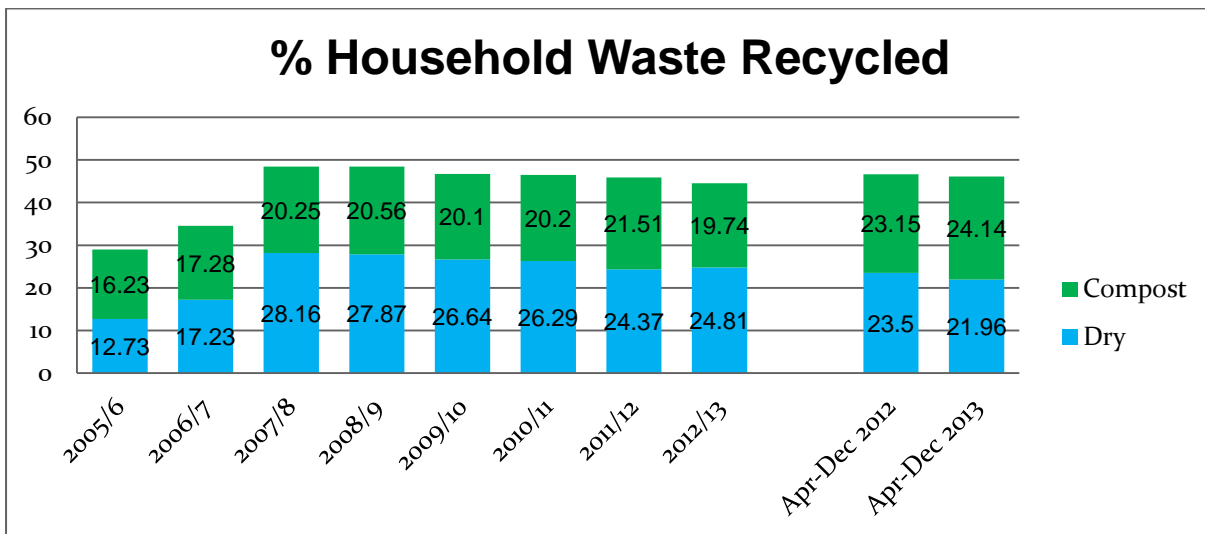
Date	Purpose
27/8/13	Task Group initial meeting to scope review and determine Terms of Reference.
1/10/13	Cllr Nedved meeting with Jill Gillespie, Customer Services Manager to discuss the type and volume of waste related queries to the Contact Centre.
16/10/13	Task Group site visit to Recycling Collection Round, Scotby
6/11/13	Task Group meeting to discuss site visit and decide next steps
12/12/13	Lead Member and Scrutiny Officer met to discuss ways of obtaining public perception
16/1/14	Economy & Environment Scrutiny Panel meeting – Members received presentation on Review of Waste Services
30/1/14	Task Group visit to Hespian Wood MBT Plant
19/2/14	Cllr Nedved and Scrutiny Officer spent day at Harraby Community Centre to speak to residents and complete questionnaires
Feb 2014	Questionnaires were circulated to residents in Linstock, Irthington and Warwick Road
27/2/14	Economy & Environment Scrutiny Panel meeting – Members received presentation on Improved Staff Structure in Neighbourhood Services
19/3/14	Task Group meeting – to consider draft report
25/3/14	Cllr Nedved and Bowman meet with Portfolio Holder and Director of Local Environment to share findings of Task Group
10/4/14	Draft report presented to meeting of Economy & Environment Overview and Scrutiny Panel

Findings

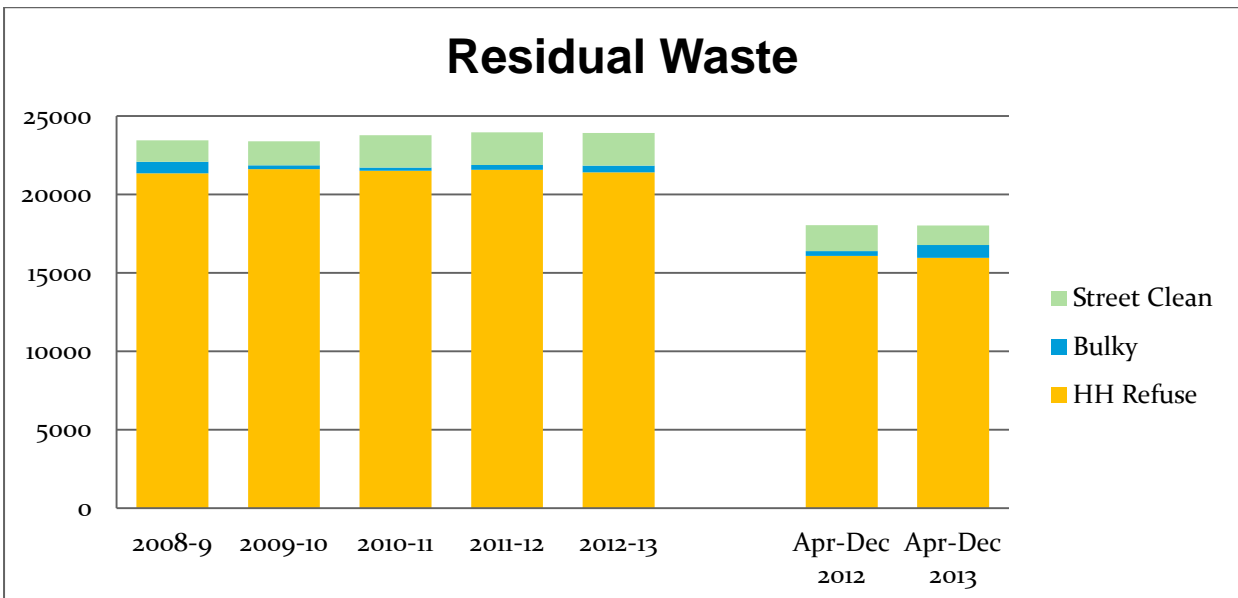
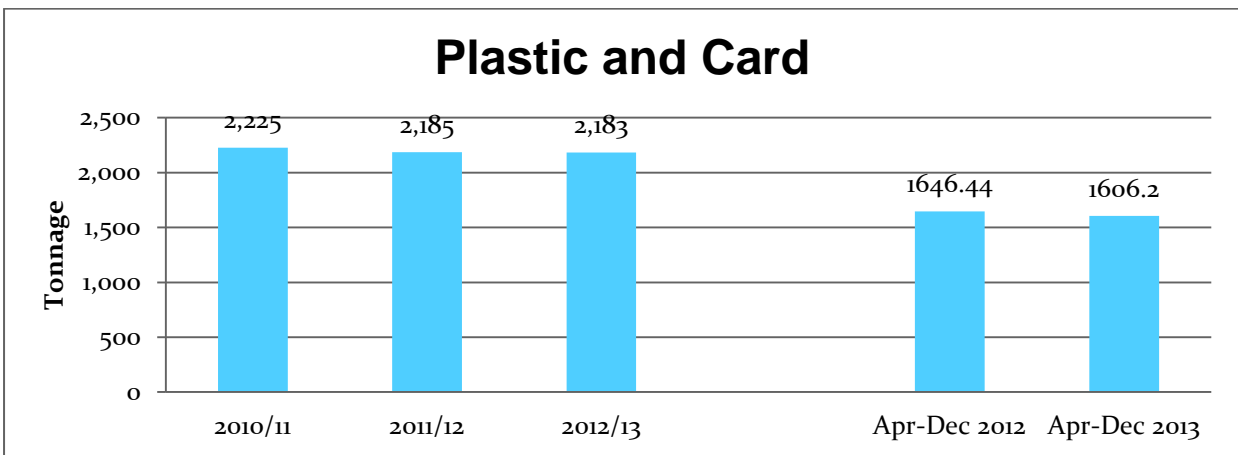
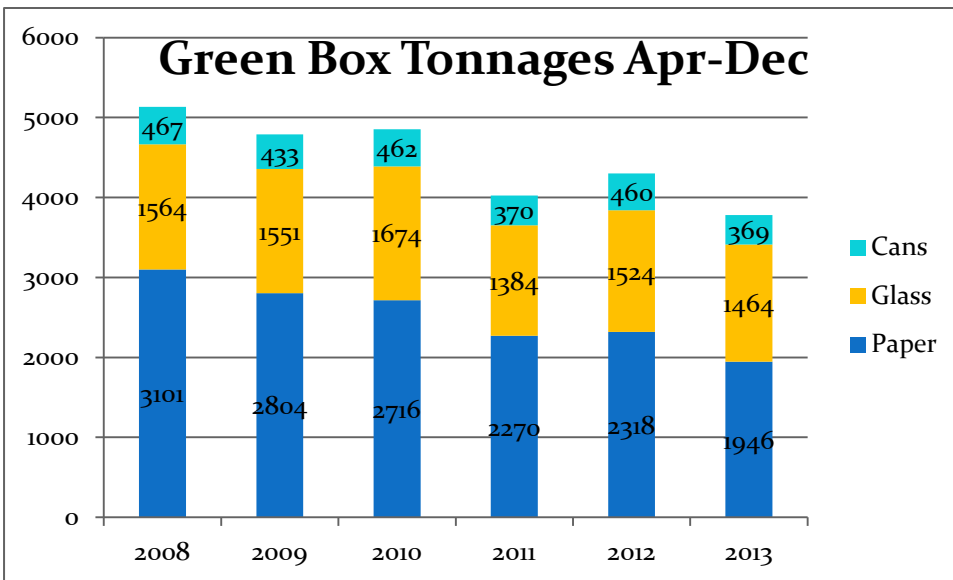
1. Carlisle Performance

As noted earlier Carlisle has been a high performing authority with regard to the percentage of waste that is reused, recycled and composted.

The following graphs show the rates of recycling against types of recyclates alongside the comparison figures for April – December 2012 and 2013.



In order to compare recyclates collected in Green Boxes the following data is provided for April – December of each year from 2008 to 2013.



The Task Groups key observations from the data are:

Green box recycling has reduced year on year from 2008 with a slight rise in 2012/13. However data supplied for April to December 2012 and 2013 shows that this rise is not a reversal of trend

and it can be assumed that the end of year figure for 2013/14 will show a further decrease. Members have been informed that dry recycling is down due to more paperless systems and lighter packaging and there has been a similar decline throughout the country.

Between 2007/08 and 2010/11 the percentage of composted (garden) waste remained fairly static – 20.25%, 20.56%, 20.1% and 20.2%. 2011/12 rose to 21.51% with a drop to 19.74% in 2012/13. Clearly the amount of garden waste produced is dependent on the climate and a good and/or long Summer has an impact on the figures.

The total dry recycling (Green box and woven bags) however has not had the same constant and from a high of 28.16% in 2007/08 the percentage has dropped to 24.81%.

Residual waste has risen 2% (470 tons) since 2008/09 from 23448 tonnes to 23918 tonnes in 2012/13. Data provided for April – December 2012 and 2013 show that there is a decrease of 9 tons in residual waste for these time periods. However there is a large increase in Bulky Waste from 308 tonnes in 2012 to 826 tonnes in 2013 and a marked decrease (395 tonnes) in residual waste collected by the street clean service. For the purpose of this review, the Task Group are only examining kerbside collections however Members would like to highlight these variations.

	Household Refuse	Bulky Waste	Street Clean	Total
Apr-Dec 2012	16082	308	1647	18037
Apr-Dec 2013	15948	826	1252	18026

2. Comparison with other Council's

In order to compare Carlisle's performance with others in the Country the Task Group undertook an analysis of the following. Councils included the top 10 performing Local Authorities in terms of recycling rates derived from WasteDataFlow and recorded in 202/13 ¹. The kerbside waste collection service provided by the bottom 5 performing Councils were also examined along with the 4 Councils which are considered "nearest neighbours" by WRAP.

More information is contained on the tables at Appendix 1 of this report. The Task Groups key observations of this data are:

Residual Waste

The top 10 performing Councils have fortnightly collection for residual waste. 4 of the 5 bottom performing Councils have weekly collections. The fifth Council, Ashford BC has implemented a new service from July 2013 and has moved to fortnightly collections but at the time of this data collection residual waste was collected weekly. 2 of the 4 nearest neighbours have weekly collections and their performance is lower than those who have fortnightly collections.

The top performing authorities all have a strict "no side waste" policy. However Rutland CC provide an extra side waste bag for the collection immediately after Christmas.

¹ <http://www.letsrecycle.com/councils/league-tables-1/2012-13-overall-performance>

The standard capacity of wheeled bins range from 120 litre – 240 litre with several authorities providing a larger capacity bin for eligible residents eg larger families or medical conditions. Of the Councils who collect 4 have 140 litre bins, 7 have 180 litre and 2 (including Carlisle) have 240 litre capacity.

Dry Recycling

All of the Councils examined, with the exception of the Council of the Isles of Scilly, provide a kerbside dry recycling service.

The majority of Councils provide a fortnightly collection service with the exceptions being Calderdale MBC (weekly), Stockport MBC (one container fortnightly the other 4 weekly) and Lewisham LB (weekly).

Materials collected

The table below summaries the materials collected at kerbside by the top 10 performing Councils alongside Carlisle's offer.

	Top 10	Carlisle
Paper	100%	
Cardboard	100%	
Aluminum/Steel Cans	100%	
Foil	80%	no
Aerosols	90%	
Plastic bottles	100%	
Plastic Packaging	80%	
Plastic Film & bubble wrap	70%	no
Tetra Packs	90%	no
Glass	100%	
Textiles	40%	no
Shoes	30%	no
Books	10%	no
Batteries	60%	no
Plastic Carrier Bags	50%	no

Garden Waste

Of the Councils examined 17 out of 20 provided a Garden Waste collection service to residents.

Of the top performing Councils, Calderdale MBC was the only one not to provide a service. They undertook a trial April- September 2012 and decided not to introduce service but have indicated that they may introduce when they introduce a new contract in 2015 or 2016. Calderdale provide bags for residents to take garden waste to HWRC.

Four Councils have garden waste comingled with food waste. 3 of the 4 collect on a weekly basis and the other fortnightly.

Councils which collect garden waste without food waste all collect on a fortnightly basis with the exception of Newham LB and Lewisham LB who both provide a bookable service.

Of the 11 Councils who provide a fortnightly garden waste collection 6 make a charge for the service ranging from £34.00 - £46.50 per year. 3 of the top 10 make a charge for the service.

Food Waste

Nine of the top 10 provide a food waste collection service. As noted above 4 have comingled collection with their garden waste. Of the 4 nearest neighbours 2 have a weekly food collection service.

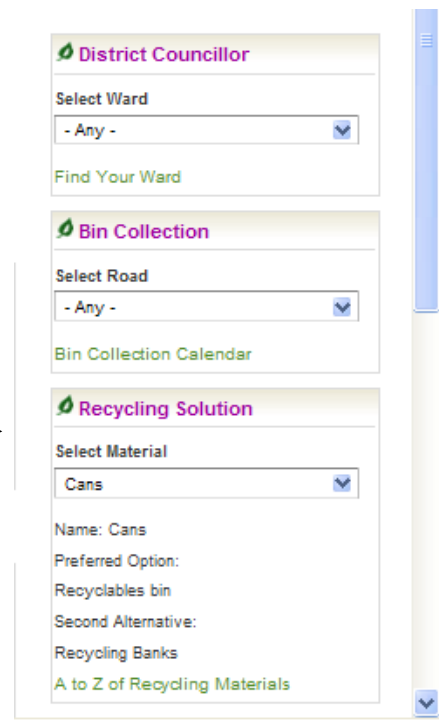
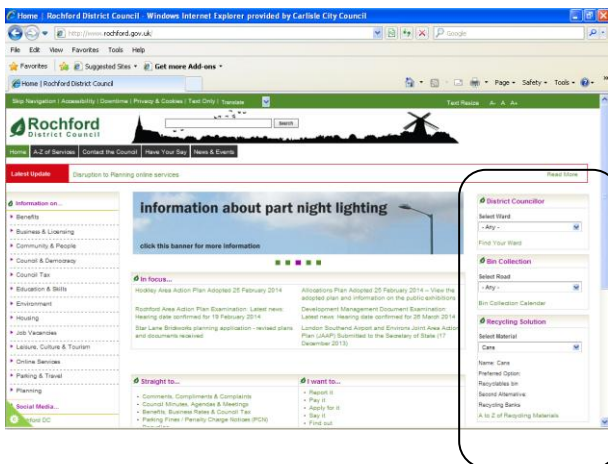
All but one of the 11 Councils identified collects food waste on a weekly basis, the other, Stratford Upon Avon, collects fortnightly (co-mingled with garden waste).

Information

The Task Group would like to highlight the accessibility of information contained in the websites of the top performing Councils:

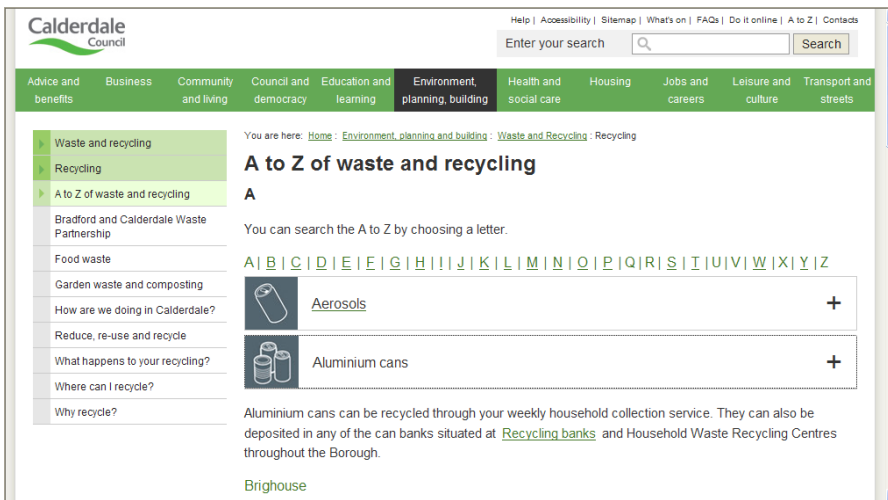
Rochford DC

Information on bin collections and recycling solutions are found on the homepage of Rochdale DC's website. A drop down menu is provided for material and recycling solutions are provided.



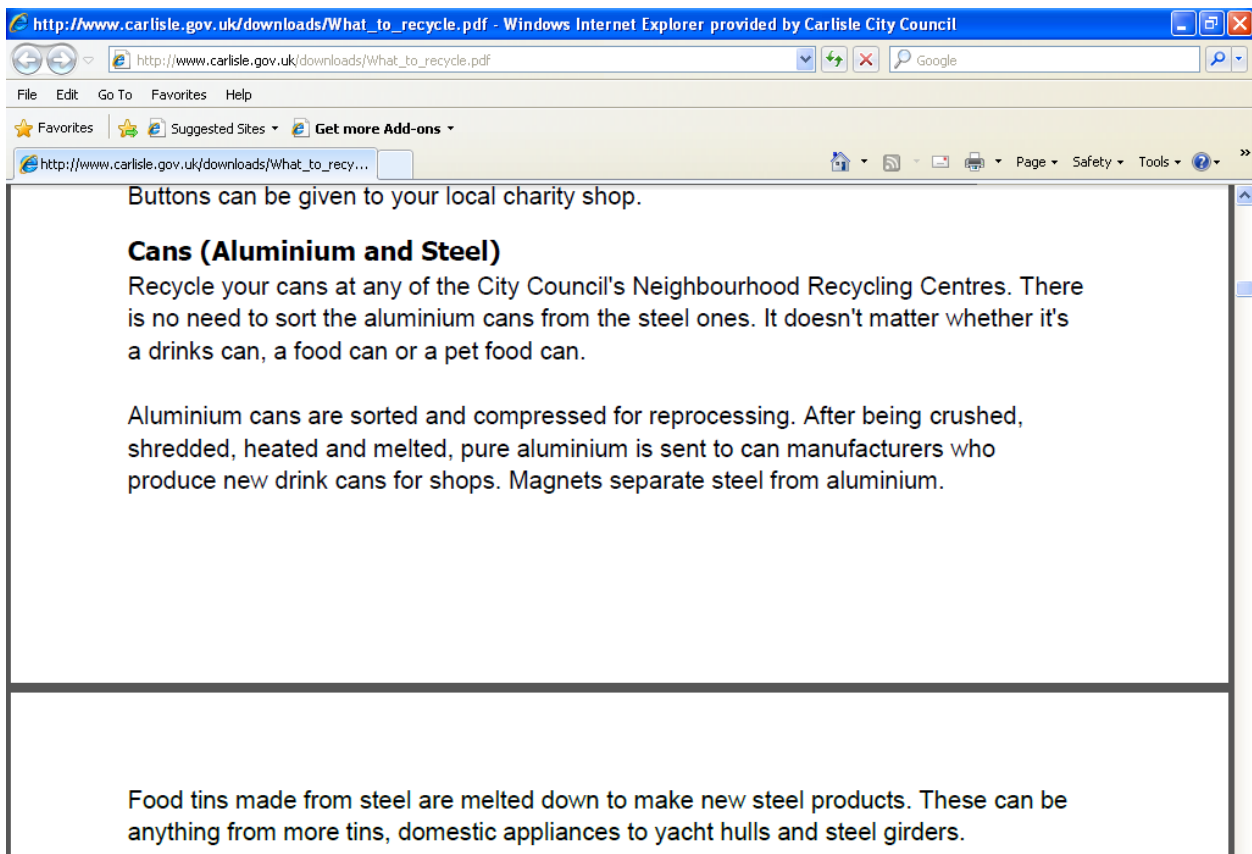
Calderdale MBC

The Calderdale MBC provide an A-Z list on their website which gives the reader a short solution how to recycle materials.



Carlisle City Council

The Task Group compared this to information on Carlisle's website which was fairly cumbersome and difficult to access. Recycling solutions for various materials is provided within a 15 page document. A sample of the document can be seen below.



3. Recycling Survey

The Task Group wanted to know what the public thought about the kerbside recycling service provided by the Council. They wanted to know what, if any, were the barriers to recycling and what would encourage people to recycle more.

A survey was produced and it was agreed that the group would target a low performing round (Harraby) and also a sample of rural households. 100 questionnaires were completed and returned and a copy of the survey can be found at Appendix 2 along with the full evaluation of results. As an incentive for taking part in the survey respondents were given a green box "hat" on completion of the questionnaire.

The Task Group identified the following key points from the survey:

86% of respondents indicated that they used the scheme fortnightly, 12% never use the scheme and the remaining 2% use it monthly or less than monthly. Several of the respondents from rural locations indicated that they do not have a kerbside recycling service and this is a service that they would wish to have.

26% of respondents never use recycling banks. 57% sometimes take their recycling and 17% always take their recycling to a bank. One respondent, who does not have a kerbside collection, said that it is difficult to post plastic through the holes at the banks and wondered whether this could be changed.

It is encouraging to note that over 90% of respondents indicated that they recycled glass, cans, plastic, paper and cardboard. 78% recycled their garden waste. It can be assumed that some respondents do not have a garden. Only 43% of those surveyed recycled aerosols and 17% composted their food waste.

Only 1 respondent (1%) said that the scheme was difficult to use, with 77% saying that they found it easy and 20% who found it adequate.

47% of respondents said that they would recycle more if they had more containers. This correlates with responses about the barriers to recycling in which 42% indicated that the receptacles are too small. 23% of respondents would like more information on how and what to recycle and 41% indicated that they would recycle more if they had an incentive such as vouchers.

With regard to problems with the service over 20% indicated that litter left by the crew was an issue that they encountered at times. 13% said that sometimes recycling containers were not put back and 3% said that they were never put back.

4. Customer Contact Centre

Cllr Nedved, lead Member of the Task Group, met with the Customer Contact Centre Manager on 1st October 2014. The purpose of the meeting was to find out what problems with the recycling service were presented to the Contact Centre, whether there were any trends and also how problems and complaints were dealt with.

Cllr Nedved was given a summary of waste related calls/enquiries to Customer Services over an 18 month period up to September 2013.

Type of Enquiry	Number
2nd Garden Waste Bin	37
Missed Collection	558
New Container	477
Replacement Container	531
Extra Container	174
Side Waste	307
Receptacle Order	1518
Calendar Request	19
Waste Complaint	60
General Enquiry	424
Special Collection/Fixtures	7
Special Collection/Electrical	602
Assisted Collection/New	17
Assisted Collection/Cancel	0
Bring Site Request	2

A sample containing more details of the above was also provided to the Task Group. It is noted that many of the calls are to complain about the way that waste containers are left by the crew following collection.

- For a second time in a row, the crew have left garden bin down the road and this time its gone altogether
- Green bags missed again. She is very upset and says her assisted collections have been missed 9 times.
- Ordered bin in March, spoke to us in June we said we could deliver by 14th June but still no bin.
- Bins, boxes and bags always just thrown in the middle of the drive, nearly crashed into green box.
- I ordered an extra green bin on 15th July and paid £30, please advise as I am disappointed in the non delivery.

- Boxes are going missing because the crew are not leaving the box at the property after collection.
- A lot of broken glass outside driveway after collection. Customer is disabled so has difficulty bending and can't clean it up. This happens quite frequently and he is getting sick of it happening.

The Task Group note that waste enquiries, complaints and comments are resource intensive to the Customer Contact Centre. Members were also notified that there have been issues in the past where there is no record of follow up action or response. Therefore if a customer has a repeat complaint/enquiry Customer Service staff are unable to identify what action has been taken by Waste Services. Concern was raised with the Task Group that the CRM system which record all calls and contacts is not updated to indicate the follow through of requests. This causes problems within Customer Services, particularly when a customer makes a second or third call as Customer Services Advisors are unable to identify action taken on the system.

Towards the end of this review Members asked for feedback as to whether the situation had improved. They were told that unfortunately there has been little improvement. However, there has been a restructure in waste services and there has been the appointment of a new full time Systems Administrator which should bring forth improvements. The calls on CRM are being closed now but Members were told that there is still a lot of work to be done.

5. Site visit to meet Recycling Operatives

The Task Group met with operatives whilst they were on their round in Scotby on 16th October 2013. They covered Park Road, Park Close, The Tannery and Scotby Road.

Scotby is regarded as a high performing area and was reflected on the Task Groups visit with the majority of residents making use of recycling bins/sacks.

The key issues and observations raised in discussion with resident and operatives were:

- There is concern that containers are lost, stolen or damaged. This has an impact on recycling performance and cleanliness as there is often a time delay in replacing containers.
- Missed bin collection. Operatives may be asked to return to a property if their bin was missed.
- Some residents place bulky or commercial waste in their recycling bins that cannot be collected. Task Group noted that a windscreen was placed out for recycling on Scotby Road.
- The weather has an impact on the service, particularly windy weather which can blow containers and recyclable about.
- Some residents cross contaminate their recycling bins.
- There is a lack of spare capacity for larger families.
- Some residents not committed to recycling.
- Accessibility of vehicles on small rural roads /cul de sacs are clearly difficult for crews. This has implications on future service provision if larger recycling vehicles are used. Member have been shown the large vehicle used by Chester which collects a wide variety of recyclates and question the easy of manoeuvre.

- The crews believed that if the service was expanded more collections would be required along with an as increased number of receptacles.
- Generally crews were careful putting back green bags and bins after collections and cleaning up after spillages..
- Bins blocking driveways and not returned to right property could potentially cause issues and performance.

6. Site visit to Mechanical Biological Treatment (MBT) Facility, Hespian Wood

Members of the Task Group visited the MBT plant on 30 January 2014 and met with representatives from Shanks and Cumbria County Council. The Task Group wanted to see how the plant is working and has evolved from the start of full service provision in December 2011.

Members were informed that the advantages of MBT technology for local authorities are the additional recovery of recyclable materials from the residual waste stream and significant contribution to landfill diversion targets. Results so far show that diversion performance of between 75% - 90% are achievable, subject to utilisation of Solid Recovered Fuel (SRF).

A further MBT Plant has opened in Barrow in April 2013 and provides a service for South of the County. Members were informed that the plants do not have the capacity to process all waste produced in the County and the service should be seen as an enhancement of the recycling service, not a replacement.

Conclusions

The Task Group have looked at the recycling performance of Carlisle City Council over a period of years and note that the percentage of dry recycling has decreased since 2007/08. Members have been told that reasons for the drop in performance is partly due to less use of paper and retailers provided lighter/different packaging on their products and this is a national trend.

According to the league table provided by letsrecycle.com, Carlisle came 126 of 352 English councils in 2011/12 with 45.9% and 149 in 2012/13 with 44.55%. This compares with the top performing Councils for the two year at 68.7% and 66.75%. As noted in the introduction to this report the Government's national target is 50% by 2020 and over the two years examined 71 Councils exceeded this target in 2011/12 and 73 in 2012/13. The Task Group agree that this shows that the target is not unrealistic and that despite changes in paper use and reductions in packaging other Councils have been able to provide a service which they are able to recycle a greater percentage of household waste than Carlisle.

On examining the service provided by top performing Councils, the Task Group note that all provide a fortnightly collection and those Councils who are at the bottom of the league collect residual waste on weekly basis. The Task Group agree that Carlisle City Council and its residents have adapted well to fortnightly collections and will make a recommendation that this frequency of collection continues in the future.

Recommendation 1 – That the Council keep to a fortnightly collection of residual waste.
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Again on further examination of the top performing Councils, the Task Group note that they provide an extensive kerbside collection service for a variety of recyclates over and above those that are collected in Carlisle. Although the bring sites in the Carlisle district do have collection points for other materials (such as tetra packs, foil and textiles), of those surveyed only 17% always use the recycling banks and 26% never take any recycling. It is suggested therefore that if Carlisle had a wider offer at kerbside this would have a positive impact on performance. The Task Group would like to see consideration being given to this within the rethinking of the service and make a recommendation to that effect.

Recommendation 2 – That the Re-thinking Waste Project gives consideration to collecting a wider range of recyclables at kerbside including foil, tetra packs and textiles.

Feedback from residents, both from the survey, talking to people at Harraby Community Centre and from data collected from the Customer Contact Centre, suggests that there are problems with the containers provided for dry recycling (Green box and woven bags), the way they are handled by operatives and also the process in providing replacements for those containers which have been lost, stolen or damaged. Respondents to the survey say that they would recycle more if they had more containers and 42% indicated that the containers were too small. Others said that they had lost their containers or they had not been returned following collection and had not been provided with replacements. Some people who the Task Group spoke to said that their Green box had been damaged by the operatives throwing down and they stopped recycling those materials.

On examining high performing Councils, Members noted that 6 of the top 10 in 2012/13 had one recycling container (generally a wheelie bin) where dry recycling was co-mingled. Although not evidenced in the data observed by the Task Group, Members have been told that Cheshire West and Chester have increased their recycling to 65% following the introduction of a kerbside sort system which collects 10 different recyclates.

Members have been informed that co mingled recyclates are not as profitable or as high in demand as those that are separated at source however the Task Group would like to see the co-mingled collection as an option to consider in the Rethinking Waste project so that the pros and cons can be evaluated. Interestingly WRAP note that at June 2009 on a like for like basis kerbside sort systems have lower net costs than co-mingled systems². However more up to date evidence needs to be provided and the Council will need to consider the cost of the service against the targets it is required to meet. To address the issues of containers and collection the task group would make the following recommendations:

Recommendation 3 – That consideration is given to the make up of the containers which are provided to residents for their recycling so that they are more durable and have a larger capacity. Members would also like to consider the pros and cons for a co-mingled service with a wheelie bin for all recyclates.

Recommendation 4 - That the Waste Services Operatives are requested wherever possible to return the waste containers where they were collected. This should reduce the amount of lost or damaged containers and reduce the amount of unnecessary contact with the Council.

As it is noted in the report, the high performing Councils have a strict “no side waste” policy. Carlisle also has this policy, however it is not clear how or if this is enforced. Evidence from the CRM from Customer Services shows that residents have contacted the Council to say that their side waste has not been collected and this has then been done. The Task Group agree that this policy should be strictly enforced and publicised.

Recommendation 5 – That the Council strictly enforce the no side waste policy and publicity is provided to that effect.

This takes the Task Group to information provided to residents. The Green Credentials Focus Groups run by Southampton City Council found that when people are unsure if items can be recycled, their default is to put in residual waste. 23% of those surveyed by the Task Group agreed the needed more information about what to recycle and this is an area that the Task Group agree needs to be addressed. The report shows examples of good information provided by Councils internet sites against information provided by Carlisle which is fairly lengthy and inaccessible. A noticeable result from the survey was that 90% recycled glass and cans but only 43% recycled aerosol cans. All of these materials are collected kerbside in the Green Box and the Task Group suggests that many people do not know that they can use this container for aerosols and better quality of information could be provided by the Council to inform residents of their recycling options.

² Choosing the right recycling collection system, WRAP, June 2009

Recommendation 6 – That consideration is given to how information is provided to residents so that it is easily accessible and to the point.

Finally as noted in the report there are problems with how requests, queries and comments with regard to waste collection are either followed through and/or recorded on the CRM system. The Task Group note that a recent restructure of staff in the service should alleviate problems and more information should be provided to operatives. The Task Group will recommend that priority is given to keeping the records as up to date as possible and action is followed up without delay. In order to monitor the service, the Task Group will further recommend that a performance report is provided to the Economy & Environment Overview and Scrutiny Panel on a quarterly basis.

Recommendation 7 – That priority is given to updating the CRM system for all requests complaints and queries so that an up to date record of actions and responses are available. In order to monitor this recommendation a performance report should be developed and presented to the Economy & Environment Overview and Scrutiny Panel on a quarterly basis.

			Residual Waste		Dry Recycling		Garden Waste		Food Waste		Comments
			Frequency of collection	Capacity of bin	Frequency of collection	Number of containers	Frequency of collection	Charge for service	Frequency of collection	Co-mingled with garden waste?	
Top 10	1	Rochford DC	Fortnightly	180 litre	Fortnightly	1	Weekly	No	Weekly	Yes	Do not change collection dates over Easter & May Bank Holidays
	2	South Oxfordshire DC	Fortnightly	180 litre	Fortnightly	1	Fortnightly	Yes £34 p.a.	Weekly	No	
	3	Vale of White Horse DC	Fortnightly	180 litre	Fortnightly	1	Fortnightly	£37 p.a.	Weekly	No	Binfo App available for residents
	4	Surrey Heath BC	Fortnightly	180 litre	Fortnightly	1	Fortnightly	£53.95 p.a. £97.11 two weeks	Weekly	No	All waste collection services outsourced to Biffa
	5	Three Rivers DC	Fortnightly	140 litre 240lt for eligible residents	Fortnightly	3	Weekly	2nd bin for £104 p.a.	Weekly	Yes	Brown bin for Garden Waste, food, cardboard, paper and small animal bedding
	6	Stockport MBC	Fortnightly	140 litre with option to apply for second bin	Fortnightly - blue 4 weekly -	2	Weekly	No	Weekly	yes	Blue bin - paper, card and tetra packs Brown bin - glass, tins, cans, aerosols, plastic bottles, aluminium foil and trays
	7	Calderdale MBC	Fortnightly	?	Weekly	4	✗		Weekly	No	Undertook garden waste trial Apr-Sep 12 - not introducing at this time but possible with new contract in 2015/16. Provides bags to take waste to HWRC
	8	Stratford upon Avon	Fortnightly	240 litre	Fortnightly	1	Fortnightly	No	Fortnightly	Yes	
	9	West Oxfordshire DC	Fortnightly	140 litre	Fortnightly	2	Fortnightly	No	Weekly	No	
	10	Rutland County Council	Fortnightly	?	Fortnightly	1	Fortnightly	No	✗	N/A	*Extra side waste bags provided for Xmas Collection
	149	Carlisle City Council	Fortnightly	240 litre	Fortnightly	3	Fortnightly	No	✗	N/A	
WRAP Nearest Neighbours	139	Taunton Dean BC	Fortnightly	180 litre	Fortnightly	2	Fortnightly	£46.50 p.a. Or £25 for 10 sacks	Weekly	no	Somerset Waste Partnership manages waste services for all Somerset Councils.
	140	Sedgemoor DC	Fortnightly	180 litre	Fortnightly	2	Fortnightly	£46.50 p.a. Or £25 for 10 sacks	Weekly	no	
	169	Allerdale BC	Weekly	120 litre 240 litre for larger families	Fortnightly	2	Fortnightly	No	✗	N/A	Dry recycling collection available to 85% of residents
	238	Darlington BC	Weekly	240 litre 360lt for larger families	Fortnightly	2	✗		✗		Containers provided for glass, paper and card. Everything else goes in a wheeled bin and recyclable content is taken out at warehouse and recycled.
Bottom 5	348	Middlesborough BC	Weekly	140lt	Fortnightly	1	Fortnightly	No	✗	N/A	
	349	Newham LB	Weekly	?	Fortnightly	1	Bookable service	No	✗	N/A	
	350	Lewisham LB	Weekly	180 litre	Weekly		Bookable service	£10 for 10 sacks	✗	N/A	
	351	Council of the Isles of Scilly	Weekly	?	No kerbside collection - bring sites only		✗		✗	N/A	
	352	Ashford BC	Fortnightly	180 litre	Fortnightly	1	Fortnightly	£32.50 p.a.	Weekly	No	New Service from July 2013 ten year waste collection service which is run in partnership with Maidstone Borough Council and Swale Borough Council.

	2011/12 Performance		Paper	Cardboard	Aluminium/Steel tins and cans	Foil	Aerosols	Plastic bottles	Mixed plastic packaging	Plastic film and bubble wrap	Tetra Packs	Glass	Textiles	Shoes	Books	Batteries	Plastic Carrier Bags	Comments	
Top 10	1	Rochford DC	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓*	✓*	✓*	✗	✓	* provided by Essex Textile Ltd	
	2	South Oxfordshire DC	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✗	✗	✗	✓	✓		
	3	Vale of White Horse DC	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✗	✗	✗	✓	✓		
	4	Surrey Heath BC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗	Also collect small electrical items	
	5	Three Rivers DC	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗	✗		
	6	Stockport MBC	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✗	✗	✗	✗	✗	
	7	Calderdale MBC	✓	✓*	✓	✗	✗	✓	✗	✓	✗	✓	✓	✓	✓	✗	✗	✗	* thin card only
	8	Stratford upon Avon	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗	✓	✗	
	9	West Oxfordshire DC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✓*	✓	*including car batteries
	10	Rutland County Council	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✓	✓	
	149	Carlisle City Council	✓	✓	✓	✗	✓	✓	✓	✗	✗	✓	✗	✗	✗	✗	✗	✗	
WRAP Nearest Neighbours	139	Taunton Dean BC	✓	✓	✓	✓	✓	✓	✗	✗	✗	✓	✓	✓	✗	✓*	✗	*car batteries	
	140	Sedgemoor DC	✓	✓	✓	✓	✓	✓	✗	✗	✗	✓	✓	✓	✗	✓*	✗	*car batteries	
	169	Allerdale BC	✓	✓	✓	✗	✗	✓	✗	✗	✗	✓	✗	✗	✗	✗	✗		
	238	Darlington BC	✓	✓	?	?	?	?	?	?	?	✓	?	?	?	?	?	?	Containers provided for ✓ recyclables in wheeled bin are sorted out from residual waste at warehouse
	348	Middlesborough BC	✓	✓	✓	✗	✗	✓	✓	✗	✓	✓	✓	✓	✗	✗	✓	✗	
Bottom 5	349	Newham LB	✓	✓	✓	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	
	350	Lewisham LB	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✓		
	351	Council of the Isles of Scilly	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	
	352	Ashford BC	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✗	✗	✗	✗	New service introduced July 2013

Recycling Survey

All respondents providing their address information will receive a "hat" for their green box.

Q1 Please provide:

Address

Post code:

Q2 Please select type of dwelling:

- Detached 1 Terrace 3
Semi detached. 2 Flat 4

Q3 How often do you use the kerbside recycling scheme?

- Fortnightly 1 Less than monthly. 3
Monthly 2 Never 4

Q4 How often do you take some or all of your recycling to a recycling bank?

- Always 1 Never 3
Sometimes 2

Q5 What do you recycle?

- Glass 1 Cardboard 5
Cans 2 Aerosols 6
Plastic 3 Food
Paper 4 (compost) 7
Garden waste .. 8

Q6 Do you think the recycling scheme is:

- Easy to use 1 Difficult to use 3
Adequate 2

Q7 What would encourage you to recycle more?

- More information 1
More containers 2
Less containers 3
Risk of a fine 4
Incentives eg vouchers 5

Q8 Have you had any problems with the recycling service?

Yes 1 Go to Q9
No 2 Go to Q10

Q9 How often do you have problems with each of the following:

	Never		Sometimes		Weekly	
Recycling boxes and bags not put back	<input type="checkbox"/>	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3
Wheelie bins not put back	<input type="checkbox"/>	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3
Recycling not collected	<input type="checkbox"/>	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3
Litter left by crew	<input type="checkbox"/>	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3

Other, please give details below

Q10 Did you know you can purchase a "hat" for your greenbox for £1?

Yes 1
No 2

Q11 If you find recycling difficult what are the reasons for this:

- Moving the boxes and bags 1
- Receptacles are too small 2
- Separating materials correctly 3
- Not knowing when to put the boxes out 4
- Recycling is too smelly 5
- I've never recycled 6

Q12 Would you like more information about recycling?

Yes 1
No 2

Q13 Any other comments

Thank you for taking part in our survey

Please return by 28th February 2014 in the enclosed pre-paid envelope to:

Scrutiny Officer, Carlisle City Council, Civic Centre, Rickergate, Carlisle, CA3 8QG

Recycling Survey Results

February 2014

Linda Potts
Chief Executives Team

Question 2

Please select type of dwelling:

Counts Analysis % Respondents	
Base	90 100.0%
Please select type of dwelling:	
Detached	30 33.3%
Semi detached	36 40.0%
Terrace	24 26.7%
Flat	- -

Question 3

How often do you use the kerbside recycling scheme?

Counts Analysis % Respondents	
Base	100 100.0%
How often do you use the kerbside recycling scheme?	
Fortnightly	86 86.0%
Monthly	1 1.0%
Less than monthly	1 1.0%
Never	12 12.0%

Question 4

How often do you take some or all of your recycling to a recycling bank?

Counts Analysis % Respondents	
Base	100 100.0%
How often do you take some or all of your recycling to a ...	
Always	17 17.0%
Sometimes	57 57.0%
Never	26 26.0%

Question 5

What do you recycle?

Counts Analysis % Respondents	
Base	99 100.0%
What do you recycle?	
Glass	92 92.9%
Cans	94 94.9%
Plastic	96 97.0%
Paper	95 96.0%
Cardboard	93 93.9%
Aerosols	43 43.4%
Food (compost)	17 17.2%
Garden waste	78 78.8%

Question 6

Do you think the recycling scheme is:

Counts Analysis % Respondents	
Base	98 100.0%
Do you think the recycling scheme is:	
Easy to use	77 78.6%
Adequate	20 20.4%
Difficult to use	1 1.0%

Question 7

What would encourage you to recycle more?

Counts Analysis % Respondents	
Base	80 100.0%
What would encourage you to recycle more?	
More information	19 23.8%
More containers	38 47.5%
Less containers	2 2.5%
Risk of a fire	7 8.8%
Incentives eg vouchers	33 41.3%

Question 8

Have you had any problems with the recycling service?

Counts Analysis % Respondents	
Base	94 100.0%
Have you had any problems with the recycling service?	
Yes	30 31.9%
No	64 68.1%

Question 9

How often do you have problems with each of the following:

Counts Analysis % Respondents	Total			
		Never	Sometimes	Weekly
Base	82	24 29.3%	51 62.2%	7 8.5%
Recycling boxes and bags not put back	21	5 23.8%	13 61.9%	3 14.3%
Wheelie bins not put back	20	6 30.0%	12 60.0%	2 10.0%
Recycling not collected	17	9 52.9%	7 41.2%	1 5.9%
Litter left by crew	24	4 16.7%	19 79.2%	1 4.2%

Question 10

Did you know you can purchase a "hat" for your green box for £1?

Counts Analysis % Respondents	
Base	89 100.0%
Did you know you can purchase a "hat" for your green box ...	
Yes	29 32.6%
No	60 67.4%

Question 11

If you find recycling difficult what are the reasons for this:

Counts Analysis % Respondents	
Base	35 100.0%
If you find recycling difficult what are the reasons for ...	
Moving the boxes and bags	14 40.0%
Receptacles are too small	15 42.9%
Separating materials correctly	11 31.4%
Not knowing when to put the boxes out	2 5.7%
Recycling is too smelly	4 11.4%
I've never recycled	1 2.9%

Question 12

Would you like more information about recycling?

Counts Analysis % Respondents	
Base	86 100.0%
Would you like more information about recycling?	
Yes	18 20.9%
No	68 79.1%

Question 13

Any other comments

- Q3 answer is "Weekly" as I get bags one week and box the next.
- I would like to have kerbside recycling but it is not available to me. I believe that we are too far behind others in our recycling; it is not good enough!
- For my part I should like reassurance that: 1. Glass is ACTUALLY recycled (and to know what into). The REAL way to recycle glass is to re-use it in it's original form i.e. refill bottles, jars etc. 2. Cardboard does NOT go on a ship to China; any environmental benefit is negated by transport pollution.
- Recycling from home is good. Also a local recycling centre is essential for the larger items and allows me to recycle a lot.
- We like recycling and always do this. Most in our community do which is good.
- You do not provide roadside recycling service to rural properties outside villages, despite your lorries going past our property to other villages!
- It is a shame that the council has stopped the payments to the parish hall/parish council for the recycling which is left at the parish hall. They are well used by the many people in the area who don't have a kerbside collection for recycling.
- We do not have a kerb-side collection. I'm not sure if this survey was meant to be against that service. I have no green box. I cannot put my recycling into my trailer because it has more than one axle. This is ridiculous. Paper and tins can be emptied quickly into the bins. The plastics take forever to post through the holes. Can this be changed? Not clear where batteries (not car) can be recycled? It is of course better to re-use. Could more information about organisations that will take items for re-use rather than disposal...
- When is the kerbside recycling scheme going to be extended? I see the kerbside recycling vehicle pass my house to go elsewhere locally; it is extremely frustrating.
- Think recycling is a good idea

- Recycling box / bags being stolen
- For question 11 I did not tick any boxes because I have no difficulty recycling
- We've had our green box stolen twice & the council have said that we need to pay to replace it! I don't think this is fair. The recycling boxes and bags just get thrown any where after being emptied.
- I think the recycling people who collect could be more careful they just throw the bags onto the pavement sometimes they are not properly emptied
- Everything is fine. Recycling at Bousteads Grassing is excellent
- Satisfied with the way things are
- On the whole I think they do a great job.
- Please observe the method of collection used by Blackpool Borough Council. Three large wheeled bins. 1. Black = household waste 2. Blue = recycling 3. Brown or green = garden waste. This method keeps countryside free of rubbish by containing it in large bins with lids. Waste does not get blown by the wind.
- I'm sure I could recycle more types of plastic, foil (cling film, outer wrappers etc) but I'm not sure what is acceptable to the council
- More thought needs to be given to plastic and cardboard recycling containers - they are too light and easily become wind blown. To alleviate the need to put out recycling containers the night before collection I t should start at 10am and run until early evening.
- Would like hat for green box
- Information on recycling aerosols
- I think refuse collection should be weekly. I don't understand how it is eco friendly or economical to have 3 separate collection for refuse and recycling
- How to purchase hats for my green box. Can we move to boxes rather than bags for plastic etc. They blow away in the storms.
- At first it seemed a bit of a bother but we have got used to recycling
- Wheelie bins being put back across the middle of the driveway causing an obstruction. This is most dangerous on my return from work especially in the dark mornings. Pulling in my driveway from the main road on Warwick Road every other Tuesday morning is nearly always impossible. Why can't bins be put back once emptied next to the gate post.
- Garden waste bins - great
- Only received this on 26th Feb that gives me only one day to complete and send back to you - ridiculous!!!
- I use Tesco recycling or Rome Street. Don't like boxes or bags being thrown on pavements when emptied.
- I would prefer a one bin collection and then taken to a centre to sort less vehicles
- Would like a bag for card & plastic because we don't get these (I don't know why? Everyone else does?)

Question 3 by type of dwelling

How often do you use the kerbside recycling scheme?

Counts Analysis % Respondents	Total	Please select type of dwelling:			
		Detached	Semi detached	Terrace	Flat
Base	90	30 33.3%	36 40.0%	24 26.7%	- -
How often do you use the kerbside recycling scheme?					
Fortnightly	76	21 27.6%	32 42.1%	23 30.3%	- -
Monthly	1	- -	1 100.0%	- -	- -
Less than monthly	1	1 100.0%	- -	- -	- -
Never	12	8 66.7%	3 25.0%	1 8.3%	- -

Question 4 by type of dwelling

How often do you take some or all of your recycling to a recycling bank?

Counts Analysis % Respondents	Total	Please select type of dwelling:			
		Detached	Semi detached	Terrace	Flat
Base	90	30 33.3%	36 40.0%	24 26.7%	- -
How often do you take some or all of your recycling to a ...					
Always	17	10 58.8%	6 35.3%	1 5.9%	- -
Sometimes	50	15 30.0%	20 40.0%	15 30.0%	- -
Never	23	5 21.7%	10 43.5%	8 34.8%	- -

Question 5 by type of dwelling

What do you recycle?

Counts Analysis % Respondents	Total	Please select type of dwelling:			
		Detached	Semi detached	Terrace	Flat
Base	89	29 32.6%	36 40.4%	24 27.0%	- -
What do you recycle?					
Glass	82	28 34.1%	33 40.2%	21 25.6%	- -
Cans	84	28 33.3%	33 39.3%	23 27.4%	- -
Plastic	86	27 31.4%	35 40.7%	24 27.9%	- -
Paper	85	28 32.9%	33 38.8%	24 28.2%	- -
Cardboard	84	27 32.1%	35 41.7%	22 26.2%	- -
Aerosols	42	13 31.0%	17 40.5%	12 28.6%	- -
Food (compost)	13	5 38.5%	5 38.5%	3 23.1%	- -
Garden waste	69	25 36.2%	33 47.8%	11 15.9%	- -

Question 6 by type of dwelling

Do you think the recycling scheme is:

Counts Analysis % Respondents	Total	Please select type of dwelling:			
		Detached	Semi detached	Terrace	Flat
Base	89	29 32.6%	36 40.4%	24 27.0%	- -
Do you think the recycling scheme is:					
Easy to use	71	20 28.2%	28 39.4%	23 32.4%	- -
Adequate	17	8 47.1%	8 47.1%	1 5.9%	- -
Difficult to use	1	1 100.0%	- -	- -	- -

Question 7 by type of dwelling

What would encourage you to recycle more?

Counts Analysis % Respondents	Total	Please select type of dwelling:			
		Detached	Semi detached	Terrace	Flat
Base	71	19 26.8%	32 45.1%	20 28.2%	- -
What would encourage you to recycle more?					
More information	16	3 18.8%	6 37.5%	7 43.8%	- -
More containers	34	10 29.4%	17 50.0%	7 20.6%	- -
Less containers	1	- -	- -	1 100.0%	- -
Risk of a fire	6	3 50.0%	2 33.3%	1 16.7%	- -
Incentives eg vouchers	30	9 30.0%	15 50.0%	6 20.0%	- -

Question 8 by type of dwelling

Have you had any problems with the recycling service?

Counts Analysis % Respondents	Total	Please select type of dwelling:			
		Detached	Semi detached	Terrace	Flat
Base	86	29 33.7%	33 38.4%	24 27.9%	- -
Have you had any problems with the recycling service?					
Yes	24	11 45.8%	9 37.5%	4 16.7%	- -
No	62	18 29.0%	24 38.7%	20 32.3%	- -

Question 9 by type of dwelling

How often do you have problems with each of the following:

Counts Analysis % Respondents	Total	Please select type of dwelling:			
		Detached	Semi detached	Terrace	Flat
Base	62	23 37.1%	24 38.7%	15 24.2%	- -
Recycling boxes and bags not put back	15	6 40.0%	5 33.3%	4 26.7%	- -
Wheelie bins not put back	16	6 37.5%	7 43.8%	3 18.8%	- -
Recycling not collected	12	4 33.3%	4 33.3%	4 33.3%	- -
Litter left by crew	19	7 36.8%	8 42.1%	4 21.1%	- -

Question 10 by type of dwelling

Did you know you can purchase a "hat" for your green box for £1?

Counts Analysis % Respondents	Total	Please select type of dwelling:			
		Detached	Semi detached	Terrace	Flat
Base	79	23 29.1%	33 41.8%	23 29.1%	- -
Did you know you can purchase a "hat" for your green box ...					
Yes	26	7 26.9%	9 34.6%	10 38.5%	- -
No	53	16 30.2%	24 45.3%	13 24.5%	- -

Question 11 by type of dwelling

If you find recycling difficult what are the reasons for this:

Counts Analysis % Respondents	Total	Please select type of dwelling:			
		Detached	Semi detached	Terrace	Flat
Base	33	11 33.3%	15 45.5%	7 21.2%	- -
If you find recycling difficult what are the reasons for ...					
Moving the boxes and bags	14	4 28.6%	6 42.9%	4 28.6%	- -
Receptacles are too small	13	3 23.1%	8 61.5%	2 15.4%	- -
Separating materials correctly	10	5 50.0%	3 30.0%	2 20.0%	- -
Not knowing when to put the boxes out	2	- -	2 100.0%	- -	- -
Recycling is too smelly	4	1 25.0%	2 50.0%	1 25.0%	- -
I've never recycled	1	1 100.0%	- -	- -	- -

Question 12 by type of dwelling

Would you like more information about recycling?

Counts Analysis % Respondents	Total	Please select type of dwelling:			
		Detached	Semi detached	Terrace	Flat
Base	76	24 31.6%	30 39.5%	22 28.9%	- -
Would you like more information about recycling?					
Yes	16	4 25.0%	7 43.8%	5 31.3%	- -
No	60	20 33.3%	23 38.3%	17 28.3%	- -

Question 3 by postcode area

How often do you use the kerbside recycling scheme?

How often do you use kerbside recycling scheme				
	Fortnightly	Monthly	Less than monthly	Never
CA1	47	0	0	4
CA2	3	0	0	1
CA4	1	0	0	0
CA5	1	0	0	0
CA6	26	0	0	5
CA8	3	0	0	2
No post code given	5	1	1	0

Question 4 by postcode area

How often do you take some or all of your recycling to a recycling bank?

How often do you take some or all of your recycling to a recycling bank?			
	Always	Sometimes	Never
CA1	5	31	15
CA2	1	1	2
CA4	0	0	1
CA5	0	1	0
CA6	8	17	6
CA8	2	3	0
No post code given	1	4	2

Question 6 by postcode area

Do you think the recycling scheme is:

Do you think the recycling scheme is:				
	Easy to use	Adequate	Difficult to use	No response
CA1	43	8	0	0
CA2	2	1	0	1
CA4	0	1	0	0
CA5	1	0	0	0
CA6	21	9	0	1
CA8	4	0	1	0
No post code given	6	1	0	0

Question 8 by postcode area

Have you had any problems with the recycling service?

Have you had any problems with the recycling service?			
	Yes	No	No response
CA1	10	39	2
CA2	1	3	0
CA4	0	0	1
CA5	0	1	0
CA6	15	15	1
CA8	2	2	1
No post code given	2	4	0

Question 10 by postcode area

Did you know you can purchase a "hat" for your green box for £1?

Did you know you can purchase a "hat" for your greenbox for £1?			
	Yes	No	No response
CA1	17	31	3
CA2	0	4	0
CA4	1	0	0
CA5	1	0	0
CA6	7	18	6
CA8	0	3	2
No post code given	3	4	0

Question 12 by postcode area

Would you like more information about recycling?

Would you like more information about recycling?			
	Yes	No	No response
CA1	10	34	7
CA2	1	3	0
CA4	0	1	0
CA5	0	1	0
CA6	4	22	5
CA8	0	3	2
No post code given	3	4	0

**EXCERPT FROM THE MINUTES OF THE
ENVIRONMENT AND ECONOMY
OVERVIEW AND SCRUTINY PANEL
HELD ON 10 APRIL 2014**

EEOSP.26/14 RECYCLING TASK AND FINISH GROUP

The Overview and Scrutiny Officer submitted the final report of the Recycling Task and Finish Group which made a number of recommendations for consideration and action by the Executive.

Councillor Nedved, the Lead Member of the Task Group summarised the purpose of the Task Group and outlined the recommendations made. As part of the research a survey had been carried out of customers in the Council's poorest performing area and the Group had visited a Recycling Collection Round at Scotby. The results had been considered by the Task Group and were included in the report and recommendations.

Councillor Nedved thanked all Members who had contributed to such a worthwhile piece of work and gave special thanks to the Overview and Scrutiny Officer for her input, support and research. He added that he hoped that the Report would stimulate discussion and education.

The Director of Local Environment commented that the report was a very good example of how scrutiny added value to the review of services. The recommendations had been sensible, well thought out and based on evidence. The Re-thinking Waste project was just beginning and all the findings from the Task and Finish Group would be fed into the project.

In considering the Task and Finish Group report Members raised the following comments and questions:

- The Task Group had been interesting and worthwhile but there was some work needed to improve the Council's website for recycling issues.
- A Member asked if consideration could be given to giving the green box 'hats' out free of charge to help reduce litter in local communities.
- The report did not have any costs for the recommendations or any comparative costing.

The Director of Local Environment responded that there would only be a cost associated to any recommendations that changed the collection frequency design; many were about good practice. The recommendations would be taken into account for the Re-Thinking Waste Project and any associated costs would be considered at that time.

- A Member felt that the report was thorough and detailed and asked that operatives take more care in return recycling receptacles to the correct houses when they had been emptied to reduce littering.
- The Task Group had found the visit to Scotby very informative and were impressed with the enthusiasm and dedication of the operatives who carried out a very difficult, dirty job at unsociable hours and in all weather conditions.

RESOLVED: That the Recycling Task and Finish Group Report and recommendations (OS.11/14) be agreed and referred to the Executive for a formal response.

**EXCERPT FROM THE MINUTES OF THE
AUDIT COMMITTEE
HELD ON 14 APRIL 2014**

AUC.27/14 AUDIT COMMITTEE'S ANNUAL REPORT 2013/14

The Chairman presented report RD.03/14 summarising the work undertaken by the Audit Committee during the period from 15 April 2013 to 24 January 2014.

The existence of the Audit Committee and its work programme enabled the Council to demonstrate that it was following the recommended best practice of the CIPFA Practical Guidance for Audit Committees in Local Authorities. The Committee had strengthened the Council's internal control process through its ability to ensure that systems and controls were robust; that challenges were raised as appropriate; and that adequate follow-up procedures were in operation in relation to audit recommendations. That had been noted and commented on by the external Auditors Audit Manager.

In conclusion, the Chairman recommended that the Audit Committee note and accept the report.

Referring to the Audit Committee's Rules of Governance (Section 6.1 – Attendance), a Member pointed out that attendees would usually include the Leader or Deputy Leader and the Portfolio Holder for Finance. He noted that was not necessarily the case in practice and, following discussion, it was suggested that the word "usually" be amended to "could", "may" or "is likely to".

It was also agreed that the Committee would ask the Executive to give consideration to that point.

RESOLVED – (1) That the Annual Report of the Audit Committee, which would be submitted to the City Council on 29 April 2014, be noted and accepted.

(2) That the Executive be requested to consider the wording of Section 6.1 – Attendance of the Audit Committee's Rules of Governance as identified above.

Audit Committee	Agenda Item:
------------------------	-----------------

Meeting Date: 14th April 2014
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework: Yes
 Public / Private: Public

Title: **AUDIT COMMITTEE'S ANNUAL REPORT**

Report of: Chair of Audit Committee.
 Report Number: RD03/14

Purpose / Summary:

This report provides a summary of the work undertaken by the Audit Committee during the period 15th of April 2013 to the 24th January 2014.

Recommendations:

It is recommended that the Audit Committee note and accept this report for recommendation to Council.

Tracking

Executive:	Not applicable.
Overview and Scrutiny:	Not applicable.
Council:	29th April 2014

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

1 **BACKGROUND**

1.1 In accordance with paragraph 3.3 of the Audit Committee's Rules of Governance - attached to this report for Members' information as **Appendix A** - the Chairman of the Audit Committee is required to present an Annual Report on the work of the Audit Committee to the full Council.

1.2 The Members of the Audit Committee for this municipal year are -

Conservative

Mallinson E

Nedved

Earp

Bowman C (Substitute)

Geddes (Substitute)

Parsons (Substitute)

Labour

Patrick (Chair)

Atkinson K

Atkinson P

Bowditch

Whalen (Substitute)

Boaden (Substitute)

Franklin (Substitute)

This Report covers the meetings of the Audit Committee held on.

15th April 2013

22nd July 2013

26th September 2013

24th January 2014

2 **AUDIT COMMITTEE'S PROGRAMME OF WORK.**

- 2.1 At the commencement of the year, the Committee agreed a Programme of work for the forthcoming year that outlined the areas to be considered at each meeting.
- 2.2 The Programme for the above period included the following topics that were considered at each of the meetings:

Minutes of the Corporate Resources Overview and Scrutiny Committee or latterly the Resources Overview and Scrutiny Panel – these were submitted to each meeting of the Audit Committee for information and any member comments.

Responses from the Executive/Overview and Scrutiny – these were submitted for consideration and comment.

Audit Services Progress Reports – these provided summaries of the work carried out by Audit Services since the previous meeting of the Committee. A copy of each Final Audit Report was appended to these Progress Reports, together with any relevant information relating to any follow-up reviews that had been undertaken where members' attention needed to be drawn to any outstanding recommendations and the reasons for these.

Annual Governance Statement Action Plan – this regular report appraises members of progress made on the Annual Governance Statement Action Plan.

Risk Management Policy and progress – officers have provided Members of the Committee with information relating to the work of the Corporate Risk Management Group and the updated Corporate Risk Register on a regular basis, for noting and action if necessary.

The programme also included a number of topics that are considered on an annual or an ad-hoc basis -

2.2.1 **MEETING HELD 15TH APRIL 2013.**

- The Minutes of the meetings of the Resources Overview and Scrutiny Panel held on 3rd January and 21st February 2013 were submitted for information.

- The Audit Manager (Grant Thornton) presented the Certification Work Report for 2011/12. Members were asked to note that all work reported in the report had been completed by the Audit Commission prior to Grant Thornton's appointment as the Council's auditors.
- The Audit Manager (Grant Thornton) reported that overall the Council was performing well and there were no significant matters arising from their certification of claims and returns.

The Director (Grant Thornton) submitted a paper detailing progress in delivering Grant Thornton's responsibilities as the Council's external auditors. It was advised that there was nothing significant that would impact on their view of the accounts. There were no significant changes in approach to the Value for Money (VFM) conclusion work carried out in previous years. Greater emphasis had been placed on financial resilience and a separate report would be produced and reported in September alongside the ISA+260 Audit Findings Report.

- The Chairman presented report RD.04/13 which summarised the work undertaken by the Audit Committee during the period 16th April 2012 to 11th January 2013.
- The Audit Manager (Carlisle City) submitted report RD.06/13 providing details of the updated Strategic Audit Plan and the proposed Audit Plan for 2013/14.
- The Audit Manager (Carlisle City) submitted report RD.05/13 summarising the work carried out by Audit Services since the previous report to Committee on the 11th January 2013 and detailing progress made on delivery of the approved Audit Plan during the fourth quarter of 2012/13. The Committee gave in depth consideration to the audits of Carlisle Leisure Limited Client Contract, Recycling, and Bring Sites.
- The Chief Accountant submitted report RD.76/12 providing the regular quarterly summary of Treasury Management transactions for the third quarter of 2012/13 including the requirements of the Prudential Code.

2.2.2 MEETING HELD 22nd JULY 2013.

- Councillor Ms Patrick was duly appointed as Chairman of the Audit Committee for 2013/14 and it was also moved and seconded that Councillor Bowditch be appointed Vice-Chairman.
- The Minutes of the meetings of the Resources Overview and Scrutiny Panel held on 5th March, 4th April and 6th June 2013 were submitted for information.
- The Audit Manager (Grant Thornton) presented the Audit Plan for Carlisle City Council for the year ended the 31st March 2013. Members were informed that the Plan was based on a risk based approach to audit planning.
- The Audit Manager (Grant Thornton) presented the Audit fee letter for 2013/14. The scale fee for 2012/13 had been set by the Audit Commission at £70,153, i.e. the same as the audit fee for 2012/13 and the grant certification fee had been set at £17,200.
- The Audit Manager (Grant Thornton) presented their Grant Certification Work Plan for 2012/13.
- The Financial Services Manager submitted report RD.22/13 providing the City Council's Annual Governance Statement for 2012/13. There was only one area of significant weakness in the Councils Governance arrangements which needed to be brought to the attention of Members, details of which were included in the statement.
- The Chief Accountant presented in some detail report RD.23/13 enclosing the Council's Statement of Accounts 2012/13 which had been certified by the S.151 Officer in accordance with statutory requirements;by 30th June 2013.
- The Chief Accountant submitted the Annual Report on Treasury Management (RD.13/13). Members were informed that the report was required under both the Financial Procedure Rules and CIPFA Code of Practice on Treasury Management. The regular report on Treasury Transactions for the period 1st January 2013 – 31st March 2013 was also submitted.
- The Chief Accountant submitted report RD.08/13 concerning Treasury Management Counterparties.

- The Audit Manager (Carlisle City) submitted report RD.26/13 summarising the work carried out by Internal Audit since the previous report to Committee on 15th April 2013 and detailing progress made on delivery of the approved Audit Plan during the first quarter of 2013/14.
- The Audit Manager (Carlisle City) submitted report RD.25/13 summarising the work carried out by the Internal Audit Shared Service for the year 2012/13 together with the annual audit opinion on the adequacy of the control environment for that period. Also provided was information on the effectiveness of Internal Audit in the format agreed by the Audit Committee on 23rd January 2007.
- The Audit Manager (Carlisle City) submitted report RD.27/13 concerning the outcome of an internal investigation undertaken in 2012/13.

2.2.3 MEETING HELD ON 26TH SEPTEMBER 2013.

- The Minutes of the meeting of the Resources Overview and Scrutiny Panel held on the 18th July and 29th of August 2013 were submitted for information. The Chairman acknowledged the improvement to the Councils sickness levels.
- The Manager (Grant Thornton) reported that Grant Thornton's work supporting their Value for Money (VFM) conclusion as part of the statutory external audit included a review to determine whether the City Council had proper arrangements in place for securing financial resilience.
- The Director (Grant Thornton) presented a report highlighting the key matters arising from the audit of the Council's financial statements for the year ended 31st March 2013. The report was also used to present their audit findings to management and the Audit Committee in accordance with the requirements of International Standard on Auditing 260 (ISA).
- The Chief Accountant submitted report RD.43/12 attaching a Letter of Representation for 2012/13.
- The Chief Accountant submitted report RD.44/13 concerning the Council's Statement of Accounts 2012/13. Copies of the Accounts, which had been

subject to a three month audit process, (commencing July 2013 and with a statutory completion date of 30 September 2013) had been circulated.

- The Financial Services and HR Manager submitted report RD.45/13 updating Members on the Council's governance arrangements and its systems of internal control in line with CIPFA's Good Governance Framework. The Annual Governance Statement for 2012/13 had highlighted one area of weakness (related to contract monitoring) in the Council's governance arrangements together with the progress made against that area.
- The Audit Manager submitted report RD.42/13 summarising the work carried out by Internal Audit since the previous report to Committee on 22nd of July 2013 and detailing progress made on delivery of the approved Audit Plan.
- The Chief Accountant submitted report RD.30/13 providing the regular quarterly summary of Treasury Management transactions for the first quarter of 2013/14, including the requirements of the Prudential Code.
- The Director of Governance presented report SD.05/13 providing an update on the Council's risk management arrangements. Details of the background and risk management and control environment were provided.

2.2.4 MEETING HELD ON 24TH JANUARY 2014.

- The Minutes of the meetings of the Resources Overview and Scrutiny Panel held on the 10th of October and 28th of November 2013 and 6th January 2014 were submitted for information.
- The Director (Grant Thornton) presented, for information, the Annual Audit Letter for the City Council, the purpose of which was to summarise the key findings from the work carried out for the year ended the 31st March 2013, namely auditing the 2012/13 Accounts and Whole of Government Accounts submission; assessing the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources; and certification of grant claims and returns.
- The Audit Manager (Grant Thornton) presented a paper detailing progress in delivering Grant Thornton's responsibilities as the Council's external auditors. Also included was a summary of emerging national issues and developments

of relevance to the authority; together with a number of challenge questions in respect of those emerging issues.

- The Chief Accountant submitted report RD.72/13 providing information on the 2013/14 Final Accounts process.
- The Financial Services and HR Manager submitted report RD.73/13 providing Members with proposed changes to the authority's Financial Procedure Rules in respect of the retention of documents.
- Pursuant to Minute AUC.52/13 the Financial Services and HR Manager submitted report RD.74/13 updating Members on the Council's governance arrangements and its systems of internal control in line with CIPFA's Good Governance Framework.
- The Audit Manager (Carlisle City) submitted report RD.79/13 summarising the work carried out by Internal Audit and detailing progress made on delivery of the approved 2013/14 Audit Plan.
- The Chief Accountant submitted report RD.63/13 setting out the Council's Treasury Management Strategy Statement for 2014/15 in accordance with the CIPFA Code of Practice on Treasury Management..
- The Chief Accountant submitted report RD.55/13 providing the regular quarterly report on Treasury Transactions, together with an interim report on Treasury Management as required under the Financial Procedure Rules. The report also discussed the City Council's Treasury Management estimates for 2014/15 with projections to 2018/19, and set out information regarding the requirements of the Prudential Code on local authority capital finance.
- The Group Audit Manager (Cumbria Shared Internal Audit Services) reported (RD.81/13) that Cumbria County Council had commissioned a review of the Internal Audit Shared Service in spring 2013. That was to assist the incoming Group Audit Manager in developing the audit service in line with the Public Sector Internal Audit Standards (PSIAS). Those standards became mandatory for all UK public sector internal audit services from 1st April 2013.
- The Group Audit Manager (Cumbria Shared Internal Audit Services) submitted report RD.80/13 presenting a draft Internal Audit Charter setting out the

arrangements for the delivery of the internal Audit Services to Carlisle City Council.

3 CONSULTATION

None

4 CONCLUSION AND REASONS FOR RECOMMENDATION.

4.1 The existence of the Audit Committee and its work programme enable the Council to demonstrate that it is following the recommended best practice in respect of the CIPFA Practical Guidance for Audit Committees in Local Authorities. The Committee has strengthened the Council's internal control process through its ability to ensure that systems and controls are robust, that challenges are raised as appropriate, and that adequate follow-up procedures are in operation in relation to Audit recommendations. This has been noted and commented on by the External Auditor's Audit Manager.

4.2 It is recommended that the Audit Committee note and accept this report.

5 CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES.

5.1 To ensure that good governance arrangements are in place to underpin the delivery of Carlisle City's Priorities.

Contact Officer: Gill Martin Ext: 7294
Audit Manager
Shared Internal Audit Service

**Appendix A – Rules
of Governance
attached to report:**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's – not applicable

Economic Development – not applicable

Governance – The Audit Committee's Terms of Reference require that the Chair present an Annual Report to Council. This Report is part of that process.

Local Environment – not applicable

Resources – not applicable

Appendix A

AUDIT COMMITTEE

RULES OF GOVERNANCE

1. STATEMENT OF PURPOSE

- 1.1 The purpose of an Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

2. TERMS OF REFERENCE

2.1 Audit Activity

To consider the Audit Services Manager's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.

To consider summaries of specific internal audit reports as requested.

To consider reports dealing with the management and performance of the providers of internal audit services.

To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.

To consider specific reports as agreed with the external auditor.

To comment on the scope and depth of external audit work and to ensure it gives value for money.

To liaise with the Audit Commission over the appointment of the Council's external auditor.

To commission work from internal and external audit.

2.2 Regulatory Framework

To maintain an overview of the Council's Constitution in respect of Contract Procedure Rules, Financial Regulations and financial Codes of Conduct and Behaviour.

To review any issue referred to it by the Town Clerk and Chief Executive or a Director, or any Council body.

To monitor the effective development and operation of risk management and corporate governance in the Council.

To monitor Council policies on “Raising Concerns at Work” and the anti-fraud and anti-corruption strategy and the Council’s complaints process.

To oversee the production of and approve the authority’s Annual Governance Statement.

To consider the Council’s arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.

To consider the Council’s compliance with its own and other published standards and controls.

2.3 Accounts

To approve the Annual Statement of Accounts, income and expenditure and balance sheet. To consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

To consider the external auditor’s report to those charged with governance on issues arising from the audit of the accounts.

3. ACCOUNTABILITY

3.1 The Audit Committee will be a stand alone Committee of the Council. All Audit Committee members will act in the interests of the Council and not on behalf of any political party, constituency, ward, or interest group.

3.2 The Chairman of the Audit Committee will be appointed by the Committee. The Chairman and the Committee will ensure that relevant issues are promptly brought to the attention of the Executive, Overview and Scrutiny Panels and Regulatory Committees or the full Council.

3.3 The Chairman of the Audit Committee will present an Annual Report on the work of the Audit Committee to the full Council.

4. AUTHORITY AND ACCESS

4.1 The Audit Committee has a right to request relevant information from appropriate or relevant Members and Officers of the Council.

4.2 The Audit Committee will not be able to transact the powers, functions and duties reserved to the full Council, the Executive, Overview and Scrutiny Panels and other Regulatory Committees.

4.3 The Audit Committee will have access to in-house financial, legal and any other professional advice necessary to carry out its functions.

4.4 The Chairman of the Audit Committee and the external and internal auditor will meet as necessary and the Council’s Audit Services Manager will provide necessary services and support and assistance to the Audit Committee.

- 4.5 Any Member, Officer or member of the public who has any concern covered by the Terms of Reference of the Audit Committee may raise the matter with the Chairman of the Committee who will obtain, if necessary, relevant advice from the Council's Monitoring Officer or the Section 151 Finance Officer before taking any action with regard to the same.

5. MEMBERSHIP

- 5.1 Audit Committee members will be appointed by the Council and consist of 7 members in accordance with the rules governing political balance. No member of the Executive and no chair of the Overview and Scrutiny Panels will be eligible to be a member of the Audit Committee.
- 5.2 The Audit Committee will be provided with administrative support by the Governance Directorate and reports/decisions of the Audit Committee will be recorded and published on CMIS in the usual way. The Resources Directorate will provide technical support to the Committee when required. As the decisions of the Audit Committee will not be of an executive nature, the decisions will not be the subject of a request for call-in. If any Member is concerned about any decision of the Audit Committee, s/he should raise the matter with the Chairman of the Audit Committee, the Monitoring Officer, the Section 151 Finance Officer and/or ask an oral question of the Chairman of the Audit Committee at the Council meeting in accordance with the relevant Council Procedure Rules.

6. ATTENDANCE

- 6.1 The Audit Committee shall meet on a regular basis as provided for in paragraph 7 below. Officers and others may attend all or part of the meeting at the invitation of the Committee. Attendees will usually include:

- The Leader or Deputy Leader
- The Portfolio Holder for Finance
- Town Clerk and Chief Executive
- Director of Resources (Section 151 Finance Officer)
- Director of Governance (Monitoring Officer)
- Audit Services Manager
- Other Directors and Managers, as required

- 6.2 Subject to the relevant meeting complying with the Access to Information paragraphs for the exclusion of members of the public, the Audit Committee will at least annually meet :

- (i) in private, with the external and internal auditors together; and/or
- (ii) in private, with the external auditor.

7. MEETINGS

- 7.1 The Audit Committee will meet at least four times a year in accordance with the schedule of meetings agreed by the Council. The External Auditor or the Audit Services Manager may

request a meeting if they consider it necessary and other special meetings may be called in accordance with the Council's Procedure Rules.

7.2 The members of the Audit Committee will commit to receiving appropriate training and development necessary to fulfil their roles.

8. QUORUM

8.1 The quorum for any meeting will be one quarter of the elected members of the Committee, subject to there being not less than two elected members present at any time.

9. WORK PROFILE OF THE AUDIT COMMITTEE

9.1 In furtherance of the Terms of Reference and not otherwise, the Audit Committee is likely to receive and advise upon the following areas of work :

- Whether there is an appropriate culture of risk management and related control throughout the Council;
- the Annual Governance Statement;
- the annual Statement of Accounts, including changes in and compliance with accounting policies and practices, major judgemental areas and significant adjustments resulting from the audit;
- significant changes required to Financial Procedure Rules and the Contracts Procedure Rules.
- the framework and processes for risk assessment, analysis and management within the Council;
- the effective co-ordination between internal and external audit;
- the budget needed to resource effective internal and external audit and other responsibilities of the Audit Committee; and
- generally, on how the Audit Committee could add value to the work and operation of the Council.

9.2 External Audit and Inspection Agencies

- To note the fees and terms of engagement of the external auditor.
- To review the planned programme of work with the external auditor.
- To consider the annual statutory audit and to advise the Executive on any response to any audit management letters, reports and investigations, including Value for Money studies and other inspection reports.
- To review whether agreed external or internal audit or inspection recommendations have been implemented by the Executive as timetabled.
- To discuss with the external auditor any problems, reservations or issues arising from the interim or final audit or other investigations.

- To review the external auditor's independence and objectivity and annually appraise the Executive on the effectiveness and value for money of the external audit service.

9.3 Corporate Governance Framework

- To review and advise the Executive on the embedding and maintenance of an effective system of corporate governance including internal control and risk management.
- To give an assurance to the Council that there is a sufficient and systematic review of the corporate governance, internal control and risk management arrangements within the Council.
- To review the Annual Governance Statement and make appropriate recommendations to the Council, the Executive, the Overview and Scrutiny Panels and Regulatory Committees.
- To ensure that any significant weaknesses identified are remedied.
- To commission, if necessary, any relevant investigations into matters of particular concern relating to internal control.
- To ensure that the impact of any alleged or fraudulent activity on the Council's framework of internal control is reviewed and, where necessary, to recommend changes to strengthen the control framework.
- To receive reports relating to those aspects of whistle blowing or alleged or actual fraudulent activity which relate to the Terms of Reference of the Audit Committee.

9.4 Internal Audit

To review and make recommendations to the Executive regarding :

- The effectiveness of internal audit;
- the internal audit function to ensure it is adequately resourced;
- the internal audit strategy, annual plan and to monitor delivery of the plan;
- any internal audit protocols and policies;
- significant audit findings, together with the response from managers to these reports;
- any difficulties encountered by internal audit including any restrictions on the scope of activities or access to required information;
- agreed internal audit recommendations to ensure they are implemented by management as timetabled; and
- the annual report from the Audit Services Manager.

9.5 Other

To consider and make recommendations to the Executive on:

- the selection and terms of appointment of other appropriate advisors and consultants;
- governance issues relating to the operation of the Audit Committee, and
- the proportionality, independence, and appropriateness of any of the Council's policies relating to any audit or governance matters;
- such other matters of an audit, financial or governance nature as fall within the terms of reference of the Committee or as may be referred by the Council.

