

AGENDA

Resources Overview and Scrutiny Panel

Thursday, 06 June 2013 AT 10:00
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 Meeting

To approve the minutes of the meetings held on 21 February 2013 and 5 March 2013. [Copy Minutes in Minute Book 39(6)]

PART A

To be considered when the Public and Press are present

A.2 OVERVIEW REPORT AND WORK PROGRAMME 5 - 16

To consider a report providing an overview of matters related to the work of the Resources Overview and Scrutiny Panel, together with the latest version of the Work Programme and details of the Key Decisions items relevant to this Panel as set out in the Notice of Executive Key Decisions.
(Copy Report OS.14/13 herewith)

A.3 AUDIT REPORT ON CARLISLE LEISURE LIMITED (CLL) 17 - 32
CONTRACT MONITORING

(Finance, Governance and Resources)
(Culture, Health, Leisure and Young People)
The Director of Resources to submit a report on the Carlisle Leisure Limited contract including the Audit Report.
(Copy Report RD.17/13 herewith)

A.4 TREASURY MANAGEMENT COUNTERPARTIES 33 - 42

(Finance, Governance and Resources)
The Director of Resources to submit a report seeking approval to amend the limits which can be invested with different counterparties. The matter was included in the Notice of Executive Key decisions and was considered by the Executive on 7 May 2013.
(Copy Report RD.08/13 and Minute Excerpt herewith)

A.5 2012/13 PROVISIONAL OUTTURN REPORTS

(Finance, Governance and Resources)

(d) Provisional Outturn for Council Tax and National Non Domestic Rates 2012/13 43 - 54

The Director of Resources to submit a report on the provisional outturn and performance position for Council Tax and NNDR.
(Copy Report RD.14/13 herewith)

(b)	<u>Provisional Capital Outturn 2012/13 and Revised Capital Programme 2013/14</u>	55 - 72
	The Director of Resources to submit a report on the Provisional Capital Outturn for 2012/13. (Copy Report RD.11/13 herewith)	
(a)	<u>Provisional General Fund Revenue Outturn 2012/13</u>	73 - 96
	The Director of Resources to submit a report on the Provisional General Fund Revenue Outturn for 2012/13. (Copy Report RD.12/13 herewith)	
(e)	<u>Elected Members Allowances - Provisional Outturn Report for 2012/13</u>	97 - 104
	The Director of Resources to submit a report on the amount of allowances paid to Members as part of the Elected Members' Allowances Scheme for 2012/13. (Copy Report RD.15/13 herewith)	
(c)	<u>Treasury Management Outturn 2012/13</u>	105 - 124
	The Director of Resources to submit a report on the Treasury Management Outturn 2012/13. (Copy Report RD.13/13 herewith)	
A.6	<u>2012/13 END OF YEAR PERFORMANCE REPORT</u>	125 - 134
	(Finance, Governance and Resources Portfolio Area) The Policy and Communications Manager to submit performance monitoring reports relevant to the remit of the Resources Overview and Scrutiny Panel. (Copy Report PC.12/13 herewith)	

A.7 CORPORATE PROGRAMME BOARD

**135 -
144**

The Town Clerk and Chief Executive to submit an update on the Corporate Programme Board.
(Copy Report CE.05/13)

PART B

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

- NIL -

**Enquiries, requests for reports, background papers, etc to Committee
Clerk: Rachel Rooney – 817039**

Resources Overview and Scrutiny Panel

Agenda
Item:

A.2

Meeting Date: 6th June 2013
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and
 Budget Framework
 Public / Private Public

Title: OVERVIEW REPORT AND WORK PROGRAMME
 Report of: Overview and Scrutiny Officer
 Report Number: OS 14/13

Summary:

This report provides an overview of matters related to the Community O&S Panel's work. It also includes the latest version of the work programme.

Recommendations:

Members are asked to:

- Decide whether the items on the Notice of Key Executive Decisions should be included in the Panel's Work Programme for consideration.
- Note and/or amend the Panel's work programme

Tracking

Executive:	-
Overview and Scrutiny:	6th June 2013
Council:	-

1. Notice of Key Executive Decisions

The most recent Notice of Key Executive Decisions was published on 1st May 2013. The following issues fall into the remit of this Panel and full details are attached at **Appendix 1**:

KD.09/13 2012/13 Provisional Outturn Reports – *on the agenda of this meeting of the Panel*

KD.010/13 Medium Term Financial Plan (including the Corporate Charging Policy) and the Capital Strategy 2014/15 to 2019/20 – *available for scrutiny on 29th August 2013*

KD.012/13 Asset Management Plan 2013 to 2018 – *available for scrutiny on 29th August 2013*

KD.013/13 Decision Title: Treasury Management Counterparty Review – *on the agenda for this meeting of the Panel.*

2. References from the Executive

The following references from the Executive from their meeting held on 8th April 2013 are attached at **Appendix 2**.

EX.33/13 Draft Carlisle Plan 2013 – 2016

3. Work Programme

The Panel's current work programme is attached at **Appendix 3** for comment/amendment.

Contact Officer: Nicola Edwards Ext: 7122

Appendices attached to report:

1. Notice of Key Decisions
2. References from the Executive
3. Resources O&S Work Programme 2013/14

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: None

Notice of Key Decisions to be taken by the Executive

The following key decision is to be made on behalf of Carlisle City Council:

Key Decision Reference:	KD.09/13
Decision Title:	2012/13 Provisional Outturn Reports
Decision to be taken:	To consider and approve the 2012/13 Provisional Outturn reports and make recommendations on any carry forward requests to Council on 16th July 2013. - Provisional Revenue Outturn - Provisional Capital Outturn - Elected Members Allowances – Provisional Outturn - Council Tax and National Non-Domestic Rates – Provisional Outturn - Treasury Management Provisional Outturn
Date Decision to be considered:	
Date Decision to be taken:	31 May 2013
Is the Decision Public or Private?:	The decision will be taken in public
Documents submitted for consideration in relation to the Decision:	The report of the Director of Resources will be available five working days before the meeting
Contact Officer for this Decision:	Director of Resources, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Finance, Governance and Resources (Councillor Dr Tickner)
Relevant or Lead Overview and Scrutiny Panel:	Resources Overview and Scrutiny Panel

All public reports can be viewed in the Customer Contact centre of the Civic Centre, Carlisle, the Public Library and on the Council's website www.carlisle.gov.uk.

Other documents relevant to the matter may be submitted to the decision maker. These, if available, may be obtained by contacting the named contact officer.

Notice of Key Decisions to be taken by the Executive

The following key decision is to be made on behalf of Carlisle City Council:

Key Decision Reference:	KD.010/13
Decision Title:	The Medium Term Financial Plan (including the Corporate Charging Policy) and the Capital Strategy 2014/15 to 2019/20
Decision to be taken:	To consider the Council's Medium Term Financial Plan and Corporate Charging Policy, and the Council's Capital Strategy and make recommendations to Council on 10th September 2013.
Date Decision to be considered:	5 August 2013 consultation period to include Overview and Scrutiny as appropriate
Date Decision to be taken:	2 September 2013
Is the Decision Public or Private?:	The decision will be taken in public
Documents submitted for consideration in relation to the Decision:	The report of the Director of Resources will be available five working days before the meeting
Contact Officer for this Decision:	Director of Resources, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Finance, Governance and Resources (Councillor Dr Tickner)
Relevant or Lead Overview and Scrutiny Panel:	Resources Overview and Scrutiny Panel

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Other documents relevant to the matter may be submitted to the decision maker. These, if available, may be obtained by contacting the named contact officer.

Notice of Key Decisions to be taken by the Executive

The following key decision is to be made on behalf of Carlisle City Council:

Key Decision Reference:	KD.012/13
Decision Title:	The Asset Management Plan 2013 to 2018
Decision to be taken:	The Executive will be asked to consider the Council's Asset Management and make recommendations to Council on 10 September 2013
Date Decision to be considered:	5 August 2013 consultation period to include Overview and Scrutiny as appropriate
Date Decision to be taken:	2 September 2013
Is the Decision Public or Private?:	The decision will be taken in public
Documents submitted for consideration in relation to the Decision:	The report of the Director of Resources will be available five working days before the meeting
Contact Officer for this Decision:	Director of Resources, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Finance, Governance and Resources (Councillor Dr Tickner)
Relevant or Lead Overview and Scrutiny Panel:	Resources Overview and Scrutiny Panel

All public reports can be viewed in the Customer Contact centre of the Civic Centre, Carlisle, the Public Library and on the Council's website www.carlisle.gov.uk.

Other documents relevant to the matter may be submitted to the decision maker. These, if available, may be obtained by contacting the named contact officer.

Notice of Key Decisions to be taken by the Executive

The following key decision is to be made on behalf of Carlisle City Council:

Key Decision Reference:	KD.013/13
Decision Title:	Treasury Management Counterparty Review
Decision to be taken:	The Executive will be asked to approve changes to counterparties and limits to ensure that cash balances can be invested with appropriate counterparties having regard to the security, liquidity and yield.
Date Decision to be considered:	7 May 2013 (under General Exception) consultation period to include Overview and Scrutiny as appropriate
Date Decision to be taken:	1 July 2013
Is the Decision Public or Private?:	The decision will be taken in public
Documents submitted for consideration in relation to the Decision:	The report of the Director of Resources will be available five working days before the meeting
Contact Officer for this Decision:	Director of Resources, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Finance, Governance and Resources (Councillor Dr Tickner)
Relevant or Lead Overview and Scrutiny Panel:	Resources Overview and Scrutiny Panel

All public reports can be viewed in the Customer Contact centre of the Civic Centre, Carlisle, the Public Library and on the Council's website www.carlisle.gov.uk.

Other documents relevant to the matter may be submitted to the decision maker. These, if available, may be obtained by contacting the named contact officer.

**EXCERPT FROM THE MINUTES OF THE
EXECUTIVE
HELD ON 8 APRIL 2013**

EX.33/13 **DRAFT CARLISLE PLAN 2013 - 2016
(Key Decision – KD.037/12)

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

Portfolio Finance, Governance and Resources

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

Subject Matter

Pursuant to Minute EX.10/13, the Leader submitted report PC.08/13 concerning the draft Carlisle Plan 2013/16 which set out the City Council's vision for Carlisle and the six priorities for action over the medium term. The draft Plan had been referred to the Council's Overview and Scrutiny Panels; partners (including community and voluntary groups); and the public for consultation.

The matter had been considered by the Community; Resources; and Environment and Economy Overview and Scrutiny Panels on 14, 21 and 28 February 2013. Copy excerpts (COSP.16/13, RO SP.15/13 and EEOSP.18/13) from the Minutes of those meetings had been circulated.

The final draft of the Carlisle Plan 2013/16 and the draft Action Plan for delivering the priorities were attached at Appendices 1 and 2 to the report.

Details of the feedback received, and the proposed amendments to the Plan following the consultation period were also provided at Appendix 3.

The Economy and Enterprise Portfolio Holder referred Members to the Action Plan (Appendix 2). He clarified that the implementation dates for the following actions should in fact read "April to December 2013":

Page 7 – Action 3: Improving Industrial Estate / Employment land performance; and
Page 9 – Action 2: Develop a collaborative approach to stimulating new business and growing small businesses

Members of the Executive indicated their agreement with the above amendments.

The Leader noted that the Chairmen of the Community; and the Environment and Economy Overview and Scrutiny Panels were in attendance. He invited them to speak on the matter.

The Chairman of the Community Overview and Scrutiny Panel stated that the Executive would see from the Minutes that concerns were expressed with regard to the omission of Health and Wellbeing as a priority within the proposed Plan. The Resources Overview and Scrutiny Panel had expressed similar concerns.

Health and Wellbeing had been a priority for a number of years. In 2004 the Department of Health issued a list of 70 local authority areas which were classed as Spearhead Authorities, meaning that they fell into the bottom 25% of local authority areas in relation to good public health. Carlisle was included in that list.

During the years which followed, the City Council, the Primary Care Trust and the Carlisle Partnership had worked hard together to change things and, in 2010, Carlisle was removed from that list.

However, there remained 4 Urban Wards (Currock, Denton Holme, Castle and Belle Vue) whose health deprivations meant that they would still be classed as Spearhead areas if the list was divided into political wards. Those Wards made up more than a third of the urban population.

In conclusion, the Chairman expressed the hope that, even if public health was not identified as a specific priority, the good work done would continue to make a substantial contribution towards health improvements in Carlisle.

The Chairman of the Environment and Economy Overview and Scrutiny Panel said that the Panel was concerned to ensure that the needs of health and youth were being met. He acknowledged that the Leader had given an acceptable response to those concerns. He further highlighted rural issues and looked forward to seeing how those would evolve in detail.

The Chairman added that a very valuable meeting had taken place at the start of the year when the Botchergate Conservation Area was discussed. Accordingly, he was very keen to recommend, on behalf of the Panel, that the Botchergate Working Group be reinstated to monitor the area.

The Leader thanked the Overview and Scrutiny Chairmen for their input.

In response to the concerns raised, the Leader referred to the responses detailed in Appendix 3 (Page 15) which philosophy underpinned the whole of the Carlisle Plan. He gave an assurance that Health and Wellbeing would not be neglected in any way.

The Culture, Health, Leisure and Young People Portfolio Holder indicated that she too was well aware of the importance of health. A number of meetings had taken place with partners in the City and the Executive was fully committed to such working through the Carlisle Partnership.

Speaking in her capacity as a member of the Carlisle Partnership, the Chairman of the Community Overview and Scrutiny Panel stated that a prominent part of their work was to address health related need within Carlisle.

In conclusion, the Leader moved that the Executive consider the proposed amendments to the Carlisle Plan and Action Plan, and agree to refer the draft Plan to full Council for approval.

The Environment and Transport Portfolio Holder seconded the recommendation.

Summary of options rejected None

DECISION

That the Executive:

1. had considered the proposed amendments to the draft Carlisle Plan 2013/16 and Action Plan.
2. agreed to refer the draft Carlisle Plan (subject to the additional amendments highlighted above) to full Council for approval on 30 April 2013.

Reasons for Decision

The recommendations asked the Executive to approve the final draft of the Carlisle Plan following the consultation period. The Carlisle Plan 2013/16 should be referred to full Council for approval and adoption to the Policy Framework

RESOURCES OVERVIEW AND SCRUTINY PANEL WORK PROGRAMME 2013/14

Date last revised: 20 May 2013

Issue	Type of Scrutiny						Comments/Current Status	Meeting Dates								
	Performance Management	Notice of Key Decision / Referred from Executive	Policy Review or Development	Scrutiny of Partnership/ External Agency	Budget	Monitoring		6 Jun 13	18 Jul 13	29 Aug 13	10 Oct 13	28 Nov 13	6 Jan 14	20 Feb 14	3 Apr 14	
Current Meeting																
Performance Monitoring						✓	Quarterly monitoring of performance within remit of Panel	✓		✓		✓		✓		
Corporate Programme Board						✓	Quarterly monitoring of significant projects	✓		✓		✓		✓		
Carlisle Leisure Ltd				✓			Continued scrutiny of contract monitoring - Audit Report and update	✓								
Treasury Management Counterparties		✓					Scrutinise report recommending amendments to Treasury Management	✓								
2012/13 Provisional Outturn Reports					✓		Outturn reports and recommendations on carry forward requests to Council	✓								

RESOURCES OVERVIEW AND SCRUTINY PANEL WORK PROGRAMME 2013/14

Date last revised: 20 May 2013

Issue	Type of Scrutiny						Comments/Current Status	Meeting Dates								
	Performance Management	Notice of Key Decision / Referred from Executive	Policy Review or Development	Scrutiny of Partnership/ External Agency	Budget	Monitoring		6 Jun 13	18 Jul 13	29 Aug 13	10 Oct 13	28 Nov 13	6 Jan 14	20 Feb 14	3 Apr 14	
Task & Finish Groups																
Future Meetings																
Organisational Development Plan							To consider review of Plan July - monitor performance in Nov & Feb		✓			✓		✓		
Significant Partnerships				✓			Bi-Annual scrutiny		✓		✓				✓	
Benefits Advice							Report detailing impact of Benefits Advice Service									
Budget					✓		Budget setting 2014/15-2018/19					✓	✓			
Asset Management							Monitor disposal and investment programme									
Medium Term Financial Plan					✓					✓						

RESOURCES OVERVIEW AND SCRUTINY PANEL WORK PROGRAMME 2013/14

Date last revised: 20 May 2013

Issue	Type of Scrutiny						Comments/Current Status	Meeting Dates								
	Performance Management	Notice of Key Decision / Referred from Executive	Policy Review or Development	Scrutiny of Partnership/ External Agency	Budget	Monitoring		6 Jun 13	18 Jul 13	29 Aug 13	10 Oct 13	28 Nov 13	6 Jan 14	20 Feb 14	3 Apr 14	
Budget Monitoring 13-14					✓	✓	Monitoring of budget			✓		✓		✓		
Corporate Risk Register						✓	Quarterly Monitoring		✓		✓		✓		✓	
Transformation Board						✓	To receive six monthly updates				✓				✓	
Employee Opinion Survey							To inform Members of feedback and action plan								?	
Scrutiny Annual Report							Draft report for comment before Chairs Group								✓	
COMPLETED ITEMS																
For Information																

Resources Overview and Scrutiny Panel

Agenda
Item:

A.3

Meeting Date: 6th June 2013
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework: Yes
 Public: Yes

Title: Audit Report on Carlisle Leisure Limited (CLL) Contract Monitoring
 Report of: Director of Resources
 Report Number: RD17/13

Purpose / Summary:

This provides members with the audit report on Carlisle Leisure Limited (CLL) Contract Monitoring. This audit report was submitted as part of the Internal Audit Progress Report (Appendix H) to the Audit Committee on 15th April 2013.

Recommendations:

Members are requested to receive this report and note the detailed action plan which is attached as Appendix A.

Tracking

Executive:	Not applicable
Overview and Scrutiny:	Not applicable
Council:	Not applicable

Audit Committee	Agenda Item: A.6
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Meeting Date: 15th April 2013
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework: Yes
 Public

Title: Audit Services Progress Report 2012-13 (No. 4)
 Report of: Director of Resources
 Report Number: RD05/13

Purpose / Summary:

This report summarises the work carried out by Audit Services since the previous report to Committee on 11th January 2013 and details the progress made on delivery of the approved Audit Plan during the fourth quarter of 2012/13.

Recommendations:

Members are requested to receive this report and note the progress made against the agreed 2012/13 Audit Plan.

Tracking

Executive:	Not applicable
Overview and Scrutiny:	Not applicable
Council:	Not applicable



AUDIT SERVICES

A Shared Service between Cumbria County Council, Carlisle City Council and Copeland Borough Council

FINAL REPORT

Audit of:

CARLISLE LEISURE LIMITED (CLL) CLIENT CONTRACT

Draft Report Issued: 17th December 2012.

Revised Draft Issued: 5th March 2013.

Final Report Issued: 11th March 2013.

Section 1 – Management Summary

1. REASON FOR THE AUDIT

- 1.1. The audit of Carlisle Leisure Limited (CLL) Client Contract was identified for review as part of the agreed Audit Plan for 2012/13. This is the first time that this area has been examined by Internal Audit.

2. AUDIT CONTACT & REPORT DISTRIBUTION

- 2.1. The audit report has been distributed to the following officers.

Recipient	Action Required
Director of Community Engagement.	Action required. Please refer to Appendix A – Summary of Recommendations/Action Plan.
Director of Resources	For information.
Director of Governance	For information.
Communities, Housing and Health Manager, Community Engagement	Action required. Please refer to Appendix A - Summary of Recommendations / Action Plan.
Wellbeing Manager, Community Engagement	Action required. Please refer to Appendix A - Summary of Recommendations / Action Plan.
Policy & Performance Officer, Chief Executives Team.	Action required. Please refer to Appendix A - Summary of Recommendations / Action Plan.
Chief Accountant, Resources Directorate	Action required. Please refer to Appendix A - Summary of Recommendations / Action Plan.
Development & Support Manager, Resources	Action required. Please refer to Appendix A - Summary of Recommendations / Action Plan.
Head of Financial Services, Resources	For information.
Policy and Communications Manager, Chief Executives Team.	For information.

- 2.2. Other recipients of the final report:

Chief Executive	Report to be noted.
Deputy Chief Executive	
Audit Committee	To consider the Summary of Recommendations / Action Plan (Appendix A) at its next meeting on the 15 th of April 2013.

3. BACKGROUND INFORMATION

- 3.1. CLL is a not for profit organisation established in 2002, primarily for the purpose of managing the leisure facilities for Carlisle City Council. The Carlisle City Council contract encompasses the provision of Leisure Services at:-

Section 1 – Management Summary

- The Sands Centre,
- The Pools,
- Stonyholme Golf Course,
- The Swifts Golf Course,
- The Sheepmount,
- Bitts Park Pavilion and Tennis Courts, and

The one year rolling contract incorporating:-

- St James Park and Richardson Street Pavilion.

- 3.2. From the 1st of April 2004, CLL expanded by entering into additional partnerships with Allerdale Borough Council, Cumbria County Council and Richard Rose Morton Academy to reopen and operate a community swimming pool. In September 2005, Trinity Leisure Centre opened which is a partnership between Carlisle Leisure Limited and Trinity School.
- 3.3. As a company with charitable purposes, this status is recognised by the Inland Revenue and 80% mandatory business rate relief and VAT advantages are applied. Corporation tax is also payable. These financial arrangements enable the company to potentially reinvest any financial surplus back into the services it provides. Carlisle Leisure Limited is governed by the rules of an Industrial Provident Society set by the Financial Services Authority.
- 3.4. The contract with Carlisle City Council commenced on 1st December 2002 and is for a period of up to 15 years. It is due to expire in November 2017 and the annual contract sum, which is subject to inflation in line with the RPI is currently valued at £0.75m. The original Revenue Price Bid for the lifetime of the contract calculated in 2002 was £8,791,507 less RPI. Therefore this initial estimate, after taking into account previous and existing variations during the contract term, and previous and future inflationary factors, could value the whole contract at over £11 million in total.

4. SCOPE

- 4.1. Audit testing and verification have been carried out to form an opinion over the effectiveness of systems and controls in place relating to the risks identified. Key areas for review are:

Section	Area Examined
1.	Client Risk Registers
2.	Contractual Agreement
3.	Performance Framework / Monitoring Arrangements
4.	Contract Payments
5.	Reporting and Accountability.

- 4.2. Detailed findings are shown in Section 2 of this report - Matters Arising.
- 4.3. The scope and testing undertaken as part of this review reflects identified risks specific to Carlisle Leisure Limited Client Contract. Where applicable, other emerging risks have also been included in the scope and testing undertaken.

Section 1 – Management Summary

- 4.4. Please note that on conclusion of the audit, any risks highlighted by the audit review should be assessed by the relevant Director and necessary updates to the operational risk register should be made. If risks are of a strategic nature, these should be reviewed by the Corporate Risk Management Group.

5. RECOMMENDATIONS

- 5.1. There are 10 recommendations arising from this review :
- 2 at grade A
 - 8 at grade B

6. STATEMENT OF ASSURANCE

- 6.1. From the areas examined and tested as part of this audit review, we consider the current controls operating within Carlisle Leisure Limited (CLL) Client Contract provide **Restricted** assurance.

7. KEY FINDINGS ARISING FROM THE AUDIT REVIEW

- 7.1. The limited assurance level given to an audit area is influenced by a number of factors including the stability of systems, number of significant recommendations made, impact of not applying audit recommendations, non adherence to procedures etc.
- 7.2. A number of opportunities to improve existing arrangements and further enhance controls have been identified; these matters are detailed in Section 2 – Matters Arising and summarised in the Action Plan which is attached as Appendix A. The key issues arising from this review are:
- Overall, there has been limited monitoring of the CLL contract prior to the relatively new current management structure. This is a situation which was inherited and present management are working hard to correct this position and officers are in the process of developing a challenging and frank relationship with CLL, where performance and adherence to contractual terms will be challenged and quantified. Although not complete, there has been some progress made with regard to monitoring the contract compared to previous arrangements and officers fully recognise the issues which remain regarding further improvements to the contracting monitoring arrangements and are keen to develop these activities
 - Client Risk Registers.
The Council's risk management arrangements are not sufficiently developed as they do not reflect the existing risks and those emerging though the expiry of the existing contract. Clearer responsibilities, processes and delegations to those best placed to manage the identified risks are needed. The risks specific to operational service delivery should be formally identified, actively monitored and routinely reported to all concerned, along with mitigating actions developed and implemented where possible.
 - Contractual Agreements.
Whilst a detailed contractual agreement is in place, the Council's arrangements for ensuring this is delivered need to be improved upon. In practice, the original agreement is outdated in parts; nonetheless departments with responsibility for contract monitoring were not familiar

Section 1 – Management Summary

with all the conditions of the contract, especially those terms regarding performance monitoring. There were also omissions to asset management, insurance provisions and financial statement information where it was found that annual renewals / records have not been provided to the client as standard and there are also no client monitoring arrangements in place to ensure the existence and accuracy of asset inventories.

- Performance Framework/Monitoring Arrangements.
Revised quarterly performance management arrangements have been in place for 18 months though no formal contract variation has been put in place based on criteria developed since the contract was agreed. These current arrangements surrounding the performance framework/monitoring of the contract need improving. Whilst steps have been taken to improve the performance monitoring since 2011, further improvements are needed across the contract.
- Contract Management.
A robust contract management arrangement is vital, especially on a contract of this size and complexity. The development and expansion of CLL during the life of this contract requires the Council to be challenging of the arrangements and seek verification, in good time, that CLL is executing the project in accordance with the original terms of the contract. If the contract management is ineffective this can mean that decisions are not taken at the proper time thus allowing potential risks to appear, the opportunities to improve value for money are lost and the contractor's performance is not evaluated throughout the execution of the contract therefore not allowing for action to be taken to increase the performance and effectiveness.
- Standards of Service/Default in Performance.
The agreement clearly outlines the expected standards of service, and the penalties applicable if these were not achieved. Penalties have never been imposed. It would therefore be difficult to impose these requisites, if deemed necessary, so late on in the contractual term. It is of great importance that in any future contract negotiations that the application of the penalty system is introduced and subsequently applied as part of any comprehensive performance monitoring framework.
- Financial Monitoring.
CLL should be encouraged to be proactive in furnishing the Council with management and financial information so that any performance monitoring and review undertaken by the Council is properly informed.
- Payments.
CLL's expansion into West Cumbria superseded the original contract detail and no specific reference was included regarding how Carlisle City Council's contribution should be spent. This situation should be rectified when preparing any contract renewal.

The provision of relevant financial information has been insufficient in the past, however, steps have been taken to address this and in-house financial advice and input has been sought. Management should ensure that in the future, the Council takes ownership of the

Section 1 – Management Summary

financial arrangements so to contribute towards the success of the agreement and ensure that the quality of service does not suffer.

- Reporting and Accountability.

Traditionally, over the period of the contract governance arrangements surrounding the CLL contract have not been adequate. Quarterly contract meetings have been in place since Jan 2011, however these need to be further developed and in the future should be the basis of reporting and accountability arrangements moving forward ensuring Senior Managers and Members are fully informed of the contract progress.

COMMUNITY ENGAGEMENT DIRECTORATE

Audit of Carlisle Leisure Limited Client Contract.

SUMMARY OF RECOMMENDATIONS & ACTION PLAN

REF	ISSUE RAISED	RECOMMENDATION	GRADE	AGREED ACTION	RESPONSIBLE OFFICER	DATE ACTIONED BY
R1	The Council has not sufficiently considered risks associated with the ongoing delivery of leisure services by the external contractor. There is no mention of any risks of this nature in any strategic, operational or contract risk registers.	The risk of the CLL not fulfilling its contractual obligations should be reflected within the risk registers maintained by Community Engagement, with a suitable strategy to mitigate these risks. As part of this, contingency plans should be developed to handle contract failure (temporary or long-term failure or default).	B	Key risks to CLL are currently examined each quarter and include: <ul style="list-style-type: none"> • Costed Asset Management Plans • State of the economy/ Lack of disposable income, increase in interest rates, VAT increase, • NNDR • Catastrophic failure of plant, structure, machinery or large equipment • Comprehensive Spending Review and pressure on council's to make savings <p>A greater emphasis will be placed on the risks to the City Council from 2013/14 and added to the Community Engagement risk register. Contingency plans will also be drawn up in the event of a contract failure.</p>	Director of Community Engagement.	May 2013.

R2	<p>There is currently no defined client lead monitoring officer and other officers have assumed responsibility for the ongoing contract monitoring arrangements. These current arrangements fall short in terms of providing a robust challenge and holding the contractor to account as the officer involved are not wholly familiar with the conditions of the contract as they were not involved in the original contract negotiations.</p>	<p>Previously, there has been no designated lead monitoring officer. Those officers that have now taken responsibility should be given the opportunity to become familiarised with the detail with the contract and agreed variations to support ongoing contract monitoring arrangements. Advice from Legal should be sought to clarify contract terminology where necessary. This is an essential requirement which should ensure monitoring arrangements are enhanced and contractual detail is regularly challenged and reviewed as necessary, to meet evolving business needs.</p>	B	<p>The Community Engagement Transformation process will address this. It is proposed that a senior management position with designated contract monitoring responsibility be created within the Directorate. It is proposed to appoint to this post in Spring 2013.</p>	<p>Director of Community Engagement.</p>	<p>May 2013</p>
R3	<p>Carlisle City Council does not maintain a current asset register which details the portfolio of assets held and managed by CLL.</p>	<p>An updated copy of the CLL asset register for the Carlisle City portfolio should be acquired immediately. CLL should be requested to provide the asset list annually and annual asset inspections should be performed by the Council to ensure equipment is present and fit for purpose.</p> <p>This is subject to Section 29 of the agreement.</p>	B	<p>CLL has been informed that it must provide an updated asset register annually. Spot checks will be undertaken to ensure accuracy and assurances sought that equipment is fit for purpose.</p>	<p>Director of Community Engagement.</p>	<p>June 2013.</p>

R4	There was no evidence provided to assure that provision has been made within CLL's lease agreements for Carlisle City Council to take ownership of all leases if necessary.	Copies of all terms and conditions relating to all equipment leases should be acquired and examined by Financial Services. Assurance must be sought that the lease agreements have provision for the Council to potentially takeover ownership of the lease if the situation dictates.	B	Copies of all terms and conditions relating to equipment leases will be acquired. Financial Services will provide assurance that the Council are able to take ownership of leases if required	Director of Community Engagement/ Director of Resources.	May 2013.
R5	There is no evidence to confirm CLL's non property insurance arrangements.	A copy of CLL's Carlisle City Council portfolio non-property insurance evidence for 2012/13 should be acquired immediately. Evidence should be sought from CLL to support the annual insurance arrangements in place. This should be subject to Sections 29 and 36 of the agreement	B	CLL has been informed that it must provide evidence to show that annual insurance arrangements are in place.	Director of Community Engagement.	April 2013.
R6	There is no specific officer delegated with overall responsibility for CLL Contract Management. There is limited client input into service performance. Data Quality arrangements	<u>Monitoring Responsibility/Arrangements.</u> a) A more robust contract monitoring arrangement is required. The CLL contract requires a designated City Council officer whose specific responsibility is	B	a) See R2 regarding the revised Community Engagement structure.	Director of Community Engagement	May 2013.

<p>when relying on third party information for contract monitoring and internal decision making purposes require strengthening.</p> <p>Not all of the performance indicators detailed in the contract documentation are monitored.</p>	<p>to manage the operational delivery of the contract, monitor performance, provide effective challenge and liaise formally with CLL on a more constructed basis and enforce contractual provisions.</p> <p>b) Performance indicators (PIs) specified within the contract documentation should be examined and if considered fit for purpose, these should be used to underpin more robust contract monitoring activities and adopted as part of the quarterly monitoring arrangements.</p> <p>c) The Council should seek annual assurance, via a data quality statement from CLL which clearly specifies the quality of data expected, to measure and report on agreed performance indicators.</p> <p>d) The Council should have more input into the design and production of supplementary performance indicators. These should be developed to challenge current service</p>		<p>b) The contractual PIs will be reevaluated in terms of their usefulness for contract monitoring. If they are deemed inappropriate a contract variation will be put into place.</p> <p>c) Data (other than financial information) quality/integrity could be externally or separately tested but it has not to date caused specific concerns. CLL will be asked to sign up to the Council's data quality statement.</p> <p>d) The PIs measured to date have provided us with a useful benchmark. The list will be reviewed and refreshed to ensure we are monitoring the most important</p>		
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		<p>performance and future service developments.</p>		<p>aspects of CLL (including financial elements) and their service provision in time for the start of 2013/14.</p> <p>The PIs in the contract not currently measured are:</p> <ol style="list-style-type: none"> 1. <i>Percentage of residents, by gender, socio-economic status and disability, satisfied with the provision at each facility. <u>To be reviewed every three years.</u></i> <p>This will be picked up in 2013/14.</p> <p>CLL conducted a customer satisfaction feedback in 2012. The City Council received a copy.</p> <ol style="list-style-type: none"> 2. <i>Percentage of residents and non-residents, by gender, socio-economic status and disability, which use the facilities once a fortnight or more. <u>To be reviewed every three years.</u></i> <p>This will be picked up in 2013/14.</p> <p>The new IT system that CLL has recently implemented will enable more easy and accurate reporting on this.</p> <ol style="list-style-type: none"> 3. <i>Number of users per 1,000 population.</i> 		
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				<p>This will be introduced in 2013/14 from usage data already collected.</p> <p>4. <i>Improve Customer Satisfaction re Catering/Bars Operation by 3% year on year</i></p> <p>See no.1. This will be picked up as part of the other customer satisfaction work.</p>		
R7	Service Standards/Default in Performance Standards are not applied.	A revised comprehensive performance monitoring framework should be established and introduced (following R6), which includes the application of the penalty system to be applied if/when appropriate.	B	<p>Since contract monitoring commenced in 2011, the penalty points system has been considered but not formally used. To date negotiation on performance improvement based on structured and evidenced discussion has been sufficient to secure performance improvement. For example poor standards have been challenged at St James Park. (Inspections by Council and an improvement action plan agreed/monitored) Work is on-going regarding the future service provision at St James Park.</p> <p>The current CLL performance framework will be reviewed. The contractual penalty point system will be</p>	Policy and Communications Manager.	May 2013.

				reconsidered for implementation. See R6 regarding the Pls.		
R8	CLL final accounts are not forwarded to Financial Services and financial information regarding Carlisle City Council CLL sites is not regularly provided.	<u>Financial Accountability.</u> a) SMT and Financial Services should be provided with a set of CLL audited accounts on a regular basis in accordance with Section 18 cl.18.6 of the agreement. b) Financial data should be sought from CLL to ensure that Carlisle City has sufficient information so that the financial performance of the contract can be meaningfully measured in accordance with Section 16, cls' 16.6 and 16.9 of the agreement. c) A representative from Financial Services should also be present at future quarterly contract monitoring meetings so that they can establish the exact level of income and expenditure on the Councils leisure amenities. The designated lead contract monitoring and finance officers should robustly assess financial performance information to determine whether value for money	B	a) CLL audited accounts are on the SMT Meeting's Forward Plan and will be scrutinised by Financial Services. b) Financial information will be a standing agenda item at the quarterly contract monitoring meetings. c) The Financial Services representative will attend all contract monitoring meetings.	Director of Community Engagement. Director of Resources Chief Accountant Chief Accountant	May 2013.

		achievements are derived from the existing service delivery arrangements.				
R9	The current contract does not specify how contract monies should be spent. This is a major weakness in terms of enabling robust contract monitoring arrangements and assessing the delivery of value for money through the contract.	Any future contract detail should contain clear, up-to-date guidelines and specific use of the contract monies paid by Carlisle City Council.	A	A 'lessons learnt' report will be written before the retendering process takes place. This can commence immediately.	Director of Community Engagement.	June 2013.
R10	Contract governance arrangements need to be improved.	Due to the size and complexity of the CLL contract, and the circumstances surrounding the contract renewal, a stronger reporting mechanism should be provided so that Senior Managers and Members are furnished with regular financial and operational updates to support future service decisions. This will support more effective governance arrangements for the leisure contract, extending to the wider appreciation of risks, performance management and the internal controls associated with existing and future service delivery arrangements.	A	Contract governance will be flagged as an organisational issue and mitigating factors will be applied to the CLL contract.	SMT/Director of Community Engagement.	Aug 2013.

Resources Overview and Scrutiny Panel

Agenda
Item:

A.4

Meeting Date: 6 June 2013
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: RD08/13

Purpose / Summary:

The Treasury Management Strategy for 2013/14 was approved at Council on 5 February. Since this date, average investment balances have increased as a result of assets sales, and there have been significant changes to investment return interest rates. As a result of these changes, this report requests approval to amend the limits that can be invested with different counterparties.

Questions for / input required from Scrutiny:

Members are asked to note the report and make comments on the proposed changes.

Recommendations:

Members of the Resources Overview and Scrutiny Panel are asked to note the proposed changes to the Treasury Management Counterparties

Tracking

Executive:	7 th May 2013 and 1 st July 2013
Overview and Scrutiny:	6 th June 2013
Council:	16 th July 2013

Report to Executive	Agenda Item:
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Meeting Date: 7 May 2013
 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: RD08/13

Purpose / Summary:

The Treasury Management Strategy for 2013/14 was approved at Council on 5 February. Since this date, average investment balances have increased as a result of assets sales, and there have been significant changes to investment return interest rates. As a result of these changes, this report requests approval to amend the limits that can be invested with different counterparties.

The report also advises Members on the Treasury Management Advisory Services contract.

Recommendations:

The Executive is asked to:

- (i) approve the investment counterparty limits as outlined at Appendix A and set out in paragraph 2.7, for recommendation to Council;
- (ii) note that the contract for Treasury Management Advisory Services has been re-tendered and awarded under powers delegated to the Director of Resources.

Tracking

Executive:	7th May 2013 and 1st July 2013
Overview and Scrutiny:	6th June 2013
Council:	16th July 2013

1. BACKGROUND

- 1.1 The Treasury Management Strategy for 2013/14 was approved at Council on 5 February. Since this date, average investment balances have increased as a result of assets sales, and there have been significant changes to investment return interest rates. As a result of these changes, this report requests approval to amend the limits that can be invested with different counterparties.

2. PROPOSALS

- 2.1 As the Government backed banks, Lloyds Group and RBS have the security of Government backing, the current limit with these institutions is set at £8m. The investment strategy being followed is to place as much of the core cash balances of the Council with these two institutions in order to maximise returns whilst minimising the risk. Typical 1-year returns from these 2 institutions have fallen dramatically over the past 6 months from 3% to 1.1% as a result of the Bank of England's strategy of making funds available to the banks. As a result of this all banks are offering lower rates for investments as they have easier access to capital from the Bank of England.
- 2.2 Other credit rated banks that fall within the criteria set out in the Treasury Management Strategy Statement have a limit of £4m. This includes the Council's own bank, HSBC.
- 2.3 The Council has recently opened an overnight deposit account with HSBC that attracts a rate of 0.50%; typical overnight rates offered by other institutions, including Money Market Funds (MMF's) are around 0.40%. The Council has in the past used MMF's quite extensively for overnight deposits as the rates offered were close to 0.80%, but again, as a result of more capital in the banking system, rates have fallen. The added benefit of using the HSBC account is that there are no transaction charges for placing the funds in the account which are incurred when sending funds to other institutions.
- 2.4 HSBC is one of the largest global banks and has the highest short term credit rating of F1+ from Fitch and P1 from Moody's.
- 2.5 Therefore, it is proposed that the counterparty limit with HSBC be maintained at £4m for investments up to 3 years in duration but that an additional £2m be allowed for additional investments that are for less than 1 month in duration. This would give an overall limit of £6m which could be placed with HSBC at any one time, but that £2m would have a duration of less than 1 month.

The Council has approached its Treasury advisors, Sector, regarding these proposals and they have indicated that the strategy does not put the Council's investments at any additional risk.

2.6 Non credit rated institutions that have assets over £1bn be limited to investments of £2m. This would include the Cumberland Building Society.

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	£4million
Non Credit Rated Banks/Building Societies	£2million

2.8 A further review of counterparty limits will be undertaken later in the year to ensure limits continue to best meet the investment needs. Officers attended a Treasury seminar on 25th April where alternative investments instruments were discussed such as corporate bonds; all alternatives will continue to be reviewed.

2.9 Under delegated powers, the Director of Resources has re-tendered and awarded the contract for Treasury Management Advisory Services for a two year period, with an option to extend for a further two years.

3. CONSULTATION

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

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

4.1 The Executive is asked to:

- (i) approve the investment counterparty limits as outlined at Appendix A and set out in paragraph 2.7, for recommendation to Council;
- (ii) note that the contract for Treasury Management Advisory Services has been re-tendered and awarded under powers delegated to the Director of Resources.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

5.1 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 Appendix A - Approved investment instruments 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 – n/a

Community Engagement – n/a

Economic Development – n/a

Governance – The Council's Treasury Management Strategy is defined in Article 4 of the Constitution as being part of the authority's "Budget". As such, it is correct for the matter to be considered by Overview & Scrutiny prior to recommendation to the Council by the Executive.

Local Environment – n/a

Resources – Contained within the report

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
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

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.

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 7 MAY 2013

EX.42/13 TREASURY MANAGEMENT COUNTERPARTIES
(Key Decision)

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

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Finance, Governance and Resources Portfolio Holder submitted report RD.08/13 concerning Treasury Management Counterparties.

The Portfolio Holder reminded Members that the Treasury Management Strategy for 2013/14 had been approved by Council on 5 February 2013. However, since that date average investment balances had increased as a result of asset sales, in addition to which there had been significant changes to investment return interest rates.

As a result of the above the Finance, Governance and Resources Portfolio Holder outlined a proposal to amend the limits which could be invested with different counterparties. He further summarised the revised limits and investment criteria (as set out at Appendix A), namely:

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

A further review of counterparty limits would be undertaken later in the year to ensure limits continued to best meet the investment needs. Officers had attended a Treasury

Seminar on 25 April 2013 where alternative investments instruments were discussed such as corporate bonds; all alternatives would continue to be reviewed.

The Finance, Governance and Resources Portfolio Holder added that the Director of Resources had, under delegated powers, re-tendered and awarded the contract for Treasury Management Advisory Services for a two year period, with an option to extend for a further two years.

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

Summary of options rejected None

DECISION

That the Executive:

1. Approved the investment counterparty limits as outlined at Appendix A and set out in paragraph 2.7 of Report RD.08/13 for recommendation to Council.
2. Noted that the contract for Treasury Management Advisory Services had been re-tendered and awarded under powers delegated to the Director of Resources.

Reasons for Decision

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

Resources Overview and Scrutiny Panel

Agenda Item:
A.5(d)

Meeting Date: 6 June 2013
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref:KD09/13
 Within Policy and Budget Framework YES
 Public / Private Public

Title: PROVISIONAL OUTTURN FOR COUNCIL TAX AND NATIONAL NON DOMESTIC RATES 2012/13
 Report of: Director of Resources
 Report Number: RD14/13

Summary:

This report summarises the provisional outturn and performance position for Council Tax, NNDR and was considered by Executive on 31 May 2013.

Questions for / input required from Scrutiny:

Members are asked to scrutinise the outturn position for Council Tax and NNDR and note the performance and position with regard to write offs and bad debts.

Recommendations:

Members of the Resources Overview and Scrutiny Panel are asked to considered this report.

Tracking

Executive:	31 May 2013
Overview and Scrutiny:	6 June 2013
Council:	16 July 2013

Report to Executive	Agenda Item:
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Meeting Date: 31 May 2013
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref:KD09/13
 Within Policy and Budget Framework YES
 Public / Private Public

Title: PROVISIONAL OUTTURN FOR COUNCIL TAX AND NATIONAL NON DOMESTIC RATES 2012/13
 Report of: Director of Resources
 Report Number: RD14/13

Purpose / Summary:

This report summarises the excellent 2012/13 provisional outturn and performance position for Council Tax and NNDR.

Recommendations:

Members are asked to note the provisional outturn position at 31 March 2013 for Council Tax (which evidences the best ever collection performance since Council Tax was introduced) and NNDR and also note the position with regard to write offs and bad debt trends.

Tracking

Executive:	31 May 2013
Overview and Scrutiny:	6 June 2013
Council:	16 July 2013

1. BACKGROUND

1.1 The aim of this report is to:

- i) Advise Members of the current position on the 2012/13 Council Tax and Business Rates Accounts i.e. the total value of accounts raised and how much has been collected in the 2012/13 financial year.
- ii) Highlight and explain any variances against the expected (or budgeted) position.

2. COUNCIL TAX PROVISIONAL OUTTURN AS AT 31 MARCH 2013

2.1 **Appendix 1** details the provisional outturn position for Council Tax for 2012/13.

2.2 The estimated outturn of 97.8% suggests that, overall liability raised and Council Tax collected will again exceed the budgeted projections of 98.5% (if the collection pattern for recovering 2012/13 arrears follows that of previous years), as shown in the table below.

	Budgeted	%	Estimated	%
	£000		(31/3/13)	
			£000	
Council Tax Liability	55,455	100	55,455	100
Losses on liability e.g. additional discounts	832	1.5	232	0.4
Losses on collection i.e. potential bad debt			307	0.6
Eventual Net Collection*	54,623	98.5	54,916	99.0

*Includes £681,000 of arrears to be collected in future years

2.3 The impact of increased collection performance is an overall surplus on collection fund of £492,315, the City Council's share of the surplus being £64,929.

3. COUNCIL TAX COLLECTION PERFORMANCE

3.1 The Council has maintained collection performance so that for the third year running Carlisle is in the 3rd quartile when compared to districts nationally. Whilst this is the Council's best ever collection performance it will never be in a position to move into the higher collection quartiles due to:

- (i) Most district councils we have to compare ourselves with are small affluent rural authorities without the same deprivation issues as Carlisle;

- (ii) The Council follows a robust anti-poverty strategy. Under the strategy the Council allows residents in financial difficulties to spread their payments via special weekly or fortnightly instalments (most paying by local post office). Whilst this 'good practice' affects in-year collection rates (due to payments being spread sometimes over several years) in the past it has enabled the Council to collect over 99% of Council Tax demanded with write-off trends being under 0.3% (0.2% in 2011/12). (National Figures being 0.9% source CIPFA Benchmarking Statistics).
- (iii) Many Authorities allocate remittances to the current year's liability to maximise 'in year' collections rather than oldest debt which in the past has been considered good practice.

3.2 Carlisle's collection rates compared to Cumbria are detailed below.

Council	In-Year Collection Rates - Council Tax (%)		
	2010/11	2011/12	2012/13
Eden	99.1	98.6	Not known yet
South Lakeland	98.0	98.2	Not known yet
Copeland	98.0	98.2	98.2
Carlisle	97.6	97.6	97.8
Allerdale	97.6	97.5	97.7
Barrow	96.6	96.8	96.8

3.3 Due to collection performance being stable, the Council has remained in the 3rd Quartile based on National Benchmarks for 'in-year' collection performance.

Council Tax	%
Top Quartile	98.6 and above
2 nd Quartile	98.2 to 98.5
3 rd Quartile	97.4 to 98.1
4 th Quartile	97.3 and below
Carlisle	97.8

4. NNDR PROVISIONAL OUTTURN AS AT 31 MARCH 2013

4.1 **Appendix 2** details the NNDR provisional outturn for 2012/13.

4.2 Year-end arrears at £934,895 equating to 1.42% of the 'in year' debit collectable is an improved performance when compared to 2011/12 of £1,410,689.95 (2.2%).

**5. BAD DEBT WRITE-OFFS FOR NNDR, COUNCIL TAX AND DEBTORS
(INCLUDING PENALTY CHARGE NOTICES)**

- 5.1 In accordance with the Director of Resources delegated authority for the write-off of outstanding debts, without limit, the Executive is asked to note that debts totalling £174,115.19 have been written off for the period 1st January 2013 to 31st March 2013; such bad debts are summarised for the Executive's information in Table 1 of this report. The total amount written off in 2012/13 of £527,001 compares to total write-offs in 2011/12 of £422,616
- 5.2 The 'write-ons itemised in Table 1 totalling £10,046.30 are in respect of balances originally written off that have since been paid and credit write-offs for the period 1st March 2013 to 31st March 2013.
- 5.3 Also noted in Table 1 are the cumulative write offs and write ons 1st April 2012- 31st March 2013. Total write ons for 2012/13 were £17,180 compared to £51,469 in 2011/12.

Table 1

<u>Type of Debt</u>	Write offs /Write Ons 01/04/12 - 30/06/12				Write offs / Write Ons 01/07/12 - 30/09/12				Write offs /Write ons 01/10/12 - 31/12/12				Write offs / Write Ons 01/01/13 - 31/03/13				Total Write offs / Write ons 2012-13			
	No	Write Off	No	Write On	No	Write Off	No	Write On	No	Write Off	No	Write On	No	Write Off	No	Write On	No	Write Off	No	Write On
NDR	12	113,295.02			19	33,841.03	11	2,948.58	15	74860.57	4	481.28	26	129,875.43	19	5,676.21	72	351,872.05	34	9,106.07
Council Tax	39	19,677.93	9	1,125.31	53	19,730.95	13	811.71	58	27784.45	17	1737.58	26	10,317.35	30	3,128.72	176	77,510.68	69	6,803.32
Debtors																				
Private Tenants					83	19,090.59											83	19,090.59		
Housing Benefit													112	25516.19	4	1240.31	112	25,516.19	4	1,240.31
Overpayments					1	53.03			3	404.12							4	457.15		
General Fund	19	769.14	18	9.44	56	6,798.24	4	0.04	33	13872.99	8	20.12	21	1,342.22	6	1.06	129	22,782.59	36	30.66
Penalty Charge																				
Notices																				
On Street 16	46	4,150.00			82	7,643.44			87	7909.00			70	6,430.00			285	26,132.44		
Off Street 3	14	1,383.00			8	691.00			11	932.00			7	634.00			40	3,640.00		
TOTAL	130	139,275.09	27	1,134.75	302	87,848.28	28	3,760.33	207	125,763.13	29	2,238.98	262	174,115.19	59	10,046.30	901	527,001.69	143	17,180.36

6. OUTTURN POSITION ,WRITE OFFS / WRITE ONS VIA DEBTOR TYPE

6.1 The outturn position in respect of 2012/13 on a cumulative basis by fund indicates total debts written off of £527,001.69 for financial year 2012/13

6.2	NNDR Pool	-	£ 351,872.05
	Council Tax (Collection Fund)	-	£ 77,510.68
	General Fund	-	<u>£ 97,618.96</u>
	Total	-	£ 527,001.69

6.3 'Write-ons' were credited as follows:

	NNDR Pool	-	£ 9,106.07
	Council Tax (Collection Fund)	-	£ 6,803.32
	General Fund	-	<u>£ 1,270.97</u>
	Total	-	£ 17,180.36

6.4 In the case of General Fund, the write-offs will be charged against provisions made for bad debts (except for PCN's which are accounted for on a cash basis). However VAT which has been separately identified will be recouped in future VAT returns. Note HRA debts and provisions have been transferred to the General Fund. Write-off/Write on of Council Tax will fall against the Collection Fund provisions within those accounts. Any Council Tax Court Costs written off will be charged against the costs 'Bad Debt' provision within the General Fund.

	General Fund	Council Tax	NNDR	Total
Opening Bad Debt Provision	842,231	1,083,245	185,640	2,111,116
Write Offs in Year	(27,990)	(71,614)	(342,760)	(442,364)
Losses on collection	0	105,665	370,999	476,664
Additional Charge to General Fund**	70,876	0	0	70,876
Closing Bad Debt Provision	885,117	1,117,296	213,879	2,216,292

**Mainly in relation to Housing Benefit Payments

8. CONSULTATION

8.1 Resources Overview and Scrutiny Panel will consider the report on 6 June 2013.

9. CONCLUSION AND REASONS FOR RECOMMENDATIONS

9.1 Overall, the provisional outturn suggests that 2012/13 has been an excellent year with the best ever performance for Council Tax collection, and significantly improved performance in NNDR collection.

10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

10.1 The collection of Council Tax and NNDR directly affects all residents receiving services from Carlisle City Council.

Contact Officer: Steven Tickner Ext: 7280

**Appendices attached to report: Appendix 1 – Council Tax Outturn
Appendix 2 – NNDR Outturn**

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

Community Engagement –

Economic Development – n/a

Governance – The Council has a statutory obligation to collect Council Tax (Local Government Finance Act 1992 and Council Tax (Administration and Enforcement) Regulations 1992 and NNDR (Local Government Finance Act 1988).

Local Environment – n/a

Resources – Included within this report

COUNCIL TAX OUTTURN 2012/13			
1993/94 to 2011/12	Council Tax	Costs	
	£	£	
Arrears b/f at 01.04.2012	2,123,853.94	200,457.95	2,324,311.89
Net changes in Debit	-217,565.07		
Costs Raised (Net of Write Offs)		25,525.99	
Net Debit	1,906,288.87	225,983.94	
Write Offs	-57,783.50		
Cost Write off Adjustment			
Payments Net of Refunds	-774,052.19	-81,179.53	
Payments posted after 01/04/2013	-1,478.15		
Arrears c/f 1993/94 to 2011/12	1,072,975.03	144,804.41	1,217,779.44
2012/13			
Opening Debit	63,355,818.68		
MOD Contributions in Lieu	45,136.80		
Changes in Liability			
Costs Raised (Net of Write Offs)		174,950.91	
General	277,033.76		
Exemptions	-2,652,595.73		
Disabled Relief	-56,963.38		
Discounts	-5,973,676.35		
Net Debit	54,994,753.78	174,950.91	
Income			
Rebates	-7,442,586.08		
Payments Net of Refunds	-46,370,863.22	-106,293.13	
MOD Contributions in Lieu	-45,136.80		
Payments posted after 01/04/2013 (pre	-68,772.37		
Prepayments 2012-13	-827,729.89		
Prepayments 2013-14	714,145.10		
Prepayments 2013-14 - posted after 01	68,772.37		
Payments posted after 01/04/2013	-9,484.69		
Total Income	-53,981,655.58	-106,293.13	
Write Offs	-13,830.84		
Arrears c/f	999,267.36	68,657.78	1,067,925.14
Total arrears c/f 1993/94 to 2011/12	2,072,242.39	213,462.19	2,285,704.58

Council Tax Bad Debt Provision					
Bad Debt Provision as at 15.01.2013 calculated on arrears of				Bad Debt Provision as at 31.03.2013 calculated on arrears of	
		1,102,764	b/f		1,072,975
		1,028,853	current		954,131
		<u>2,131,617</u>			<u>2,027,106</u>
Bad Debt provision was plus		882,211	b/f	Bad Debt provision is plus *	882,211
		272,468	current		235,085
		<u>1,154,679</u>			<u>1,117,296</u>
Net Collectable after bad debt provis		£976,938			£909,810
* Bad Debt Provision Year End					
Current Years pro rata bad debt provision based on surplus calculation (86%)					
Costs Bad Debt Provision					
Bad Debt Provision as at 31.03.2012 calculated on arrears of					
		144,804	b/f		
		68,658	current		
		<u>213,462</u>			
Bad Debt provision is plus *			b/f		
		119,539	current		
		<u>119,539</u>			
Net Collectable costs		93,923			
44% of arrears was paid based on 2011/12 collection of arrears					

**Non Domestic Rates
Provisional Out-turn 2012/13**

	Debit	Costs
Net arrears b/f	1410689.95	5369.14
Gross Debit	47021015.23	
Total Debit	48431705.18	5369.14
 <u>Adjustments to Debit</u>		
Costs		15117.50
Empty & Exemption	1930745.42	
Charity Relief	3374141.27	
Small Business Rate Relief	2201104.00	
Write Offs	342760.70	2371.46
Hardship (S49)	0.00	
Partial Occupation (S44A)	13349.25	
Net Debit	40569604.54	18115.18
 <u>Income</u>		
Charity Relief from General Fund	52814.92	
Hardship Relief from General Fund	0.00	
Interest on Overpayments	1608.34	
Cash received net of refunds	39580286.79	13178.26
Arrears carried forward	934894.49	4936.92
 <u>2012/13</u>		
Income as % of Debit collected =	98.6	
Arrears as % of 2012/13 Debt	1.42	
 Net Debit		
Net Debit	40569604.54	
Less Charity and Hardship relief from General Fund	52814.92	
Total	40516789.62	

Resources Overview and Scrutiny Panel

Agenda Item:
A.5(b)

Meeting Date: 6 June 2013
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref:KD09/13
 Within Policy and Budget Framework YES
 Public / Private Public

Title: PROVISIONAL CAPITAL OUTTURN 2012/13 AND REVISED CAPITAL PROGRAMME 2013/14
 Report of: DIRECTOR OF RESOURCES
 Report Number: RD 11/13

Purpose / Summary:

This report summarises the 2012/13 provisional out-turn for the Council’s capital programme and provides details of the revised capital programme for 2013/14. This report was considered by Executive on 31 May 2013.

Questions for / input required from Scrutiny:

Members are asked to scrutinise the outturn position including the approved slippage of schemes and the resulting impact on the 2013/14 capital programme.

Recommendations:

Members of the Resources Overview and Scrutiny Panel are asked to consider this report.

Tracking

Executive:	31 May 2013
Overview and Scrutiny:	6 June 2013
Council:	16 July 2013

Meeting Date: 31st May 2013
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref:KD09/13
 Within Policy and Budget Framework YES
 Public / Private Public

Title: PROVISIONAL CAPITAL OUTTURN 2012/13 AND REVISED CAPITAL PROGRAMME 2013/14
 Report of: DIRECTOR OF RESOURCES
 Report Number: RD 11/13

Purpose / Summary:

This report summarises the 2012/13 provisional out-turn for the capital budget and provides details of the revised capital programme for 2013/14. The out-turn shows that the net underspend for Council Services as at 31 March 2013 once committed expenditure totalling £1,822,500 is taken into account is £1,596,953. Requests for carry forwards for new items of expenditure totalling £6,200 have been made, and also the removal of the Asset Management Plan expenditure budgets of £1,546,800 from the capital programme, which results in a net underspend to £43,953.

It should be noted that the information contained in this report is provisional subject to the formal audit process. The Statement of Accounts for 2012/13 will be presented to the Audit Committee on 22 July, followed by a three-month audit process.

Recommendations:

The Executive is asked to:

- (i) Note that subject to all recommendations below being approved, the net underspend will be £43,953.
- (ii) Note the net underspend as at 31 March 2013 of £1,596,953 **includes** committed expenditure to be met totalling £1,822,500 in 2013/14, which have been approved under delegated powers by the Director of Resources;
- (iii) Make recommendations to Council on 16 July on the carry forward requests of £6,200 for new items of expenditure for furniture and equipment at Play Areas as detailed in paragraph 2.5;

- (iv) Make recommendations to Council on 16 July on the removal of the Asset Management Plan expenditure budgets from the Council's capital programme (£1,546,800 from 2012/13, £6,272,500 from 2013/14, £1,035,800 from 2014/15 and £4,045,500 from 2015/16) to be released back from reserves on approval by the Executive when revenue generating opportunities for land and property acquisitions become available.
- (v) Note the use of the Conservation Fund to fund expenditure on Central Plaza and the Asset Management Reserve to fund expenditure on Industrial Estates, Asset Management Plan and Community Resource and Training Centre in 2012/13;
- (vi) Consider the revised programme for 2013/14 together with the proposed methods of financing, as detailed at para 5.2 and Appendix B, for recommendation to Council on 16 July;

Tracking

Executive:	31 May 2013
Overview and Scrutiny:	6 June 2013
Council:	16 July 2013

1. BACKGROUND

1.1 This report sets out the summarised financial out-turn for the Council's Capital Programme as follows:

- (i) the out-turn for individual schemes for 2012/13, summarised in **Appendix A**
- (ii) the revised programme for 2013/14, and the provisional programme for 2014/15 to 2017/18, summarised in **Appendix B**.

1.2 The report sets out the financial implications arising from the out-turn including the impact on capital resources for 2013/14. Members should note that the information contained in this report is provisional and subject to the formal audit process. Any significant changes required following the approval of the 2012/13 accounts will, if required, be reported to a future Executive meeting.

1.3 Please note that throughout this report the use of brackets indicates a favourable variance i.e. either an underspend or additional income received.

2. SUMMARY CAPITAL OUTTURN 2012/13

2.1 The original capital programme of £10,940,500 for 2012/13 was approved in February 2012. Since then, a review of the capital programme has been undertaken and the capital funding has been revised. In accordance with proper accounting practices it has been necessary to gross up the expenditure budgets to properly reflect the total cost of the schemes including those fully funded from external grant/contributions.

The revised programme for 2012/13 of £7,979,200 is a result of the following funding streams:

	£
Original 2012/13 Programme (approved February 2012)	10,940,500
Agreed Carry Forwards from 2011/12 (RD10/12 Council 17/07/12)	1,692,800
Agreed Carry forwards into 2013/14 (RD46/12)	(3,000,000)
Agreed Savings from 2012/13 Programme (RD46/12)	(2,080,300)
Additional Funding: Castle Way Cycle Ramp (RD01/12 Exec 05/04/12)	370,000
Additional Funding: Public Realm (RD34/12 Exec 03/09/12)	40,000
Reduced funding for Old Town Hall (ED30/12 Council 13/11/12)	(89,800)
Removal of funding from other projects to fund Old Town Hall (ED30/12 Council 13/11/12)	(85,600)
Use of Conservation Fund (ED29/11 Exec 30/08/11)	8,900
External contributions/grants	6,400
Schemes funded by Revenue budgets	176,300
Revised 2012/13 Capital Programme	7,979,200

2.2 The provisional out-turn position for the 2012/13 capital programme is shown below:

Directorate	Revised Annual Budget	Total Expenditure	Carry Forwards (Committed)	Variance	New Items	Return to Reserves	Final Variance
	£	£	£	£	£	£	£
Resources	3,615,700	1,527,740	463,400	(1,624,560)	0	1,546,800	(77,760)
Community Engagement	2,758,700	2,151,252	610,700	3,252	0	0	3,252
Local Environment	1,099,700	674,180	449,900	24,380	6,200	0	30,580
Economic Development	505,100	206,575	298,500	(25)	0	0	(25)
Total	7,979,200	4,559,747	1,822,500	(1,596,953)	6,200	1,546,800	(43,953)

2.3 The position for 2012/13 after committed carry forwards have been taken into account is an underspend of £1,596,953.

2.4 The remaining budget provided in 2012/13 for land and property acquisitions that will generate increased revenue income within the Asset Management Plan (£1,546,800) is requested to be returned to reserves to be released by the Executive when such acquisitions become available. A summary of the receipts and expenditure within the Asset Management Plan is shown below:

	2011/12 £	2012/13 £
Opening Balance	0	(1,885,884)
Funds provided from Asset Management Reserve	(1,000,000)	0
Capital Receipts Generated	(1,348,400)	(4,111,210)
Expenditure incurred	445,295	162,704
Costs of Disposal funded from capital receipts	17,221	62,994
Receipts replenished from Invest to Save scheme	0	(18,069)
Balance of funds held in reserve for Asset Management Plan expenditure	(1,885,884)	(5,789,465)

- 2.5 Additional budget for new and continuing schemes is requested for 2013/14 to be funded from the remaining budget in 2012/13. These are detailed below:

Scheme	Variance (£)	Comments
Play Areas	6,200	To fund additional equipment and furniture at St James Park and Richmond Green play areas included within the 2012/13 capital programme (carried forward from 2011/12).
Total	6,200	

- 2.6 Currently included in the Revenue Outturn is £238,300 of Highways Claimed Rights Expenditure and £238,300 Highways Claimed Rights income that relates to capital schemes. In accordance with Capital Finance Regulations, this expenditure and income should be included in the Council's Capital Programme for Statement of Account purposes. There will be no impact on the overall bottom line in the Revenue and Capital Outturn as the expenditure is fully funded, however, this needs to be reflected correctly in the accounts. This is not currently reflected in the figures presented in this report and the amounts are reported in RD12/13 considered elsewhere on the agenda.
- 2.7 The main overspends after carry forwards are summarised below:
- Crematorium Extension (£21,844 overspend) in relation to cabling and IT works in excess of the building works originally budgeted for.
 - Castle Street Public Realm Improvements (£21,770 overspend) in relation to construction work and traffic management. Included in the overspend is a request to carry forward £10,000 to complete the traffic management work now that the traffic orders have been granted.

- 2.8 Some schemes resulted in underspends (after carry forward requests) in the year and the main ones are summarised below:
- ICT Shared Service (£76,092 underspend). Remaining budget for Enterprise Licences is no longer required as alternative in house arrangements have been made.
 - Talkin Tarn (£9,249 underspend). The cost of improvements to the car park were less than originally anticipated.
- 2.9 Otherwise schemes are progressing within budget, although some schemes have not been completed to the original timescales which has resulted in the request for carry forwards.
- 2.10 Further details for each directorate are included in **Appendices A1-A4**.

3. CARRY FORWARD REQUESTS

3.1 In accordance with the Council's Constitution, any net underspending/savings on service estimates under the control of the Director may be carried forward. This is to facilitate the achievement of more strategic five year budgeting which requires greater flexibility of budgets between years as set out in the Medium Term Financial Plan. Approval of carry forwards is subject to the following as contained in the Council's Constitution:

- *the authorisation of the Director of Resources where the request relates to a specific committed item of expenditure where, due to external or other factors, the Director has been unable to spend the approved budget by 31 March. The use of the resource will be restricted to the purpose for which the estimate was originally intended. The carry forward will only be approved by the Director of Resources if the expenditure is within both the Directorate's and the Authority's budget as approved for that year. Any carry forward which would result in an over-spend for the Authority will require authorisation by the Council.*
- *any overspending on service estimates in total on budgets under the control of the Director must be carried forward to the following year, and will constitute the first call on service budgets in the following year, unless the Council determines otherwise by way of a supplementary estimate. The Director of Resources will report the extent of overspending carried forward to the Executive, Resources Overview and Scrutiny Panel and to the Council.*

The delegated power applies only in so far as the carry forwards do not take the Council into an overspend position.

3.2 Carry forwards at the end of the year have been analysed to assess the year of potential expenditure to enable better profiling of budgets for future years. Of the committed carry forwards shown in paragraph 2.2, it is estimated that the full £1,822,500 (net) will be spent in 2013/14.

3.3 The carry forwards in relation to new items of expenditure (£6,200) as detailed in para 2.5 are estimated to be spent in 2013/14.

4. FINANCING OF CAPITAL PROGRAMME 2012/13

4.1 Utilisation of resources to fund the 2012/13 Capital Programme in light of the out-turn is provisionally estimated as follows:

	Revised Budget £	Provisional Out-turn £
Capital Programme expenditure in year	7,979,200	4,559,747
Financed by:		
Capital Receipts (including PRTB receipts) (note 1)	5,067,300	2,554,285
Capital Grants		
• Disabled Facilities Grant	663,000	663,000
• General	79,600	28,494
Reserves & Balances (note 2)		
• Earmarked Reserves	1,026,900	606,637
• Direct Revenue Financing	666,200	617,909
Contributions from other bodies incl S106 (note 3)	476,200	89,422
Total Financing	7,979,200	4,559,747

Notes:

1. Usable capital receipts carried forward from 2011/12 and those generated during the year amount to £9,296,053 compared to the revised estimate figure of £9,179,061, a decrease of £116,992. This is due to there being no general asset sales in year. Of the total sum available, £2,554,285 has been used to fund the Capital Programme in 2012/13, with the balance (£6,741,768) being carried forward to 2013/14 and held within the Capital Adjustment Account in order to reduce the Council's MRP liability as per the Treasury Management budget agreed in February 2013. In accordance with revised Capital Finance Regulations, costs associated with asset disposal totalling £62,994 that are included in the revenue outturn, can be funded from the capital receipt generated. This will result in a decrease to the capital receipts balance reported above at 31st March 2013.

2. The use of capital receipts has been optimised in order to fund 2012/13 capital expenditure. Direct revenue funding, S106 receipts and earmarked reserves and provisions specifically set up to fund capital expenditure have also been used to fund capital expenditure in 2012/13. Capital receipts are the last source of funding applied to finance the capital programme, external funding is always applied first. The use of the Asset Management Reserve was lower than expected in 2012/13 due to slippage on Asset Management Plan expenditure into future years. Internal borrowing in 2012/13 was not required. The implementation of PCIDSS and slippage on the Old Town Hall means £39,100 direct revenue funding for the schemes has also slipped into 2013/14.
3. The use of Section 106 receipts towards Castle Way Cycle Ramp and Public Realm (S106) was less than budgeted. £386,800 has been carried forward into 2013/14 to allow the schemes to complete.

5. FIVE YEAR CAPITAL PROGRAMME

- 5.1 A five-year Capital Programme for 2013/14 to 2017/18 is detailed in **Appendices B1-B2**.
- 5.2 The programme for **2013/14** totalling £4,760,200 is based upon the programme as agreed by Council in February 2013 of £9,280,000, the commitments brought forward from 2012/13 as identified above of £1,822,500, additional budget of £6,200 for continuing/new schemes subject to approval by Council as detailed above in paragraph 2.5, less budget provided of £76,000 in ICT Shared Service for Enterprise Licences, and less land and property acquisitions within the Asset Management Plan to be held in reserves until suitable revenue generating acquisitions become available (£6,272,500).
- 5.3 The 2013/14 programme will be continually reviewed to ensure the Council has the capacity to deliver this level of programme. The main challenge for future years is the vehicle replacement programme (currently planned to be funded by internal borrowing).
- 5.4 It is suggested that the revised programme for 2013/14 as detailed in Appendix B1 is financed as follows:

	<u>Original Budget</u> £	<u>Revised Budget</u> £
Original Programme	9,280,000	9,280,000
Add: Carried forward from 2012/13	0	1,828,700
Less: Enterprise Licences	0	(76,000)
Less: Asset Review Expenditure (to be released from Reserve as and when required)	0	(6,272,500)
Total Expenditure to be financed	9,280,000	4,760,200
<u>Financed by:</u>		
Capital Grants		
• DFG	663,000	663,000
• General	0	37,900
Capital Receipts *	7,932,100	3,141,100
Contributions from other bodies	330,000	716,800
Direct Revenue Financing	83,900	123,000
Reserves	0	32,900
Internal Borrowing	271,000	45,500
Total Financing	9,280,000	4,760,200

* Balance of capital receipts will reduce by £62,994 for costs of disposal as described in Note 1 para 4.1.

- 5.6 The proposed programme for **2014/15** to **2017/18** as detailed in Appendix B2 is based on the programme agreed by Council in February 2013 and the recommendations made in this report.

6 CONSULTATION

6.1 Consultation to Date.

Portfolio Holders and SMT have considered the issues raised in this report.

6.2 Consultation Proposed.

Resources Overview and Scrutiny Panel will consider the report on 6 June 2013.

7 CONCLUSION AND REASONS FOR RECOMMENDATIONS

7.1 The Executive is asked to:

- (i) Note that subject to all recommendations below being approved, the net underspend will be £43,953.
- (ii) Note the net underspend as at 31 March 2013 of £1,596,953 which includes committed expenditure to be met totalling £1,822,500 in 2013/14, which have been approved under delegated powers by the Director of Resources;
- (iii) Make recommendations to Council on 16 July on the carry forward requests of £6,200 for new items of expenditure for furniture and equipment at Play Areas as detailed in paragraph 2.5;

- (iv) Make recommendations to Council on 16 July on the removal of the Asset Management Plan expenditure budgets from the Council's capital programme (£1,546,800 from 2012/13, £6,272,500 from 2013/14, £1,035,800 from 2014/15 and £4,045,500 from 2015/16) to be released back from reserves on approval by the Executive when revenue generating opportunities for land and property acquisitions become available.
- (v) Note the use of the Conservation Fund to fund expenditure on Central Plaza and the Asset Management Reserve to fund expenditure on Industrial Estates, Asset Management Plan and Community Resource and Training Centre in 2012/13;
- (vi) Consider the revised programme for 2013/14 together with the proposed methods of financing, as detailed at para 5.2 and Appendix B, for recommendation to Council on 16 July;

8 CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

8.1 The Council's capital programme reflects the current priorities in the Carlisle Plan e.g. Arts Centre and Leisure facilities.

Contact Officer: Emma Gillespie

Ext: 7289

Appendices A1 to A4 and B1 to B2.
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: SMT and JMT have been involved in the preparation of this report. Individual capital schemes have different risks attached.

Chief Executive's – Not applicable

Community Engagement – Not applicable

Economic Development – Not applicable

Governance – The Council has a fiduciary duty to manage its finances properly and the proper reporting of the outturn figures is part of this process. Approval of full Council is required for the additional use of capital reserves to fund expenditure commitments as set out in the report.

Local Environment – Not applicable

Resources – Financial implications are contained in the main body of the report.

RESOURCES

Position as at 31 March 2013

Scheme	Revised Annual Budget 2012/13 £	Expenditure to date 2012/13 £	Total Variance 2012/13 £	Carry Forwards (Committed) £	Carry Forwards (New items) £	Return to Reserves £	Adjusted Variance £	Category of Carry Forward (Note 1)	Details of major variances
ICT Shared Service	331,800	147,408	(184,392)	108,300	0	0	(76,092)	A	Part of Shared Service Business Case. Underspend in relation to Enterprise Licences which are no longer required as alternative in house arrangements have been made.
Franking Machine	0	7,697	7,697	0	0	0	7,697	-	A necessary purchase to accommodate changes introduced by the Postal Service.
Planned Enhancements to Council Property	322,000	305,803	(16,197)	0	0	0	(16,197)	-	A strategic underspend to accommodate the Town Clocks Invest to Save project.
Town Clocks Invest to Save	0	7,575	7,575	0	0	0	7,575	-	To fit auto-winding and regulation of town clocks and is accommodated from within the Planned Enhancements to Council Property budget. Revenue savings will be generated to repay the capital investment.
Enhancements to Enterprise Centre	25,000	24,705	(295)	0	0	0	(295)	-	A revision to the original Planned Enhancements to Council Property to allow improvements to the Enterprise Centre due to the transfer of management to the Civic Centre.
Vehicles and Plant	1,173,400	862,396	(311,004)	311,000	0	0	(4)	A	Revised replacement plan. Carry forward relates to vehicles currently on order.
Bousteads Grassing Demolition	0	(452)	(452)	0	0	0	(452)	-	Project complete.
PCIDSS Capital	32,000	1,437	(30,563)	30,600	0	0	37	A	Implementation costs for a new security Standard in line with the Payment Card Industry (RD26/12 Executive 6/8/12). Project commencing and will complete in 2013/14.
Asset Management Plan	1,709,500	154,305	(1,555,195)	0	0	1,546,800	(8,395)	-	A five year Development and Investment Plan for the City Council's property portfolio with the aim of delivering additional income or reduced costs in the revenue costs in the revenue account on a recurring basis. It is proposed that the budgets are returned to reserves and earmarked for asset purchases to be released back into the programme by Executive when such acquisition opportunities become available.
Sustainable Energy Projects	0	8,400	8,400	0	0	0	8,400	-	Solar scheme approved during 2011/12 and funded from Asset Management Plan receipt.
Document Image Processing	22,000	8,466	(13,534)	13,500	0	0	(34)	A	Phased implementation in progress. Will complete in 2013/14.
TOTAL	3,615,700	1,527,740	(2,087,960)	463,400	0	1,546,800	(77,760)		

Note 1

A - Committed expenditure (to be used for original purpose/externally funded)

B - New items of Expenditure

A/B - Combination of committed expenditure and new items of expenditure

COMMUNITY ENGAGEMENT**Position as at 31 March 2013**

Scheme	Revised Annual Budget 2012/13 £	Expenditure to date 2012/13 £	Total Variance 2012/13 £	Carry Forwards (Committed) £	Carry Forwards (New items) £	Return to Reserves £	Adjusted Variance £	Category of Carry Forward (Note 1)	Details of major variances
Customer Services	10,000	8,125	(1,875)	0	0	0	(1,875)	-	Improvements to the entrance of the Contact Centre including the purchase of self serve terminals.
Disabled Facilities Grants	863,000	863,136	136	0	0	0	136	-	Mandatory grants. A new Framework Agreement for procurement commenced early April 2012 which has improved the efficiency and effectiveness of systems.
Disabled Facilities Grants - Pilot	0	4,800	4,800	0	0	0	4,800	-	Expenditure fully funded by grant.
Community Resource & Training Centre	261,100	261,002	(98)	0	0	0	(98)	-	Project complete. Adjudication notice served by Contractor with substantial claim has been settled.
Families Accommodation Replacement	1,616,900	1,008,250	(608,650)	608,600	0	0	(50)	A	Project commencing as expected. Completion due Spring 2013.
Trinity Church Multi Use Games Area	7,700	5,606	(2,094)	2,100	0	0	6	A	Underspend due to successful agreement on final account. Balance required to allow replacement of existing seat and grass resurfacing.
Roman Frontier	0	333	333	0	0	0	333	-	Project complete.
TOTAL	2,758,700	2,151,252	(607,448)	610,700	0	0	3,252		

Note 1

A - Committed expenditure (to be used for original purpose/externally funded)

B - New items of Expenditure

A/B - Combination of committed expenditure and new items of expenditure

LOCAL ENVIRONMENT

Position as at 31 March 2013

Scheme	Revised Annual Budget 2012/13 £	Expenditure to date 2012/13 £	Total Variance 2012/13 £	Carry Forwards (Committed) £	Carry Forwards (New items) £	Return to Reserves £	Adjusted Variance £	Category of Carry Forward (Note 1)	Details of major variances
ODPM - Making Space for Water	4,500	0	(4,500)	0	0	0	(4,500)	-	Funding towards flood work to parts of Crosby-on-Eden
Crematorium Extension	60,000	81,844	21,844	0	0	0	21,844	-	Improvements to Crematorium building to generate revenue savings. Overspend in relation to additional IT and cabling work in excess of original tender.
Talkin Tarn	95,000	85,751	(9,249)	0	0	0	(9,249)	-	Improvements to Talkin Tarn car park funded from surplus revenue income.
Play Area Developments	66,900	62,182	(4,718)	0	6,200	0	1,482	B	Non-committed carry forwards requested for additional furniture/equipment at St James Park and Richmond Green play areas.
Environmental Improvements	46,400	45,774	(626)	0	0	0	(626)	-	Budget carried forward from 2011/12 to complete work at Cenotaph, Verge Improvements and Back Lanes. All projects complete.
Kingstown Industrial Estate Roads	317,900	284,961	(32,939)	32,900	0	0	(39)	A	Refurbishment of Kingstown Broadway North carriageway to 10 year design life. Carry forward to complete works currently tendered and also allow additional works to a number of access crossings.
Castle Street Public Realm	70,000	81,770	11,770	10,000	0	0	21,770	A	Anticipated final overspend on project of £22,000. The carry forward of £10,000 will allow scheduled works to complete in 2013/14.
Connect 2 Cycleway	15,000	3,235	(11,765)	11,700	0	0	(65)	A	Contribution towards length of cycleway. Carry forward required to ensure works required to ensure adoption of the cycleway can be completed.
Castle Way Cycle Ramp	370,000	23,159	(346,841)	346,800	0	0	(41)	A	Approved by Executive 11/04/12 (RD01/12). Funded by Section 106 monies. Revised planning application submitted which has delayed expenditure in 2012/13. Carry forward required to ensure project can be completed in line with Section 106 agreement.
Public Realm Works S106	40,000	0	(40,000)	40,000	0	0	0	A	Approved by Executive 3/09/12 (RD34/12). Funded by Section 106 monies. Carry forward required to ensure project can be completed in line with Section 106 agreement.
Clean Up Carlisle	14,000	5,504	(8,496)	8,500	0	0	4	A	Approved by Council 17/07/12 (LE22/12). Carry forward required to ensure the 2 year Clean Up Carlisle Campaign can be completed and full benefits received.
TOTAL	1,099,700	674,180	(425,520)	449,900	6,200	0	30,580		

Note 1

A - Committed expenditure (to be used for original purpose/externally funded)

B - New items of Expenditure

A/B - Combination of committed expenditure and new items of expenditure

ECONOMIC DEVELOPMENT

Position as at 31 March 2013

Scheme	Revised Annual Budget 2012/13 £	Expenditure to date 2012/13 £	Total Variance 2012/13 £	Carry Forwards (Committed) £	Carry Forwards (New items) £	Return to Reserves £	Adjusted Variance £	Category of Carry Forward (Note 1)	Details of major variances
EA Central Plaza	8,900	8,871	(29)	0	0	0	(29)	-	Implementation of an Urgent Works Notice under Section 54 of the Planning (Listed Buildings and Conservation Areas) Act 1990 to be funded from Conservation Fund approved by Executive 30.08.11 (ED29/11).
Old Town Hall Strategic TIC	496,200	197,704	(298,496)	298,500	0	0	4	A	Revised project approved by Council 13/11/13. Works started on site in January 2013 and will continue until the end of June 2013.
TOTAL	505,100	206,575	(298,525)	298,500	0	0	(25)		

Note 1

A - Committed expenditure (to be used for original purpose/externally funded)

B - New items of Expenditure

A/B - Combination of committed expenditure and new items of expenditure

Scheme	Original Capital Programme 2013/14 £	Carry Forwards from 2012/13 £	New Projects to be added £	Other Adjustments £	Revised Capital Programme 2012/13 £
<u>Current non-recurring commitments</u>					
Public Realm S106	330,000	40,000			370,000
Clean Up Carlisle	12,000	8,500			20,500
	342,000	48,500	0	0	390,500
<u>Recurring commitments</u>					
Asset Review Purchases	6,272,500			(6,272,500)	0
Planned Enhancements to Council Property	300,000				300,000
Vehicles, Plant & Equipment	259,500	311,000			570,500
ICT Shared Service	114,000	108,300			222,300
IT Equipment	79,000			(76,000)	3,000
	7,025,000	419,300	0	(6,348,500)	1,095,800
<u>New non-recurring commitments</u>					
Arts Centre	250,000				250,000
Public Realm Work	100,000				100,000
Paternoster Row	100,000				100,000
Harraby School and Community Campus contribution	600,000				600,000
	1,050,000	0	0	0	1,050,000
<u>Disabled Facilities Grants</u>					
Private Sector Grants	863,000				863,000
	863,000	0	0	0	863,000
<u>Continuing Schemes</u>					
Play Area Developments			6,200		6,200
Old Town Hall		298,500			298,500
Trinity Church MUGA		2,100			2,100
Castle Street Public Realm		10,000			10,000
Female & Families Accomodation		608,600			608,600
Kingstown Industrial Estate		32,900			32,900
PCIDSS Capital		30,600			30,600
Document Image Processing		13,500			13,500
Connect 2 Cycleway		11,700			11,700
Castle Way Cycle Ramp (S106)		346,800			346,800
	0	1,354,700	6,200	0	1,360,900
TOTAL	9,280,000	1,822,500	6,200	(6,348,500)	4,760,200

2014/15 to 2017/18 PROPOSED CAPITAL PROGRAMME

APPENDIX B2

Scheme	Original Capital Programme 2014/15 £	Original Capital Programme 2015/16 £	Original Capital Programme 2016/17 £	Original Capital Programme 2017/18 £
Private Sector Grants	863,000	863,000	863,000	663,000
Planned Enhancements to Council Property	300,000	300,000	300,000	300,000
Vehicles, Plant & Equipment	279,000	1,901,000	200,000	200,000
Asset Review Purchases	0	0	0	0
Arts Centre	161,000	175,000	0	0
Harraby School and Community Campus Contribution	500,000	500,000	0	0
Old Town Hall/Greenmarket	1,500,000	0	0	0
Leisure Facilities	0	5,000,000	0	0
TOTAL	3,603,000	8,739,000	1,363,000	1,163,000

Report to Resources Overview And Scrutiny Panel

Agenda
Item:
A.5(a)

Meeting Date: 6th June 2013
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref:KD
 Within Policy and Budget Framework YES
 Public / Private Public

Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2012/13
 Report of: DIRECTOR OF RESOURCES
 Report Number: RD12/13

Purpose / Summary: This report summarises the 2012/13 provisional outturn for the General Fund revenue budget to be considered by the Executive on 31st May 2013.

Questions for / input required from Scrutiny:

To scrutinise and provide feedback on the options available to the Council as set out in the report relating to the carry forward requests, noting the implications on Council Reserves and 2013/14 Directorate budgets.

Recommendations:

Members of the Resources Overview and Scrutiny Panel are asked to consider this report.

Tracking

Executive:	31 st May 2013
Overview and Scrutiny:	6 th June 2013
Council:	16 th July 2013

Report to Executive

Agenda
Item:

Meeting Date: 31st May 2013
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref:KD
Within Policy and Budget Framework YES
Public / Private Public

Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2012/13
Report of: DIRECTOR OF RESOURCES
Report Number: RD12/13

Purpose / Summary: This report summarises the 2012/13 provisional outturn for the General Fund revenue budget and gives reasons for the variances.

The outturn position shows a net underspend of £75,247 for Council services as at 31 March 2013, once committed expenditure totalling £696,400 and £312,697 transfers to/from earmarked reserves are taken into account.

It should be noted that the information contained in this report is provisional, subject to the formal audit process. The Statement of Accounts for 2012/13 will be presented to the Audit Committee on 22 July, followed by a three month audit process.

Recommendations:

The Executive is asked to:

- (i) Note the net underspend as at 31 March 2013 of £75,247 after carry forwards as in (ii) below, and net transfers to/from earmarked reserves as noted in (iii),(iv), (v) and (vi) below;
- (ii) Note the committed expenditure totalling £696,400 to be met in 2013/14 which has been approved by the Director of Resources and under delegated powers, and the release of £677,400 in 2013/14 and £19,000 in 2014/15 from the General Fund Reserve, for recommendation to Council;
- (iii) Make recommendations to Council to release the balance of £1,878 from the Sheepmount Reserve to the General Fund Reserve, as detailed in paragraph 4.1,
- (iv) Make recommendations to Council to release the balance of £29,670 from the Job Evaluation Reserve to the General Fund Reserve, as detailed in paragraph 4.2;

- (v) Make recommendations to Council to write off the accrued deficit on the On Street Parking reserve of £190,000 to General Fund Balances as outlined in paragraph 4.3;
- (vi) Make recommendations to Council to top up the Transformation Reserve with £200,000 from the underspend position, as set out in paragraph 4.4;
- (vii) Make recommendations to Council to approve the establishment of the Municipal Mutual Insurance provision for £175,000 as outlined in paragraph 4.5; and
- (viii) Make recommendations to Council to approve the establishment of the Welfare Reform Reserve, as detailed in paragraph 4.6, noting that £200,000 will be transferred to the reserve as part of the year end process.

Tracking

Executive:	31st May 2013
Overview and Scrutiny:	6th June 2013
Council:	16th July 2013

1. BACKGROUND

- 1.1 This report shows the provisional outturn position for the General Fund Revenue budgets for 2012/13.
- 1.2 A summary of the overall position is shown in paragraph 2. Further details for each directorate are included in **Appendices A1 - A6** as follows:
- (i) A comparison of the outturn position against the budget.
 - (ii) An analysis of the major variances relating to both income and expenditure, with comments from the Director.
 - (iii) The items of carry forwards to cover committed expenditure to be expended in line with the original purpose. These requests follow the procedure agreed by Council with every form being signed off by the relevant Director and Portfolio holder, and the Director of Resources.
- 1.3 Members should note that the information contained in this report is provisional and subject to the formal audit process. The formal Statement of Accounts for 2012/13 will be presented to the Audit Committee on 22 July, followed by a three month audit period. Any significant changes required following the approval of the 2012/13 accounts will, if necessary, be reported to a future Executive meeting.
- 1.4 Please note that throughout this report:
- (i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received,
 - (ii) the term 'underspend' is taken to include both reduced expenditure and/or increased income,
 - (iii) the term 'overspend' includes both spending above budget and/or reduced income levels.

2. SUMMARY REVENUE OUTTURN 2012/13

2.1 The following table shows the revised 2012/13 budget for the General Fund:

2012/13 Revenue Budget	£
Approved Budget (Council resolution – February 2012)	13,987,100
Carry forward requests (2011/12 out-turn)	357,500
Council Resolution 2012/13	14,344,600
Non-Recurring Expenditure	
Transformation Savings (RD35/12)	(218,500)
Transformation Costs (Transformation Reserve) ^{note 1}	431,600
Clean up Carlisle	20,000
Updated Budget 2012/13	14,577,700
Note 1 – the use of earmarked reserves to fund 2012/13 expenditure	

2.2 The provisional outturn position for the General Fund is summarised below and explanations for the main variances are provided in the appendices. The key issues are highlighted in paragraph 4:

Directorate / Appendix	Annual Net Budget	Net Spend to date	Net Variance at 31/03/11	Carry Forwards Committed	Adjusted Variance
	(£)	(£)	(£)	(£)	(£)
Chief Executive's Team A1	105,900	108,449	2,549	0	2,549
Community Engagement A2	8,003,200	7,889,225	(113,975)	(69,000)	(44,975)
Economic Development A3	1,929,800	1,823,502	(106,298)	(176,700)	70,402
Governance A4	1,828,100	1,743,509	(84,591)	(53,000)	(31,591)
Local Environment A5	5,711,400	5,710,752	(648)	(144,300)	143,652
Resources ^{Note 1} A6	(3,000,700)	(3,719,087)	(718,387)	(253,400)	(464,987)
Sub Total	14,577,700	13,556,350	(1,021,350)	(696,400)	(324,950)
Transfers^{Note 2}					312,697
Costs of Disposal^{Note 3}					(62,994)
Total					(75,247)

Note (1): Corporate underspends are included in the Resources total, e.g. Salary Turnover Savings

Note (2): See Paragraphs 4.1, 4.2 & 4.3.

Note (3): To be funded by Capital Receipts, see paragraph 7.6

2.3 The above table details the net Council budget. The Council's original gross budget for 2012/13 was £68.02m and although there are many individual variances as detailed by directorates in **Appendices A1 – A6**, the net underspend equates to 0.11% of this budget.

3. EXPLANATION OF MAJOR VARIANCES

- 3.1 The provisional outturn position for 2012/13 is an underspend of £75,247 after taking into account carry forward requests of £696,400 as set out in paragraph 6, and transfers to/from earmarked reserves totalling £312,697, as set out in paragraphs 4.1 to 4.4.
- 3.2 The reallocation of central departments' balances to service areas still has to be carried out, which explains many of the balances held on some management and support service centres. This reallocation will be completed before the Statement of Accounts is prepared.
- 3.3 Currently included in the Revenue Outturn is £238,300 of Highways Claimed Rights expenditure and £238,300 Highways Claimed Rights income that relates to capital schemes. In accordance with Capital Finance Regulations this expenditure and income should be included in the Council's Capital Programme for Statement of Accounts purposes. There will be no impact on the overall bottom line in the Revenue and Capital Outturn as the expenditure is fully funded, however this needs to be reflected correctly in the accounts.
- 3.4 Members are regularly updated on the budget position throughout the year, with quarterly reports being considered by the Executive and scrutinised by Resources Overview and Scrutiny Panel. Many of the variances shown in the Appendices have previously been reported with any necessary steps to mitigate the impact on the future budget position dealt with as part of the 2013/14 budget. However, some pressures have an ongoing impact which must be addressed during the forthcoming 2014/15 budget process. These include income shortfalls in respect of parking, the Lanes, development and building control fees.
- 3.5 Some of the main service expenditure and income variances are set out below. Many of these have been reported throughout the year in budget monitoring reports and further explanations are provided in the appendices.

Additional Costs/Shortfall in Income	Recurring £	Non Recurring £	Total £	Appendix
Enterprise Centre lettings & NNDR costs		68,000	68,000	A3
Tourist Information Centres Ticket Sales		41,000	41,000	A3
Development Control - Inquiry costs and fees		(15,500)	(15,500)	A3
Bereavement Services income		(52,600)	(52,600)	A5
Highways Maintenance & Claimed Rights		235,000	235,000	A5
Off Street Parking	50,000	98,300	148,300	A5
Countywide Parking Contracts		70,100	70,100	A5
ICT Printing Recharges	150,000	0	150,000	A6
Investment Income		37,500	37,500	A6
Minimum Revenue Provision		29,200	29,200	A6
Legal Fees for Resource Centre		43,700	43,700	A2
Bousteads Grassing [Joiners Shop] rent income	10,200	0	10,200	A6
Arts Centre costs		8,800	8,800	A2
VAT recovery Claims not paid in 2012/13 (Trade Waste)		236,200	236,200	A6
Insurance Excess		175,000	175,000	A6
Bad Debt Provision increase		43,300	43,300	A6
Total additional costs/income shortfalls	210,200	1,018,000	1,228,200	
Reduction in costs/Additional income				
CCTV Transmission and Maintenance Costs		(40,800)	(40,800)	A5
Revenues & Benefits including Shared Service		(81,100)	(81,100)	A2
ICT Connect Shared Service		(37,100)	(37,100)	A6
Transport Repairs & Hire Costs		(101,100)	(101,100)	
Travel Review & Leased Cars		(20,400)	(20,400)	
Salary Turnover Savings/Pay Award		(493,400)	(493,400)	A6
Overtime Reductions		(50,700)	(50,700)	
Pension Deficit Funding		(166,800)	(166,800)	A6
Direct Revenue Financing		(48,300)	(48,300)	A6
Lanes Income		(100,000)	(100,000)	A6
City Lighting - Energy and New Lighting Costs		(53,500)	(53,500)	A5
Industrial Estates rents		(76,900)	(76,900)	A6
Benefits Payments and Subsidies		(84,600)	(84,600)	A2
Budgeted Transformation Savings		(56,500)	(56,500)	
Inflation		(104,500)	(104,500)	
Other Miscellaneous underspends		(37,450)	(37,450)	
Total reduced costs/additional income	0	(1,553,150)	(1,553,150)	
Net saving to be returned to Reserves	210,200	(535,150)	(324,950)	

Combined Recurring/Non Recurring Net Saving		(324,950)		
Net transfers to earmarked Reserves ^{Note 1}		312,697		
Costs of Disposal funded by Capital Receipts		(62,994)		
Net Underspend		(75,247)		

Note 1: Paragraphs 4.1, 4.2, 4.3 & 4.4.

4. KEY ISSUES

- 4.1 There has been less than expected expenditure for Sheepmount drainage and the Executive is asked to recommend the release the balance of £1,878 on the Sheepmount Reserve to the General Fund Reserve.
- 4.2 There has been less take up than expected for the career development package and the Executive is asked to recommend the release of the Job Evaluation Reserve balance of £29,670 to the General Fund Reserve
- 4.3 The City has operated Carlisle's On Street Parking contract since 2001 on behalf of Cumbria County Council. The aim of the original service, set up using contributions from the Residents Parking Scheme and balance of income from Excess Charge Notices, was that it should be funded by income from the issue of Penalty Charge Notices and self financing. In recent years this account has run into a deficit position and in 2009, Cumbria transferred the parking spaces at the northern end of Lowther Street to the City, to operate as an off street parking area, with income from ticket sales to be offset against the On Street Parking account. It is proposed that the outstanding balance of £190,000 on the account at the year end should be written off. Dialogue will be held with the County Council to tackle this recurring deficit in future years.
- 4.4 There is a balance of £296,193 on the Transformation Reserve earmarked to fund any future one-off costs associated with the Transformation programme. This is the remainder at 31st March 2013 after providing for redundancy and compensatory payments in 2012/13. It is proposed that this fund should be replenished by transferring £200,000 from the underspent revenue balance, subject to Council agreement, and details of the Reserve are provided in the table below.

Transformation Reserve	£
Opening Balance	477,895
Transfer in (agreed RD11/12)	250,000
Balance at 1st April 2012	727,895
Spent	(431,702)
Balance at 31st March 2013	296,193
Transfer In	200,000
Balance to carry forward	496,193
Known Commitments in 2013/14	246,193
Balance to carry forward	250,000

- 4.5 A provision of £175,000 is required to be established in order to provide for the future costs associated with the insolvent runoff of Municipal Mutual Insurance, who were previously one of the Council's insurers. Due to a scheme of arrangement being triggered, MMI have issued a levy rate of 15% against claims they have paid out since 1993 in relation to the Council's cover. The Council's levy is therefore £175,000. It is likely that further provisions will be needed in the future to meet the ongoing solvency issues MMI faces.
- 4.6 The Government's Welfare Reform Agenda, once fully implemented will have a major impact on the benefit system, including a household benefit cap and the introduction of the Universal Credit system which subsumes housing benefit (by 2017). In the medium to longer term the Council will have to significantly reduce staff resources working on benefits administration. Whilst staff redeployment policies will reduce the impact of the changes, there is likely to be voluntary/compulsory redundancies in the section. It is proposed that a Welfare Reform Reserve be established and the unused balance of £200,000, accrued from underspends on staffing and other savings, is transferred to the Reserve to fund such costs. It is further recommended that management of the Reserve rests with the Director of Community Engagement with the use of the Reserve requiring Executive approval.
- 4.7 There are items of expenditure totalling £45,755 included in the outturn that are to be funded by the release from earmarked reserves, which have previously been approved by the Executive. These include £38,594 from the EEAC Reserve for Fuel Poverty (DS100/09), and £7,161 from the Job Evaluation Reserve for the Career Development Package (C.109/11).

5. RECESSION PLANNING

- 5.1 The Council's bad debt provision has been increased in respect of housing benefit overpayments and penalty charge notices but reduced for sundry debtors, and this has been allocated directly to the services. Further details can be found in report RD14/13 elsewhere on the agenda.

6. CARRY FORWARD REQUESTS

- 6.1 In accordance with the Council's Constitution, any net underspending/savings on service estimates under the control of the Director may be carried forward. This is to facilitate the achievement of more strategic five year budgeting which requires greater flexibility of budgets between years as set out in the Medium Term Financial Plan. Approval of carry forwards is subject to the following as contained in the Council's Constitution:

- *the authorisation of the Director of Resources where the request relates to a specific committed item of expenditure where, due to external or other factors, the Director has been unable to spend the approved budget by 31 March. The use of the resource will be restricted to the purpose for which the estimate was originally intended. The carry forward will only be approved by the Director of Resources if the expenditure is within both the Directorate's and the Authority's budget as approved for that year. Any carry forward which would result in an over-spend for the Authority will require authorisation by the Council.*
- *any overspending on service estimates in total on budgets under the control of the Director must be carried forward to the following year, and will constitute the first call on service budgets in the following year, unless the Council determines otherwise by way of a supplementary estimate. The Director of Resources will report the extent of overspending carried forward to the Executive, Resources Overview and Scrutiny Panel and to the Council.*

The delegated power applies only in so far as the carry forwards do not take the Council into an overspend position.

- 6.2 Details of the carry forward requests, which itemise committed expenditure, are contained within **Appendix B**. The requests have been subject to the scrutiny of the relevant Director and Portfolio Holder prior to formal consideration by SMT and the Director of Resources, who is satisfied that budgets of £677,400 should be carried forward to 2013/14 and £19,000 to 2014/15. Although some Directorates have expended in excess of their budgets, or have suffered reduced income as detailed in the individual appendices, once the committed expenditure is taken into account there is an overall underspend across the whole authority. These amounts have therefore been included in the carry forward. The relevant Director will be able to give further details of carry forward requests if required at the meeting.

6.3 For information, the table below provides details of the outturn position (excluding funding) and level of carry forward requests over the last five years for illustrative purposes:

	2012/13 provisional £	2011/12 £	2010/11 £	2009/10 £	2008/09 £
Variance at 31 March	(1,021,350)	(618,959)	(2,004,397)	(2,367,534)	(3,577,380)
Carry forward requests	696,400	357,500	1,758,700	1,552,000	1,005,600
Final variance	(324,950)	(261,459)	(245,697)	(815,534)	(2,571,780)
less in year budget initiatives	<u>249,703</u>				<u>2,326,192</u>
Service Expenditure variance	(75,247)				(245,588)
Percentage variance on service expenditure of original gross budget	(0.11)%	(0.41)%	(0.36)%	(1.23)%	(0.37)%

7. BALANCE SHEET

7.1 In line with suggested best practice, information relating to significant items on the Council's balance sheet has been reported regularly to Members during the course of the year. The Council's balance sheet as at 31 March 2013 forms part of the annual Statement of Accounts that will be considered by the Audit Committee on 22 July, followed by a three month process.

7.2 The VAT partial exemption calculation continues to be monitored and has still to be finalised for 2012/13; however the provisional outturn figure is 2.92%, well below the permitted 5% limit.

7.3 The 2012/13 Collection Fund projected surplus has increased from £443,395 to £492,315 (Council share increased from £58,513 to £64,929). The Council Tax and NNDR Provisional outturn report provides further details and is considered elsewhere on the agenda (RD14/13)

7.4 At 31st March 2013 balances totalling £1,372,541 are held in respect of Section 106 agreements and other commuted sums, with a further £5,031,585 expected, relating to agreements for sites yet to be developed. These sums are to be used for the provision and future maintenance of public open spaces, children's play areas, cycleways and transport facilities etc. The City Council acts as custodian only for £802,381 of the sums held, in respect of projects for which Cumbria County Council

is responsible, including the Caldew Cycleway and Public Realm. Should the County Council not progress these projects, or they remain incomplete before the agreed deadlines, the custodial sums must be repaid, along with a premium for interest, to the Developers. Further details of the balances retained are set out in the table below:

Commuted Sums 2012/2013	Opening Balance & Receipts	Spend	Retained Balance 31/03/13	Expected Sums
	(£)	(£)	(£)	(£)
Affordable Housing Contributions	15,000	0	15,000	254,373
Cycleway & Public Realm	756,000	23,159	732,841	0
Education	0	0	0	3,500,000
Play Areas & Facilities	287,488	49,483	238,005	94,500
Public Open Spaces Provision/Maintenance	448,874	131,718	317,156	406,546
Sports Provision/Maintenance	0	0	0	48,584
Transport & Pedestrianisation	69,540	0	69,540	727,582
Total	1,576,902	204,360	1,372,541	5,031,585

7.5 The level of Council reserves was approved by Council in February 2013 and showed that there will be pressure on reserves from 2013/14 onwards if ambitious transformation savings are not delivered to plan. Due to the level of underspend identified within this report after all carry forward requests are approved and transfers to/from earmarked reserves, approximately £75,200 will be returned to the General Fund Reserve. This will replenish the usable revenue balances by 31 March 2015 to the minimum required.

	31/03/2013 £'000s	31/03/2014 £'000s	31/03/2015 £'000s	31/03/2016 £'000s	31/03/2017 £'000s	31/03/2018 £'000s
Prudent Level of Reserves	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)
Council Resolution General Fund Reserve	(1,846)	(2,092)	(2,534)	(3,402)	(3,355)	(2,515)
Underspend position returned to Reserves	(1,021)	0	0	0	0	0
Transfer (from)/to earmarked reserves:						
- Career Development (JE)	(7)					
- Fuel Poverty (EEAC)	(38)					
- Job Evaluation Reserve ⁽¹⁾	(30)					
- Sheepmount Reserve ⁽¹⁾	(2)					
- Transformation Reserve ⁽¹⁾	200					
- On Street Parking Reserve ⁽¹⁾	190					
Committed Carry Forwards		677	19	0	0	0
Cost of Disposal	(63)					
Revised Reserves Balance	(2,617)	(2,186)	(2,609)	(3,477)	(3,430)	(2,590)

Note ⁽¹⁾: Transfers to/from earmarked reserves subject to approval

7.6 In accordance with revised Capital Finance Regulations, costs associated with asset disposal totalling £62,994 that are included in the revenue outturn, can be funded from the capital receipt generated. This will result in an increase to revenue balances at 31st March 2013 and is reflected in the table above.

8. CONSULTATION

8.1 Consultation to date.

Portfolio Holders and SMT have considered the issues raised in this report.

8.2 Consultation Proposed.

Resources Overview and Scrutiny Panel will consider the report on 06 July 2013.

9. CONCLUSION AND REASONS FOR RECOMMENDATIONS

9.1 The Executive is asked to:

(i) Note the net underspend as at 31 March 2013 of £75,247 after carry forwards as in (ii) below, and net transfers to/from earmarked reserves as noted in (iii), (iv), (v) and (vi) below;

(ii) Note the committed expenditure totalling £696,400 to be met in 2013/14 which has been approved by the Director of Resources and under delegated powers, and the release of £677,400 in 2013/14 and £19,000 in 2014/15 from the General Fund Reserve, for recommendation to Council;

(iii) Make recommendations to Council to release the balance of £1,878 from the Sheepmount Reserve to the General Fund Reserve, as detailed in paragraph 4.1;

(iv) Make recommendations to Council to release the balance of £29,670 from the Job Evaluation Reserve to the General Fund Reserve, as detailed in paragraph 4.2;

(v) Make recommendations to Council to write off the accrued deficit on the On Street Parking reserve of £190,000 to General Fund Balances as outlined in paragraph 4.3;

(vi) Make recommendations to Council to top up the Transformation Reserve with £200,000 from the underspend position, as set out in paragraph 4.4;

(vii) Make recommendations to Council to approve the establishment of the Municipal Mutual Insurance provision for £175,000 as outlined in paragraph 4.5;
and

(viii) Make recommendations to Council to approve the establishment of the Welfare Reform Reserve, as detailed in paragraph 4.6, noting that £200,000 will be transferred to the reserve as part of the year end process.

10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

10.1 The Council's budget is set in accordance with the priorities of the Carlisle Plan and the 2012/13 outturn shows the delivery of these priorities within budget.

Contact Officer: Maureen McCartney Ext: 7291

**Appendices A1 to A6, B and C.
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: SMT and JMT have been involved in the preparation of this report. Risks to future years' budget and development of ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken.

Chief Executive's – N/A

Community Engagement – N/A

Economic Development – N/A

Governance – The Council has a fiduciary duty to manage its finances properly and the proper reporting of the outturn figures is part of this process. Approval of full Council is required for the additional use of revenue reserves to fund expenditure commitments as set out in the report.

Local Environment – N/A

Resources – Financial implications are contained within the main body of the report.

PROVISIONAL GENERAL FUND REVENUE OUTTURN 2012/13

CHIEF EXECUTIVE'S TEAM						
Position as at 31st March 2013						
	Gross Expenditure £	Gross Income £	Recharges £	Carry Forwards Awaiting Approval £	Adjusted Total £	
Annual Budget	1,424,000	(25,800)	(1,292,300)		105,900	
Budget to date	1,424,000	(25,800)	(1,292,300)		105,900	
Total Actual	1,433,825	(33,982)	(1,291,394)		108,449	
Variance	9,825	(8,182)	906		2,549	
Carry Forwards				0	0	
Adjusted Variance	9,825	(8,182)	906	0	2,549	

Analysis of Variances						
Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Carry Forwards Awaiting Approval £	Adjusted Variance £
Policy and Communications	1	19,500	0	(769)		18,731
Miscellaneous	2	(9,675)	(8,182)	1,675	0	(16,182)
Total Variance to date		9,825	(8,182)	906	0	2,549

Note	Chief Executive's Comments
1.	Savings not achieved from subscriptions budget.
2.	Various net minor underspends across the service.

PROVISIONAL GENERAL FUND REVENUE OUTTURN 2012/13

COMMUNITY ENGAGEMENT						
Position as at 31st March 2013		Gross Expenditure £	Gross Income £	Recharges £	Carry Forwards Awaiting Approval £	Adjusted Total £
Annual Budget		14,170,000	(4,805,000)	(1,361,800)		8,003,200
Budget to date		14,170,000	(4,805,000)	(1,361,800)		8,003,200
Total Actual		14,060,086	(4,809,082)	(1,361,779)		7,889,225
Variance		(109,914)	(4,082)	21		(113,975)
Carry Forwards					69,000	69,000
Adjusted Variance		(109,914)	(4,082)	21	69,000	(44,975)
Analysis of Variances						
Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Carry Forwards Awaiting Approval £	Adjusted Variance £
Hostels and Homeshares	1	38,215	(936)	0		37,279
Housing Regeneration	2	(73,399)	11,966	21	69,000	7,587
Revenues & Benefits Shared Services	3	(94,919)	13,806	0		(81,112)
Miscellaneous	4	20,189	(28,918)	0	0	(8,729)
Total Variance to date		(109,914)	(4,082)	21	69,000	(44,975)

Note Community Engagement - Director's Comments

1. Overspends due to legal costs of adjudication notices.
2. Underspends on grant funded schemes to be rolled forward.
3. Underspends on staffing due to vacant posts and income shortfall for court costs recoveries.
4. Net underspend relates to miscellaneous variances and grant income allocations across services.

PROVISIONAL GENERAL FUND REVENUE OUTTURN 2012/13

ECONOMIC DEVELOPMENT						
Position as at 31st March 2013						
	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Adjusted Total	
	£	£	£	£	£	£
Annual Budget	3,847,900	(1,282,200)	(635,900)		1,929,800	
Budget to date	3,847,900	(1,282,200)	(635,900)		1,929,800	
Total Actual	3,681,311	(1,221,909)	(635,900)		1,823,502	
Variance	(166,589)	60,291	0		(106,298)	
Carry Forwards				176,700	176,700	
Adjusted Variance	(166,589)	60,291	0	176,700	70,402	
Analysis of Variances						
Service	Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Adjusted Variance	Note
	£	£	£	£	£	
Business & Employment Development	(33,091)	0	0	5,000	(28,091)	1
Enterprise Centre	13,979	53,996	0		67,976	2
Carlisle TIC	25,195	16,050	0		41,245	3
Business Support & Regeneration Projects	(148,669)	0	0	148,500	(169)	4
Miscellaneous	(24,002)	(9,756)	0	23,200	(10,558)	5
Total Variance to date	(166,589)	60,291	0	176,700	70,402	

Note Economic Development - Director's Comments

- Underspends on projects due to reduced capacity.
- NNDR costs for units vacant for more than six months and income shortfall from lettings.
- Overspend on ticket purchases and income shortfall on commission and sales.
- Underspent support funds and project expenses to be carried forward.
- Net minor underspends and surplus income across the services.

PROVISIONAL GENERAL FUND REVENUE OUTTURN 2012/13

GOVERNANCE	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Adjusted Total
Position as at 31st March 2013	£	£	£	£	£
Annual Budget	3,300,900	(643,800)	(829,000)		1,828,100
Budget to date	3,300,900	(643,800)	(829,000)		1,828,100
Total Actual	3,229,439	(656,947)	(828,984)		1,743,509
Variance	(71,461)	(13,147)	16		(84,591)
Carry Forwards				53,000	53,000
Adjusted Variance	(71,461)	(13,147)	16	53,000	(31,591)

Analysis of Variances	Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Adjusted Variance
Service	£	£	£	£	£
Town Twinning	(53,831)	(39)	0	53,000	(870)
Miscellaneous	(17,629)	(13,108)	16	0	(30,721)
Total Variance to date	(71,461)	(13,147)	16	53,000	(31,591)

Note Governance - Director's Comments

1. This is a 3 years programme budget and will be used to fund the Council's Town Twinning activities agreed at the Annual 3 Way meeting.
2. Various underspends and surplus income across the services

PROVISIONAL GENERAL FUND REVENUE OUTTURN 2012/13

LOCAL ENVIRONMENT						
Position as at 31st March 2013	Gross Expenditure £	Gross Income £	Recharges £	Carry Forwards Awaiting Approval £	Adjusted Total £	
Annual Budget	18,047,400	(8,377,400)	(3,958,600)		5,711,400	
Budget to date	18,047,400	(8,377,400)	(3,958,600)		5,711,400	
Total Actual	16,842,695	(7,182,955)	(3,948,989)		5,710,752	
Variance	(1,204,705)	1,194,445	9,611		(648)	
Carry Forwards				144,300	144,300	
Adjusted Variance	(1,204,705)	1,194,445	9,611	144,300	143,652	
Analysis of Variances						
Service	Expenditure Variance £	Income Variance £	Recharges Variance £	Carry Forwards Awaiting Approval £	Adjusted Variance £	Note
Bereavement Services	(42,149)	(11,812)	48	50,000	(3,913)	1
CCTV	(41,003)	176	0	30,000	(10,827)	2
Clean Up Carlisle	(53,837)	(1,050)	(0)	50,800	(4,087)	3
LE Management & Administration	(22,440)	0	(0)	6,500	(15,940)	4
Neighbourhoods & Green Spaces	(37,000)	5,813	(0)		(31,187)	5
Parking	(62,741)	291,048	(9,864)		218,443	6
Highways Maintenance	(684,860)	923,470	19,416		258,025	7
Highways Claimed Rights	(96,394)	(408)	0		(96,802)	8
Misc Highways & Environment Expenses	(18,397)	0	0	7,000	(11,397)	9
City Lighting	(53,501)	(24)	0		(53,524)	10
Recycling & Waste Management	(24,850)	(18,089)	(0)		(42,939)	11
Miscellaneous	(67,534)	5,321	12	0	(62,201)	12
Total Variance to date	(1,204,705)	1,194,445	9,611	144,300	143,652	

PROVISIONAL GENERAL FUND REVENUE OUTTURN 2012/13

Note	Local Environment - Director's Comments
1.	Savings on staff and other costs and cremation fees performed better than expected. To be carried forward for additional costs of replacing Cremator Chimney Linings.
2.	Transmission and maintenance savings to be rolled forward to fund costs of decommissioning and delay in implementing reduced service.
3.	Late start to scheme; underspent budgets to be rolled forward to fund 2 years programme, scheduled for completion in 2014.
4.	Underspends on IT, postages and office supplies, statutory systems training programmed for later in the year.
5.	Savings on insurance excesses and claims.
6.	Off Street Parking: Savings on management and staffing, (£129,600) taken into Salary Turnover Savings, set aside to offset anticipated contracts and ticket sales shortfall, totalling £146,337.
	On Street Parking: £5,987 net includes administration savings accrued to offset £43,076 income shortfall from PCN's etc.
	Other Contracts £64,158 net overspend: £71,632 Eden DC, £8,536 William Street (CCC), £7,248 Marks & Spencer, (£23,258) South Lakes includes management fee for Back Office support contract, still to complete, .
7.	Savings on sub-contractors and other operational expenses offset by income shortfall. The year on year decrease in Claimed Rights budgets and capital projects has put the Highways' Team's ability to achieve the level of income fixed in the budgets at high risk and this function transfers to the County Council from 1st April 2013.
8.	Underspend on insurance claims and reduced provision for bad debits.
9.	Underspent allocations for Councillors' small scale projects, committed funds to be carried forward.
10.	Savings on maintenance costs and energy due to efficiencies and reduced lighting levels.
11.	Savings realised from efficiencies on transport, repairs, hire and fuel costs - although repairs costs are increasing as vehicle fleet ages.
12.	Various minor underspends more than offset the income shortfalls across the services.

PROVISIONAL GENERAL FUND REVENUE OUTTURN 2012/13

RESOURCES		Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Adjusted Total
Position as at 31st March 2013		£	£	£	£	£
Annual Budget		49,999,400	(46,294,700)	(6,705,400)		(3,000,700)
Budget to date		49,999,400	(46,294,700)	(6,705,400)		(3,000,700)
Total Actual		49,077,489	(45,979,952)	(6,816,624)		(3,719,087)
Variance		(921,911)	314,748	(111,224)		(718,387)
Carry Forwards					253,400	253,400
Adjusted Variance		(921,911)	314,748	(111,224)	253,400	(464,987)
Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Adjusted Variance
Service	Note	£	£	£	£	£
Transport	1	(61,311)	355,597	(303,152)		(8,866)
Building Maintenance	2	3,298	(9,890)	41,582		34,990
Stores & Stock Account	3	164,024	(154,293)	0		9,731
Direct Revenue Financing	4	(48,291)	0	0	39,100	(9,191)
Treasury & Debt Management	5	29,962	38,481	2,627		71,070
Non Distributed Costs	6	(173,418)	0	0		(173,418)
Other Financial Costs	7	(654,908)	243,744	0	9,800	(401,365)
ICT Services	8	(22,634)	(3,226)	138,753		112,893
The Lanes	9	50	(99,987)	0		(99,937)
Miscellaneous	10	(158,683)	(55,678)	8,967	204,500	(894)
Total Variance to date		(921,911)	314,748	(111,224)	253,400	(464,987)

Note	Resources - Director's Comments
1.	Underspend on repairs partly offset by net shortfall on income and recharges
2.	Underspent expenses and premises maintenance recharges shortfall.
3.	Includes net residual value of stores to be written off following transfer of Highways service to Cumbria County Council.
4.	Carry forward to fund capital schemes.
5.	Overspend on MRP and reduced investment income
6.	Savings on shared service pension costs
7.	Improved savings: Salary Turnover Savings (£544,100), 0% Pay Award (£108,000), and net income shortfall includes £236,224 on VAT Recovery claims not paid (Trade Waste).
8.	Shortfall in income from ICT Connect printing and copying service, dedicated staff are no longer provided at the facility in Carlisle, consequently printing has been diverted to new printers recently installed throughout the Civic Centre.
9.	Windfall on previous years' income
10.	Various minor underspends and surplus income, carry forwards to fund loss of property income and asset disposal costs.

2012/13 REVENUE CARRY FORWARD REQUESTS

APPENDIX B

Directorate/Section	Description	Requests into			Total
		2013/14 £	2014/15 £	2015/16 £	
<u>Community Engagement</u> Housing - Empty Homes	Committed funding for Empty Homes Initiatives. Approved as part of 2012/13 Budget process, not spent due to delays in agreeing conditions with a Third Sector organisation provider.	50,000			50,000
Housing - Empty Homes	Empty Homes Officer - fixed term contract that overlaps financial years due to delay in recruiting. Carry forward would enable officer to complete existing projects and initiatives, and undertake new ones. Will also help maximise income from New Homes Bonus.		19,000		19,000
		50,000	19,000	0	69,000
<u>Economic Development</u> Business & Employment Tourism Support	To fund sponsorship of Pirelli Rally as promised by the Leader of Carlisle City Council. To support various elements of the Tourism Support service including hosting a local Tourism Conference, Winter Lights within the city centre, and support for Hadrian's Wall Trust.	5,000 16,400			5,000 16,400
Support for Employment Projects	LABGI funding that because of limited capacity has not been utilised thus far for the BSUS programme and there is also a desire to work alongside existing employers and training organisations.	30,000			30,000
City Centre Capacity	Project is to build on the work done for the Business Improvement District. The result of the ballot was needed before further projects could be developed to enhance the City centre offer as the outcome would impact on partnership arrangements.	48,600			48,600
Discover Carlisle & Marketing	The Discover Carlisle website and brand development has not been able to advance as far as originally envisaged in 2012/13 and requires further development into one of the main marketing tools for Carlisle during 2013/14 to allow it to be able to generate significant income streams through sponsorship and advertising revenues to be self sustaining.	6,800			6,800
Business Start Ups	The City Council are committed to a 2 year programme covering 2012/13 and 2013/14 of working with the Cumbria Chamber of Commerce to deliver local business start up support (BSUS), the annual commitment is £30,000 (SLA). This will also attract substantial external funding from ERDF and the New Enterprise Allowance scheme.	49,600			49,600
Regeneration Project Support	The identification of a number of Regeneration and Strategic Property projects has been ongoing through the year but the actual development of such projects has been slower than anticipated due to a lack of a full time Regeneration Projects Officer. Carry forward will enable development of projects such as Public Realm to continue.	20,300			20,300
		176,700	0	0	176,700
<u>Governance</u> Town Twinning	The budget is a 3 year rolling programme to fund the Council's Town Twinning activities.	53,000	0	0	53,000
		53,000	0	0	53,000

2012/13 REVENUE CARRY FORWARD REQUESTS

APPENDIX B

Directorate/Section	Description	Requests into			Total
		2013/14 £	2014/15 £	2015/16 £	
Local Environment					
Performance Improvement	Implementation of Waste Management module to FLARE. Phase 1 (Service requests) is complete, carry forward allows phase 2 (Rounds Management) to complete. Project is complex and has taken longer than anticipated.	6,500	0	0	6,500
CCTV	£9,000 for commitment to British Telecom fibre optic contract to allow £180,000 savings to be achieved on recurring basis from 2013/14. £13,000 to cover costs of fixed term CCTV Supervisor post. £8,000 for decommissioning costs.	30,000	0	0	30,000
Small Scale Community Projects	To fund commitments to various small scale projects waiting to be invoiced or recharged. Uncommitted unspent money has not been requested for carry forward	7,000	0	0	7,000
Clean Up Carlisle	To ensure a full 2 year programme of works for Clean Up Carlisle Campaign can be completed.	50,800	0	0	50,800
Crematorium	Cremator chimney lining replacement at an expected cost £50,000. Executive approved the release of up to £35,000 from Cremator Reserve to fund these works (LE06/13). Due to the level of underspend on the Crematorium, it is proposed to carry forward underspends to fund this work to ensure maximum funds can be retained in the reserve to accommodate full cremator replacements in future years.	50,000	0	0	50,000
Resources		144,300	0	0	144,300
Property	This budget is to offset the loss of rental income arising from the sale of properties as part of the Asset Review Programme. The programme has experienced delays and postponements on the sale of some properties resulting in the budget being underspent. The carry forward is required to offset the loss of rental income which will occur before other income generating assets are identified for purchase and acquired as part of the re-investment programme.	41,500			41,500
Property	The costs of disposal of the Asset Review Disposal Programme have been temporarily funded from this Property revenue budget which was originally earmarked for asset re-investment initiatives and consultant advice. These costs can be funded from capital receipts (up to 4% of the value of the receipt). It is requested that the revenue budget is replenished by the level of the costs of disposal funded from capital.	163,000			163,000
Direct Revenue Financing - Clean Up Carlisle	To provide funding to allow capital scheme to complete.	8,500			8,500
Direct Revenue Financing - PCIDSS Capital Finance	To provide funding to allow capital scheme to complete. Budget to provide Contractor plus replacement	30,600			30,600
		9,800			9,800
		253,400	0	0	253,400
Total General Fund Carry Forward Requests		677,400	19,000	0	696,400

Resources Overview and Scrutiny Panel

Agenda Item:
A.5(e)

Meeting Date: 6 June 2013
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref: KD09/13
 Within Policy and Budget Framework: Yes
 Public / Private: Public

Title: ELECTED MEMBERS' ALLOWANCES - PROVISIONAL
 OUTTURN REPORT FOR 2012/13
 Report of: Director of Resources
 Report Number: RD15/13

Purpose / Summary:

This report sets out the amount of allowances paid to Members as part of the Elected Members' Allowances Scheme for 2012/13.

Questions for / input required from Scrutiny:

Members are asked to scrutinise the outturn position for Members Allowances.

Recommendations:

Members of the Resources Overview and Scrutiny Panel are asked to considered this report.

Tracking

Executive:	31 May 2013
Overview and Scrutiny:	6 June 2013
Council:	16 July 2013

Report to Executive	Agenda Item:
----------------------------	---------------------

Meeting Date: 31st May 2013
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref: KD09/13
 Within Policy and Budget Framework: Yes
 Public / Private: Public

Title: ELECTED MEMBERS' ALLOWANCES - PROVISIONAL
 OUTTURN REPORT FOR 2012/13
 Report of: Director of Resources
 Report Number: RD15/13

Purpose / Summary:

This report sets out the amount of allowances paid to Members as part of the Elected Members' Allowances Scheme for 2012/13.

Recommendations:

The Executive is asked to receive the report and note the overall under-spend of £24,012 on allowances for 2012/13.

Tracking

Executive:	31 May 2013
Overview and Scrutiny:	6 June 2013
Council:	16 July 2013

1. DETAILS

- 1.1 Set out in the attached Appendix 1 are the amounts paid directly to individual Members as part of the Elected Members' Allowances Scheme for 2012/13 as required under paragraph 15 of the Local Authority (Members' Allowances) (England) Regulations 2003.
- 1.2 The detail in respect of Travel and Subsistence for Members collectively is provided in 1.8 overleaf.
- 1.3 The overall position is summarised as follows:

	Budget	Outturn	Variance
	£	£	£
Basic Allowance	251,100	244,811	(6,289)
Special Responsibility allowance	94,400	81,914	(12,486)
Dependent Carers' Allowance	0	329	329
Co Opted Members' Allowance			
Travel – General	16,500	12,148	(4,352)
Travel – Relating to Members' training	3,000	1,613	(1,387)
Subsistence General	1,000	992	(8)
Subsistence – Relating to Members' training	1,100	1,281	181
Total	367,100	343,088	(24,012)

- 1.4 There is an under-spend overall of £24,012.
- 1.5 The Basic Allowance budget is under-spent because budgets are allocated for a full year from April and there was no annual increase in allowances as there has been in previous years.
- 1.6 The Special Responsibility Allowance budget is under-spent partly because some committees did not sit until later in the year and therefore allowances were paid for

part of the year only. Also Members are only entitled to receive one Special Responsibility Allowance and therefore if they hold two positions that attract an allowance only one will be paid. This applied to two Members and a saving was made as a result.

1.7 There has been an under spend in respect to Travel and Subsistence. Although subsistence claims have come in above the budget allocated travel claims remain below.

1.8 Details of Travel and Subsistence:

	Budget £	Outturn £
Public Transport		
Public transport costs in respect of attendance at committee meetings and other approved duties	900	251
Planning Site visits and other approved duties	1,000	1,055
MLDP* – Public Transport	2,000	
Members' training - Executive group		1,301
Members' training - Labour group		54
Members' training - Conservative group		159
Members' training - Lib Dem group		98
Members' training - Independents		0
	3,900	2,918
Mileage Expenses		
Mileage costs in respect of attendance at committee meetings and other approved duties	15,600	10,843
MLDP – Mileage		
Members' training - Executive group		
Members' training - Labour group		
Members' training - Conservative group		
Members' training - Lib Dem group		
Members' training - Independents		
	15,600	10,843

Subsistence Expenses	1,000	992
Subsistence costs in respect of attendance at committee meetings and other approved duties		
MLDP – Subsistence	1,100	
Members' training - Executive group		861
Members' training - Labour group		0
Members' training - Conservative group		420
Members' training - Lib Dem group		0
Members' training - Independents		0
	2,100	2,273

* MLDP = Members' Learning & Development Programme

2. CONCLUSION AND REASONS FOR RECOMMENDATIONS

2.1 The Executive is asked to receive the report and note the overall under-spend of £24,012 with the Members' Allowances Scheme for 2012/13

3. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

3.1 Members allowances form part of the Council's revenue budget and there is a requirement to report the outturn against the budget as part of the overall Council outturn position.

Contact Officer: Eileen Reid

Ext: 7272

**Appendices Appendix 1
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 -

Community Engagement –

Economic Development –

Governance – As stated within the body of the Report, the details herein are required to be reported by virtue of Regulation 15 of the Local Authorities (Members' Allowances) (England) Regulations 2003.

Local Environment –

Resources – Contained within the report

MEMBERS' ALLOWANCES SUMMARY 2012/13

APPENDIX 1

Init	Surname	Basic	Became or ceased				Subsistence	Dependent Carers Allowance
			to be a councillor	SRA	Travel			
T	ALLISON	4,733.04						
K	ATKINSON	4,313.17	03/05/12					
P	ATKINSON	4,733.04						
J R	BAINBRIDGE	4,733.04			31.42			
J	BELL	4,733.04		944.05				
R	BETTON	4,733.04						
R D	BLOXHAM	4,733.04		789.20	1,719.69		2.55	
M W	BOADEN	4,733.04						
S	BOWDITCH	4,733.04						
C	BOWMAN	4,733.04			460.27			
M L	BOWMAN	4,733.04		789.20	583.31			
H M	BRADLEY	4,733.04		641.13				
D	CAPE	4,733.04						
N	CLARKE	4,733.04						
M	CLARKE	496.21	03/05/12					
J R	COLLIER	4,733.04		1,094.04	292.50			
B	CRAIG	4,733.04			555.72		419.80	
B O	EARP	4,733.04			429.74			
G	ELLIS	4,733.04		789.20				
HDM	FARMER	432.59	03/05/12					
D	FORRESTER	3,589.22	28/06/12					
J	FRANKLIN	4,733.04			47.60			
J	GEDDES	4,733.04		789.20	316.66			
C W	GLOVER	4,733.04		9,386.66	284.58		116.67	
W J	GRAHAM	4,733.04			185.90			
A	HARID	4,733.04		517.61				
J D	HENDRY	4,733.04		15,617.85	2,954.89		914.85	
J	LAYDEN	4,733.04		4,356.96	1,301.61			
N J	LISHMAN	4,733.04						
O D	LUCKLEY	4,733.04		4,356.96	98.20			
E A	MALLINSON	4,733.04		527.05				
J	MALLINSON	4,733.04		5,145.80	195.83		110.00	
E	MARTLEW	4,313.17	03/05/12	5,629.62	192.58			
H F	MCDEVITT	4,733.04						
M R	MITCHELSON	4,733.04		2,105.68	68.85			
D D	MORTON	4,733.04		132.34				
N	NEDVED	4,733.04						
D H	PARSONS	4,733.04		527.05	710.86			
L	PATRICK	4,733.04		3,138.89				
J	PREST	4,733.04			1,004.65		25.00	
A	QUILTER	4,733.04		5,629.62	176.48		211.60	
J	RIDDLE	4,733.04		5,629.62	375.24		268.00	
F	ROBSON	496.21	03/05/12		6.60			329.40
C A	RUTHERFORD	432.59	03/05/12	398.22				
C W T	SCARBOROUGH	4,733.04		3,570.29	506.94			
L	SHERRIFF	4,313.17	03/05/12		137.66			
J	SOUTHWARD	4,733.04						
E	STEVENSON	4,313.17	03/05/12					
G C	STOTHARD	4,733.04						
L	TICKNER	4,313.17	03/05/12	5,629.62	530.39		205.00	
P	VASEY	4,733.04						
A	WARWICK	4,733.04						
R	WATSON	4,733.04		3,759.63				
C F	WEBER	4,733.04						
J N	WEEDALL	78.88	06/04/12	18.23				
W	WHALEN	4,733.04						
D	WILSON	4,733.04						
T&S (training for all members)		0.00			120.00			
T&S relating to site visits,					935.00			
less VAT recovered					-461.99			
		244,811.39		81,913.72	13,761.18	2,273.47	329.40	

<h1>Resources Overview and Scrutiny Panel</h1>	<p>Agenda Item: A.5(c)</p>
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Meeting Date: 6 June 2013
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref: KD09/13
 Within Policy and Budget Framework YES
 Public / Private Public

Title: TREASURY MANAGEMENT OUTTURN 2012/13
 Report of: DIRECTOR OF RESOURCES
 Report Number: RD13/13

Summary:

This report provides the annual report on Treasury Management (Appendix A), as required under both the Financial Procedure rules and the CIPFA Code of Practice on Treasury Management. Also included is the regular report on Treasury Transactions (Appendix B) that was considered by Executive on 31 May 2013.

Questions for / input required from Scrutiny:

Members are asked to scrutinise the outturn position for Treasury Management in 2012/13..

Recommendations:

Members of the Resources Overview and Scrutiny Panel are asked to considered this report.

Tracking

Executive:	31 May 2013
Overview and Scrutiny:	6 June 2013
Council:	16 July 2013

Report to Executive

Agenda
Item:

Meeting Date: 31 May 2013
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref: KD09/13
 Within Policy and Budget Framework YES
 Public / Private Public

Title: TREASURY MANAGEMENT OUTTURN 2012/13
 Report of: DIRECTOR OF RESOURCES
 Report Number: RD13/13

Purpose / Summary:

This report provides the annual report on Treasury Management (Appendix A), as required under both the Financial Procedure rules and the CIPFA Code of Practice on Treasury Management. Also included is the regular report on Treasury Transactions (Appendix B).

Recommendations:

- 1 That this report be received and recommended to Council for approval.

Tracking

Executive:	31 May 2013
Overview and Scrutiny:	6 June 2013
Council:	16 July 2013

1. BACKGROUND

- 1.1 The purpose of this report is to inform Members on various Treasury Management issues.
- 1.2 Appendix A1 to this report sets out a final report on Treasury Management in 2012/13 as required by the CIPFA Code of Practice on Treasury Management. Appendix A2 highlights some performance measures and Appendix A3 shows the final prudential indicators for 2012/13.
- 1.3 Appendices B1-B3 details the schedule of Treasury Transactions for the period 1 January 2013 – 31 March 2013.

2. CONSULTATION

- 2.1 Resources Overview and Scrutiny Panel will consider the report on 6 June 2013 and the Audit Committee will do so on 22 July 2013.

3. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 3.1 That this report be received and recommended to Council for approval.

4. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 4.1 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 A1 – Treasury Management 2012/13**
- Appendix A2 – Performance Statistics**
- Appendix A3 – Prudential Code and Prudential Borrowing**
- Appendix B1 – Treasury Transactions**
- Appendix B2 – Investment Transactions**
- Appendix B3 – Outstanding Investments**

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

Community Engagement – n/a

Economic Development – n/a

Governance – Treasury Management activities are delegated to the Director of Resources and Financial Procedure Rule 3.19 requires that he prepare an annual report on the topic. This Report fulfils that obligation.

Local Environment – n/a

Resources – Included in the report

TREASURY MANAGEMENT 2012/131. INTRODUCTION

- 1.1 The CIPFA Code of Practice on Treasury Management (2011) now requires that full Council should receive both a mid term and an annual report on treasury management activities during the year. This report on the treasury function during 2012/13, while being first presented to the Executive, is therefore required to have the approval of full Council in order to comply with the CIPFA Code.
- 1.2 Regular reports on treasury transactions are presented to the Executive while an interim report on treasury management in 2012/13 was presented in November 2012 (RD47/12). The purpose of this report is to complete the process of accounting for the treasury function in the last financial year in compliance with the Code. Any funding and other financing transactions will be detailed and placed in the context of money market conditions in 2012/13 while the City Council's investment activities will also be discussed. Separate papers (A2 and A3) provide information on performance in 2012/13 and on the Prudential Code on local authority borrowing.

2. MONEY MARKET CONDITIONS

- 2.1 The following table sets out the levels of bank base rate in 2012/13

	%	
1 April 2012	0.50	Average = 0.50%
31 March 2013	0.50	(2011/12 = 0.50%)

- 2.2 The financial year began with bank rate remaining at 0.50% and this rate, remained constant for the whole of 2012/13.
- 2.3 The pattern of long term borrowing rates in 2012/13 can be gauged by the following table of Public Works Loans Board (PWLB) fixed rate maturity loans during the year. These are the rates cited in the regular Treasury Transactions reports and relate to the type of loan that historically has most usually been taken up by the City Council.

	1 Yr %	10 Yr %	25 Yr %
1 April 2012	1.31	3.28	4.39
31 March 2013	1.13	2.84	4.07
Highest Rate in 2012/13	1.33	3.30	4.44
Lowest Rate in 2012/13	1.00	2.52	3.81
Span of Rates	0.33	0.78	0.63

3. LONG TERM FUNDING

- 3.1 The Prudential Code on local authority borrowing came into operation on 1 April 2004. The principal effect of the Code was to abolish most central government control of local authority borrowing, a principle that has been a cornerstone of local government finance for over a century. Instead, authorities must follow the guidance laid down in the Code and they will be expected to comply with its requirements. These cover not just borrowing but any decision that determines whether the capital investment plans of an authority are affordable, prudent and sustainable. The Code is discussed in more detail in Appendix A3.
- 3.2 The revenue support grant system still provides for an element of support towards each authority's estimated borrowing needs. It may be noted that the Council does still receive an element of revenue grant support for the costs of its borrowing in previous years.
- 3.3 The City Council did not, therefore, draw down any external long term loans in 2012/13. The capital programme was funded internally by drawing from the authority's own resources, principally its stock of capital receipts, and from external grants and contributions.

4. DEBT RESCHEDULING

- 4.1 The City Council's long-term loans portfolio now consists entirely of the £15m stock issue, placed in 1995 and not due to mature until 2020. While there is a possibility that these funds could be repaid prior to that date, this is unlikely to be in the near future although the issue is regularly reviewed in conjunction with our treasury advisers. In the current financial climate, the cost of the premium that would be required to effect the early repayment remains prohibitive.

5. LOANS OUTSTANDING

5.1 Set out below is a schedule of outstanding external loans as at 31 March 2013.

	£
Public Works Loans Board	NIL
Secured Loan Stock	15,000,000
Short Term Loans	<u>13,300</u>
Total Loans Outstanding	<u>£15,013,300</u>

6. INVESTMENT TRANSACTIONS

6.1 As is apparent from the regular 'Treasury Transactions' reports, the City Council continues to be a frequent investor in the short-term money market and the interest earned from these transactions makes a valuable contribution to the overall level of the Council's revenue budget. Investments are placed only with the institutions that fall within the guidelines of the Council's approved Investment Strategy and a full schedule of investments at 31 March 2013 is set out in Appendix B3. It should be noted that the Council's level of short term investment reaches its lowest point each year on 31 March when any benefits accruing from positive annual cash flow are, by definition, extinguished.

6.2 The total at that date (£18.7) can be compared with an average figure in 2012/13 of over £25.3m and a peak amount of over £31.8m. The closing balance in 2011/12 was £16.8m. The increase is due to additional capital receipts being generated from the asset review.

6.3 The Investment Strategy for 2012/13 embraced a mixture of longer term investments and monies lent out for shorter periods to meet anticipated cash flow needs e.g. grant and precept payment dates. Investment limits with both Lloyds Group and RBS Group banks were kept at £8million as these institutions are currently Government backed and therefore seen as a safer investment opportunity.

6.4 Investment income in 2012/13 at £393,000 was below the original estimate of £431,000. Actual investment rates obtained in 2012/13 were generally below expectations when the budget was framed although this factor was mitigated to some extent by the outturn on cash flow being slightly better than expected. The average yield on the Council's investments in 2012/13 was 1.39%. This good performance was assisted by a significant proportion of investments being placed for longer terms of up to a year and the use of Money Market Funds for shorter dated cash requirements.

7 INVESTMENT STRATEGY 2013/14

7.1 The Investment Strategy must be agreed before the start of each financial year and the 2013/14 Strategy was approved by Council on 5 February 2013. While the principles of the Strategy remain fundamentally sound, any amendments to the current schedule of investments, if agreed by the Executive, must be approved by Council.

8. PERFORMANCE MANAGEMENT

- 8.1 The CIPFA Code places an increased emphasis on performance monitoring in an attempt to measure the efficiency of the treasury function. With treasury management, the difficulty in assessing performance arises from the very different circumstances of each authority and the fact that, for example, a long term borrowing decision can affect an authority's measured performance for many years to come. In the case of the City Council, this is particularly the case with the £15m stock issue which will affect our average borrowing rate until 2020. Equally, borrowing decisions invariably impact on investment decisions since, in cash flow terms, one can be the mirror image of the other.
- 8.2 Appendix A2 sets out some performance indicators in respect of both loans and investments outturn for 2012/13 and 2011/12.

9. TREASURY CONSULTANCY SERVICE (TCS)

- 9.1 The City Council continues to employ Sector Treasury Services as its treasury management consultants. Sector provide daily bulletins on both borrowing and investment issues and these help advise both the investment and funding decisions that are taken by the Council.

10 CONCLUSIONS

- 10.1 The City Council has only one substantial long term loan i.e. the £15m stock issue, which is likely to remain on the books for some time yet as the cost of making a premature repayment would be very prohibitive in the present climate, particularly with interest rates being at such depressed levels. In addition, there are no plans to undertake any prudential or other borrowing in this financial year. The focus of the authority's treasury management activities therefore remains very much on the investment aspect of the function.
- 10.2 Investment conditions were, in one sense, as exceptional in 2012/13 as they were the previous year. But they were also very different as investors coped with some of the lowest interest rates ever seen in the world economy. Although the effect on the City Council's investment interest was slightly down on the previous year, the performance achieved was significantly better than bank base rate levels. For this authority, as indeed for most others, the reduction in investment income poses a very significant financial challenge.
- 10.3 The outlook for interest rates in the UK remains uncertain but there is a general expectation that bank base rates will not start to rise again until well into 2015. The Council was able to benefit from some significantly high investment rates offered through 2011/12 and 2012/13 where 3% was achievable on 1-year money. However, the Bank of England liquidity schemes that enabled banks to borrow direct from the Bank of England and very low levels has had the effect of these high rates falling significantly. Similar rates on offer now are only 1.1% and going forward the Council is going to face further

challenges in generating investment income on similar levels to those achieved in the previous two years. The one mitigating factor that will help the Council counteract this dip will be the receipts receivable from the asset review that will enhance average balances until they are spent and therefore take up some of the slack from falling rates.

CITY OF CARLISLEPERFORMANCE MEASUREMENT STATISTICS1. LOANS MANAGEMENT

	2012/13 %	2011/12 %
Average External Debt Rate - Carlisle	8.78	8.74

Comment

Average loan debt statistics tend to reflect borrowing decisions taken over a period of many years. The City Council's only substantial remaining external debt is the £15m stock issue which carries a high coupon (8.75%).

2. INVESTMENT MANAGEMENT

	2012/13 %	2011/12 %
Average Return in Year - Carlisle	1.39	1.55
Average Bank Base Rate in Year	0.50	0.50
Average 7 Day LIBID Rate	0.40	0.48

Comment

The City Council's return in 2012/13 on its investments was slightly below that obtained in 2011/12 and was lower than anticipated when the budget was originally set. This is due to falling rates throughout the year and some capital receipts not being received that were originally anticipated.

THE PRUDENTIAL CODE AND PRUDENTIAL BORROWING

1. Introduction

- 1.1 The Local Government Act 2003 brought about a new borrowing system for local authorities known as the Prudential Code (the Code). This gives to Councils much greater freedom and flexibility to borrow without government consent so long as they can afford to repay the amount borrowed.
- 1.2 The aim of the Code is to support local authorities when making capital investment decisions. These decisions should also be in line with the objectives and priorities as set out in the Council's Corporate Plan.
- 1.3 The key objectives of the Code are to ensure, within a clear framework, that the capital investment plans of the Council are affordable, prudent and sustainable, or if appropriate to demonstrate that they may not be. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability. These objectives are consistent with and support local strategic planning, local asset management planning and proper option appraisal. They also encourage sound treasury management decisions.

2. Prudential Indicators

- 2.1 To demonstrate that the Council has fulfilled these objectives, the Code sets out indicators that must be used. It is for the Council itself to set any indicative limits or ratios. It is also important to note that these indicators are not designed to be comparative performance figures indicators but to support and record the Council's decision making process.
- 2.2 The final performance indicators for the current year, as compared to those reported in during the budget cycle are set out below. The compilation and monitoring of these indicators is central to the operation of the Code.

	2012/13 Provisional Outturn £	2011/12 Outturn £
(i) Capital Expenditure	4,798,025	5,317,353
(ii) Financing Costs		
Interest Payable - Re Borrowing	1,318,000	1,322,100
Minimum Revenue Provision	304,400	278,100
Investment Income	(393,000)	(377,000)
Total Financing Costs	1,229,400	1,223,200
(iii) Net Revenue Stream		
Funding from Govt Grants/Local Taxpayers	13,535,000	13,904,000
(iv) Ratio of Financing Costs to Net Revenue Stream	9.08%	8.80%
The figures monitor financing costs as a proportion of the total revenue stream from government grants and local taxpayers. The increase in the ratio of financing costs is mainly attributable to the forecast reduction in investment income.		
(v) Incremental Impact on Council Tax	8.74	8.15
This indicator allows the effect of the totality of the Council's capital investment decisions to be considered at budget setting time.		
(vi) Authorised Borrowing Limit	37,600,000	37,600,000
Maximum Level of Borrowing and Other Long term Liabilities	15,013,300	15,013,300
The authorised borrowing limit is determined by Council prior to the start of the financial year. The limit must not be altered without agreement by Council and should not be exceeded under any foreseeable circumstances.		

	2012/13 Provisional Outturn £	2011/12 Outturn £
(vii) Operational Borrowing Limit Maximum Level of Borrowing and Other Long term Liabilities The operational borrowing limit is also determined by Council prior to the start of the financial year. Unlike the authorised limit, it may be breached temporarily due to cashflow variations but it should not be exceeded on a regular basis.	32,600,000	32,600,000
	15,013,300	150,133
(viii) Capital Financing Requirement (CFR) As at 31 March The CFR is a measure of the underlying borrowing requirement of the authority for capital purposes.	still to be calculated	7,421,000

(a) **Prudence and Sustainability**

	2012/13 £
(i) Target New Borrowing to Date No Long Term Borrowing has been taken in 2012/13	0 0
(ii) Target Percentage of Fixed Rate Long Term Borrowing Actual as at 31 March 2013	100% 100%
(iii) Target Percentage of Variable Rate Long Term Borrowing Actual as at 31 March 2013 Prudent limits for both fixed and variable rate exposure have been set at 100%. This is due to the limited flexibility available to the authority in the context of its overall outstanding borrowing requirement.	100% 0%
(iv) Target Minimum Level of Investments Classified as Specified Actual Level of Specified Investments as at 31 March 2013 As part of the Investment Strategy for 2012/13, the Council set a minimum level of 50% for its specified as opposed to non specified investments. The two categories of investment were defined as part of the Strategy but for the City Council non specified investments will presently refer mainly to either investments of over one year in duration or investments placed with building societies that do not possess an appropriate credit rating. These tend to be the smaller building societies.	50.00% 89.00%

TREASURY TRANSACTIONS
1 JANUARY 2013 TO 31 MARCH 2013

1. LOANS (DEBT)1.1 Transactions 1 January 2013 to 31 March 2013

	Raised		Repaid	
	£	%	£	%
P.W.L.B	0	0	0	0
Local Bonds	0	0	0	0
Short Term Loans	0	0	0	0
Overnight Borrowing	0	0	0	0
	0		0	

This provides a summary of loans that have been raised or repaid, analysed by type, since the previous report.

1.2 Loans (Debt) Outstanding at 31 March 2013

	£
City of Carlisle Stock Issue	15,000,000
Short Term Loans	13,300
	15,013,300

1.3 Loans Due for Repayment

	PWLB £	Overnight £	Total £
Short Term Debt at 31 March 2013	0	0	0
			0

Shown here is a calendar of future loan repayments which can be a useful aid to cash flow management. Following the repayment of the City Council's remaining PWLB debt in July 2004, no major debt repayments are anticipated.

1.4 Interest Rates

Date	PWLB Maturity		
	1 Year %	10 Years %	25 Years %
04 January 2013	1.32	3.13	4.27
11 January 2013	1.27	3.08	4.23
18 January 2013	1.27	3.06	4.23
25 January 2013	1.26	3.08	4.26
01 February 2013	1.26	3.13	4.27
08 February 2013	1.22	3.14	4.31
15 February 2013	1.2	3.23	4.37
22 February 2013	1.19	3.21	4.36
01 March 2013	1.14	2.97	4.16
08 March 2013	1.12	3.09	4.29
15 March 2013	1.12	3.05	4.27
22 March 2013	1.12	2.92	4.13
28 March 2013	1.13	2.84	4.07

2. INVESTMENTS

	Made		Repaid	
	£	%	£	%
Short Term Investments	33,846,000	0.39 - 1.25	38,190,000	0.39 - 3.10
	33,846,000		38,190,000	

A full schedule of investment transactions is set out in appendix B2. Appendix B3 shows outstanding investments at 31 March 2013.

3. REVENUES COLLECTED

To: 31 March 2013		Collected £	% of Amount Collectable %
2012/13	Council Tax NNDR	46,497,239 39,697,034	97.78 98.58
Total		86,194,273	98.14
2011/12	Council Tax NNDR	46,058,618 37,380,206	97.61 97.78
Total		83,438,824	97.68
2010/11	Council Tax NNDR	46,059,538 35,109,986	97.60 98.06
Total		81,169,524	97.80

Final collection levels were very similar to those of the previous two years.

4. BANK BALANCE

5. At 31 March 2013 £373,300.91 in hand

This simply records the Council's bank balance at the end of the last day covered by the report.

6. OUTTURN ON TREASURY MANAGEMENT IN 2012/13

	Revised Estimate £000	Actual £000	Variance £000
Interest Receivable	(431)	(393)	38
Interest Payable	1,319	1,318	(1)
Less Rechargeable	(22)	(19)	3
	1,297	1,299	2
Principal Repaid	275	304	29
Debt Management	12	14	2
NET BALANCE	1,153	1,224	71

INVESTMENT TRANSACTIONS 1 JANUARY 2013 TO 31 MARCH 2013

INVESTMENTS MADE		INVESTMENTS REPAID	
	£		£
Prime Rate, Money Market	2,000,000.00	Cumberland B.Soc	1,000,000.00
Ignis , Money Market	3,400,000.00	Cumberland B.Soc	1,000,000.00
Cumberland B.Soc	1,000,000.00	Royal Bank of Scotland	1,000,000.00
Nationwide	1,000,000.00	Bank of Scotland	1,000,000.00
Royal Bank of Scotland	1,000,000.00	Prime Rate, Money Market	80,000.00
Bank of Scotland	1,000,000.00	HSBC	960,000.00
Prime Rate, Money Market	1,596,000.00	Ignis, Money Market	4,000,000.00
HSBC	960,000.00	HSBC	1,850,000.00
HSBC	1,850,000.00	Royal Bank of Scotland	2,000,000.00
Royal Bank of Scotland	2,000,000.00	Prime Rate, Money Market	1,184,000.00
Bank of Scotland	2,000,000.00	Prime Rate, Money Market	175,000.00
Bank of Scotland	1,000,000.00	Bank of Scotland	1,000,000.00
Ignis , Money Market	2,800,000.00	Bank of Scotland	2,000,000.00
Royal Bank of Scotland	1,000,000.00	Royal Bank of Scotland	1,000,000.00
Bank of Scotland	1,000,000.00	Prime Rate, Money Market	40,000.00
Royal Bank of Scotland	1,000,000.00	Ignis, Money Market	450,000.00
Prime Rate, Money Market	2,500,000.00	Ignis, Money Market	200,000.00
Bank of Scotland	1,000,000.00	Ignis, Money Market	265,000.00
Royal Bank of Scotland	2,000,000.00	Ignis, Money Market	200,000.00
Bank of Scotland	1,000,000.00	Prime Rate, Money Market	2,288,000.00
HSBC	1,740,000.00	Ignis, Money Market	1,685,000.00
Bank of Scotland	1,000,000.00	Bank of Scotland	1,000,000.00
		Cumberland B.Soc	1,000,000.00
		Prime Rate, Money Market	313,000.00
		Barclays	1,300,000.00
		Royal Bank of Scotland	1,000,000.00
		Prime Rate, Money Market	830,000.00
		Prime Rate, Money Market	275,000.00
		Bank of Scotland	1,000,000.00
		Prime Rate, Money Market	1,395,000.00
		Barclays	1,900,000.00
		Bank of Scotland	1,000,000.00
		Royal Bank of Scotland	1,000,000.00
		Royal Bank of Scotland	1,000,000.00
		Barclays	800,000.00
		Bank of Scotland	1,000,000.00
TOTAL	33,846,000		38,190,000
		Bfwd	23,084,000
		Paid	33,846,000
		Repaid	38,190,000
		Total	18,740,000

OUTSTANDING INVESTMENTS AS AT 31ST MARCH 2013

DATE	BORROWER	AMOUNT	TERMS	RATE %	INTEREST
02/04/2012	Bank of Scotland (inc HBOS)	£1,000,000	11 April 2013	3.0000	£30,739.73
31/05/2012	Bank of Scotland (inc HBOS)	£1,000,000	30 May 2013	2.8500	£28,421.92
02/08/2012	Bank of Scotland (inc HBOS)	£1,000,000	02 August 2013	2.8500	£28,500.00
05/10/2012	Royal Bank of Scotland	£1,000,000	04 October 2013	1.7500	£17,452.05
02/01/2013	Nationwide	£1,000,000	04 April 2013	0.4400	£1,109.04
03/01/2013	Royal Bank of Scotland	£1,000,000	26 April 2013	1.2000	£3,715.07
04/01/2013	Bank of Scotland (inc HBOS)	£1,000,000	03 January 2014	1.1000	£10,969.86
28/01/2013	Royal Bank of Scotland	£2,000,000	13 May 2013	1.2000	£6,904.11
13/02/2013	Bank of Scotland (inc HBOS)	£1,000,000	14 February 2014	1.1000	£11,030.14
15/02/2013	Royal Bank of Scotland	£1,000,000	30 May 2013	1.2500	£3,561.64
07/03/2013	Royal Bank of Scotland	£1,000,000	17 June 2013	1.2500	£3,493.15
25/03/2013	Bank of Scotland (inc HBOS)	£1,000,000	28 March 2014	1.1000	£11,090.41
27/03/2013	Royal Bank of Scotland	£2,000,000	08 July 2013	1.2500	£7,054.79
27/03/2013	Bank of Scotland (inc HBOS)	£1,000,000	28 March 2014	1.1000	£11,030.14
28/03/2013	Bank of Scotland (inc HBOS)	£1,000,000	28 March 2014	1.1000	£11,000.00
28/03/2013	HSBC Bank	£1,740,000	02 April 2013	0.5000	£119.18
	Total	£18,740,000	Weighted Average	1.3799	186,191.23

Outstanding Investments as at 31 March 2013

Category	Borrower	Principal (£)	Start Date	Maturity Date	Current Days to Maturity	Days to maturity at execution	Total Interest Expected (£)
O	HSBC Bank Plc	1,740,000		Call			0
R	Nationwide building Society	1,000,000	02/01/2013	04/04/2013	4	92	1,109
B	Bank of Scotland	1,000,000	02/04/2012	11/04/2013	11	374	30,740
B	Bank of Scotland	1,000,000	31/05/2012	30/05/2013	60	364	28,422
B	Royal Bank of Scotland	1,000,000		Call95			0
B	Royal Bank of Scotland	2,000,000		Call95			0
B	Royal Bank of Scotland	1,000,000		Call95			0
B	Royal Bank of Scotland	1,000,000		Call95			0
B	Royal Bank of Scotland	2,000,000		Call95			0
B	Bank of Scotland	1,000,000	02/08/2012	02/08/2013	124	365	28,500
B	Royal Bank of Scotland	1,000,000	05/10/2012	04/10/2013	187	364	17,452
B	Bank of Scotland	1,000,000	04/01/2013	03/01/2014	278	364	10,970
B	Bank of Scotland	1,000,000	13/02/2013	14/02/2014	90	90	2,712
B	Bank of Scotland	1,000,000	25/03/2013	28/03/2014	95	95	2,863
B	Bank of Scotland	1,000,000	27/03/2013	28/03/2014	362	366	11,030
B	Bank of Scotland	1,000,000	28/03/2013	28/03/2014	362	365	11,000
Total Investments		£18,740,000			157	284	£144,798

N.B Interest is recognised in the appropriate financial year in which it is due.

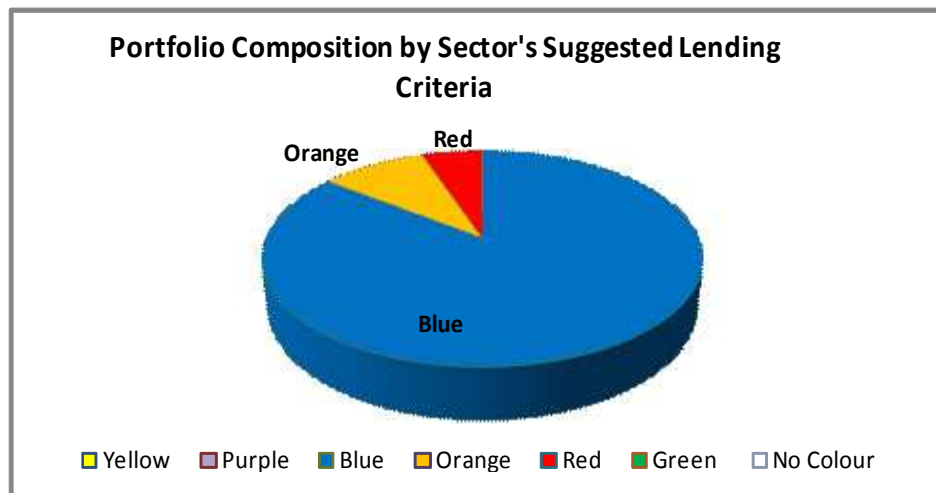
The category colour represents the duration of investment recommended by Sector, the Council's Treasury Advisors. Those investments with No colour, are still within the Council's investment Strategy and are therefore deemed suitable for investing.

Investments Summary Sheet

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	Weighted Average Rate of Return WARoR	Weighted Average Days to Maturity WAM	Weighted Average Dats to Maturity from Execution WAM at Execution
Yellow	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Purple	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Blue	85.38%	16,000,000	43.75%	7,000,000	37.35%	1.54%	171	248
Orange	9.28%	1,740,000	100.00%	1,740,000	9.28%	0.50%	0	0
Red	5.34%	1,000,000	0.00%	-	0.00%	0.44%	4	92
Green	0.00%	-	0.00%	-	0.00%	0.00%	0	0
No Colour	0.00%	-	0.00%	-	0.00%	0.00%	0	0
	100.00%	18,740,000	30.63%	8,740,000	46.64%	1.39%	146	216

Weighted Average Risk				
Risk Score for Colour (1 = Low, 7 = High)	Mar 2013	Dec 2012	Sep 2012	June 2012
1	0	0.0	0.0	0.1
2	0	0.0	0.0	0.0
3	3	2.1	2.1	2.3
4	0	0.0	0.0	0.0
5	0	0.0	0.0	0.0
6	0	1.0	1.0	0.6
7	0	0.6	0.6	0.3
	3.2	3.7	3.8	3.3

	Sector's Suggested Criteria
Y	Up to 5 Years
P	Up to 2 Years
B	Up to 1 Year
O	Up to 1 Year
R	Up to 6 months
G	Up to 3 months
N/C	No Colour



Normal' Risk Score	3.5	3.5	3.5	3.5

Report to Resources Overview and Scrutiny Panel

Agenda
Item:
A.6

Meeting Date: 6 June 2013
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework: Yes
Public / Private: Yes

Title: 2012/13 End of Year Performance Report
Report of: Policy & Communications Manager
Report Number: PC 12/13

Purpose / Summary:

This is the end of year performance report against the 2012/13 Service Standards that help measure our performance and customer satisfaction.

Details of each service standard are in the table at Appendix 1. The table illustrates the cumulative end of year figure, a month-by-month breakdown of performance and, where possible, an actual service standard baseline that has been established either locally or nationally.

Recommendations:

1. Consider the performance of the City Council presented in the report with a view to seeking continuous improvement in how the Council delivers its priorities.

Tracking

Executive:	1 July 2013
Overview and Scrutiny:	Community – 30 May 2013 Resources – 6 June 2013 Environment & Economy – 13 June 2013
Council:	16 July 2013

1. BACKGROUND

Service Standards were introduced at the beginning of 2012/13. We believe that they provide a standard in service that our customers can expect from us and a standard by which we can be held to account. They are based on timeliness, accuracy and appropriateness of the service we provide in key areas.

It can be seen from the table that the majority of standards demonstrate consistently good performance throughout the year, and in the case of *Processing New Benefit Claims*, significant improvement month-on-month. This was due to a continuous programme of reviewing processes and resources in order to maximise efficiency.

(With regard to the request from Members during the last O&S cycle concerning the claims that are not processed in time. The majority were delayed because the Benefits team were awaiting further information from the claimants. Other examples included a joint Housing Benefit/Council Tax Benefit claim that was deemed defective; and a delay in another Council Tax Benefit claim because the property was not banded until mid-December – the team could therefore not assess the claim.)

The one standard that has seen deterioration in performance is that of *Percentage of Waste Sent for Recycling*. This is due mainly to the lack of garden waste in the winter months when compared with the 2011 figures.

2. PROPOSALS

The Service Standards continue to be developed and amended to accommodate the needs of our customers and changes in legislation. They will continue to be monitored by the Senior Management Team and regular progress will be reported to the Executive and Overview and Scrutiny throughout 2013/14.

3. CONSULTATION

The report was reviewed by the Senior Management Team at their meeting on 14 May 2013 and is being considered by the Overview and Scrutiny Panels on the following dates:

Community Overview and Scrutiny Panel	30 May 2013
Resources Overview and Scrutiny Panel	6 June 2013
Economy and Environment Overview and Scrutiny Panel	13 June 2013

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Panel are asked to comment on the End of Year Performance Report prior to it being presented to Executive.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

The Service Standards measured performance in the areas believed to be the most important to our customers.

Contact Officer: Steven O’Keeffe Ext: 7258

Appendices attached to report: Appendix 1 – 2012/13 Results

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:

CORPORATE IMPLICATIONS/RISKS

Chief Executive’s – Responsible for monitoring service standards and customer satisfaction whilst looking at new ways of gathering and reviewing customer information.

Community Engagement – Responsible for managing high-level and team level service standards on a day-to-day basis.

Economic Development – Responsible for managing high-level and team level service standards on a day-to-day basis.

Governance – Responsible for managing team level service standards on a day-to-day basis.

Local Environment – Responsible for managing high-level and team level service standards on a day-to-day basis.

Resources – Responsible for managing team level service standards on a day-to-day basis.

APPENDIX 1

Service Standard - Percentage of Household Planning Applications processed within eight weeks



www.carlisle.gov.uk

Service Standard	Actual End of Year Figure	Performance by Month																										
<p style="text-align: center;">80% (Nationally set target)</p>	<p style="text-align: center;">89.9%</p>	<table border="1"> <caption>Performance by Month Data</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>April 2012</td><td>94.1%</td></tr> <tr><td>May 2012</td><td>100.0%</td></tr> <tr><td>June 2012</td><td>85.3%</td></tr> <tr><td>July 2012</td><td>95.5%</td></tr> <tr><td>August 2012</td><td>92.3%</td></tr> <tr><td>September 2012</td><td>80.0%</td></tr> <tr><td>October 2012</td><td>81.3%</td></tr> <tr><td>November 2012</td><td>84.2%</td></tr> <tr><td>December 2012</td><td>96.3%</td></tr> <tr><td>January 2013</td><td>89.5%</td></tr> <tr><td>February 2013</td><td>88.2%</td></tr> <tr><td>March 2013</td><td>90.9%</td></tr> </tbody> </table>	Month	Percentage	April 2012	94.1%	May 2012	100.0%	June 2012	85.3%	July 2012	95.5%	August 2012	92.3%	September 2012	80.0%	October 2012	81.3%	November 2012	84.2%	December 2012	96.3%	January 2013	89.5%	February 2013	88.2%	March 2013	90.9%
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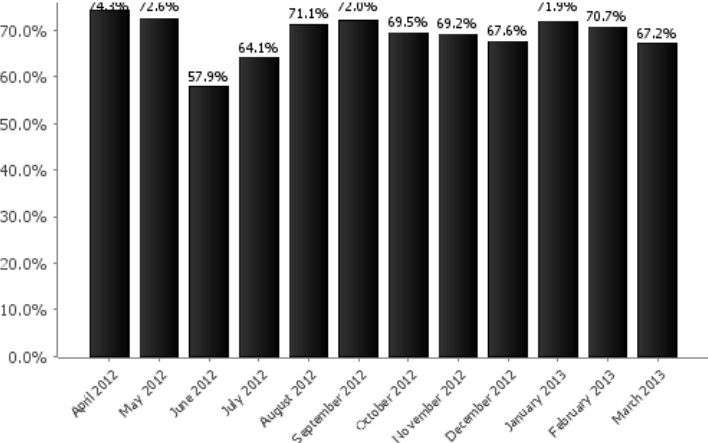
Service Standard - Percentage of missed waste or recycling collections

Service Standard	Actual End of Year Figure	Performance by Month																										
<p>40 missed collections per 100,000 (Industry Standard) Carlisle's figure opposite converts to 26 misses</p>	<p>0.03%</p>	<table border="1"> <caption>Performance by Month Data</caption> <thead> <tr> <th>Month</th> <th>Percentage of Missed Collections</th> </tr> </thead> <tbody> <tr><td>April 2012</td><td>0.03%</td></tr> <tr><td>May 2012</td><td>0.03%</td></tr> <tr><td>June 2012</td><td>0.03%</td></tr> <tr><td>July 2012</td><td>0.02%</td></tr> <tr><td>August 2012</td><td>0.02%</td></tr> <tr><td>September 2012</td><td>0.03%</td></tr> <tr><td>October 2012</td><td>0.03%</td></tr> <tr><td>November 2012</td><td>0.02%</td></tr> <tr><td>December 2012</td><td>0.02%</td></tr> <tr><td>January 2013</td><td>0.04%</td></tr> <tr><td>February 2013</td><td>0.03%</td></tr> <tr><td>March 2013</td><td>0.03%</td></tr> </tbody> </table>	Month	Percentage of Missed Collections	April 2012	0.03%	May 2012	0.03%	June 2012	0.03%	July 2012	0.02%	August 2012	0.02%	September 2012	0.03%	October 2012	0.03%	November 2012	0.02%	December 2012	0.02%	January 2013	0.04%	February 2013	0.03%	March 2013	0.03%
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January 2013	0.04%																											
February 2013	0.03%																											
March 2013	0.03%																											

Service Standard - Percentage of household waste sent for recycling

Service Standard	Actual End of Year Figure	Performance by Month																										
<p>Nationally set target of 50% by 2020</p>	<p>44%</p>	<table border="1"> <caption>Performance by Month Data</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>April 2012</td><td>47%</td></tr> <tr><td>May 2012</td><td>50%</td></tr> <tr><td>June 2012</td><td>54%</td></tr> <tr><td>July 2012</td><td>51%</td></tr> <tr><td>August 2012</td><td>49%</td></tr> <tr><td>September 2012</td><td>48%</td></tr> <tr><td>October 2012</td><td>44%</td></tr> <tr><td>November 2012</td><td>41%</td></tr> <tr><td>December 2012</td><td>31%</td></tr> <tr><td>January 2013</td><td>34%</td></tr> <tr><td>February 2013</td><td>33%</td></tr> <tr><td>March 2013</td><td>37%</td></tr> </tbody> </table>	Month	Percentage	April 2012	47%	May 2012	50%	June 2012	54%	July 2012	51%	August 2012	49%	September 2012	48%	October 2012	44%	November 2012	41%	December 2012	31%	January 2013	34%	February 2013	33%	March 2013	37%
Month	Percentage																											
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December 2012	31%																											
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February 2013	33%																											
March 2013	37%																											

Service Standard - Customer Website Satisfaction

Service Standard	Actual End of Year Figure	Performance by Month																										
<p>There is currently no national standard for website satisfaction. A local standard will be developed during 2013/14. Satisfaction will also be compared with performance against the other service standards.</p>	<p>69.6%</p>	 <table border="1"> <caption>Performance by Month Data</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>April 2012</td><td>74.4%</td></tr> <tr><td>May 2012</td><td>72.6%</td></tr> <tr><td>June 2012</td><td>57.9%</td></tr> <tr><td>July 2012</td><td>64.1%</td></tr> <tr><td>August 2012</td><td>71.1%</td></tr> <tr><td>September 2012</td><td>72.0%</td></tr> <tr><td>October 2012</td><td>69.5%</td></tr> <tr><td>November 2012</td><td>69.2%</td></tr> <tr><td>December 2012</td><td>67.6%</td></tr> <tr><td>January 2013</td><td>71.9%</td></tr> <tr><td>February 2013</td><td>70.7%</td></tr> <tr><td>March 2013</td><td>67.2%</td></tr> </tbody> </table>	Month	Percentage	April 2012	74.4%	May 2012	72.6%	June 2012	57.9%	July 2012	64.1%	August 2012	71.1%	September 2012	72.0%	October 2012	69.5%	November 2012	69.2%	December 2012	67.6%	January 2013	71.9%	February 2013	70.7%	March 2013	67.2%
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March 2013	67.2%																											

Service Standards - Processing new benefit claims in less than 28 days



Service Standard	Actual End of Year Figure	Performance by Month																										
<p>No other councils measure this service standard as a percentage – there is therefore no national standard. The standard will also be changed for 2013/14 to reflect the change in the Benefits system. During this review a standard in performance will be established.</p>	<p>60.5%</p>	<table border="1"> <caption>Performance by Month Data</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>April 2012</td><td>37.0%</td></tr> <tr><td>May 2012</td><td>48.2%</td></tr> <tr><td>June 2012</td><td>51.3%</td></tr> <tr><td>July 2012</td><td>51.2%</td></tr> <tr><td>August 2012</td><td>56.6%</td></tr> <tr><td>September 2012</td><td>62.3%</td></tr> <tr><td>October 2012</td><td>70.2%</td></tr> <tr><td>November 2012</td><td>75.4%</td></tr> <tr><td>December 2012</td><td>76.7%</td></tr> <tr><td>January 2013</td><td>63.9%</td></tr> <tr><td>February 2013</td><td>82.7%</td></tr> <tr><td>March 2013</td><td>70.9%</td></tr> </tbody> </table>	Month	Percentage	April 2012	37.0%	May 2012	48.2%	June 2012	51.3%	July 2012	51.2%	August 2012	56.6%	September 2012	62.3%	October 2012	70.2%	November 2012	75.4%	December 2012	76.7%	January 2013	63.9%	February 2013	82.7%	March 2013	70.9%
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February 2013	82.7%																											
March 2013	70.9%																											

Resources Overview and Scrutiny Panel

Agenda Item:

A.7

Meeting Date: 6th June 2013
 Portfolio: Finance, Governance and Resources
 Key Decision: Not Applicable:
 Within Policy and Budget Framework
 Public / Private Public

 Title: CORPORATE PROGRAMME BOARD
 Report of: Chief Executive
 Report Number: CE 05/13

Purpose / Summary:

The Corporate Programme Board was established to ensure that there are effective governance arrangements on the projects that the Council undertakes. This report provides the most recent update of projects currently being undertaken. Governance arrangements are being enhanced and extended to all initiatives that support the Council’s corporate programme.

Recommendations:

The Panel is asked to

- i) Note the most recent summary of projects, as contained within Appendix A.
- ii) Note the use of Microsoft Project to improve project management programming of resource allocation.
- iii) Comment on the type of information and timing that is required to be presented to meetings of ROSP, on the work of the Corporate Programme Board. It is suggested that 6 monthly reports are submitted for scrutiny.

Tracking

Executive:	
Overview and Scrutiny:	
Council:	

1. BACKGROUND

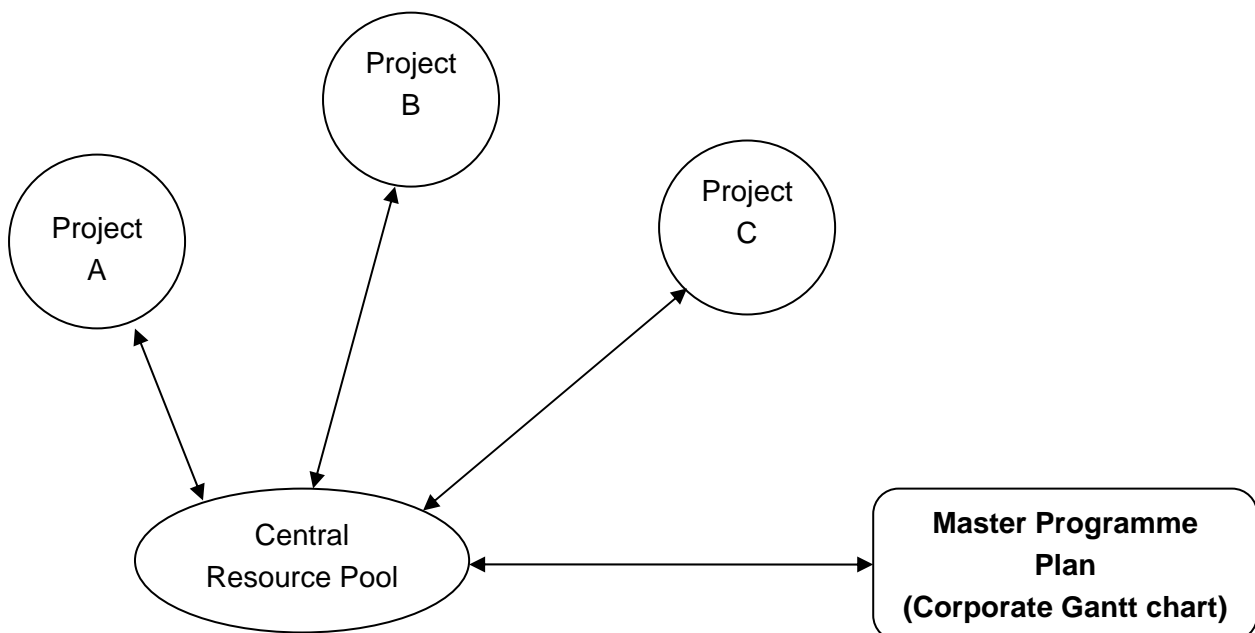
1.1 The Corporate Programme Board has an advisory and high-level monitoring role in relation to the projects delivered by Carlisle City Council.

As required by ROSP, a progress update on projects will be provided from the Corporate Programme Board.

2. PROPOSALS

2.1 Project Management system

The City Council is currently implementing Microsoft Project as the software system used for project management. Use of Covalent is being phased out for project management. Project plans are now being developed for all Council projects. These plans will include officer time allocated to complete project tasks and this resource will be taken from a central resource pool. This will highlight over allocation of resources ie. more call on officer time than time available and show bottle necks in the timing of projects. Many of the Council projects share resources eg. HR, Communications, Construction management. Also, some projects are linked to other projects eg. are unable to start until another project is complete. Thus linking projects in this way allows for better co-ordination and scheduling of projects. A programme view of all the projects is thus created - a corporate Gantt chart (Master Programme Plan) as illustrated in the diagram below. The Corporate Programme Board will make decisions regarding the rescheduling / prioritising of projects where bottlenecks are evident and be able to model the impact of new projects on the programme of work.



2.2 Projects dossier / status

A summary of the dossier of projects is detailed in Appendix A.

This dossier contains a summary of current project status (as April 2013). The majority of Council projects are progressing to schedule. Those that have issues are shown with a rating of amber for some issues and red for major issues. A summary of action that is being taken is provided.

3. CONSULTATION

3.1 Corporate Programme Board meeting 18th April 2013.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

4.1 The Panel is asked to

- (i) Note the most recent summary of projects, as contained within Appendix A.
- (ii) Note the use of Microsoft Project to improve project management programming of resource allocation.
- (iii) Comment on the type of information and timing that is required to be presented to meetings of ROSP, on the work of the Corporate Programme Board. It is suggested that 6 monthly reports are submitted for scrutiny.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

5.1 The Corporate Programme Board works to ensure quality assurance, alignment to key objectives and sound risk management in the delivery of the Carlisle Plan.

Contact Officer: Sarah Mason

Ext: 7053

Appendices **Appendix A Dossier of Projects April 2013**
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**

Dossier of Projects - Status - April 2013

APPENDIX A

Project / Initiative Name	Project description	Project Sponsor	Directorate	Recent project activity	Status
1 Local Plan	<p>The new Local Plan is being produced in accordance with guidance introduced in the National Planning Policy Framework in 2012. It replaces the portfolio of documents that were to be produced under the Local Development Framework system with one, single development plan document containing strategic policies, general development management policies, site allocations and the proposals map.</p> <p>To include Employment Land Review to identify and agree strategic employment sites. To ensure that sufficient land is identified to provide for the housing needs of the area.</p> <p>To develop a revised City Centre Masterplan which will form part of the Local Plan. Identifying opportunities for the development of sites for office, leisure and retail accommodation</p>	Jane Meek	Economic Development	Preparation of a Local Plan and completion of policies well underway following discussions with the Local Plan Member Working Group. Evidence base work includes completion of the Affordable Housing Economic Viability Assessment and commencement of Gypsy and Traveller Accommodation Assessment and City Centre Masterplan work. Initial work also on the Water Cycle Study, Habitats Regulation Assessment and Infrastructure Delivery Plan in the last quarter	
2 Promoting Carlisle	Includes projects Discover Carlisle / Sense of Place / Carlisle Prospectus	Jane Meek	Economic Development	Sense of Place - Steering Group received presentation and signed off on the visual expression. Discussion took place on mechanisms for successful implementation through a Place Board. Discover Carlisle and Carlisle Prospectus awaiting outputs from Sense of Place project.	
4 Modern TIC (Tourism review and OTH repairs Phase 2)	Develop options to refurbish and modernise the Tourist Information Centre	Jane Meek	Economic Development	Research has been undertaken to review previous feasibility study, business plan and options including the previously preferred option. Analysis completed which compares works to be completed as part of phase 1 to the overall scheme identified previously. This sets out a list of proposed works along with estimated costs which could be included in phase 2 improvements to the TIC. The above will form the basis for discussion at the first Steering Group meeting.	
5 Arts Centre	Work with partners to select a suitable site or property. Develop governance, operational and business plans. Continue to support the development of the Arts Centre through a 3 year programme of development works	Keith Gerrard	Community Engagement	JMT Site Visit to: Fire Station / Salvation Army Building on 27 February. Steering Group meeting 15 March to plan and allocate actions following JMT. Architects commissioned to prepare concept design options for both buildings. Concept designs were received 15 April 2013.	

Key to Status
Red Overdue; Significant issues
Amber Some issues
Green On schedule; In progress

Dossier of Projects - Status - April 2013

APPENDIX A

Project / Initiative Name	Project description	Project Sponsor	Directorate	Recent project activity	Status
6 Housing Strategy - Delivery of the Affordable Housing Programme	The Affordable Homes Programme should deliver at least 109 affordable homes at various sites throughout the city by 2015 .	Keith Gerrard	Community Engagement	Delivery of the Affordable Housing Programme - Two Castles have finished 13 affordable homes at Raffles. Carlisle City Council has confirmed to the HCA its support of Riverside's schemes at Borland Avenue, Tomlinson Avenue and Arnside Court. Riverside have secured planning permission for their AHP scheme at Borland Avenue, Botcherby. Riverside have submitted a planning application for their scheme at Arnside Court.	
7 Housing Strategy - Disabled Facilities Integration Project	The project is looking at ways of integrating DFGs more closely with Health and Social Care.		Community Engagement	Helped 136 people with affordable warmth and income maximisation measures through our Warm Homes service. Established a Handyperson Service. Established a service to help people who are victims of crime; providing measures such as securing homes and changing locks, providing security lighting. 'homelife Carlisle' branding agreed by Executive.	
8 Housing Strategy - Dalton Avenue	The project aims to deliver 37 units of housing over 2 years for rent charged at an affordable level. The build will be carried out by the private developer Lovell's on land owned by the Council. A Registered Provider will purchase the land and properties and manage them.		Community Engagement	City Council and Lovell's need to agree a solution to develop the site. Delays while Lovell finds a partner and delivery mechanism. To progress scheme.	
9 Housing Strategy - Empty Homes	Cluster of Empty Homes(CoEH) / Empty Homes Communities Grants programme (YMCA) - Bringing empty homes back to use.		Community Engagement	Empty Homes - In conjunction with council tax, a letter was sent to all owners (1700) of empty/exempt homes advertising empty property grants/loans. Negotiated and completed with colleagues from the YMCA, their client journey.	
10 Housing Strategy - Gypsy and Traveller transit site	The design, development and implementation of a seven pitch site for transit provision for the Gypsy and Traveller community.		Community Engagement	Recent project activity has focused around concerns on the setting up of the monitoring processes regarding the contract.	
11 Civic Centre Foyer Redesign	To develop and expand existing reception facilities to assist customers in dealing with demands of Welfare Reform changes. To develop a multi working space for supporting agencies at one point of contact.	Keith Gerrard	Community Engagement	Purchase and programming of self serve terminals. Release of funding to fulfill proposed plans. Liaison with partners to ensure partnership working for customers within the new foyer area.	

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Project / Initiative Name	Project description	Project Sponsor	Directorate	Recent project activity	Status
12 Sport and Leisure Needs Assessment	Deliver a sport and leisure facilities assessment of need and suitability plan	Keith Gerrard	Community Engagement	A final draft Sports Facility Strategy needs assessment and action plan has been submitted to the City Council. It is recommended that the City Council develop a new swimming pool (25m 8 lane and a smaller teaching pool), a new sports hall and an improved offer of health and fitness facilities. It is recommended that these facilities are developed at the Sands Centre. Alongside these facilities at the Sands Centre, the report recommends significant development at Harraby and Morton. The report also highlights the need for a more strategic approach to the management of our sports facilities and to programming. Draft Playing Pitch Strategy needs assessment sent to the City Council. The City Council's draft Vision for Sport has been taken to JMT. A bid to the sport activation fund has been successful (though not public knowledge yet). Discussions have been held to discuss the future of the CLL contract.	
13 Harraby Campus Development	Support the delivery of key sport and leisure facilities via Harraby School and Community Project.	Keith Gerrard	Community Engagement	Letter of Comfort prepared by Chief Executive; Draft funding agreement developed and submitted to County Council - feedback/ comments received 16/4/13; Funding of £1.6m approved via budget setting process Draft Heads of terms agreed with County Council; Surrender of lease drafted and submitted to Community Association for amendment; reported signed but not yet received; Executive Report prepared and approved on 11 March; attend Project Board meetings (D Crossley)	
14 Partnership Review	Map partners relevant to priorities Identify partners shared aims and objectives and how we can work together. Review member / officer partnership representation. Quantify and redirect existing partnership spend. Identify partnership champions and tap into their knowledge of what makes partnerships work.	Darren Crossley	Governance	SMT meeting 17th April requested Directors to review their membership of significant partnerships.	

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15 Clean up Carlisle	3 themes with 2 years of funding: - Education - Enforcement - Enhanced Clean Up	Angela Culleton	Local Environment	Increase in Fixed Penalty Notices issued for littering, fly-tipping and dog-fouling (up from 16 on 2011-12 to 131 in 2012-13) 13 successful prosecutions in the year, up from nil the previous year] 1,500 KS 1 and KS2 schoolchildren given a live presentation of the Love Where You Live campaign New fleet of mechanical street-cleaners on order - 3 delivered and more to follow. New street cleaning rounds introduced. Mapping of litter-bins on GIS to allow greater efficiency of collection.	
Transformation Programme					
16 Automating Services	Project aims to migrate services from transactional written, telephony and face-to-face contact towards electronic means. Phase 1 has focussed on Council Tax including e-billing. Phase 2 will focus on Waste Services and Car Parking / use of apps and mobile working for staff.	Keith Gerrard	Community Engagement	Go live of Council Tax online self serve module via Capita Connect on website. E-billing for Council Tax. Online Direct Debit sign up for Council Tax. Currently an extra 560 customers signed up online equating to 1% of the Council Tax base of properties. Facility for information to be sent directly to back office systems seamlessly. Work started on mobile working solutions. E-base form training for ICT staff to enable self serve modules for other services to be built in-house. Delay of completion of Phase 1 of project due to main billing and year end constraints withing Revenues and Benefits. Constraints on timing, resources etc within back office teams to commit to project are risks to the timing of the project.	
17 Community Engagement Transformation 2013/14	DFG reconfiguration IT savings in Customer CC Restructure in Customer CC Restructure in Comms, H & H Non staff savings	Keith Gerrard	Community Engagement	IT savings in Customer Contact Centre (CCC) complete. Restructure in CCC complete. Consultations on restructures in Comms, H & H now complete and presentation to SMT 30th April, Non staff savings now complete and now deleted from the budget.	
18 Governance Transformation 2013/14	Non staffing savings (incl. town twinning, civic dinner,) O/T reduction Lean system review savings	Mark Lambert	Governance	All complete.	
19 Resources Transformation 2013/14	HR support. Finance and Accountancy. Keepers.		Resources	In progress. All to be completed by 30th June.	
20 Economic Development Transformation 2013/14		Jane Meek	Economic Development	In progress. Key posts still to be filled.	
21 Local Environment Transformation 2013/14	Transfer of Highways Claimed Rights CCTV Allotments to self-management Rights of Way Budget savings across the department		Local Environment	Now completed.	

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22	Play Areas Review	Review of the condition and location of all Carlisle's play areas.		Local Environment	Scoping of project completed. Desk study of play areas based on existing data GIS Mapping including accessibility data	
23	Bereavement Services Review	Re-location of Bereavement Services office from Cemetery Lodge to new annex at the Crematorium.	Angela Culleton	Local Environment	Re-location of Bereavement Services office from Cemetery Lodge to new annex at the Crematorium. Increased total income for the service (£1.25m in 2012-13) Increased number of cremation services (up by 7%) and burials (up by 1%) 85,000 people attending services at the crematorium	
Other Capital Projects						
24	Cycle Way Ramp	This project is the formation of a cycle ramp, forming part of the original overall Sustrans cycleway scheme	Angela Culleton	Local Environment	Planning:- Appn Ref: 12/1052 considered by the Development Control Committee at its meeting on 08/03/2013 Members deferred approval pending and subject to no issues being raised by an Assessment of Likely Significant Effect (ALSE) report. Kendal consultant commissioned by Planning, to carry out ALSE - due Friday 19th April.	
25	Kingstown Industrial Estate	To bring roads and pavements at Kingstown Industrial Estate up to an adoptable standard.	Angela Culleton	Local Environment	Main works completed in November 2012 with further patch repairs to additional 3 roads in Jan 13. Subject to approval of Carry forward, it's the intention to address cross over repairs between carriageway and tenant boundaries.	
26	Public Realm Caldewgate	Section 106 money from Sainsbury's to improve hard landscaping in Caldewgate.	Peter Mason	Resources	Creation of schedule of works wish list, during next 3 months.	
27	Replacement Families Accommodation	To develop a new provision for homeless families and women to improve the quality of service, address equality and accessibility issues and comply with government legislation.	Keith Gerrard	Community Engagement	Internal partitions, Mechanical & Electrical 1st fix, 2nd fix commenced, commenced Painting, external works commenced. Windows completed.	
28	Historic Quarter - Castle St Public Realm Improvements	Enhancements to the Historic Core of the City with particular emphasis on Castle Street: - Restricted zone for traffic - Pedestrianising and stone paving using traditional materials	Angela Culleton	Local Environment	Physical works finished. County Council has approved draft traffic order. Informal consultation has taken place. Traffic order will now be formally advertised and any objections will be considered by County Council.	
29	Financial systems upgrade and development projects	Projects include - - Upgrade of financial software - New employee management system - Implementation of phased Electronic Document Management System (EDMS) - Contractorplus replacement	Peter Mason	Resources	EDMS - System implemented and operating in Creditor section. Indexation categories and file references now developed. Financial systems upgrade - FIS now upgraded to Version 13.0 from V9.1. Significant iteration. Live and Test both available and operational. Integrated Employee Management System - Working Group set up, identification of related systems for integration, presentation by market leader, market testing and initial quotation received. Confirmation of existing system termination. Estimated Cost of project referred to Director.	

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	Project / Initiative Name	Project description	Project Sponsor	Directorate	Recent project activity	Status
30	ICT projects	Projects include - - VEEAM solution (IS) - Shared Licensing (MW) - Carlisle Metro WiFi (DS) - New mobile phone contract (DS) - Cash receipting Hosted Service PCIDSS Compliance (MK) - New ACT website (MW) - Open Source CMS (MW)	Michael Scott	ICT	VEEAM solution - Implementation phase complete. Shared Licensing - Discussions with Copeland are delaying the project at the moment. Carlisle Metro WiFi - Testing of Devices. New mobile phone contract - Contract signed. Phones tested against Carlisle policy. Cash Receipting Hosted Service PCIDSS Compliance - Partial completion of hosted application software preparation. New ACT website - Specification completed and signed off. Data Gathering started. Open Source CMS - Server Built. Software installed and tested.	

