

## **CORPORATE RESOURCES**

### **OVERVIEW AND SCRUTINY COMMITTEE**

**THURSDAY, 28 NOVEMBER 2002 AT 2.00 PM**

**PRESENT:** Councillor Guest (Chairman), Councillors Bain, Mrs Bradley, Mrs Fisher (as substitute for Councillor Mrs Bowman), Jefferson, Joscelyne, J Mallinson and Mrs Styth.

**ALSO**

**PRESENT:** Councillors Ellis, L Fisher, Mrs Geddes, Firth and Morton attended the meeting as observers.

### **CROS.143/02 APOLOGIES FOR ABSENCE**

Apologies for absence were submitted on behalf of Councillor Mrs Bowman and the Town Clerk and Chief Executive.

### **CROS.144/02 AGENDA**

The Chairman indicated that the report on Sundry Debtors and Periodic Income Performance Review Study, which was listed on the Agenda at item A.8, had been prepared as a private report. In those circumstances he proposed that the matter should be considered in private as Agenda item B.1, which course of action was agreed.

### **CROS.145/02 DECLARATIONS OF INTEREST**

Councillor Mrs Styth declared personal interests in accordance with the City Council's Code of Conduct for Members in respect of the items of business concerning the Housing Revenue Account Revised Revenue Estimates 2002/03, and the Three Year Budget 2003/04 to 2005/06 – Updated Forecast. Councillor Mrs Styth stated that she was a member of the Shadow Board of Carlisle Housing Association.

Councillors Mrs Fisher and J Mallinson declared personal interests in accordance with the City Council's Code of Conduct for Members in respect of the item of business concerning the Review of Advice Agencies. The interest related to the fact that they were members of the Citizens' Advice Bureau Management Committee.

Councillors Mrs Bradley, Mrs Fisher, Jefferson and Mrs Styth declared personal interests in accordance with the City Council's Code of Conduct in respect of the item of business concerning Community Centres Budgets. The Councillors stated that they were members of various Community Centre Management Committees.

### **CROS.146/02 MINUTES**

The Minutes of the meeting held on 5 September 2002 were signed by the Chairman as a correct record of the meeting.

The Minutes of the meetings held on 24 October and 12 November 2002 (Special Meeting) were received.

### **CROS.147/02 CALL-IN OF DECISIONS**

There were no matters which had been the subject of call-ins.

### **CROS.148/02 WORK PROGRAMME**

The Head of Corporate Policy and Strategy presented the Overview and Scrutiny Work Programme for 2002/03, which took into account matters scheduled to be dealt with by this Committee. He updated Members on the current position as regards the various items contained therein.

RESOLVED - That the Work Programme be noted.

### **CROS.149/02 FORWARD PLAN**

The Head of Corporate Policy and Strategy presented report TC.234/02 highlighting issues within the ambit of the Corporate Resources Overview and Scrutiny Committee included within the Forward Plan of Executive Decisions for the period 1 December 2002 - 31 March 2003.

The Head of Corporate Policy and Strategy provided an update on the various issues. He suggested that Members might wish to have sight of the report concerning Local Public Service Agreements, which was agreed.

RESOLVED - That the issues contained within the Forward Plan for 1 December 2002 to 31 March 2003 and which fell within the ambit of this Committee be noted.

### **CROS.150/02 RESPONSE FROM THE EXECUTIVE**

#### **Area Working Overview and Scrutiny Review**

Pursuant to Minute CROS.122/02, a Minute Excerpt (Minute EX.376/02 refers) setting out the Executive's response to this Committee's comments on Area Working was submitted.

The decision of the Executive was that the reference from this Committee be noted and the relevant Portfolio Holder, the Chairman of this Committee and relevant Officers meet to discuss further the issues involved in area working.

A Member commented that, following detailed discussion, this Committee had supported the proposals for Area Working (in principle) and, as she understood it, the Leader had previously given an undertaking on the Council's commitment thereto.

The Chairman referred back to the previous discussion at the Committee (an excerpt of which had been submitted), commenting that he would discuss the matter with the relevant Portfolio Holder and Officers and report back to this Committee, prior to the matter being referred back to the Executive.

Members questioned whether the concept of area working was to be "scrapped" and sought clarification on the position, expressing the view that Area Forums operated well at the County Council and it would be sad if the City Council walked away.

At the invitation of the Chairman, the Portfolio Holder for Economic Prosperity commented that, if Members thought that area working was to be scrapped, then that was a misinterpretation of what had been said at the Executive. The Executive had been troubled that so many issues were currently on the table, including the prospect of Regional Government, and felt that it would be premature to look at Area Working only to find in say twelve months time that it may not work. That was why the Executive asked the relevant Portfolio Holder, the Chairman of this Committee and Officers to discuss the matter further.

A Member then questioned whether it had been suggested that Area Working be deferred until the move to Regional Government was implemented.

At the request of the Chairman, the Portfolio Holder for Community Activities commented that confusion existed as regards the operation of Neighbourhood Forums and Area Committees. He stressed that Neighbourhood Forums were not Area Committees nor were they area working. They had a function which could be explored to see whether it was applicable to Carlisle.

A Member added that the Minute of this Committee was clear and there had been unanimous support for area working.

RESOLVED – That the response of the Executive be noted, together with the fact that the Chairman of this Committee, the relevant Portfolio Holder and Officers would meet to discuss further the issues involved in area working.

### **CROS.151/02 COUNCIL TAX AND NON-DOMESTIC RATE COLLECTION PERFORMANCE INDICATORS**

The Head of Corporate Policy and Strategy presented report TC.223/02 providing background information on the City Council's performance under the Best Value Performance Indicators BV9 Council Tax – the percentage of Council Tax collected in the year and BV10 Non-Domestic Rates – the percentage of non-domestic rates due for the financial year which were received by the Authority. Both of these Indicators could be included in the Comprehensive Performance Assessment and would therefore influence the outcome of that assessment.

Details of the City Council's performance against locally set targets were provided as follows:

#### **Year Performance Target**

**Council Tax** 2000/01 95.9% -

2001/02 96.1% 96.2%

**Non-Domestic Rates** 2000/01 96.4% -

2001/02 97.5% 97.8%

Comparative data showing Carlisle's performance against that of the Audit Commission Family Group of Authorities and with Cumbrian Districts, together with the average for all District Authorities was provided which showed:

### **Council Tax – Cumbrian Districts**

Carlisle was in the bottom half of the Family Group and the second worst in Cumbria.

### **Non-Domestic Rates – Family Group**

### **Non-Domestic Rates – Cumbrian Districts**

Carlisle was third worst in the Family Group and worst in Cumbria.

Both Council Tax and Non-Domestic Rates Performance Indicators were reported quarterly as part of the Corporate Report on all Performance Indicators, which was submitted to the Executive and Overview and Scrutiny Committees.

The Head of Revenues was present at the meeting, commenting that he did not accept the message emanating from the report. He indicated that the Authority was gradually improving collection rates but in the light of the socio-economic conditions faced in comparison with many other Authorities, it would not be possible to attain upper quartile status. Clearly, however, there were similar Authorities in the above comparisons who performed better (e.g. Dover and Ipswich) and performance improvements should be sought.

He added that the Comprehensive Performance Assessment would be across the board and he was confident that, when inspected, the Council would be seen in a very positive light.

The Committee investigated the Council's current performance with the Head of Revenues with a view to identifying where improvements could be made.

During discussion, Members raised the following points, to which he responded:

*Was the objective not to improve the Council's position, which was what Members wished to see?*

Yes, targets were increasing year on year and Performance Indicators would be refined in 2003/04.

*The current figures did not make good reading.*

I would have reported on all the issues included in the Best Value process during next year's Best Value Review.

*Were any weighting factors included?*

No.

Members then asked that the Head of Revenues discuss the matter with the relevant Portfolio Holder prior to submitting a draft Action Plan to improve performance ahead of the Best Value Review.

RESOLVED – That the Head of Revenues be requested to submit a report to the next meeting of this Committee with a draft Action Plan aimed at improving the Council's performance, the Plan to include timescales, targets, responsibilities, any costs involved and proposals for funding the same.

### **CROS.152/02 RISK MANAGEMENT**

The Director of Environment and Development presented report EN.134/02 enclosing a draft Risk Management Policy and a strategy for delivery which had been identified as key elements within the Best Value Review of Risk and Health & Safety Management.

The aim was to try to ensure that the Strategy was understandable and also to integrate that culture within the way the Authority worked. A commission had been awarded to Marsh UK to facilitate the preparation of both operational and Risk Registers, and a copy of their brief was submitted. A series of workshops were being arranged and Members of the Committee were invited to participate in the process, particularly as regards the compilation of the Strategic Risk Register. To that end the Director sought guidance as to a suitable date upon which such a workshop for Members could be held. It was agreed that arrangements be made for a workshop to take place on Thursday 16 January 2003 commencing at 9.00 am. The Director indicated that he would write to Members confirming arrangements.

He provided an explanation of the definition of risk management, together with the objectives thereof. For the City Council there were two main categories of risk:

**Strategic** – risks which required to be taken into account in any judgement about the medium/long term goals and objectives of the Council; and

**Operational** – risks which Managers and staff would encounter in their normal activities within Business Units.

Examples of both Strategic and Operational risks in a Local Government environment were provided at Appendix B to the report.

A major element in the risk management process was the development and maintenance of Risk Registers which defined and prioritised the main risks, examined the mitigation and control measures which could be applied to manage/reduce their impact or eliminate them, and defined an Action Plan for their delivery.

There were a number of proposals for the compilation of Risk Registers:

#### **1. Strategic Risk**

JMT (comprising CMT and Executive Members) would produce a Strategic Risk Register which would be fundamentally reviewed on an annual basis as part of the Corporate Planning process.

#### **2. Operational Risk**

As part of the process of preparing annual Business Plans, each Business Unit would produce an Operational Risk Register for their area of activity.

#### **3. Specific Risk Assessments**

As part of the Capital Strategy, major projects and other defined initiatives would be required to produce a project specific Risk Assessment.

It was considered essential that the initial Risk Registers were in place by the end of the financial year 2003/04 and subsequently updated. That would complement the roll forward of the Corporate Plan, contribute to the preparation of Unit Business Plans and would be required for the CPA.

Details of the roles and responsibilities of the Chief Executive/Leader, Risk Management Group, Business Unit Heads and Internal Audit were provided. This Committee was responsible for monitoring the relevant Risk Registers and associated performance from each of the Business Units, together with the Corporate Strategic Risk Register. In addition, the Committee would approve the annual Audit Plan and receive reports from the Internal Audit Manager.

It was suggested that the content and framework of the monitoring reports evolve over the first six months of 2003/04.

Members congratulated the Director on his report and commended the process outlined therein. They also stressed the importance of training.

The Director stressed that it was about the creation of a 'no surprises' environment which encouraged innovation.

A Member commented that a culture change was required and the Director responded that now was an opportune time to embed that within the new Business Plans.

RESOLVED – (1) That the Director of Environment and Development be requested to make arrangements for a Members' workshop to take place on Thursday 16 January 2003 commencing at 9.00 am.

(2) That the contribution of Members to the development of a strategic Risk Register be noted.

## **CROS.153/02 BUDGET POLICY ISSUES**

### **(a) Department of Environment and Development**

Pursuant to Minute CROS.125/02, the Director of Environment and Development presented report EN.131/02 (as amended) providing the supplementary information requested by Members in respect of Car Park charges.

The Director indicated that, using ticket sale information from 2001/02, Officers had predicted the likely increases in income from the various options set out in report EN.97/02. He then outlined the increases in income to be expected from each option for 2003/04.

It was proposed to increase contract parking charges by £50 from £370 to £420 for Monday to Friday parking, representing an increase of 13.5%. The proposed charge represented a saving of 33% to the average office worker who would purchase a daily ticket.

There was currently no charge for parking on Sundays. Since the introduction of Sunday shopping car park usage on Sundays had increased substantially and, in certain major car parks, was becoming similar to other days of the week. The Lanes Management was willing

to consider the introduction of a charge for Sunday parking, however, as yet no formal consultation had taken place.

As regards Sunday charging, the cost of patrolling the car parks was covered by the Penalty Charge Notices likely to be issued. The additional cost of cash collection of £3,000 had been allowed for in the income prediction and a deduction of £5,500 had also been made for VAT.

On Sundays the public transport facilities operating within the City were greatly reduced, as a result of which visitors to the City Centre had little option but to use private cars. That was particularly true of residents from the rural area.

The Director drew Members' attention to a car parking study attached at Appendix 1 to the report explaining the conclusions arising therefrom.

Comparative data with Newcastle and other districts in Cumbria was also submitted, which clearly showed that the existing and proposed charges in Carlisle were competitive when compared to those in adjacent areas. The monitoring of car park usage in Carlisle over recent years had shown a regular 3% increase in ticket sales, which was supported by data from The Lanes Shopping Centre showing an increasing number of visitors which had been unaffected by changes in car parking charges.

In considering the matter, a Member queried whether the proposed increases were above the rate of inflation.

The Director commented that previously decisions had been taken not to increase charges because of the Foot and Mouth crisis, etc. However, this year, the increases were above the rate of inflation.

A Member stressed that in future reports must include all relevant information to avoid the scenario whereby consideration required to be deferred pending further information.

RESOLVED – That the additional information detailed within report EN.131/02 be noted.

### **(b) Housing Revenue Account (HRA) Revised Revenue Estimates 2002/03**

Councillor Mrs Styth, having declared a personal interest in this item of business, took no part in discussion thereon.

The Accountancy Manager presented Financial Memo 2002/03 No.69 summarising the revised revenue estimates for 2002/03 to 8 December 2002 in respect of the HRA. The Budgets were based upon the anticipation that the transfer of the housing stock to the Carlisle Housing Association would take place on 9 December 2002.

The revised estimates as presented indicated a provisional outturn for the HRA balance as at 8 December 2002 of approximately £3.16m. That compared with a balance at transfer of £1.6m which the City Treasurer had previously advised would be the minimum required to support the additional costs of Housing Benefit that would be borne by the General Fund for the next three years. The final balance would not be known for some time after December 2002 and indeed the final HRA subsidy claim for 2002/03 would not be submitted until the autumn of 2003. Nevertheless, the City Treasurer was fairly confident that that balance should not be less than that which was now being reported although it may be offset to some extent in dealing with the projected pension fund deficit identified in the LSVT final

report.

He further reported that as part of the process of assessing the level of repairs expenditure to be incurred in 2002/03, a similar exercise was undertaken in respect of the outstanding capital commitments to be incurred up to 8 December 2002. The City Treasurer considered that that expenditure could be very readily funded by either the City Council's borrowing allocation for 2002/03 or its share of the Major Repairs Allowance/Major Repairs Reserve which together totalled over £4m.

He further reported that, even though the transfer of the housing stock to CHA was due on 9 December 2002, ODPM rules stated that an Authority's HRA must remain open for a full financial year following the transfer. That would enable any outstanding subsidy issues to be dealt with in 2003/04 or indeed any other post transfer adjustments. That meant that formal closure of the HRA and the transfer of the outstanding balance to the General Fund could not take place until 31 March 2004.

A Member queried why the balance was so high this year, and would it not have been possible to use that money on additional repairs or environmental works for the benefit of tenants.

The Accountancy Manager responded that attempts had been made to utilise the same, but ultimately a judgement had had to be made in conjunction with the Director of Housing.

The Member further questioned whether the balance on the HRA would be transferred to the General Fund upon closure of the account, rather than being spent on tenants whose money it was.

The Accountancy Manager confirmed that to be the case.

RESOLVED – That the report be noted.

### **(c) City Centre Marketing Initiative**

The Head of Economic Development presented report EDU.24/02 making a bid for funding in 2003/04 of £20,000 in order to continue the City Centre Marketing Initiative, subject to at least a similar amount of funding being forthcoming from City Centre partners.

In considering the matter, Members questioned the level of funding which had been received from City Centre partners during the current year, whether the work of the Tourism Manager was included, and whether a guarantee would be sought as regards the matched funding.

The Head of Economic Development commented that approximately two thirds of this year's total budget had already been spent and the full amount would be committed by the end of March 2003. A written guarantee would be sought as regards the funding to be provided by City Centre partners. She added that a small proportion went towards the Tourism Manager's activities on the City Centre Management Group.

RESOLVED – That this Committee supports the recommendation that the Executive agrees the allocation of £20,000 to the City Centre Marketing Initiative as part of the budget setting process for 2003/04, subject to the full contribution from City Centre partners having been received for the current year.

#### **(d) Asset Management Bids**

The Director of Environment and Development presented report EN.123/02 making the following asset management budget bids for 2003/04:

(a) £194,000 to finance works required to various buildings to ensure compliance with the Disability Discrimination Act and Best Value Performance Indicators relating to access to buildings.

(b) A budget requirement to enable physical works to be carried out at Bousteads Grassing in order that Design Division staff could be relocated from the Civic Centre.

(c) It had been agreed, as part of the 2002/03 Budget process, to set aside a proportion of capital receipts to assist investment, primarily to be directed towards assets where income was received and needed to be protected over the long term. Capital receipts were predicted to run at a rate which should enable £250,000 to be set aside for that purpose. Members were asked to note that in the budget process for 2003/04 and the following three years.

RESOLVED – That the report be noted, subject to the Director's assurance that the programme of disability improvements reflected the recent work of the Community Overview and Scrutiny Committee.

#### **(e) Financial Ledgers Replacement Bid**

The Head of Financial Services presented Financial Memo 2002/03 No.66 making a bid for £100,000 funding to enable the existing financial ledger system to be changed to provide more flexible financial information by 1 April 2004, in accordance with Corporate Plan policy.

In terms of funding, contributions were currently being made to the Renewals fund at a rate of £16,500 per annum to cover the replacement cost. However, as at 2003/04, there would only be £33,000 in the fund. It was therefore recommended that the Executive consider an additional advance from the Renewals Fund of £67,000 to be continued to be repaid over the period 2004/05 to 2007/08 at a rate of £16,500 per annum from the budgetary provision which already existed.

A Member pointed out that, in line with normal practice, any budget bid should be balanced against savings of a similar amount.

RESOLVED – That this Committee supports the recommendation to the Executive that a budget bid of £100,000 for the replacement of the financial ledgers be funded from an advance from the Renewals Fund as set out in paragraph 1.4 of Financial Memo 2002/03 No.66, as part of the 2003/04 Budget process, but that the Executive note the departure from usual practice.

### **(f) Budget Bids – Tullie House and Sports Development**

There was submitted a report of the Director of Leisure and Community Development (LCD.32/02) detailing budget bids for 2003/04 as follows:

- (a) £80,000 to enable the progression of work on the option allowing Tullie House to be managed through a Trust;
- (b) £85,000 for the development of the strategy for sport in the community.

In connection with the bid being worked up for funding from the Football Foundation and Sport England for the Sheepmount Development, it was now necessary to undertake some design work on the buildings, drainage, etc in anticipation of the Stage 2 bid to be submitted in December 2002. The costs were estimated at £11,500 and the Executive would be requested to approve that expenditure from the capital resources of £75,000 already set aside for developing the Sheepmount bid. A full report on the Stage 2 bid had been submitted to the Executive at the 25 November 2002 meeting.

During consideration of the matter, a Member asked that the report be amended to clearly state that these were budget bids. A Member further noted the report contained no recommendation, and stressed the need for recommendations to be provided in all reports in the future.

RESOLVED – That the report be noted.

### **(g) The Voice of Cumbria in Europe**

There was submitted a report of the Town Clerk and Chief Executive (TC.214/02) detailing proposals for the case for Carlisle to have representation in Europe as part of a joint arrangement with other Cumbrian Authorities and the North West Regional Assembly.

All sub regions within the North West of England had established a presence in Brussels to influence and seek assistance from the European Union, with the exception of Cumbria. With the advent of European enlargement and significant changes taking place to structural funds and European programmes, especially the Common Agricultural Policy, it was becoming more important to influence the European policies that affect Carlisle's people and businesses and to maximise the benefit from Europe for local people.

Specifically, there were a number of funding sources and opportunities available that required careful targeting and many new schemes required new partnerships with other organisations in Europe to be successful and benefit both parties. It was also important to seek to influence emerging legislation and regulation which affected business and economic development and the regulations covering the environment, equal opportunities, the single market and trade. Cumbria needed to be influential in representing its needs comprehensively and directly in Brussels. That was consistent with the objects of the Council's Corporate Plan, particularly in economic regeneration and promoting Carlisle.

The total cost of appointing an Officer to represent Cumbrian Local Authorities in Brussels plus oncosts and accommodation was estimated at £37,600 which, if shared between all seven Local Authorities, would be approximately £6,000 per annum for a three year initial period.

A Member questioned the level of duplication which would exist should an Officer be

located in Brussels.

The Corporate Best Value Officer indicated that, although the region was represented by GONW, etc a large amount of business was done in Brussels and it would be very helpful to have someone there to represent the needs of Carlisle and Cumbria.

At the invitation of the Chairman, the Portfolio Holder for Economic Prosperity commented that Cumbria was the only Shire County with no representation in Brussels and consequently was missing out on the availability of information. He added that, in his opinion, regionalism was almost upon us and, if the provision of this voice would help Cumbria to position itself, then it was money well spent.

A Member questioned whether Cumbria still subscribed to the Shires Policy Unit since, if so, would the Council not be paying twice.

A Member noted that the report did not contain details of what the post holder would actually do and the Corporate Best Value Officer undertook to investigate the work of similar Officers working for other Authorities.

RESOLVED - That this Committee supports the recommendation to the Executive that £6,000 be provided for the next three years as part of the budget process to part fund an Officer to represent Carlisle and Cumbria's European needs located in the Brussels Office of the North West Regional Assembly.

#### **(h) Three Year Budget 2003/04 to 2005/06 – Updated Forecast**

Councillor Mrs Styth, having declared an interest in this item of business, took no part in the discussion thereon.

The Head of Financial Services presented Financial Memo 2002/03 No.79 providing an update of the likely cost of supporting current service levels and the potential resources available to the City Council over the three year period 2003/04 to 2005/06, based on information available to date.

She indicated that a final budget forecast for the three year period would be submitted to the Executive meeting on 19 December 2002, together with all savings and new bids, plus details of the Government Grant settlement. Reports detailing the following would also be submitted to that meeting:

- (a) the Capital Programme and Resources available for 2003/04;
- (b) action to be taken to strengthen the linkages between the corporate planning and financial planning processes; and
- (c) the Parish Council precepts for 2003/04.

A Member queried whether the assumptions outlined at section 8.2 of the report were likely to be close to the end figures.

The Head of Financial Services commented that they were purely illustrative.

A Member asked how the Chancellor's pre-budget statement would affect the forecasts detailed at Section 5.2 of the report.

The Accountancy Manager indicated that, because the Chancellor was expected to increase the borrowing requirement from £11 billion - £20 billion, there was likely to be an increased requirement for gilt edge securities which could increase borrowing costs. In addition, Mr Mervyn King had been appointed the new Governor of the Bank of England and that appointment might also have an impact in view of the 'hawkish' view he took on interest rates. However at this stage he considered that the forecasts in Section 5.2 were reasonable.

RESOLVED – That the report be noted.

**(i) General Fund Revenue Estimates 2003/04**

The Principal Accountant presented Financial Memo 2002/03 No.77 summarising the revenue estimates for all General Fund services presented to reflect the new Business Unit structure. The report had been compiled in accordance with the City Council's agreed budget strategy for 2003/04.

In considering the matter, Members raised the following issues, to which the Head of Financial Services, the Principal Accountant and Director of Environment and Development responded:

*1. Why had budget savings as regards car park charges and Bereavement Services been included when these were currently out to consultation?*

All had been included in one global report, the final report being amended to reflect those decisions when made.

*2. Although a bid was to be made for £43,400 to fund administrative support for the Executive Management, no report had been submitted to date - why? If a report were forthcoming could this Committee receive it?*

The City Treasury had details of the bids to be funded and that issue would be addressed in the next report.

*3. Clarify the position as regards the invoice which was raised prematurely during 2001/02 in relation to Archaeology costs for the Lanes Development.*

The invoice was raised in error and resulted in a credit of £44,000 being included erroneously in the year end General Fund balances. That invoice had since been cancelled and provision was required to fund that loss of income in 2002/03. It could be funded from General Fund balances.

*4. The commercial arm of the Commercial and Technical Services Business Unit was expected to achieve an overall profit of £250,000 in 2003/04, which had been built into the estimates. How robust were the figures and was that reflected in the Business Plan?*

A hybrid situation existed within the Unit. There was a Plan but, if not sustainable, it would be met from DSO reserves of £512,000.

*5. It was originally reported that the Leisuretime externalisation process would save the Council £48,000 in 2002/03 (Financial Memo 2002/03 No.70 refers), however, the process had cost the Council £50,000 in 2002/03. How had that discrepancy arisen?*

An overspend had arisen which would be the subject of investigation, and a report would be submitted to the Executive on 19 December 2002 and to this Committee on 9 January 2003.

*6. A £7,600 bid in respect of the removal of unauthorised vehicles had been requested due to a significant increase in the number of abandoned vehicles, especially those which had been burnt out which prevented identification, a trend which was expected to continue in the future. A Member indicated his support for that bid.*

It was noted that there was a legislative requirement upon the Council to remove such vehicles.

RESOLVED – (1) That the report be noted.

(2) That the comments of this Committee, outlined at points 1 – 6 above be referred to the Executive.

#### **(j) Renewals Reserve – Replacements 2003/04**

The Head of Financial Services presented Financial Memo 2002/03 No.63 indicating that within the overall General Fund balances the City Council had established a Renewals Reserve for the replacement of items of vehicles, plant and equipment.

She outlined details of all the items contained within the replacement programme, together with those set down for replacement in 2003/04.

A Member questioned when the Review of Use of Renewals Fund would be undertaken and by whom.

The Head of Financial Services indicated that the Review would be carried out by an Accountant or Internal Audit once the LSVT and Leisuretime externalisation was complete.

RESOLVED – That the report be noted.

#### **(k) Review of Advice Agencies**

Councillor Mrs Fisher, having declared a personal interest in this item of business, took no part in the discussion thereon.

Councillor J Mallinson, having declared a personal interest, took part in the discussion on this item.

The Head of Community Support presented report TC.224/02 concerning a review of the City Council's financial support to Advice Agencies in accordance with Corporate Plan priority CO1 "to undertake a fundamental review of grant procedures to advice agencies ensuring there is a co-ordinated approach and the Council sees value for money".

He indicated that the Executive had on 25 November 2002 deferred the matter without discussion to its next meeting to enable the Portfolio Holder to consult the Cumbria Community Legal Services Partnership and the Legal Services Commission over the various options detailed in the report.

RESOLVED – That consideration of this matter be deferred pending the outcome of

consultation with the Cumbria Community Legal Services Partnership and the Legal Services Commission.

### **(l) Best Value Customer Contact – Final Report – Financial Issues**

The Head of Corporate Policy and Strategy presented Financial Memo 2002/03 No. 80 detailing the financial implications arising from the Customer Contact Best Value Review.

The Overview and Scrutiny Management Committee had accepted that the Review had been carried out in accordance with the original scoping.

The Executive had requested further information about the financial aspects of implementing the report, particularly the estimated capital cost of £500,000 and the annual revenue cost of £50,000 and details of the consultations which needed to take place between existing Departments and the new Customer Service Unit regarding staff transfers.

It had now become clear that the capital cost of setting up the Customer Contact Centre should be considered within the context of space utilisation of the Civic Centre as a whole. Similarly, the running costs of the Customer Services Unit, calculated at £50,000 per year, might be offset by the additional revenue realised from the commercial marketing of space freed during the Civic Centre space reorganisation. Until that time, however, the ongoing cost of the Unit should be considered as part of the budget estimate for 2003/04.

A Member questioned whether the £50,000 was a one-off bid or recurring expenditure and the Head of Financial Services confirmed that it was the latter.

RESOLVED – That the report be noted.

### **(m) Community Centres Budgets**

Councillors Mrs Fisher and Mrs Styth, having declared personal interests in this item of business, took no part in the discussion thereon.

Councillors Mrs Bradley and Jefferson, having declared personal interests, took part in the discussion on this item.

The Head of Community Support presented report LCD.35/02 concerning a review of the grant allocation to Community Centres in accordance with the Corporate Plan priority to 'ensure a fair and equitable distribution of resources'. A detailed report on the review would be presented to the Executive on 13 January 2003.

He then outlined options for general savings from the 2003/04 Budget for Community Centres totalling approximately £10,000.

A Member asked whether the savings would be wiped out if wages increased and the Head of Community Support confirmed that to be the case.

A Member noted that the cleaning contract at Belah finished that year and would not be renewed. She felt that to be a little harsh in that particular area.

The Head of Community Support indicated that a cleaner would be employed directly which should benefit Belah.

RESOLVED – That the report be noted.

#### **(n) Tullie House – Savings Proposals**

There was submitted a report of the Town Clerk and Chief Executive (TC.233/02) detailing options for savings on Tullie House budgets for 2003/04 as follows:

£

- (a) Reduce Gallery Maintenance 4,000
- (b) Building Services – Changes to Cleaning Contract 10,000
- (c) Closure of Guildhall Museum 10,000
- (d) Exhibition Programme Reduction 10,000
- (e) Reduction in Training Budget 7,000
- (f) Reduced Arts Development resulting in loss  
of Brampton Live Festival 8,000
- (g) Reduced Events Programme 16,000
- (h) Reduced Marketing Budget 15,000

£80,000

There was also a possibility of increasing net income by £40,000 should it be agreed to introduce a Tullie Card Scheme for non-residents.

There would, however, be a projected shortfall in admissions income for 2003/04 of £20,000 against the budget.

RESOLVED – That the report be noted.

#### **(o) Budget Consultation**

The Head of Financial Services presented report TC.229/02 providing details of arrangements to be made to send a leaflet to all householders in the City Council's area inviting comments on various options for the setting of the City Council's Budget for 2003/04. In order to ensure that the consultation leaflet contained the latest information based on the actual Government grant settlement, it would be finalised and printed following the Executive meeting on 19 December 2002.

The cost of printing, postage, distribution and return postage would be approximately £26,342 and could be met through a virement from the Best Value Budget.

The leaflets would be despatched during the week commencing 30 December 2002 with a closing date for responses of 27 January 2003. Responses would be directed to and analysed by the Internal Audit Section and reported to the Executive.

In order to consider the outcome of the householder consultation and other consultations made on the Budget, special meetings of the Executive and City Council would be required on 6 February and 18 February 2003 respectively.

A Member expressed surprise at the virement of £26,342 from the Best Value Budget which she had understood was fully committed. She added that she would like this Committee to have sight of the leaflet.

The Head of Financial Services indicated that the Best Value Budget was not fully committed and therefore the costs could be met therefrom, she could however clarify that to the Councillor following the meeting.

RESOLVED – That the report be noted.

#### **(p) Budget Bid to Cover Our Cost of Local Plan Production**

The Director of Environment and Development presented report EN.130/02 seeking a reserve fund of £45,000 to cover the following work to be undertaken as part of the Local Plan Review:

- production costs, including coloured proposals maps and documents;
- elements of research;
- publicity and consultation, including newsletters and exhibitions;
- Local Plan Inquiry; and
- the cost of the final adopted Plan.

The Director indicated that the costs associated with producing the Local Plan varied from year to year depending on the work to be carried out and also the level of objections to the Local Inquiry.

As the costs could not be accurately pre-determined, it was suggested that an earmarked reserve fund be established in the sum of £45,000 to be drawn on as required by reference to the Executive. The fund would require to be replenished at regular intervals and that could be considered at each financial year end by allocating any Planning Services underspends to the fund.

RESOLVED – That the report be noted.

#### **(q) GIS Report – Budget Bid**

The Head of Financial Services presented Financial Memo 2002/03 No.78 seeking

approval to a bid of £6,000 to be included in the 2003/04 Budget to commission a new report to update the City Council on the various Geographical Information System (GIS) options open to it.

RESOLVED – That the report be noted.

#### **(r) Accommodation – Bousteads Grassing and Civic Centre**

The Director of Environment and Development presented report EN.132/02 concerning a review of the facility at Bousteads Grassing, instigated by the transfer of the housing stock and the subsequent transfer of part of Carlisle Works on 1 October 2003, together with the current organisational review.

The main outcome was that the new Commercial and Technical Services Business Unit needed to be based substantially at one location. The Civic Centre was not a viable option and alternative locations providing equivalent space and facilities would be comparatively expensive. The optimum solution was, therefore, considered to be a consolidation of the new Business Unit at Bousteads Grassing.

A cost estimate of building and other works to modify Bousteads Grassing to provide more open plan offices, increased flexibility, grouping relevant staff together, and a workplace rest area was £250,000.

The City Treasurer had indicated that, in order to proceed, a bid of £250,000 would require to be approved by the City Council as a Supplementary Estimate for 2002/03 to be funded from the earmarked DSO Reserve Fund. The balance on the DSO Reserve Fund at 31 March 2002 was £512,000 and, if the bid was accepted, the remaining balance would be £262,000, which should be adequate to provide assurance for the remaining Commercial and Technical Services Unit.

The future earmarking and use of the DSO Reserve Fund should be re-considered once the Buildings DSO had transferred to Carlisle Housing Association in October 2003.

The Director further presented report EN.129/02 summarising work undertaken to date aimed at the provision of a Strategy for space planning in the Civic Centre.

The Strategy was being developed in line with the following principles:

- (a) recognition of the Civic Centre as the long-term strategic location for City governance;
- (b) agreement that the building was fit for that purpose, but required updating;
- (c) maximisation of good customer relations from one contact point, including partnering and co-location;
- (d) improved cost efficiency by further rationalising property holdings;
- (e) enhanced service delivery and corporate working from an improved environment;
- (f) the development of the area for community and business quarter uses with Council leadership;

- (g) introduction of an integrated strategy;
  - (h) incorporation of flexibility to attract partners for innovative uses of space and delivery of sources;
  - (i) space allocation per colleague to be raised to the nationally recognised norm;
- Funding of £250,000 was sought to
- (i) create temporary space for the customer service centre;
  - (ii) improve the first floor to create additional meeting space;
  - (iii) undertake office improvements to create a better environment for corporate working;
  - (iv) free up space for rent to partners.

Broad proposals for the allocation of space for Business Units within the Civic Centre were also presented for consideration.

The Director then drew Members' attention to an addendum to the above reports, copies of which had been circulated, commenting that the Executive had on 25 November 2002 approved the recommendations contained therein, namely:

- (1) That the proposals to modify the accommodation at Bousteads Grassing for the Commercial and Technical Services Unit be approved.
- (2) That the estimated costs of £250,000 be met from existing DSO reserves and that Council on 3 December 2002 be requested to release funding for the proposed works.
- (3) That a supplementary estimate of £100,000 be approved for Council to approve on 3 December 2002 to cover a feasibility study into the design and costing of a customer service centre and building and facilities works at the Civic Centre to accommodate other Business Unit changes.

A Member questioned the provision of training facilities and the Director indicated that it would be a corporate facility for the City Council.

RESOLVED – That the reports be noted.

### **(s) CCTV Monitoring/Bid for Budget Increase**

The Director of Environmental Services presented report EN.133/02 concerning a budget bid for additional staff to undertake CCTV monitoring duties at certain times of the week when most incidents occurred.

Two options for additional cover were presented for consideration, namely:

- (a) additional cover for Thursday/Friday/Saturday evenings from 6 pm to 2 am at an annual cost of £14,500; and

(b) additional cover for Monday to Saturday from 10 am to 6 pm at an annual cost of £23,500.

Options for funding additional monitoring for either of the above options could be achieved through a bid for revenue funding. Alternatively, a one off bid could be made for a pilot scheme to enable staffing levels to be increased for a period of one year, which would then be subject to review in conjunction with a review of the Pub Watch/Shop Watch Scheme.

Members commented that any review of the Pub Watch/Shop Watch Scheme must be done in conjunction with the Crime and Disorder Reduction Partnership.

RESOLVED – That the recommendations contained within report EN.133/02 be accepted.

#### **(t) Budget – Litter Bins**

The Chairman indicated that there was currently a lack of litter bins in many areas of the City, which problem had been raised by several Members. Bins were especially necessary outside Schools, fast food outlets, etc, and the Council could not expect the public to dispose of litter responsibly if there were no bins provided. He added that no budget existed at present and sought Members' views on how such a budget could be created.

The Director of Environment and Development indicated that bins had previously been funded from underspends in the Street Cleaning Contract, which had now been eroded. He added that the cost of provision and installation of a bin was approximately £400 - £450 and it may be possible for the Committee to ask the Executive to consider a budget bid.

A Member expressed her support for the Chairman's suggestion, commenting that Carlisle could potentially become a very dirty City. Another Member indicated that the provision of bins would not necessarily mean that people made use of them.

A Member further suggested that the Head of Planning Services be asked to use "planning gain" in the provision of litter bins around new takeaway facilities.

Councillor J Mallinson commented that it was the customers and not the proprietors of premises who were responsible for litter problems and asked that his objections to that suggestion be recorded.

RESOLVED – (1) That this Committee recommends that the Executive investigate the creation of a Budget for the provision of litter bins in the future.

(2) That the Head of Planning Services be asked to use "planning gain" in the provision of litter bins around new takeaway facilities.

#### **CROS.154/02      EXTERNAL      GRANT      FUNDING (PERFORMANCE REVIEW STUDY)**

The Senior Auditor presented Financial Memo 2002/03 No.87 enclosing the final report on the External Grant Funding Performance Review Study.

External grant funding provided an important source of additional income to the Authority. Due to other funding requirements, the Council was often pressed to provide sole finance and support to new schemes and initiatives. Reliance was therefore placed on external funding opportunities which allowed the Council to run or become involved with one-off

projects or ongoing schemes, which may otherwise not have been possible.

Nine key findings had arisen from the Review:

- Enhancing the role of the External Funding Officer as a corporate resource;
- Consider the development of an External Funding Strategy;
- Development of a means of satisfying the Authority's key aims and objectives through grant funding activities;
- Development of corporate procedures on grant funding processes (operational role);
- Corporate Grants Register/Database (a strategic/operational function);
- Grants Co-ordinator (a strategic and operational role);
- Automated grant finding services (to gain outside knowledge on all external funding opportunities available);
- Accurate time recording on grant administration; and
- Accurate financial coding of grant income and expenditure.

In terms of External Funding, a poorly thought out and managed partnership arrangement could have a detrimental effect on the Authority in terms of in-house financial arrangements, the call on staff resources and the general reputation of the Authority with external funding sources, District Audit and other future partners. A protocol was therefore needed to ensure the Authority entered into and managed such partnerships in a professional and controlled manner.

The Review had considered the overall approach to external funding across the Authority, examining departmental grant funding operations as well as the strategic and operational role of the External Funding Officer and the function of District Audit in the grant funding process. Details of the current scope of the External Funding Officer's role were submitted.

The Senior Auditor then outlined the recommendations and options for change, as detailed at Section 6 of the report.

An Action Plan, based on the recommendations and options for change outlined, could be determined and presented to the next meeting of this Committee.

In considering the matter, Members raised the following points:

No consideration had been given to consulting the External Funding Officer or his/her representative as regards possible change to the role. The Head of Economic Development, in liaison with the City Treasurer, was requested to consider how the issues raised in the report might be taken on board without detracting from the External Funding Officer's current role and report back to this Committee.

The Head of Economic Development welcomed that course of action, indicating that such a report could be provided early in the New Year.

A Member expressed surprise that the issue had come up now, bearing in mind that the Authority had just gone through an organisational review.

The Head of Corporate Policy and Strategy indicated that the Review had been requested through Overview and Scrutiny and had been timetabled to fit in with Audit's workload.

RESOLVED – That the Head of Economic Development, in liaison with the City Treasurer, was requested to consider how the issues raised in the report might be taken on board without detracting from the External Funding Officer's current role and report back to this Committee.

### **CROS.155/02 ORGANISATIONAL ASSESSMENT BEST VALUE REVIEW SUB-COMMITTEE**

The Chairman drew Members' attention to the Minutes of the Organisational Assessment Best Value Review Sub-Committee held on 5 November 2002, and sought their agreement to the winding up of the Sub-Committee.

The Chairman of the Sub-Committee then thanked all those involved in the work thereof.

RESOLVED – (1) That the Minutes of the meeting of the Organisational Assessment Best Value Review Sub-Committee held on 5 November 2002, a copy of which are referred to as Appendix 1 to these Minutes, be received.

(2) That the Organisational Assessment Best Value Review Sub-Committee be wound up and the Action and Implementation Plans be monitored by this Committee.

### **CROS.156/02 PUBLIC AND PRESS**

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

### **CROS.157/02 SUNDRY DEBTORS AND PERIODIC INCOME – PERFORMANCE REVIEW STUDY**

(Public and Press excluded by virtue of paragraph 1)

The Senior Auditor presented Financial Memo 2002/03 No.86 enclosing the final report in respect of the Sundry Debtors and Periodic Income Performance Review Study.

The study of the corporate Sundry Debtors function and debt recovery performance had been comprehensive in order to determine efficiency and effectiveness and to establish methods of best practice amongst other Authorities. The Review had focused on 9 key areas of the Sundry Debtors function where improvements were considered necessary.

The Senior Auditor sought Members' views on the report, commenting that an Action Plan,

based on the recommendations and options for change outlined in Section 7 thereof, and including Members' comments, could be determined and presented to the next meeting of the Committee.

A Member asked whether the Committee's comments as regards the Council Tax and Non-Domestic Rate Collection Performance Indicators would be incorporated within the Action Plan and the Principal Auditor confirmed that would be the case.

A Member queried the invoice costs detailed in the third paragraph of the Executive Summary.

The Principal Auditor advised that the CIPFA figures were calculated differently. The figure of £7.13 per invoice was the cost of providing the central debtors service divided by the number of invoices. That figure did not, however, include the involvement of Service Departments and therefore the true figure was probably in the region of £10.

A Member drew attention to the lack of staff resources outlined at Section 2.2.2 of the Study and suggested that Members be informed of such difficulties earlier in the future.

The Head of Revenues indicated that the problem has arisen, in this instance, due to the absence of a member of staff due to long-term sickness. He accepted that the issue should be given higher priority in future.

RESOLVED – That the Head of Revenues and the Principal Auditor be requested to prepare an Action Plan, based upon the recommendations and options for change outlined in Section 7 of the Sundry Debtors and Periodic Income Review (Performance Review Study) – Final Report.

### **CROS.158/02 CHAIRMAN'S COMMENTS**

The Chairman congratulated the Head of Financial Services and Head of Revenues on their appointment to posts within the new organisational structure and conveyed to them his best wishes for the future.

Members reiterated those sentiments.

[The meeting ended at 4.30 pm]