

RESOURCES OVERVIEW AND SCRUTINY PANEL

THURSDAY 10 OCTOBER 2013 AT 10.00AM

PRESENT: Councillor Watson (Chairman), Councillors Betton (from 10.25am), Bowman C, Craig, Dodd, Forrester (as substitute for Councillor Mrs Atkinson) Mallinson J (as substitute for Councillor Layden) and McDevitt

ALSO PRESENT Councillor Dr Tickner – Finance, Governance and Resources Portfolio Holder
Councillor Mrs Prest (for Agenda Item A.3) – Vice Chairman of Community Overview and Scrutiny Panel
Sharon Greenwell – Operational Support Manager, Wellwork

OFFICERS Town Clerk and Chief Executive
Director of Resources
Customer Services Manager
Development Officer
Corporate Project and Risk Management Officer
Policy and Performance Officer
Scrutiny Officer

ROSP.67/13 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Mrs Atkinson and Councillor Layden.

ROSP.68/13 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

ROSP.69/13 CALL-IN OF DECISIONS

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

ROSP.70/13 MINUTES OF PREVIOUS MEETING

RESOLVED – 1) That the minutes of the meeting held on 18 July 2013 be agreed as a correct record of the meeting and signed by the Chairman.

2) That the minutes of the meeting held on 29 August 2013 be noted.

ROSP.71/13 OVERVIEW REPORT AND WORK PROGRAMME

The Scrutiny Officer presented report OS.23/13 which provided an overview of matters that related to the work of the Resources Overview and Scrutiny Panel's work.

The Scrutiny Officer reported that:

- The Notice of Key Executive Decisions had been published on 27 September 2013 and the following issue fell within the remit of the Panel:

KD.025/13 Land Transaction Report - Proposed Disposal and Development of Land at Westwood Road, Morton - The Executive will be asked to consider options for the proposed development of land at Westwood Road, Morton and approve the release and disposal of the land at their meeting on 28 October 2013.

KD.026/13 Asset Review Business Plan - Disposal Programme - The Executive will be asked to consider and recommend changes to the Disposal Programme for approval by Council. The report will be available for the Panel at their meeting on 28th November.

Members did not raise any questions or comments on the items contained within the Notice of Key Decisions.

The Chairman reminded the Panel of the work of the Saving Paper Task and Finish Group and informed them that a meeting with the Finance, Governance and Resources Portfolio Holder had taken place to discuss the next steps. It was agreed that, although issues had moved forward there was still a lot that could be done to reduce costs and increase efficiencies.

The Finance, Governance and Resources Portfolio Holder agreed that more work was needed which fell out with the remit of the Panel, he suggested that Members of the Saving Paper Task Group recommended the reinstatement of the Corporate Environmental Working Group to look at a variety of savings across the authority including further paper savings.

The Panel felt that more could be done to improve the readability of reports on tablets, including the titles of reports, layout and content.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to this Panel (OS.23/13) be noted.

2) Following discussions with the Portfolio Holder for Finance, Resources and Governance and due to the success of the Scrutiny Task and Finish Group that the Corporate Environmental Working Group is re-established with representation from each Directorate. The Group should be tasked with identifying, developing and implementing environmentally sustainable initiatives including reducing paper and printing consumption within the City Council, energy use etc. The terms of reference would be agreed between the Town Clerk Chief Executive and the Portfolio Holder for Finance, Governance and Resources.

ROSP.72/13 TRANSFORMATION BOARD

The Director of Resources presented report SD.07/13 updating Members on the work of the Transformation Board.

The Director of Resources reminded the Panel of the purpose of the Board reporting that the delivery of the required savings of £1.38m for the financial year 2013/14 was virtually

complete and the outstanding items which totalled £48,500 would be added to a future year programme.

Work with Portfolio Holders had identified transformation initiatives to deliver the required savings of £760,000 during 2013. The Transformation Board had been assisting in co-ordinating savings initiatives within each Directorate, a detailed overview of the progress made against each Directorate was set out in the report.

He added that the 2013/14 budget had identified savings of £890,000 to be delivered from 2013/14. The 2014/15 budget deliberations would set out the reason for further savings requirements from 2014/15 onwards due to further reductions in RSG, additional National Insurance and pension costs.

Other transformation activities that had been closely monitored by the Transformation Board included the Automating Services project. The project aimed to move services from written, telephony and face to face contact towards electronic means. Phase 1 had focussed on Council Tax e-billing and Phase 2 would focus on Environmental Health, smarter use of media and taking self serve out to community venues.

The Project was on target to deliver further efficiencies through self serve modules. Procurement of an authentication module would allow easier sign up for services such as e-billing. Yewdale Community Centre had been identified as a pilot for self serve.

The Customer Services Manager and the Development Officer gave a detailed presentation on the Automating Services project highlighting the changes to the Council's internet pages and the advantages of e-billing and paperless direct debits. It was stressed that the new automated services would be additional to the services provided by the Customer Contact Centre. Face to face contact would still be available and it was that changes would enable Officers in the Contact Centre to focus on those who were most in need. The presentation showed the changes that would take place to the whole of the City Council website to move it to an interactive site which would be more user friendly and more accessible to smart phones and tablet devices. The presentation brought the updated Customer Contact Foyer to Members attention, in particular the introduction of two new self serve kiosks which were supported by the triage receptionists. One kiosk would be placed in Yewdale Community Centre as a pilot and two further kiosks had been purchased, their location was yet to be determined. Mobile kiosks were also being considered for rural areas to ensure everyone could access the Council's services.

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

- The Panel thanked the Customer Services Manager and the Development Manager for their informative presentation and congratulated them on the work that had been undertaken in the Customer Contact Centre.
- A Member asked for some clarity with regard to the introduction of the 2% charge for the use of credit cards.

The Town Clerk and Chief Executive clarified that the 2% charge for credit card use covered the Council's cost for the administration of the payment. There would be no charge for debit card payments and customers who paid by credit card were encouraged to take up direct debit payments.

- Members felt that the introduction of mobile self serve machines would be an invaluable addition especially for rural and scattered urban areas. It was also suggested that they could be used at various events that took place across the City to promote the services on offer.
- A Member had concerns with regard to the high cost of the 0845 number, especially to those that used mobile phones, and asked if there had been any consideration given to changing the number.

The Town Clerk and Chief Executive shared the concerns raised. He explained that the 0845 number had to be in place for security reasons to enable debit card payments to be carried out securely over the telephone. He had asked the Director of Resources to look urgently at establishing a 03 number for mobile phone users.

- The Finance, Governance and Resources Portfolio Holder asked if there was a way for Members to access the information coming into the Customer Contact Centre so that they could monitor the issues, comments or compliments that were coming into the Council.

The Customer Services Manager confirmed that there was a large amount of data available for members which would also be used to increase and improve service provision across the whole authority. She added that the CRM system recorded all the issues coming into the Council through the Customer Contact Centre and would flag up if an issue was still outstanding. The Customer Service Advisors also gave all customers their name and a reference number for future use.

- Had there been any resistance from partners regarding the access to services?

The Customer Services Manager responded that partners had been actively interested in working with the Council and highlighted the number of registered social landlords who had registered for e-billing.

- How would the savings from the move to automated services be calculated and recorded?

The Director of Resources explained that there would be two types of savings achieved from the changes. The first saving would be opportunity costs, an increase in the use of online services meant that the Customer Service Advisors had more time to deal with those that needed more support and advice and improve the service. The monetary savings would come as a result of less paperwork and postage as well as officer time. In the first year most of the savings would be opportunity costs opposed to actual savings.

The Town Clerk and Chief Executive added that the savings would allow the authority to invest in the Customer Contact Centre and continually improve the services offered.

- A Member asked about the security of the self serve kiosks especially if customers were entering personal data.

The Customer Services Manager explained that there would be staff on hand to assist customers in using the self serve kiosks if they so wished, the staff would move away from the customer when they were entering personal data. Staff would also advise customers to keep their personal information private and try and enter the information discreetly.

- The report showed a 50% reduction to the Parish Council and Village Hall grants, had there been any feedback on the change?

The Director of Resources reminded the Panel that the change came into force on 1 April 2013 and that traditionally the budget had been under spent. There had been no complaints received regarding the reduction.

RESOLVED – 1) That the update from the Transformations Board (report SD.07/13) be welcomed.

2) That the Customer Services Manager and the Development Officer be thanked for their informative presentation and through response to Members questions.

3) That the Panel was pleased with the direction of travel in the Customer Contact Centre and looked forward to the continued improvements.

ROSP.73/13 2013/14 SICKNESS ABSENCE REPORT – APRIL TO AUGUST 2013

The Town Clerk and Chief Executive presented report CE.10/13 setting out the authority's sickness absence levels for the period April to August 2013, 2012/13 benchmarking, Occupational Health usage statistics and other sickness absence related information.

The Town Clerk and Chief Executive reported that the authority had experienced an 18% reduction in absenteeism in 2012/13 compared to the previous year. This had been attributed to less stress related absences, revised attendance management policies and the introduction of a wider employee assistance programme.

He outlined the benchmarking and data which had been carried out and collated by North West Employers. Carlisle's sickness absence levels were fourteenth out of eighteen north west authorities, this was an improvement from last place in 2011/12 and the authority's year on year reduction went against the upward trend of days lost in other north west authorities.

The sickness absence levels split by directorate in the first five months of the current year showed a reduction of 22% compared to the previous year. Profiled over the year this would equate to a forecast of 7.1 days per FTE and would move Carlisle from fourteenth to sixth in the table of north west authorities.

The Town Clerk and Chief Executive drew Members attention to the Occupational Health and Employee Assistance Programme. The graphs included in the report provided a summary of the usage figures for the authority's Occupational Health provider Wellwork Ltd and the authority's Employee Assistance Programme which was provided by Health Assured. Pre Employment Questionnaires (PEQ) were conducted as part of a new employee's initial health screening and had been completed online since the end of last year. It was difficult to quantify usage as if there are no health issues a fitness certificate would be automatically generated through Wellwork's online system. He highlighted that an accurate total employee usage figure would not be provided if all categories were added together as some people may have used more than one service as part of the same issue. He added that the referrals were the number of initial referrals received and seen and not the total number of visits.

The Panel welcomed Sharon Greenwell, Operational Support Manager, Wellwork to the meeting.

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

- A Member commented that the authority was doing well in terms of reducing sickness absence and asked how an authority had an average of 5.4 days per FTE and the City Council's average was 9.06 days?

The Finance, Governance and Resources Portfolio Holder reminded the Panel that the improvements made to the sickness absence within the Council was excellent. He stated that the Council carried out a number of services in house, such as green spaces and refuse collection, in house which caused an increase in sickness absence, authorities that were primarily office based would have lower absences. The reduction in sickness absence that had occurred in the first quarter of 2013 would reduce Carlisle's average from 9.06 to 7.1 and this was a direct result of the work that had been undertaken over the last eighteen months.

Ms Greenwell added that the Council differed from other authorities as it had managed to reduce the stress related illness. The Other musculo-skeletal problems had increased due to a variety of reasons including an ageing workforce and manual working. Overall the authority continued to improve.

- A Member reminded the Panel that some absence was caused by wider issues and were out of the control of the authority.

The Town Clerk and Chief Executive agreed and stressed that time and effort had been invested in the health and wellbeing of staff to improve their overall health and this included access to the Employee Assistance Programme which provided support outside of work. Members had consistently supported resources in health and wellbeing and basic skills training to ensure the balance of work and home life is achieved and that people had a good day at work.

RESOLVED – 1) That Sharon Greenwell be thanked for her input into the meeting.

2) That report CE.10/13 and the improvements made to sickness absences be welcomed.

ROSP.74/13 LOCALISATION OF BUSINESS RATES (BUSINESS RATED POOLING)

Pursuant to minute excerpt ROSP.60/13 the Director of Resources submitted report RD.38/13 giving an overview of the Localisation of Business Rates.

The Director of Resources reported that the introduction of the Business Rates Retention Scheme on 1 April 2013 had given Councils much greater control over the impact that Business Rates and Business Rates collection had on an area.

He reminded Members that previously the Council had collected all the Business Rates in its area and paid those over to the Government in their entirety. The Government then allocated the nationally collected Business Rates to each Council as part of the annual Formula Grant funding settlement.

From 1 April, however, Councils had been allocated a baseline level of funding as part of the formula grant which they could keep from the income they collected from Business Rates. Of the total income collected, 50% was returned to Central Government, 10% was allocated to the County Council and 40% to the District Council. The Government had then determined whether top-ups or tariffs would apply. For Carlisle, the 40% share related to £15.856 million in 2013/14, but a tariff was payable to Government of £12.942 million, meaning that the baseline was set at £2.914 million.

As a tariff authority, any growth which could be achieved in Business Rates income was shared on the same percentages, with a 50% levy payable to Central Government and 10% growth passed to the County Council. Safety nets were also in place to ensure that no authority suffered significant financial losses should income drop.

The Director of Resources explained that pooling combined the top-ups and tariffs of the individual authorities in the pool as though the pool was a single authority. The County Council was a top-up authority and the Cumbrian Districts were tariff authorities. A single levy rate and safety net threshold was calculated for the pool overall. Since a Cumbria pool would overall be a top-up authority, the pool would pay nothing in levy payments on rateable value growth compared to the total levy payments for individual member authorities. But it also increased the threshold for safety net payments.

The Director of Resources outlined the advantages in forming a pool, together with the governance arrangements, commenting that pooling was likely to be beneficial to Cumbria as the locally retained share of business rates was predicted to be higher than the Business Rates Baseline.

However, because pooling increased the safety net threshold, the pool would have to manage much larger losses before it would be eligible for safety net payments. An authority that expected to be below the safety net threshold would be better off remaining outside the pool. Due to the particular circumstances in Copeland (i.e. most of their rate income came from one business, Sellafield; and due to the impact of outstanding rating appeals the Council had, it was unlikely to benefit from pooling in the immediate future.

Members' attention was also drawn to Appendix 1 which presented scenarios to illustrate potential implications of pooling for Cumbrian authorities i.e. current baseline, 2% growth (Carlisle only), 2% growth across Cumbria (except Copeland) and 2% negative growth.

In terms of the way forward, Carlisle had made an initial decision to join a "pool" with the County and other Cumbrian Districts by 31 October 2013. Whilst the analysis set out at Appendix 1 suggested that Carlisle would benefit from pooling arrangements, several decisions would have to be made Cumbria wide to progress the initiative. Cumbrian Chief Finance Officers would produce proposals for discussion by Cumbrian Chief Executives on issues such as pool membership; how to distribute the shares of additional NNDR income retained in the pool (or sharing out any losses); governance arrangements; and other issues, including obtaining expert advice. A final recommendation on joining a pool would be made by the Executive as part of the 2014/15 budget deliberations.

The Executive considered the matter (EX.99/13) and resolved:

"That the Executive:

1. Agreed, in principle, to enter into pooling arrangements with other Cumbrian Authorities (as appropriate) under the Business Rates Retention Scheme for 2014/15 financial year.
2. Noted the arrangements being progressed to support the in principle decision set out in paragraph 3.1 of Report RD.38/13.
3. Noted that a final recommendation on whether or not to progress business rate pooling arrangements would be submitted to the Executive as part of the 2014/15 budget deliberations.”

The Director of Resources gave a presentation explaining the new arrangements and outlining the advantages and disadvantages of creating a Pool within Cumbria and the associated risks.

RESOLVED – 1) That the Director of Resources be thanked for his informative and detailed presentation.

2) That report RD.38/13 be noted.

ROSP.75/13 CORPORATE RISK MANAGEMENT

The Director of Resources presented report SD.06/13 giving an update on the Corporate Risk Register.

The Director of Resources reported that the Corporate Risk Register had been reviewed and updated and two new corporate risks had been added:

Asset Business Plan – Asset Disposal Strategy

There was a risk of substantial impact to the Council’s revenue position/MTFP and reinvestment plans if there was a significant delay in the disposal of assets. The impact would be quantified as part of the 2014/15 budget deliberations.

Asset Business Plan – Asset Acquisition Strategy

There was a risk that significant delays in acquiring new revenue producing assets would have a substantial impact on the Council’s revenue position during the current MTFP/budget process. The Capital Investment Strategy within the Asset Management Business Case would be reviewed and agreement sought from Executive/Council. The review would cover the key criteria and potential projects for investment including repayment of loans.

The Director of Resources outlined the risk that would remain on the Register and the two risks (Welfare Reform and Promoting Carlisle) which would be removed.

In considering the Corporate Risk Management report Members raised the following comments and questions:

- The Panel requested that an update on the Asset Review Business Plan be brought to the next meeting of the Panel. The update should include information on the assets sold, the returns on the assets before disposal and the reinvestment programme. The Panel had concerns regarding the Central Hotel building on Victoria Viaduct. They

asked for details of the transfer to the Crown, if it was possible to reclaim the money the Council had spent on making the building safe, the Order that was placed on the building and who had overall responsibility for the safety and future of the building.

The Director of Resources agreed to supply Members with a detailed written response.

RESOLVED – 1) That report SD.06/13 be welcomed;

2) That an update on the Asset Review Business Plan be brought to the next meeting of the Resources Overview and Scrutiny Panel.

3) That the Director of Resources provides a written response to the Panel's questions as set out above regarding the Central Hotel, Victoria Viaduct.

ROSP.76/13 MEMBER TRAINING REPORT 2012-13

The Finance, Governance and Resources Portfolio Holder presented report CE.08/13 updating the Panel on the progress made against the Member Learning and Development Framework.

The Finance, Governance and Resources Portfolio Holder gave an overview of the Member Learning and Development Working Group, Member Champions, Member/Leader Reviews, the North West Charter for Member Development and the Member Learning and Development Programme.

He reported that the 2012/13 budget for Member training was £14,300 and overall there had been an under spend at the end of the year of £4,339. The total spend on Member training in 2012/13 equated to £191 per Member compared to £273 in the previous year and was a result of Members choosing to attend more free courses such as ones in the ethical governance programme which were run by internal officers.

The City Council recorded the percentage of Members taking part in learning and development as performance indicator MI 905a and, in 2012/13, all Members took part in some form of learning activity. He did highlight, however, that only one Member had enrolled and completed an e-learning module.

In summing up the Finance, Governance and Resources Portfolio Holder felt that the changes made to Members Training had been very successful in reducing costs and improving attendance,

In response to questions the Finance, Governance and Resources Portfolio Holder reported that the Organisational Development Manager produced a quarterly newsletter for Members and any Member was welcome to contribute to the newsletter. He added that courses held in London were only attended if really necessary.

RESOLVED – That Report CE.08/13 be welcomed.

(The meeting ended at 11.50am)

RESOURCES OVERVIEW AND SCRUTINY PANEL

THURSDAY 28 NOVEMBER 2013 AT 10.00AM

- PRESENT:** Councillor Watson (Chairman), Councillors Allison, Mrs Atkinson, Craig, Dodd, Mallinson J (as substitute for Councillor Bowman S) and Ms Patrick (as substitute for Councillor McDevitt).
- ALSO PRESENT** Councillor Dr Tickner – Finance, Governance and Resources Portfolio Holder
Councillor Mrs Luckley (for Agenda Item A.2) – Chairman of Community Overview and Scrutiny Panel
- OFFICERS** Town Clerk and Chief Executive
Director of Resources
Director of Governance
Property Services Manager
Communities, Housing and Health Manager
Organisational Development Manager
Policy and Performance Officer
Scrutiny Officer

ROSP.77/13 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Bowman S, Layden and McDevitt.

ROSP.78/13 DECLARATIONS OF INTEREST

Councillor Mrs Luckley declared a registrable interest in accordance with the Council's Code of Conduct in respect of agenda item A.2 Asset Review Plan – refresh of Disposal Programme. The interested related to the fact that she was a City Council representative on the Riverside Carlisle Board.

ROSP.79/13 CALL-IN OF DECISIONS

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

ROSP.80/13 MINUTES OF PREVIOUS MEETING

RESOLVED – That the minutes of the meeting held on 29 August 2013 be agreed as a correct record of the meeting and signed by the Chairman.

ROSP.81/13 ASSET REVIEW BUSINESS PLAN – REFRESH OF DISPOSAL PROGRAMME

The Chairman welcomed Councillor Mrs Luckley, Chairman of the Community Overview and Scrutiny Panel to the meeting for the consideration of this item.

The Property Services Manager reported (RD.47A/13) that, in discussion with Portfolio Holders, Officers had undertaken a mid-term review of the Disposal Programme, stocktaking the current position in the light of progress, changing circumstances, and the emerging priorities in the Carlisle Plan 2013-2016 to address future housing needs.

Members' attention was drawn to the Disposal Monitoring Schedule (Appendix 1) which set out the current position and work in progress for each of the original 51 assets earmarked for disposal. Also shown (for those assets where sales had been completed) were the target receipts and actual outcomes; the impact on rental income and leases; and the cost to date of realising sales.

The Property Services Manager also summarised the overall position to date in terms of disposals, acquisitions and the impact on rental income. The cost to date of realising sales including marketing, agency fees and ancillary disbursements, amounted to circa £133k which at 2% of gross receipts was within budget targets.

A significant part of the Business Plan delivery, and the re-engineering of the Council's portfolio, hinged on the release and disposal of the latent value in the Council's retail and residential assets at Morton. There was a risk that delays in the disposal of that asset would have a substantial impact on the Disposal Programme, the capital reinvestment plans and revenue position of the Council. That had been recognised and identified on the Council's Corporate Risk Register and was being carefully monitored.

Turning to the issue of Housing priorities, the Property Services Manager indicated that The Carlisle Plan 2013-16 identified the delivery of housing as a priority action for the Council going forward. A number of sites earmarked for disposal in the original Disposal Programme (10 in total) had the potential, subject to market demand and planning to deliver residential development opportunities in the short to medium and longer term. That could be through the private sector, Registered Social Landlords, a mix of both or bespoke initiatives such as self build schemes.

Additionally a recent trawl of the operational portfolio had been undertaken to identify any vacant land, or assets which may become surplus to requirements in the future, and merit consideration for inclusion in the Disposal Programme as a 2nd Phase of asset sales, which potentially may be suitable for release as housing development land. The sift had resulted in a further 9 assets being identified for possible inclusion in the Disposal Programme, those were shown listed within the Disposal Monitoring Schedule Appendix 1 as "Phase 2".

Bringing forward land for residential development for sale in the market place was commonly a resource intensive and time consuming exercise. Much depended upon the planning situation, whether there was a current housing allocation, the prospect if at all for a future allocation and, if that could be realised, whether the timescale was in the short, medium or longer term.

The suitability of the 19 assets in the original Disposal Programme and "Phase 2" to deliver future housing needs had been assessed through a desk top appraisal by Planning, Housing and Property Officers. Site locations for all the assets involved were shown on the Plan, attached as Appendix 2, edged in red and shaded either green, red, orange or yellow. Land shaded light pink on the Plan highlighted the relationship of those sites with other land in Council ownership.

The desktop evaluation had looked at the pertinent criteria most likely to influence the ability to deliver land for residential development including inter alia current use and occupation, planning, site conditions and constraints, end users, value and market demand, and timescales. The conclusions from the exercise had been assembled and

tabled together; and were presented in Appendix 5 for comment, with a proposed recommendation in terms of disposal strategy and a pipeline delivery programme.

The Property Services Manager then outlined the Disposal Programme going forward, highlighting each of the appendices in turn.

The Executive had considered the matter on 28 October 2013 (EX.121/13 refers) and decided:

“That the Executive:

1. Noted the current position and progress with the Disposal Programme.
2. Had considered the proposed changes to the Disposal Programme, and the plans to bring forward potential housing development sites to meet the priorities of the Carlisle Plan, and address future housing needs, as set out in Report RD.47A/13, prior to passing the report to scrutiny for consideration.”

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

- A Member commented that, although he understood the financial situation and the current economic climate, he did not understand why properties which received a return of 10% had been sold and the capital received was then receiving a lower return in the bank. He reminded the Panel that Montagu Evans had recommended that the Council should not sell properties if they could not get a higher return than they were receiving.

The Property Services Manager reminded the Panel of the overall objective of the Plan to consolidate and rationalise the Council’s portfolio. He agreed that some of the smaller assets had given higher returns but they had been subject to a number of small individual leases which had been relatively expensive to manage and this had not been reflected in the gross returns set out in the Montagu Evans Report.

- A Member sensed some anxiety with regard to the Morton site and asked if the district centre in Morton would be reviewed if the supermarket deal did not proceed.

The Property Services Manager explained that there had been a number of bidders for the Morton site and the Council was hopeful that there would be a capital receipt for the site. He added that the turmoil in the retail market meant that budget expectations would need to be managed accordingly.

- A Member congratulated the Property Services Manager and his team for the excellent work that had been undertaken and asked for further details on some of the potential housing development sites set out in appendix 5 of the report. She was aware that there had been problems with the sites when previous applications for development had been considered.

The Property Services Manager responded that appraisals had been carried out on all of the sites listed and the results showed that potentially all of the sites could be developed and issues resolved with some work and help from partners.

The Communities, Housing and Health Manager assured Members that the analysis had taken into account feedback from developers and partners through the Carlisle Housing

Partnership. She added that there would need to be alternative thinking to progress the developments for housing especially regarding funding streams.

- A Member asked for clarity regarding the £563,000 loss of revenue which was 10.6% of the total gross receipt as set out in appendix 1 of the report.

The Property Services Manager explained that the £563,000 was the total rental loss at the end of all of the disposals which would be made up by the planned acquisitions as shown in the table on page 12 of the report.

In response to a Members question the Property Services Manager clarified the figures set out in appendix 1 of the report and reminded the Panel that the Asset Review Business Plan had to be considered in conjunction with the Local Plan especially with regard to housing development matters.

The Finance, Governance and Resources Portfolio Holder felt that the Panel were being overly negative with regard to the Asset Management Plan. He reminded that Panel of the current economic climate and highlighted the income that had already been generated by the excellent work carried out by Property Services. The liability to the Council had been reduced and the income from rentals had been increased. The 19 pieces of land which had been identified for housing purposes would create homes as well as jobs.

RESOLVED – That the Refresh of the Disposal Programme (Report RD.47A/13) be welcomed.

ROSP.82/13 OVERVIEW REPORT AND WORK PROGRAMME

The Scrutiny Officer presented report OS.27/13 which provided an overview of matters that related to the work of the Resources Overview and Scrutiny Panel.

The Scrutiny Officer reported that the Notice of Key Executive Decisions had been published on 15 November 2013 and the following issues fell within the remit of the Panel:

- KD.027/13 – Polling Station Review 2013/14 – The Executive would consider the matter at their meeting on 16 December 2013 and be asked to make recommendations to Council on polling arrangements within the City Council area.
- Items KD.026/13 Asset Review Business Plan, KD.030/13 Budget Process 2014/15 and KD.031/13 Review of Reserves and Balances had all been included in the agenda for this meeting.

Members did not raise any questions or comments on the items contained within the Notice of Key Decisions.

The Scrutiny Officer highlighted a question which had been raised at full Council regarding the scrutiny of the Corporate Risk Register. She explained that the Panel had agreed at their last meeting to scrutinise the Corporate Risk Register on a six monthly basis and it was next due before the Panel on 3 April 2014.

RESOLVED – That the Overview Report incorporating the Work Programme and Key Decision items relevant to this Panel (OS.27/13) be noted.

ROSP.83/13 BUDGET 2014/15

The Director of Resources gave a presentation to the Panel to assist Members in their consideration of the Budget 2014/15.

The Director outlined the Budget policy context, revenue projections, the main revenue assumptions which had been made, new spending pressures, savings proposals and income projections, potential revised revenue projections, proposed capital programme, capital resource projections and key Budget dates.

The presentation encompassed the following agenda items:

Minutes of the Community and Environment and Economy Overview and Scrutiny Panels

The excerpts of the minutes of the meetings of the Community and Environment and Economy Overview and Scrutiny Panels held on 19 and 21 November 2013 respectively were submitted for consideration.

2013/14 Revised Revenue Base Estimates and Updated Medium Term Financial Plan Projections: 2014/15 to 2018/19

Report RD.51/13 provided a summary of the Council's revised revenue base estimates for 2013/14, together with base estimates for 2014/15 and updated reserve projections to 2018/19. The base estimates had been prepared in accordance with the guiding principles for the formulation of the budget over the next five year planning period as set out in the Medium Term Financial Plan (MTFP) and Charging Policy; Capital Strategy; and Asset Management Plan agreed by Council on 10 September 2013. The report set out known revisions to the Medium Term Financial Plan projections, although there were a number of significant factors affecting the budget that were currently unresolved, and the Director of Resources reported on those key issues which included:

- (a) Government Finance Settlement - RSG and NNDR
- (b) Welfare Reform Act
- (c) Triennial Revaluation of the Pension Fund
- (d) Transformation

The Director of Resources informed Members that the potential impact of any new spending pressures and new savings identified was not reflected within the report, as there were a number of options for Member consideration. Decisions would need to be made to limit budget increases to unavoidable and high priority issues, together with maximising savings and efficiencies (and probable use of reserves) to enable a balanced budget position to be recommended to Council in February 2014.

He summarised the movements in base budgets and highlighted for Members the updated MTFP projections; the projected impact on revenue reserves; together with a summary of the financial outlook and budget discipline 2014/15 to 2018/19.

The Executive had considered the matter on 18 November 2013 (EX.128/13 refers) and decided:

“1. That the revised base estimates for 2013/14 and base estimates for 2014/15 be noted.

2. That the current Medium Term Financial Plan projections, which would continue to be updated throughout the budget process as key issues became clearer and decisions were taken, be noted.”

Summary of New Revenue Spending Pressures

Report RD.53/13 summarised the new revenue spending pressures and reduced income projections which would need to be considered as part of the 2014/15 budget process. All of the issues had to be considered in the light of the Council's corporate priorities.

The pressures were identified in the report. All of the pressures could not be accommodated within existing resources (including the use of reserves) and decisions would need to be made throughout the budget process to limit pressures to high priority and unavoidable issues to ensure that a balanced budget position was recommended to Council in February 2014.

The Executive had considered the matter on 18 November 2013 (EX.134/13 refers) and agreed that report RD.53/13 be received and forwarded to the relevant Overview and Scrutiny Panels for consideration as part of the 2014/15 budget consultation process.

Summary of New Saving Proposals and Additional Income

Report RD.54/13 summarised proposals for savings and additional income generation to be considered as part of the 2014/15 budget process. The Savings Strategy approved by Council on 10 September 2013 focussed on the following areas to deliver the savings required to produce a balanced longer term budget:

- (a) Asset Review;
- (b) Service Delivery Models; and
- (c) Transformation Programme.

The Director of Resources reported that, at this stage, the Executive and Overview and Scrutiny were being asked to give initial consideration to the new proposals for further permanent reductions in base expenditure budgets and also increases to income budgets from 2014/15 onwards. The requests needed to be considered in the light of the projected budget shortfall outlined in Report RD.51/13 and also the spending pressures in RD.53/13.

He summarised the proposed savings, and also highlighted the new savings proposals and additional income projections.

The Executive had considered the matter on 18 November 2013 (EX.135/13 refers) and decided:

“1. That the proposed reductions to the base budget from 2014/15 onwards, as set out in Report RD.54/13, be received and forwarded to the relevant Overview and Scrutiny Panels for consideration as part of the budget consultation process.

2. That it be noted that the Senior Management Team would continue to investigate efficiencies and savings in accordance with the Transformational Savings Strategy.”

In considering reports RD.51/13, RD.53/13 and RD.54/13 Members raised the following comments and questions:

- A Member asked for more detail with regard to 'Digital by Default'.

The Director of Resources explained that electronic Council Tax bills had been available for approximately five months. The Council had been concentrating on signing up new customers initially but the Digital by Default initiative would be moved forward and would result in all householders automatically receiving an electronic bill unless they opted for a paper bill.

- Was there scope to increase the recovery period with regard to the Pension Tri-annual Review?

The Director of Resources confirmed that it was a viable option to increase the recovery period up to 25 years and this had previously been considered. The current recovery period was 19 years and it was hoped that this period would be sufficient.

- Would the replacement street cleansing vehicles be leased or purchased?

The Director of Resources explained that the vehicles would last an extra year to allow for the completion of the Waste Services Review. It was cheaper to purchase the vehicles than to lease them and it was hoped that the savings achieved through the Review would be used to make the purchase of the refuse vehicles on an "Invest to Save" initiative.

- How would voluntary redundancy costs be covered if there was slippage in the leaving dates of staff?

The Director of Resources responded that the redundancy costs would be met from the 2014/15 salary costs to make a saving in 2015/16. If there was any delay in staff leaving the costs would have to be met from the Council's reserves.

- A Member asked if it would be a prudent time to borrow.

The Director of Resources responded that the "long term" borrowing rate was 4.4% compared to 0.5% on investments, if an asset investment gave an 8% return he would have advised the Council to consider borrowing.

- A Member had strong doubts with regard to the invest to save scheme at the Sands Centre.

The Town Clerk and Chief Executive reminded the Panel that there would be an opportunity for the scrutiny of the business case when it had been prepared. The scheme would only move forward if the business case showed clear savings that could cover any loan repayments.

- Cumbria County Council were preparing proposals to introduce on street car parking charges, how would this impact on the City Council car parking income?

The Director of Resources informed the Panel that the Director of Local Environment felt that the introduction of on street charges should have a positive effect for the City Council car parks.

RESOLVED – 1) That the budget overview be welcomed and reports RD.51/13, RD.53/13 and RD.54/13 be received.

- 2) That the Minutes of the Community and Environment and Economy Panel meetings be noted.
- 3) That the comments and concerns of the Committee as set out above be forwarded to the Executive for their consideration.

ROSP.84/13 REVIEW OF CHARGES

a) Local Environment

Report LE.30/13 setting out the proposed fees and charges for 2014/15 relative to those services falling within the responsibility of the Local Environment Directorate was submitted.

Referring to the issue of City Centre events and in view of the current economic climate, it was proposed to retain the current charge levels for 2014/15 as set out in Option 1, Table 1 to help maintain demand and the current budgeted level of revenue. Based upon anticipated usage, the proposed charges in Table 1 for 2014/15 would still meet the MTFP budget target requirement of £26,200.

A new charging structure for car parks had been introduced in March 2012 under which car parks were grouped into four categories to reflect the varying demand from users for each car park. No increases in charges had been made since that time, and the existing charges for each category of car park; together with proposed amendments to special event charges to reflect the daily charge for parking; and car park ticket sales were set out at Section 3.2 of the report.

The revised charging structure also included the introduction of Pay by Phone facilities. Table 3a showed that such measures had not prevented a continuing decline in Pay and Display ticket sales, although the introduction of Pay by Phone had helped. The ticket sales from car parks had declined by an average of 11% over the last 2 years.

The report also provided details of the existing Contract Parking Permit (Saver Parking Permits) charges and, as there were no proposals to change the standard parking charges, it was proposed that the contract parking charges remain unchanged.

It was further proposed to introduce a new charge of £6.00 per day for Builders Permits into the car parking scheme.

The summary of the car park ticket income over the last 2 years for the first 6 months of each year showed that the situation was more optimistic than with ticket sales. Overall income had increased by 1.2% in the past 12 months but still showed an overall fall of 6.3% over the last 2 years. If that improvement was sustained it may indicate the start of an upward trend. The economic situation had not yet shown much improvement and there was evidence to suggest that increasing charges would trigger a fall in car park usage. It was therefore proposed that charges remain unchanged for another year as set out in Table 2, at which time data would be available on whether the recovery in income had accelerated making an increase in charges more justifiable.

Three options for proposed increases in charges for football and rugby pitches, which were substantially in accordance with the MTFP target, were detailed at Tables 6, 7 and 8 – Option 2 being the Officer recommendation.

The report outlined the charging proposals for Waste Services and Street Cleansing (set out on pages 29 - 32 of the bound budget book).

It was noted that, due to low demand for bulky waste collections, it could be difficult to cover the costs of the service. Two options were therefore presented within the report.

Details of the proposed charges in relation to Allotments; use of Parks and Green Spaces; Play Area Inspection Fee; Talkin Tarn Car Parking / Other Charges; Bereavement Services; and Environmental Health were also provided.

With the exception of Talkin Tarn, the income from which was ring-fenced, acceptance of the charges highlighted within the report would result in an anticipated level of income of £2,415,000 against the Medium Term Financial Plan target of £2,539,000. That represented a shortfall of £178,000 against the MTFP target.

The Executive had considered the matter on 18 November 2013 (EX.129/13 refers) and agreed for consultation the charges as set out in Report LE.30/13 and relevant appendices with effect from 1 April 2014; noting the impact of those charges on income generation, as detailed within the report.

RESOLVED – That report LE.30/13 be received.

b) Community Engagement

The Director of Resources submitted report CD.53/13 setting out the proposed fees and charges for the Hostel services and Disabled Facilities Grants (DFGs) falling within the responsibility of the Community Engagement Directorate.

The Report gave an overview of the current position with regard to the provision of housing related support within the Hostel Services and outlined proposed charges for 2014/15. Pending Executive approval for the revised rent charges, a projected £30,000 deficit on the proposed 2014/15 revenue budget for the Hostels was highlighted. A further review of hostel expenditure would be undertaken to bridge the shortfall and ensure that expenditure was in line with the budget.

The report outlined details of the proposed DFG fees for 2014/15, highlighting the need to review the MTFP for DFGs to accurately reflect the income as part of a review in 2013/14.

The introduction of the hostel charges and DFG proposed fee charges were forecast to generate income of £516,500 and £123,800.

The Executive had considered the matter on 18 November 2013 (EX.130/13 refers) and agreed for consultation the increase in charges, as set out in Report CD.53/13, with effect from 1 April 2014; and noted the impact thereof on income generation as detailed within the report.

RESOLVED – That report CD.53/13 be received.

c) Economic Development

The Director of Resources submitted joint report (ED.35/13) setting out the proposed fees and charges for areas falling within the responsibility of the Economic Development

Directorate. The proposed charges related to Economic Development and Tourism; and Planning Services.

Acceptance of the charges highlighted within the report, with the exception of Building Control which was self financing, would result in an anticipated level of income of £595,600 against the Medium Term Financial Plan target of £595,600.

The Executive had considered the matter on 18 November 2013 (EX.131/13 refers) and agreed for consultation the charges, as set out in the relevant Appendices to Report ED.35/13, with effect from 1 April 2014; noting the impact those would have on income generation as detailed within the report.

A Member reminded the Panel that a Task and Finish Group had previously scrutinised the Enterprise Centre. As part of the scrutiny the Group had been informed that the Enterprise Centre would be re-roofed with a plastic coating which would have a 25 year guarantee. He asked if the work would be going ahead.

The Director of Resources explained that the plastic roofing was a short term solution which would allow the Council to give further consideration to the future of the Enterprise Centre.

Members commented that they supported the work that was being undertaken in the Enterprise Centre but agreed that the building was no longer suitable. They were satisfied that the occupancy rate had remained steady at 60% in such an uncertain climate.

RESOLVED – That report ED.35/13 be received.

d) Governance

The Director of Resources submitted report GD.55/13 setting out the proposed fees and charges for areas falling within the remit of the Governance Directorate.

The report outlined the proposed charges in respect of Electoral Registers; Minute Books, Room Bookings and Access to Information Requests; Health and Safety; and MOT charges.

The decline in land charges income was of great concern. In an attempt to maintain overall income levels the authority had adopted a policy of increasing charges annually. However, in view of the present economic climate and the presence of competitors in the market, it was recommended that the Council did not increase its fees for 2014/15.

The introduction of the proposed charges was forecast to generate income of £152,600 in 2014/15.

The Executive had considered the matter on 18 November 2013 (EX.132/13 refers) and agreed for consultation the charges as detailed within Report GD.55/13 and set out in Appendix A, with effect from 1 April 2014; and noted the impact thereof on income generation as detailed within the report.

RESOLVED – That report GD.55/13 be received.

e) Licensing

The Director of Resources submitted report GD.50/13 setting out the fees and charges for areas falling within the responsibility of the Licensing Section of the Governance Directorate. He advised Members that the Regulatory Panel had responsibility for determining the licence fees, with the exception of those under the Scrap Metal Dealers Act 2013, which fell to the Executive.

The Executive had considered the matter on 18 November 2013 (EX.133/13 refers) and decided

“That the Executive:

1. Noted the charges which would be submitted for consideration by the Regulatory Panel on 20 November 2013.
2. Had considered and approved the appropriate fees under the Scrap Metal Dealers Act 2013, as outlined at paragraph 4.7 and Appendix ‘A’(C) of Report GD.50/13.”

RESOLVED – That report GD.50/13 be received.

ROSP.85/13 REVISED CAPITAL PROGRAMME 2013/14 AND PROVISIONAL CAPITAL PROGRAMME 2014/15 to 2015/19

The Director of Resources submitted report RD.56/13 detailing the revised Capital Programme for 2013/14, together with the proposed method of financing. The report summarised the proposed programme for 2014/15 to 2015/19 in the light of the new capital pressures identified, and summarised the estimated and much reduced capital resources available to fund the programme.

Details of the current commitments and seven new spending proposals were provided.

The Director of Resources highlighted for Members the summary of the estimated resources available to finance the capital programme for 2014/15 to 2018/19. A summary of the estimated resources compared to the proposed programme year on year was also provided.

The Executive had considered the matter on 18 November 2013 (EX.136/13 refers) and decided

“That the Executive:

1. Noted the revised capital programme and relevant financing for 2013/14 as set out in Appendices A and B of Report RD.56/13;
2. Recommended that the City Council approve reprofiling of £710,000 from 2013/14;
3. Had given initial consideration to the capital spending requests for 2014/15 to 2018/19 contained in Report RD.56/13 in the light of the estimated available resources;

4. Noted that any capital scheme for which funding had been approved by Council may only proceed after a full report, including business case and financial appraisal, had been approved.”

RESOLVED – That report RD.55/13 be noted.

ROSP.86/13 CORPORATE ASSETS - 3 YEAR REPAIR AND MAINTENANCE PROGRAMME

The Director of Resources submitted report RD.58/13 setting out the maintenance programme and budget proposals for the Council’s Corporate Property assets for the three year period 2014/15 to 2017/18, required to ensure that the legal responsibilities of the City Council were met.

He reminded Members that local authorities had a duty to manage their property assets, particularly operational assets, in a safe and efficient manner which contributed to the quality of service delivery. The maintenance strategy was fully integrated with the Asset Management Plan and Environmental Policy. In addition, the Council followed good practice by, where practical, allocating its budget 70% planned maintenance and 30% reactive maintenance.

The revenue maintenance budget amounted to approximately £664,600 spread across a wide range of assets. In accordance with recommendation R6 in the 2012 Audit of Facilities Management the maintenance budgets for next year and those for the next three years (based on a continuation basis as set out in the Medium Term Financial Plan) were included at Appendix A. It was emphasised that, whilst the allocation was necessary for budget purposes, the Building Services Manager (authorised by the Director of Resources) could redistribute funding to meet specific or emergency needs. That element of flexibility was essential to avoid any service disruption.

The Director of Resources further reported that the Council had a capitalised major repairs and improvement programme with a provision of £300,000 included in the capital programme. That sum was allocated according to need, with priority being given to those projects with health and safety; legal compliance and preservation of assets arising from the five year plan.

Each Council asset had a 5-year maintenance programme and those were updated every year following inspection by the Facilities Team. The data collected was fed into the Asset Management Plan and was used to produce key performance indicators.

The Director of Resources then drew Members’ attention to the suggested prioritisation as set out in the Table at Section 2.1 of the report. He added that the maintenance backlog figure was currently £3.325m, being a reduction from the previous year’s figure of £3.66m.

The Executive had on 18 November 2013 (EX.137/13) considered the report and decided that:

“1. That the three year revenue maintenance programme set out in Appendix A to Report RD.58/13 be noted with the budget of £664,600 for 2014/15 considered as part of the budget process.

2. That the 2014/15 capital budget of £300,000 be noted for consideration as part of the budget process.

3. That the list of capital projects selected to meet the budget of £300k be noted.”

RESOLVED – That report RD.58/13 be received.

ROSP.87/13 TREASURY MANAGEMENT JULY – SEPTEMBER 2012 AND FORECASTS FOR 2013/14 TO 2017/18

The Director of Resources submitted report RD.55/13 providing the regular quarterly report on Treasury Transactions, together with an interim report on Treasury Management as required under the Financial Procedure Rules. The report also discussed the City Council's Treasury Management estimates for 2014/15 with projections to 2018/19, and set out information regarding the requirements of the Prudential Code on local authority capital finance.

The Executive had on 18 November 2013 (EX.138/13) considered and received the report.

RESOLVED – That report RD.55/13 be received.

ROSP.88/13 BACKGROUND FINANCIAL REPORTS

The following reports had been circulated to the Committee by way of background information:

- RD.52/13 – Revenue Budget Overview and Monitoring Report: April to September 2013;
- RD.50/13 – Capital Budget Overview and Monitoring Report: April to September 2013.

RESOLVED – That reports RD.52/13 and RD.50/13 be received.

ROSP.89/13 REVIEW OF RESERVES AND BALANCE

The Director of Resources reported (RD.60/13) that a fundamental review of all of the Council's reserves was last undertaken in 2003. It was therefore timely that, given current budgetary constraints, a further review be carried out to establish whether all current reserves held were still required. He further outlined the legislative and governance requirements relative thereto.

Reserves could be held for three main purposes:

- (i) A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – that formed part of general reserves;
- (ii) A contingency to cushion the impact of unexpected events or emergencies – that also formed part of general reserves; and
- (iii) A means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

Members' attention was drawn to the current actual reserves held by the Council as at 31 March 2013, details of which were provided at Section 4.1 of the report.

The Director of Resources reiterated that, as there were significant budgetary pressures on the Council in the coming years, the reserves highlighted above had been reviewed to determine whether they were adequate, still required and whether any potential existed for

the release of any funds back to the General Fund. He added that certain reserves were still business critical, for example Welfare Reform, Transformation and Cremator Replacement. It was proposed that those reserves remain untouched at the present time.

Guidance in relation to the purpose of the various Reserves, and how and when they could be used was also provided at Section 5 of the report.

The Executive had on 18 November 2013 (EX.139/13) considered and received the report.

“That the Executive:

1. Had considered the level and type of reserves held by the Council, noting their designated use as outlined in Section 5 of Report RD.60/13, and;
2. Approved, for recommendation to Council, the release of the LSVT warranties reserve to the General Fund Reserve. “

RESOLVED – That report RD.60/13 be welcomed.

ROSP.90/13 CORPORATE PROGRAMME BOARD

The Town Clerk and Chief Executive presented report CE.14/13 providing an update on projects being delivered by Carlisle City Council.

The Town Clerk and Chief Executive drew Members attention to the dossier of projects detailed in the report, the majority of which were progressing to schedule. He highlighted the key activities in the last quarter including the completion of the Civic Centre Foyer Redesign, the Dalton Avenue contract was ready for the formal sign off and planning permission had been granted for the gypsy and traveller transit site.

RESOLVED – That the Corporate Programme Board Update, report CE.14/13, be received.

ROSP.91/13 QUARTER TWO PERFORMANCE REPORT 2013/14

The Policy and Performance Officer submitted report PC.20/13 updating the Panel on the Council’s service standards that helped measure performance and customer satisfaction. He also updated the Panel on key actions contained with the Carlisle Plan.

The Policy and Performance Officer reported that a new Service Standard would be introduced from the winter called Customer Satisfaction with Environmental Services. The Standard would be measured from customer feedback from the website and the Carlisle Focus magazine readers survey.

The Town Clerk and Chief Executive highlighted the additional narrative regarding the Corporate Plan which had been included in the report and asked the Panel if this information was helpful to them.

The Panel agreed that the additional information should remain in future reports and asked that additional information also be added to the Enforcement Update.

Members discussed the issues regarding dog fouling and fly tipping and made a number of suggestions to officers to help tackle the issues. The suggestions included the use of

spray paints and stencils in hot spot areas, highlighting dog fouling by spray painting and cameras in fly tipping areas

The Town Clerk and Chief Executive supported the ideas made by the Panel and agreed to gain further information on the legality of using cameras in fly tipping areas.

The Scrutiny Officer informed the Panel that the Environment and Economy Overview and Scrutiny Panel had considered the Quarter Two Performance Report and had asked for a further more detailed report on dog fouling and fly tipping.

RESOLVED – That the Quarter Two Performance Report 2013/14 (PC.20/13) be noted.

ROSP.92/13 ORGANISATIONAL DEVELOPMENT PLAN 2013-15

The Organisational Development Manager presented the Organisational Development (OD) Plan 2013-15 (CE.15/13) setting out key objectives, outcomes for employees, key actions and measures of success for organisational development issues.

The Organisational Development Manager reminded the Panel that the key actions set out in the Organisational Development Plan 2011-13 had been delivered and a new plan for 2013-15 had been developed. The new Plan reflected the vision and priorities of the Carlisle Plan and reference other organisation initiatives. The priorities were organisational culture, partnership working, a skilled workforce and health and wellbeing. The key actions had been prepared using actions from the previous plan, issues identified in the Employee Opinion Surveys and the need to making savings.

The Organisational Development Manager highlighted the work being undertaken against each of the key actions as set out in the report.

She informed the Panel of two events which would be taking place in December. The first was the Celebration of Learning event which would take place at Tullie House on 3 December, approximately 40 of the 100 staff who had achieved a qualification would be attending the event. The second event was a 'Wear your Christmas Jumper to Work Day' which would take place on 13 December 2013 in aid of Save the Children.

A Member asked if the City Council charged external people who attended City Council run courses and the Organisational Development Manager confirmed that the Council charged £60 per half day session and £120 per full day session.

A member asked if the Organisation Development team could investigate the possibility of a discount on mobile phone contracts for staff and Members. The Organisational Development Manager agreed to investigate the possibility with the Council's existing providers.

RESOLVED – That the Organisational Development Plan 2013-15 (CE.15/13) be welcomed.

(The meeting ended at 12.23pm)

RESOURCES OVERVIEW AND SCRUTINY PANEL

MONDAY 6 JANUARY 2014 AT 10.00AM

PRESENT: Councillor Watson (Chairman), Councillors Allison, Mrs Atkinson, Bowman S, Craig, Dodd, Ms Patrick (as substitute for Councillor McDevitt) and Layden.

ALSO PRESENT Councillor Dr Tickner – Finance, Governance and Resources Portfolio Holder
Councillor J Mallinson - Observer

OFFICERS Town Clerk and Chief Executive
Director of Resources
Scrutiny Officer

ROSP.01/14 APOLOGIES FOR ABSENCE

An apology for absence was submitted on behalf of Councillor McDevitt.

ROSP.02/14 DECLARATIONS OF INTEREST

Councillor Ms Patrick declared an interest in accordance with the Council's Code of Conduct in respect of Agenda Items A.3(a), (b)(i), (b)(ii) and (b)(iii) Budget 2014/15. The interest related to the fact that she was the Chairman of the Council's Audit Committee.

ROSP.03/14 CALL-IN OF DECISIONS

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

ROSP.04/14 MINUTES OF PREVIOUS MEETING

RESOLVED – That the minutes of the meeting held on 10 October 2013 and 28 November 2013 be agreed as a correct record of the meeting and signed by the Chairman.

ROSP.05/14 OVERVIEW REPORT AND WORK PROGRAMME

The Scrutiny Officer presented report OS.01/14 which provided an overview of matters that related to the work of the Resources Overview and Scrutiny Panel.

The Scrutiny Officer reported that the Notice of Key Executive Decisions had been published on 16 December 2013. The only item that fell within the remit of this Panel was KD.030/13 Budget Process 2014/15 which was on the agenda for this meeting.

The Scrutiny Officer drew the Panel's attention to Minute Excerpt EX.150/13 as set out in appendix 2 of the report. The Excerpt detailed the response of the Executive to the comments made by the Overview and Scrutiny Panels in response to the first round of Budget scrutiny, namely:

“That the Overview and Scrutiny Panels be thanked for their consideration of the draft Budget reports; and their comments, as detailed within the Minutes submitted, would be taken into account as part of the Executive’s deliberations on the 2014/15 Budget.”

The minutes of the Scrutiny Chairs Group held on 12 December had been included in the report. The Scrutiny Officer highlighted minute 11/13 and informed the Panel that the options set out in the minutes would be put into action to increase public awareness of Overview and Scrutiny.

The Chairman also raised minute 14/13 which looked at the structure of Scrutiny. The Group had agreed to ask their relevant Groups for feedback on the future of Scrutiny and the Scrutiny Officer would gather further information on available models and everyone would report back to the next meeting on 6 February 2014.

The Scrutiny Officer drew Members attention to the Work Programme and the high number of monitoring reports which were scheduled for the February meeting. She also asked Members to consider areas for Task and Finish work to be discussed at the next meeting.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to this Panel (OS.01/14) be noted.

2) That the decision of the Executive (EX.150/13) be received.

3) That the minutes of the Scrutiny Chairs Group held on 12 December 2013 be noted.

ROSP.06/14 BUDGET 2014/15

(1) Executive Draft Budget Proposals 2014/15

There was submitted the Executive draft Budget proposals 2014/15 which had been issued for consultation purposes.

The draft Budget proposals comprised –

Section	Detail
A	Background and Executive Summary
B	Revenue Budget 2013/14 to 2018/19 <ul style="list-style-type: none"> • Schedule 1 - Existing Net Budgets • Schedule 2 - Proposed Budget Reductions • Schedule 3 - Recurring Budget Increases • Schedule 4 - Non-Recurring Budget Increases • Schedule 5 - Summary Net Budget Requirement • Schedule 6 - Total Funding and Provisional Council Tax
C	Capital Programme 2013/14 to 2018/19 <ul style="list-style-type: none"> • Schedule 7 - Estimated Capital Resources • Schedule 8 - Proposed Capital Programme • Schedule 9 - Summary Capital Resource Statement
D	Council Reserves Projections to 2018/19 <ul style="list-style-type: none"> • Schedule 10 - Usable Reserves Projections

E	Budget Discipline and Saving Strategy
F	Statutory Report of the Director of Resources
G	Glossary of Terms

The draft Budget proposals were based on detailed proposals that had been considered by the Executive over the course of the last few months. In particular, reports of the Director of Resources considered at the Executive meeting of 16th December 2013.

The Finance, Governance and Resources Portfolio Holder reported that the budget proposals assumed that significant savings must be found within the next five year period; £3.939million in total, with £1.839million to be found by 2015/16 with £2.1million in later years.

The Executive had a history of achieving savings, having identified and achieved approximately £6million since 2010/11. That was due to cuts in funding from central Government.

Despite having to make these savings, which included an approximate 38% reduction in Government grant, due to prudent financial management, the Council had a sound financial base upon which to set its 2014/15 budget. The Executive was still able to deliver on their proposals despite savage cuts.

The Executive's budget:

- Had frozen car parking charges for the third year running
- Maintained the Council's ambitious capital programme including the Arts Centre
- Provided additional funding for Council events in promoting Carlisle
- Maintained the popular 'Clean Up Carlisle' initiative, which had been well received by businesses and the community
- Supported the recruitment and development of four new apprentices for a two year period

It was with some reluctance that the Executive required to recommend a 1.99% increase in Council Tax for 2014/15 after four years of maintaining a council tax freeze.

(2) Background Information reports

(a) Revenue Estimates: Summary of Overall Budgetary Position 2014/15 to 2018/19

The Director of Resources submitted report RD.62/13 summarising the Council's revised revenue base estimates 2013/14, together with base estimates for 2014/15 and updated projections to 2018/19. The report had been updated since the Executive meeting in November 2013 and set out the potential impact of new savings and new spending pressures currently under consideration, together with the potential impact on the Council's overall revenue reserves.

He added that it was clear, even at this stage of the budget process, that all of the pressures currently identified could not be accommodated without identifying additional savings. Decisions would need to be made to limit budget increases to unavoidable and high priority issues, together with maximising savings and efficiencies.

The Director of Resources informed Members that there were still a large number of significant issues affecting the projections that were not yet known, but which were nonetheless key to the Council's budget process including the Government Finance Settlement – RSG and NNDR; Welfare Reform Act; Triennial Revaluation of the Pension Fund; and Transformation.

The decision of the Executive on 16 December 2013 (EX.151/13) was:

“That the Executive:

1. Noted the updated budget projections for 2013/14 to 2018/19, and made recommendations in the light of the budget pressures and savings submitted to date, together with the potential use of balances and reserves, in order to issue a draft Budget for consultation purposes.
2. Approved, for recommendation to Council as part of the budget process, the 2014/15 Local Support for Council Tax Scheme.”

(b) Provisional Capital Programme 2014/15 to 2018/19

The Director of Resources submitted report RD.65/13 providing revised details of the capital programme for 2013/14, together with the proposed method of financing. He informed Members that a Corporate Programme Board of senior Officers continued to take the lead on the prioritisation of investment and the monitoring and evaluation of schemes, with a view to improving performance monitoring and business case analysis of capital projects.

The report also summarised the proposed programme for 2014/15 to 2018/19 in light of the capital pressures identified; and summarised the estimated capital resources available to fund the programme.

The decision of the Executive on 16 December 2013 (EX.152/13) was:

“That the Executive:

1. Noted the revised Capital Programme and relevant financing for 2013/14 as set out in Appendices A and B of Report RD.65/13.
2. Recommended that Council approve reprofiling of £710,000 from 2013/14.
3. Made recommendations on the Provisional Capital Programme for 2014/15 to 2018/19 in the light of the capital bids submitted to date, together with the estimated available capital resources for budget consultation purposes.
4. Noted that any capital scheme for which funding had been approved by Council may only proceed after a full report, including business case and financial appraisal, had been approved.”

(c) Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy 2014/15

The Director of Resources submitted report RD.63/13 setting out the Council's Treasury Management Strategy Statement for 2014/15 in accordance with the CIPFA Code of Practice on Treasury Management.

He informed Members that the Investment Strategy and the Minimum Revenue Provision Strategy for 2014/15 were incorporated as part of the Statement, as were the Prudential Indicators as required within the Prudential Code for Capital Finance in Local Authorities.

The decision of the Executive on 16 December 2013 (EX.153/13) was:

“That the Executive approved the draft Treasury Management Strategy Statement for 2014/15 incorporating the Investment Strategy and Minimum Revenue Provision Strategy, together with the Prudential Indicators for 2014/15 for draft Budget consultation purposes as set out in Appendix A and the Treasury Management Policy Statement as set out at Appendix D to Report RD.63/13.”

In considering the Executive's draft Budget proposals 2014/15 and supporting reports Members raised the following comments and questions:

- The Executive's budget proposals stated that “the consultation responses will be considered by the Executive and Resources Overview and Scrutiny Panel in January”. The Resources Overview and Scrutiny Panel did not get the opportunity to scrutinise the consultation responses as stated in the document. The Panel Members felt that they should be given the opportunity to scrutinise the responses to enable them to give accurate advice on the budget to the Executive or the document itself should be changed to accurately reflect the actual process.

The Director of Resources agreed that the wording in the document was incorrect and that the text actually referred to the scrutiny of the budget documents at this meeting. He explained that the timetable did not allow for the consultation responses to come back to Overview and Scrutiny before the Executive meeting in January. He reminded the Panel that they would have the opportunity to see the consultation responses alongside the Executive's final budget proposal at full Council.

The Town Clerk and Chief Executive added that a special meeting of the Panel could be arranged to consider the consultation responses if the Panel so wished or the Chairman of the Panel could attend the consultation meetings.

- What was the difference between the 1.99% increase in Council Tax and the Council Tax Freeze Grant settlement?

The Director of Resources explained that the Council Tax Freeze Grant was non-recurring and when it stopped there would be a shortfall in income as the Council had not increased the Council Tax for four years

- A Member asked for clarity with regard to the funding for the moving of the swimming pool.

The Director of Resources clarified that it was proposed that the Council would take a 25 year mortgage to move the swimming pool into the Sands Centre so that there was one leisure facility to run. It was hoped that this would result in a saving on the leisure contract that would pay for the mortgage. The business case would also look at the best way of borrowing the £5m and would include looking at internal borrowing.

The Town Clerk and Chief Executive reminded Members that the swimming pool was subject to a business case and approval by Members. If it was possible to borrow the money over 25 years and reduce the management fee by at least £250,000 to off set the mortgage then it would be a feasible business case. If this could not be achieved alternative solutions would have to be considered.

- A Member asked for clarity with regard to the Voluntary Redundancy initiative, the Transformation savings and the Council's reserves.

The Director of Resources reported that there was a saving of £1.89m to be achieved in 2015/16 which was addressed by the 2014/15 budget reports. It was proposed that up to £1m would be achieved through the Voluntary Redundancy initiative, £250,000 achieved from the reduction in grants and further savings achieved by initiatives such as Digital by Default. The Transformation Board would then look to make the necessary savings to achieve any shortfall in the £1.89m savings.

The Director added that Appendix 1 of the Budget proposals gave a detailed overview of how the Council's minimum reserve provision was calculated.

The Finance, Governance and Resources Portfolio Holder added that it was difficult yet necessary for the Council to find creative ways to deliver services and to keep an ambitious capital programme scheme to help Carlisle grow.

- Members valued the Small Scale Community Fund but it had not been included in the Executive's budget proposals.

The Finance, Governance and Resources Portfolio Holder confirmed that the Fund had not been included but it was being considered.

- Was the Voluntary Redundancy initiative on target?

The Director of Resources responded that there had been several applications submitted and significant savings were expected. Some of the applications would impact on services so the £1m target would not be reached. There would be a special Senior Management Team meeting on 13 January and Joint Management Team meeting on 20 January 2014 to discuss the applications.

- A Member asked for clarification with regard to Note 4 of Schedule 8 of the Executive's budget proposals which stated that the provision for acquisitions had been removed from the budget.

The Director of Resources reminded the Panel that the original Asset Management Plan had intended to sell and purchase assets. The Council had sold some assets but had not had the opportunity to make acquisitions which had a good return. The acquisitions had been removed from the Capital Programme until the opportunity to make good acquisitions arose.

- A Member asked if the Business Rates growth was still estimated at £600,000 as set out in Schedule 6 of the budget proposals.

The Director of Resources explained that the estimated additional £600,000 growth from Business Rates had been calculated before the Autumn Statement and this figure had now been amended to £500,000.

- Was the Existing Non Recurring Commitment Approval for the Lanes Income as set out in Schedule 5 a shortfall?

The Director of Resources reported that the £138,000 Lanes income was a shortfall but the Lanes management were negotiating good deals with tenants to keep the units full.

- Did the £170,000 shortfall in car parking income reflect a reduction in usage?

The Director of Resources explained that, on the advice of consultants, the car parking charges had been reduced with the intention that the use of car parks would increase. The changes had stopped the decline but had not resulted in an increase in usage. The Director of Local Environment was to review the car parks charges and usage again in 2014.

The Finance, Governance and Resources Portfolio Holder highlighted national issues with regard to car parking because of the change in patterns of retail.

RESOLVED – 1) That the Director of Resources make the necessary changes to the Consultation Responses section of the Executive's Budget Proposals to accurately reflect the budget consultation process.

2) That the comments and concerns of the Committee as set out above regarding the Executive draft Budget Proposal be forwarded to the Executive for their consideration.

3) That reports RD.62/13, RD.65/13 and RD.63/13 be welcomed.

(The meeting ended at 10.45am)