

## **RESOURCES OVERVIEW AND SCRUTINY PANEL**

**THURSDAY 29 AUGUST 2013 AT 10.00AM**

**PRESENT:** Councillor Watson (Chairman), Councillors, Betton (until 11.10am), Bowman S, Craig, Layden, McDevitt and Miss Sherriff (as substitute for Councillor Mrs Atkinson) until 11.15am)

**ALSO PRESENT** Councillor Dr Tickner – Finance, Governance and Resources Portfolio Holder

**OFFICERS** Town Clerk and Chief Executive  
Director of Resources  
Director of Local Environment  
Policy and Performance Officer  
Scrutiny Officer

### **ROSP.54/13 APOLOGIES FOR ABSENCE**

An apology for absence was submitted on behalf of Councillor Mrs Atkinson.

### **ROSP.55/13 DECLARATIONS OF INTEREST**

There were no declarations of interest submitted.

### **ROSP.56/13 CALL-IN OF DECISIONS**

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

### **ROSP.57/13 MINUTES OF PREVIOUS MEETING**

RESOLVED – That the minutes of the meeting held on 18 July 2013 be noted.

### **ROSP.58/13 OVERVIEW REPORT AND WORK PROGRAMME**

The Scrutiny Officer presented report OS.20/13 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 2 August 2013 and the following issue fell within the remit of the Panel:

KD.20/13 – Repair and Cleaning of The Cenotaph, Rickerby Park – The Executive will be asked, on 30 September 2013, to approve a project and funding to repair and clean The Cenotaph in time for the 100<sup>th</sup> Anniversary of the commencement of the First World War (July 2014)

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

RESOLVED – That the Overview Report incorporating the Work Programme and Key Decision items relevant to this Panel (OS.20/13) be noted.

### **ROSP.59/13      ANNUAL PARTNERSHIPS REVIEW 2012/13**

The Director of Resources presented report RD.24/13 which provided information relating to the Council's Partnership arrangements, the categorisation of partnerships and the monitoring of the main aims and objectives over the 2012/13 financial year.

The Director of Resources reminded the Panel of the definition of a partnership and outlined the four types of partnership classification which had been monitored and reported to Members up until 31 March 2013. It was intended that with effect from April 2013 a re-categorisation of all partnership, collaborative and contractual arrangements would commence. The revised categories had been included in the report at Appendix A and the half yearly report to be issued in December 2013 would fully incorporate the information.

He informed the Panel that, in 2012/13, the Council had one significant partnership, three shared service arrangements and two other contracted out services. All significant partnership reviews had been completed for 2012/13 and a summary of the outcomes of each had been included in the report at appendix B. A summary of all registered non-significant partnership responses was also included in the report.

The overall conclusion to be drawn from the information provided by lead officers was that each partnership reported had different roles and priorities but each had a system of monitoring in place which allowed for the early notification of issues which could become problematical and would enable actions to be taken to address the issues before they developed further.

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

- Had someone been appointed for the monitoring position? If so what was there role?

The Town Clerk and Chief Executive confirmed that an appointment had been made but the person was not yet in position. The role would monitor partnerships but the Council would still like to have some corporate capacity in terms of commercial contracts.

The Director of Resources added that each Directorate had the responsibility for monitoring partnerships for example Governance monitored legal arrangements and Resources monitored financial arrangements.

- The report showed that only two of the significant partnerships had an exit strategy, did the other four have such strategies?

The Town Clerk and Chief Executive clarified that there was arrangements in the contracts for the partnerships to be dissolved, all of the partnerships had such arrangements apart from the Carlisle Partnership. The ICT and Internal Audit Shared Services had separate exit strategies in place; the other partnership strategies were included in the governance arrangements.

The Panel asked that an officer who dealt with contracts attended a future meeting to explain how the contracts worked. The Town Clerk and Chief Executive responded that

Members could discuss the details of contracts with officers at any time not just in Committee meetings.

- A Member asked if it would be possible to carry out some scrutiny on the partnership with Riverside Carlisle. He wanted a better relationship with Riverside Carlisle and was disappointed that work was not being undertaken despite Members discussions with officers.

The Scrutiny Officer reminded the Panel that Riverside Carlisle reported to the Community Overview and Scrutiny Panel on a six monthly basis. Riverside Carlisle provided an update report for Members to scrutinise and officer representatives attended the meeting to answer Members questions. All of the reports were available for all Members on the Committee Management System and Members were also welcome to attend the meetings.

The Town Clerk and Chief Executive reminded the Panel that Carlisle City Council had a relationship with Riverside Carlisle that included Member representation on their Board but Carlisle did not have any direct control over the work that Riverside carried out.

- Officers had previously reported that there had previously been issues receiving financial information from Carlisle Leisure Limited (CLL), had those issues been resolved?

The Director of Resources confirmed that the Council now received the required information from CLL and officers were meeting with CLL on a regular basis.

A Member asked if the Council had received the 2012/13 accounts from CLL and Tullie House and the Director of Resources stated that he would report back to Members when he had confirmed the situation.

- Why was the financial accountability of Carlisle City Council 10% higher than that of Allerdale Borough Council in the ICT Shared Service?

The Director of Resources explained that Carlisle's IT infrastructure was approximately 10% larger than Allerdale.

- Was the self generated income for CLL for Carlisle only for the whole of CLL?

The Director of Resources responded that he would submit a written response to Members.

RESOLVED – 1) That the Annual Partnerships Review 2012/13 be welcomed;

2) That the Director of Resources provide written responses to Members questions as set out in the above minutes.

## **ROSP.60/13      DRAFT MEDIUM TERM FINANCIAL PLAN 2014/15 TO 2018/19**

The Director of Resources presented report RD.32/13 concerning the draft Medium Term Financial Plan (incorporating the Corporate Charging Policy) 2014/15 to 2018/19. He advised Members that the Medium Term Financial Plan set out the current framework for

planning and managing the Council's financial resources, developing its annual budget strategy and updating its current five year financial plan. The Plan further sought to link the key aims and objectives of the Council, as contained in the Carlisle Plan, to the availability of resources thereby enabling the Council to prioritise the allocation of resources to best meet its overall aims and objectives.

The Medium Term Financial Plan was reviewed annually commencing with the assumptions made in the Budget resolution approved by Council on 5 February 2013. In addition, the Corporate Charging Policy had been reviewed and included within the Medium Term Financial Plan. The Charging Policy provided a framework for potential policy options for each charging area, but recognised the different approaches that might be required for different services and the various influences which needed to be acknowledged in setting individual charges.

The Executive had on 5 August 2013 (EX.81/13) considered the report and decided:

“1. That the Report of the Director of Resources (RD.32/13) on the draft Medium Term Financial Plan 2014/15 to 2018/19 be received.

2. That the report be made available for consideration by the Resources Overview and Scrutiny Panel on 29 August 2013.”

In considering the Medium Term Financial Plan Members raised the following comments and questions:

- Why was the Minimum Revenue Provision (MRP) increasing?

The Director of Resources responded that the MRP would decrease when the Council sold assets and increase when it purchased assets. He explained that it was a complicated process but would be happy to explain it to individuals who wished to have more detail.

- A Member asked for an update on the Localisation of Business Rates.

It was felt that this matter should be discussed as a separate agenda item at a future meeting and it was agreed that a report would be submitted to the Panel in October.

- A Member drew the Panels attention to the £1,534,000 additional savings to be found and asked for an update.

The Director of Resources confirmed that the savings for 2013/14 had almost been achieved, the next challenge would be the 2015/16 savings.

The Finance, Governance and Resources Portfolio Holder added that the 2013/14 savings had been met in line with the priorities of keeping jobs and encouraging growth.

A Member was pleased that the savings for 2013/14 had been achieved whilst still being able to pay the Living Wage.

- With regard to car parking, had pay on exit options been considered?

The Director of Local Environment confirmed that pay on exit options had been looked at in some detail but there were issues with the cost of the management of such parking

options. The more modern way to pay for parking was via telephone, the Council had had this option for approximately 18 months. The user would receive a text when their ticket was due to run out and then they had the option of adding additional time to the ticket.

RESOLVED – 1) That the Draft Medium Term Financial Plan 2014/15 to 2018/19 (RD.32/13) be welcomed;

2) That a report on the Localisation of Business Rates be submitted to the Resources Overview and Scrutiny Panel in October.

### **ROSP.61/13      DRAFT CAPITAL STRATEGY 2014/15 TO 2018/19**

The Director of Resources presented report RD.33/13 on the Draft Capital Strategy 2014/15 to 2018/19. He informed Members that the Draft Capital Strategy was a key policy document, intended to direct the Council's Capital Programme and the allocation of resources for the five year period 2014/15 to 2018/19 and would complement and supplement guidance contained in the Medium Term Financial Plan. The Capital Strategy was reviewed annually alongside the Medium Term Financial Plan, commencing with the assumptions made in the Budget Resolution approved by Council on 5 February 2013. The position had been updated to reflect any known changes since that date.

He reminded Members of the objectives of the Capital Strategy in ensuring that capital investment decisions and capital resources contributed to the achievement of the Council's corporate priorities; co-ordinated strategic priorities emerging from service planning and ensuring that investment opportunities were maximised; managed performance and decision making processes to help achieve the best use of available capital resources and setting out processes to monitor and evaluate proposed and actual capital spending on projects to ensure that value for money was obtained. The Strategy had been developed using a number of overarching guidelines.

The Director of Resources outlined the current capital programme forecasts, reminding Members of the key assumptions which had been considered in making the projections including the Capital Programme of £9.280m for 2013/14 and £4.641m for 2014/15. The impact of the 2012/13 outturn and the carrying forward of budgets into 2013/14 and other adjustments had reduced the programme to £4.655m in 2013/14.

The Director of Resources indicated that the current capital programme forecast spending on capital projects of around £1m - £2m per annum for years 2016/17 to 2018/19, although past experience had indicated that actual spending would be much higher due, in the main, to the fact that a number of initiatives were still at an early stage of development and had not yet been included in the projections. He identified a number of schemes currently the subject of feasibility studies, including the Asset Review Programme; Vehicle Replacement Programme; and Disabled Facilities Grants, commenting that the position on those schemes would need to be updated during the budget process when an indication of capital schemes coming to fruition and their timing could be made more accurately.

The report further set out an estimated level of capital finance resources which would be generated over the next five years and highlighted the current position regarding borrowing; capital receipts; reserves and balances; Government and other capital grants and external funding; and revenue contributions. Also summarised was the level of capital spending and available financing for the period 2013/14 to 2018/19 which indicated that

currently there was approximately £7.4m uncommitted estimated capital resources available to support any future capital programme as at the end of 2018/19.

The Executive had on 5 August 2013 (EX.82/13) considered the report and decided:

“1. That the Report of the Director of Resources (RD.33/13) regarding the draft Capital Strategy 2014/15 to 2018/19 be received.

2. That the draft Capital Strategy be made available for consideration by the Resources Overview and Scrutiny Panel on 29 August 2013.”

In considering the Draft Capital Strategy Members raised the following comments and questions:

- Was the authority still in a position to participate in schemes that would be of benefit to the City?

The Director of Resources explained that there was unallocated monies in the capital strategy but it should be kept for emergencies. The Strategy could be reviewed annually and changed to meet new requirements if needed, however, unless the scheme was an invest to save scheme it would be difficult to support new capital expenditure at the current time.

The Finance, Governance and Resources Portfolio Holder added that there would be additional capital if the Asset Management Plan exceeded expectations, however, if it did not match expectations some work would have to be carried out to re-prioritise the Capital Strategy to ensure the priorities of housing, economic growth and quality jobs were achieved.

- The Capital Programme showed a reduction in the contribution to Disabled Facilities Grants (DFGs) from 2017/18 onwards. Why was there a reduction?

The Director of Resources responded that the Council was using a framework for tendering jobs and Riverside Carlisle was carrying out smaller jobs themselves. The Council could meet the DFG requirement at the present time but any increase would result in a budget pressure in the future.

RESOLVED – That the Draft Capital Strategy 2014/15 to 2018/19 (RD.33/13 ) be welcomed.

## **ROSP.62/13      DRAFT ASSET MANAGEMENT PLAN 2013 TO 2018**

The Director of Resources presented report RD.31/13 on the draft Asset Management Plan 2013 – 2018.

The Director of Resources outlined the background to the matter, reminding Members that the draft Asset Management Plan was being updated to reflect the key issues and changes affecting the management and use of the City's property resources, and the impact of the Asset Review Business Plan approved by Council in January 2011 details of which were provided.

The Plan also reported on the current position and performance of the Portfolio and the Asset Disposal Programme.

The Executive had on 5 August 2013 (EX.83/13) considered the report and decided:

“That the Executive:

1. Noted the position as set out in Report RD.31/13.
2. Approved the updates to the draft Asset Management Plan in order for it to proceed for consideration by the Resources Overview and Scrutiny Panel, before coming back to the Executive and full Council in September 2013.”

In considering the Asset Management Plan Members raised the following comments and questions:

- In response to questions the Director of Resources clarified that the Asset Business Plan was in year three of the five year Plan. It was agreed that an update on the Asset Business Plan would be submitted to the Panel in November.

*Councillor Betton declared a disclosable pecuniary interest in accordance with the Council’s Code of Conduct in respect of the Enterprise Centre. The interest related to the fact that he was a tenant at the Enterprise Centre.*

*Councillor Betton left the meeting for the duration of the discussion regarding the Enterprise Centre.*

- The Environment and Economy Overview and Scrutiny Panel had carried out an in depth Task and Finish Group on the Enterprise Centre and had felt that there was a lot of space not being used as it might be, how would the Enterprise Centre be moved forward and was there any aspiration to make better use of it?

The Town Clerk and Chief Executive acknowledged that there needed to be a long term plan for the Enterprise Centre and at the moment the Council was keeping its options open.

The Director of Resources added that there was £50,000 in the budget for the Enterprise Centre to patch the roof to make it last a further three to five years.

*Councillor Betton returned to the meeting.*

RESOLVED – 1) That the Draft Asset Management Plan 2013 to 2018 (RD.31/13) be welcomed:

2) That an update on the Asset Business Plan would be submitted to the Panel in November.

**ROSP.63/13            CAPITAL BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO JUNE 2013**

The Director of Resources presented report RD.28/13 providing an overview of the budgetary position of the City Council's capital programme for the period April to June

2013. As at the end of June, expenditure of £855,639 had been incurred which, when considered against the profiled budget of £987,868, equated to an underspend of £102,229.

In accordance with the City Council's Financial Procedure Rules, the Director of Resources was required to report to be Executive on the overall budget position, including the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis.

The Director of Resources added that the 2013/14 programme had been kept to a level that took account of the Council's ability to deliver schemes with regard to capacity and available resources. He further drew attention to the level of carry forwards that had been agreed, pointing out that work was ongoing to continue to monitor the profiling of budgets which would be adjusted to reflect progress in current capital schemes. It was likely that there would still be a requirement for some carry forwards at the year end due to further slippage and delays on projects.

The Director of Resources added that the Senior Management Team would provide strategic overview and monitor the effectiveness of the overall programme of work in delivering the Council's priorities and objectives. Technical project support and quality assurance of business cases and associated project management activities would be managed by a Corporate Programme Board chaired by the Chief Executive. In conclusion, he advised that a review of all capital expenditure incurred was ongoing to ensure that the expenditure had been correctly allocated between revenue and capital schemes. That work would facilitate the year end classification of assets.

The Executive had on 5 August 2013 (EX.90/13) considered the report and noted the budgetary position and performance aspects of the capital programme for the period April to June 2013, as set out in Report RD.28/13.

RESOLVED – That the Capital Budget Overview and Monitoring Report: April to June 2013 (RD.28/13) be noted.

## **ROSP.64/13      REVENUE BUDGET OVERVIEW AND MONITORING REPORT: ARIL TO JUNE 2013**

The Director of Resources presented report RD.29/13 providing an overview of the Council's overall budgetary position for the period April to June 2013 for revenue schemes only.

He summarised the budgetary position as at June 2013 which showed an underspend totalling £219,435; and highlighted the key issues, including performance against the corporate Salary Turnover Savings target; an overspend in Economic Development; parking operations; and income from the City's investments. Members' attention was also drawn to the main variances in the Revenue Budgets of the various Directorates.

The Director of Resources added that the Council's financial position was affected by a number of external factors which would have a financial impact during the course of the year and ultimately at the year-end, including the general effect of the economic climate on the Council's income streams; fuel prices, energy costs and other inflationary issues; and the effects of the housing market and property prices, especially with regard to income from land charges, rents and building and development control. He added that the

Council's financial position would continue to be closely monitored and would be reported more fully in the next quarterly report. It was important to maintain a prudent approach so as to ensure a sustainable budget position for future years and to avoid any significant variance at the year end.

Members' attention was further drawn to a number of high risk budgets which had been identified as requiring detailed monitoring throughout the year; Section 106 commuted sums currently held by the Council; together with details of the Council's Direction of Travel and action taken by the Director of Resources in writing off bad debts.

The Executive had on 5 August 2013 (EX.91/13) considered the report and noted the budgetary and performance position of the Council to June 2013; and the action by the Director of Resources to write off bad debts as detailed in paragraph 9 of Report RD.29/13.

A Member asked how funding from Section 106 agreements was used. In response the Director of Resources explained that Section 106 money was ring fenced and could only be used for the subject of the agreement.

RESOLVED – That the Revenue Budget Overview and Monitoring Report: April to June 2013 (RD.29/13) be noted.

#### **ROSP.65/13      QUARTER ONE PERFORMANCE REPORT 2013/14**

The Policy and Performance Officer presented report PC.15/13 updating the Panel on the Council's service standards that helped measure performance and customer satisfaction. The report also included updates on key actions contained within the Carlisle Plan.

The Policy and Performance Officer reported that details of each service standard had been included in the report and illustrated the cumulative, year to date figure, month by month breakdown of performance and, where possible, an actual service standard baseline that had been established either locally or nationally.

He informed the Panel that a new service standard, Customer Satisfaction with Environmental Services, would be introduced from the autumn. The standard would be measured from customer feedback from the City Council website and through the Carlisle Focus magazine reader's survey.

RESOLVED – That the Quarter One Performance Report 2013/14 (PC.15/13) be noted)

#### **ROSP.66/13      CORPORATE PROGRAMME BOARD**

The Town Clerk and Chief Executive submitted report CE.09/13 giving an update of projects being undertaken and the actions being taken to progress projects with issues.

The Town Clerk and Chief Executive reported that a summary of the dossier of projects had been included in the report; the dossier contained a summary of current project status. The majority of Council projects were progressing to schedule and those that had issues were shown with a rating of amber for some issues and red for major issues.

He outlined the key activities in the last quarter which included the opening of the new Women's and Families Accommodation, the completion of phase 1 at the Old Town Hall,

the start of the consultation for the Local Plan, the completion of the Sense of Place work and launch of the Carlisle Story, the Executive approval for funding of the Arts Centre development at Warwick Street Fire Station and the completion of the Civic Centre Foyer Redesign.

The Town Clerk and Chief Executive explained that the only red status in the report was for the Cycle Way Ramp scheme which was subject to a Section 106 Agreement with Sainsbury's. The quotes for the scheme had exceeded the funding available and discussion was underway with Sainsbury's to determine options for the available money.

The Director of Resources informed the Panel that other Section 106 money could not be used for the scheme unless it was in the encompassing area.

A Member asked why the Financial Systems Upgrade was amber. The Director of Resources explained that the Directorate had been short of development resources, this had been resolved and it was hoped that the upgrade would be timetabled in. The upgrading of the security system had to be completed by March 2014 so it would take priority.

RESOLVED – That the Corporate Programme Board report (CE.09/13) be welcomed.

(The meeting ended at 11.27am)